

FACT SHEET

(Pursuant to Nevada Administrative Code [NAC] 445A.401)

Permittee Name: **The New Chiquita Mining Co., Ltd**

Project Name: **Chiquita Mine**

Permit Number: **NEV2012106 (new 2013)**

A. Location and General Description

The facility is located on private land in Clark County, Nevada, within Section 25 (southwest ¼), Township 25 South, Range 57 East, Mount Diablo Baseline and Meridian (MDB&M), approximately 3.5 miles east of the town of Sandy Valley, Nevada.

The Chiquita Mine is an open pit mining facility operated for the purpose of extracting gold ore for off-site processing at a separately permitted facility. No beneficiation or processing of the ore is permitted at the site. No chemicals are permitted to be used or stored at the facility. The Chiquita Mine is permitted as a physical separation facility pursuant to NAC 445A.414. The facility is required to be designed, constructed and must be operated and closed without any discharge or release in excess of those standards established in regulation except for meteorological events which exceed the design storm event.

B. Synopsis

The mine area is underlain by a sequence of Cambrian Goodsprings Dolomite, Upper-Middle Devonian Sultan Limestone, Lower Mississippian Monte Cristo Limestone, and Permian Bird Spring Formation. These carbonate units range from massive cliff-formers to thin-thick bedded strata. Diagenetic dolomitization of the carbonate formations is common, particularly in the Goodsprings Dolomite. The ore body within the pit area is comprised of an oxidized, argillically-altered syenite porphyry intrusion and footwall-hanging wall dolostone.

Mining activity at the facility includes excavation of a linear side-hill cut to evaluate mineralization and improve access for exploration drilling to identify additional resources at depth. Samples will also be taken from the existing underground shaft to evaluate possible economic resources. Ore extraction for off-site processing is limited by the Permit to 18,500 tons per year.

After conclusion of the exploration phase, mining in the side-hill cut area is expected to consist of trenches dug using a rubber-tired backhoe or trackhoe. The ore will be loaded directly into a 10-wheel dump truck for transportation out of the mine to an off-site processing facility. Stockpiling of ore at the site for more than 30 days is not allowed by the Permit. If deeper resources are identified, or if the underground mine samples show significant mineralization, the mine plan may be modified in the future to include appropriate mining methods for the recovery of these materials as well (Permit modification and corresponding fees may apply).

Waste rock and overburden will be stockpiled near the excavated area to be used later in the reclamation stage. Analytical results (Meteoric Water Mobility Procedure) of ore and waste rock leachate did not show any exceedances of the Profile I reference values. Routine waste rock and ore characterization will continue on a quarterly basis according to the Permit requirements.

All excavation and transport vehicles will be secured when not in use. Fuel and lubricants for the vehicles will be brought to the site only as needed, with no storage at the mine. Any spill of petroleum products will be contained, secured in appropriate containers, and contaminated material transported to an authorized disposal facility.

C. Receiving Water Characteristics

The Chiquita Mine is located at an elevation of approximately 4,900 feet above mean sea level (ft amsl). According to records obtained for historic mines in the same vicinity, the water table in this area is estimated at approximately 3,400 ft amsl. Based on this information, the open pit mine is not expected to intercept groundwater. If groundwater were to be encountered unexpectedly, the Permittee is required by the Permit to suspend operations and notify the Division immediately. Mining below the water table is prohibited by the Permit.

Precipitation in the area of the mine averages approximately 5 inches annually, mainly as snow in winter and rain in early spring. Runoff on the surface is ephemeral and runs from the adjacent hillsides into the mine area. No known springs or perennial streams are found within a one mile radius of the mine site.

The side-hill cut covers an area of less than 1 acre directly west of a small ephemeral wash. The watershed area on the upgradient side of the cut, which may direct storm runoff onto the exploration area, is approximately 1 acre. To the extent possible, and as required to protect the mine workings from washouts, storm diversion berms and ditches will be constructed to direct any runoff around the mine site and into natural drainages.

D. Procedures for Public Comment

The Notice of the Division's intent to issue a Permit authorizing the facility to construct, operate and close, subject to the conditions within the Permit, is being sent to the **Las Vegas Review-Journal** for publication. The Notice is being mailed to interested persons on the Bureau of Mining Regulation and Reclamation mailing list. Anyone wishing to comment on the proposed Permit can do so in writing within a period of 30 days following the date of public notice. The comment period can be extended at the discretion of the Administrator. All written comments received during the comment period will be retained and considered in the final determination.

A public hearing on the proposed determination can be requested by the applicant, any affected State, any affected intrastate agency, or any interested agency, person or group of persons. The request must be filed within the comment period and must indicate the interest of the person filing the request and the reasons why a hearing is warranted.

Any public hearing determined by the Administrator to be held must be conducted in the geographical area of the proposed discharge or any other area the Administrator determines to be appropriate. All public hearings must be conducted in accordance with NAC 445A.403 through NAC 445A.406.

E. Proposed Determination

The Division has made the tentative determination to issue the Permit.

F. Proposed Effluent Limitations, Schedule of Compliance, Special Conditions

See Section I of the Permit.

G. Rationale for Permit Requirements

The facility is located in an area where annual evaporation is greater than annual precipitation. Therefore, it must operate under a standard of performance which authorizes no discharge(s) except for those accumulations resulting from a storm event beyond that required by design for containment.

The primary method for identification of escaping solution will be placed on required routine inspections of storm water diversion berms and the open pit mine area. Specific monitoring requirements can be found in the Water Pollution Control Permit.

H. Federal Migratory Bird Treaty Act

Under the Federal Migratory Bird Treaty Act, 16 U.S.C. 701-718, it is unlawful to kill migratory birds without license or permit, and no permits are issued to take migratory birds using toxic ponds. The Federal list of migratory birds (50 CFR 10, 15 April 1985) includes nearly every bird species found in the State of Nevada. The U.S. Fish and Wildlife Service is authorized to enforce the prevention of migratory bird mortalities at ponds and tailings impoundments. Compliance with State permits may not be adequate to ensure protection of migratory birds for compliance with provisions of Federal statutes to protect wildlife.

Open waters attract migratory waterfowl and other avian species. High mortality rates of birds have resulted from contact with toxic ponds at operations utilizing toxic substances. The Service is aware of two approaches that are available to prevent migratory bird mortality: 1) physical isolation of toxic water bodies through barriers (e.g. covering with netting), and 2) chemical detoxification. These approaches may be facilitated by minimizing the extent of the toxic water. Methods which attempt to make uncovered ponds unattractive to wildlife are not always effective. Contact the U.S. Fish and Wildlife Service at 1340 Financial Boulevard, Suite 234, Reno, Nevada 89502-7147, (775) 861-6300, for additional information.

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