

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

Permittee Name: Matthew Moroney
Facility Name: Atocha Mill Site
Permit Number: NEV2014113 (New Permit 2014)

A. Location and General Description of Facility

Location: The Atocha Mill Site is a placer mine and physical separation facility located in the historic Gold Point Mining District on the south side of Lida Valley. The mine and process facility are located on public land administered by the U.S. Bureau of Land Management, in Esmeralda County, Nevada. The process facility is located approximately 2,000 feet southeast of the Gold Point town center, within Section 10, Township 07 South, Range 41-1/2 East, and the mining area is located within Section 19, Township 07 South, Range 42 East, Mount Diablo Baseline and Meridian MDBM.

Site Access: The Atocha Mill Site is accessed from Goldfield Nevada by travelling 14.3 miles south on U.S. Highway 95 to the junction of State Route (SR) 266. At SR 266 travel 7.3 miles west to the junction with SR 774. At SR 774 travel 7.4 miles to the town of Gold Point. The mill is located on the southeast side of town at the end of the power lines. The mining area is located on the Poverty Gulch #1 Claim which can be found by travelling another 3.4 miles past the Atocha Mill Site on an unnamed dirt road to the southeast.

Characteristics: This facility utilizes gravity concentration to extract gold and black sands from alluvial material. The Permittee is authorized to process up to 10,000 tons of ore per year and no chemicals are permitted for use in the process. All process water is filtered and recycled back to the facility. The facility is designed and constructed to not release or discharge any process or non-process contaminants from the fluid management system that would result in degradation of waters of the State during operation and closure.

B. Synopsis

Geology

The facility is located within the Gold Point District which is situated in the middle of the arcuate Slate Ridge in the Precambrian Wyman formation and Reed Dolomite. Here the Wyman formation consists of silt and claystone interbedded with limestone, which are metamorphosed in varying degrees to shales, phyllites, calc-silicates, and marble. Overlying the Wyman is the Reed Dolomite, a grey, coarsely crystalline dolomite. Intruding the Precambrian metasediments is a northeast trending finger of the Jurassic Sylvania pluton. It is likely that the north dip of the beds is the result of tilting from the emplacement of the pluton. Both the metasediments and the pluton are faulted and sheared along N50-70W

trending, high angle, parallel fault zones which are possibly related to the Silver Peak-Palmetto-Montezuma Oroflex structure. Paralleling the shear zone are fine-grained diorite dikes and ore bearing quartz veins. The quartz veins are brecciated and cemented with hematite and chalcedonic silica. The brecciation of the veins, due to post-emplacment movement, rendered the original sulfides susceptible to oxidizing solutions.

Ore and Waste Rock Characterization

At the Atocha Mill Site, the Permittee intends to construct and operate a small physical separation facility to gravity concentrate precious metals and black sands from placer material mined at the Poverty Gulch #1 unpatented mining claim. Meteoric Water Mobility Procedure (MWMP)-Profile I, and Acid Neutralization Potential/Acid Generation Potential (ANP/AGP) characterization results for the alluvial material, indicate that it is non-acid generating with no potential for metal liberation other than minor amounts of arsenic exceed profile I reference values.

Mining

The Poverty Gulch mining claim will be mined utilizing a backhoe and/or frontend loader. Alluvial material may be segregated at the mining area prior to transport by passing it through a grizzly to remove oversize rocks. The alluvial ore material will be transported to the mine for processing via dump truck.

The Atocha Mill may in the future provide written request to the BMRR to process ores from other sites within the Gold Point area. Additional permit approvals and fees may apply.

Water Supply

Water will be obtained locally from the Gold Point municipal water supply tank via a 1-1/2 inch polyvinylchloride Schedule 40 line which gravity feeds to the lined pond. When sufficient water is not available to gravity feed from the town water supply tank it can be transported to the site via tanker truck. Water will be recycled continuously during the process operations.

Mineral Processing

The process components include a grizzly and discharge hopper, conveyor, trommel, sluice box, jig, and concentrating tables to produce precious metal concentrates.

Maximum throughput for the Atocha Mill process circuit is 5 tons of ore per hour and up to 10,000 tons per year. Make-up water for the gravity separation operations will be obtained from an off-site source (Gold Point Municipal water supply) and stored in one 3,730-gallon tank at the Atocha Mill site. Estimated water consumption is approximately 480 gallons per day.

Mined alluvial material will be transported via dump truck and stockpiled at the Plant site. A front-end-loader will feed ore from the stock pile directly to the grizzly and hopper. The grizzly oversize fraction (plus 1.5 inches) will be placed in the reject stockpile for future backfilling and the undersize fraction (minus 1.5 inches) will pan feed onto an incline

conveyor which will then feed into a trommel. The trommel will wash the placer material and the oversize fraction (plus 3/8 inch) will be placed in the reject stockpile for future backfilling and the undersize fraction (minus 3/8 inch) will flow through a sluice box and into a jig. The jig will concentrate the reject material and separate the fines from the larger rocks. The fines from the jig will be pumped to a concentration table. Material passing over the sluice and jig will fall into the tailings pond. Waste water will flow into a tailings pond to settle before recirculating back to the gravity plant. Fines will be removed from the pond as needed and placed on a dewatering area adjacent to the pond for drying. The dewatering area measures 30 feet by 40 feet and is sloped to drain into the pond which is 35 feet by 40 feet by 4 feet deep. The pond will be lined with a high density polyethylene liner with a minimum 30-mil thickness. Dewatered fines will be blended with the reject stockpile material and hauled back to the mining area for reclamation.

Water will be recirculated from the pond to the water tank for reuse in the facility. Sediment collected from the recirculating tank will be removed periodically and conveyed to the dewatering area adjacent to the pond for drying and temporary storage prior to backfilling.

The concentrates will be collected from the sluice box and concentrate table. The concentrates will either be hand processed on site, down to free gold, or shipped off site for additional processing. Any concentrates shipped off site to an in-state facility must be permitted by the Division or an out-of-state facility for the purpose of additional concentration and recovery.

Reclamation

After processing the tailings material will be blended at the mill site and transported back to the mining area to be placed back into the excavation and regraded. Tailings will be returned on a regular basis on a back haul scenario. The Permit requires that all blended tails are returned to the mining area for reclamation by the end of every year.

Ancillary Activities (Fuel and other Hydrocarbon Storage Areas)

All fuels and lubricants are stored within lined containment. Diesel-fired electrical generators will be located on containment pads that meet or exceed 110-percent containment of their fuel capacity.

Petroleum Contaminated Soils (PCS) Management Plan

The Permittee is not authorized to dispose of or treat PCS on the mine site without first obtaining from the Division approval of a PCS management plan. Any PCS generated is collected and the affected area remediated. PCS is placed in appropriate sealed vessels, stored on site and promptly transported off-site to an authorized facility for permanent disposal.

C. Receiving Water Characteristics

Groundwater

Groundwater below the facility is at a depth exceeding 1,100 feet below ground surface. This is evidenced by several historic deep shaft mines in the area which show no sign of seepage or accumulation of water down to this depth and beyond. There are no known water wells within a 5-mile radius of the facility.

Surface Water

No perennial surface waters exist within a one mile radius of the Atocha Mill Site. Surface water within a 1-mile radius of the facility is limited to ephemeral drainages which run only during storm events. Stormwater drainage is from south to north with an upgradient watershed of approximately 9 square miles. The majority of this watershed drains to a natural drainage wash between the mill site and the town of Gold Point. The remaining runoff flowing through the facility is redirected to either side of the site by the stormwater diversion ditch.

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 ***Tonopah Times-Bonanza & Goldfield News*** 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. 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 process solution will be placed on required routine monitoring identified in the Water Pollution Control Permit.

H. Federal Migratory Bird Treaty Act

Under the Federal Migratory Bird Treaty Act, 16 United States Code (USC) 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 Code of Federal Regulations [CFR] 10, April 15, 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 (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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