

FACT SHEET

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

Permittee Name: **Rodolfo and Elena Martinez**

Project Name: **La Fortuna Mine Project**

Permit Number: **NEV2015110**

Review Type/Year/Revision: **New Permit 2015, Fact Sheet Revision 00**

A. Location and General Description

Location: The La Fortuna Mine Project (La Fortuna) is a placer mine and physical separation facility located in the historic Gold Point Mining District, south of Lida Valley. The mine and process facility are located in Esmeralda County, Nevada on public land administered by the U.S. Bureau of Land Management-Battle Mountain District, Tonopah Field Office. Rodolfo and Elena Martinez are the Permittees for the La Fortuna Mine.

The mine and mill site are approximately 15 miles south (by air) of Goldfield, Nevada in the unincorporated town of Gold Point, within Section 10, Township 7 South, Range 41½ East, Mount Diablo Baseline and Meridian.

Site Access: To access the mine and mill site, proceed south on U.S. Route-95 (US-95) from Goldfield, approximately 15 miles to the junction of State Route-266 (SR-266). Proceed west on SR-266, approximately 7 miles to the junction of SR-774 and then proceed west on SR-774 approximately 8 miles to the unincorporated town of Gold Point where SR-774 terminates and becomes Gold Street. Continue on Gold Street to the intersection of 2nd Street and proceed southeast on Second Street approximately quarter mile to the mine and mill site.

Characteristics: La Fortuna will utilize physical separation methods (i.e., gravity concentration) to extract gold 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

History: The historic Gold Point Mining District was organized in 1886. It was initially named the Lime Point Mining District and included the adjacent Tokop Mining District until 1900. Silver ore mined in the district was shipped to the railroad at Lida for transport to Tonopah, but poor recoveries, increased toll milling and transportation costs, and a gold mining boom in Goldfield (30 miles

northeast of Gold Point), discouraged any further activity, and by 1900 mining had ceased within the district.

When the Goldfield gold boom subsided, an interest in exploration activity returned to the Gold Point Mining District. Silver and silver chloride (e.g., hornsilver or chlorargyrite) was discovered within the district around 1905, and in response, a slightly unscrupulous mine promoter had the district renamed Hornsilver Mining District. Records indicate that the silver production from the newly renamed district never lived up to its expectations and in 1930, the district was renamed Gold Point.

Since the 1930s, exploration and mining activity within the district has been minimal.

Geology, Hydrology, and Topography: The historic Gold Point Mining District is located in the middle of the bow-shaped Slate Ridge and is underlain by Precambrian Wyman Formation and Reed Dolomite. The Wyman Formation consists of siltstone and claystone interbedded with limestone, which are metamorphosed in varying degrees to slates, phyllites, calcium-silicates, and marbled Precambrian Wyman formation. Overlying the Wyman is the Reed Dolomite, a gray, coarsely crystalline dolomite. Intruding the Precambrian meta-sediments 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 meta-sediments and the pluton are faulted and sheared along a northeast-southwest 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-emplacement movement, rendered the original sulfides susceptible to oxidizing solutions.

Depth to groundwater beneath the La Fortuna site exceeds 1,100 feet below ground surface (bgs). No perennial surface waters exist within ½-mile radius of the site. La Fortuna mill site sits high on the alluvial fans in the north flank of Slate Ridge.

The town of Gold Point is sparsely populated with a scattered mix of abandoned and occupied businesses and residences. It appears that the structures are predominantly stick/sheet metal construction with some prefabricated trailer-type homes. In addition, there are several abandoned mine buildings, tanks, and assorted equipment scattered throughout the Gold Point area. The La Fortuna site is within 900 feet of the closest inhabited structures.

Ore and Waste Rock Characterization: At the La Fortuna Mill Site, the Permittee intends to construct and operate a small physical separation facility to gravity concentrate precious metals from placer material mined at the Moro #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 that exceed Profile I reference values.

Mining: The Moro #1 mining claim will be mined utilizing a backhoe and/or front-end 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 approximately 3 miles to the mill for processing via dump truck.

The La Fortuna Mill may in the future provide written request to the Division to process ores from other sites within the Gold Point area. Additional Permit approvals and fees will apply.

Water Supply: The Gold Point Municipal Water System water tank supplies water to the La Fortuna site. Water is gravity fed through a 1½-inch diameter polyvinylchloride (PVC) Schedule 40 pipe line to a 7,000-gallon water tank. In the unlikely event that water flow is reduced, a tanker truck is available to supply water 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 boxes, jigs, and concentrating tables to produce gold-bearing concentrates.

Maximum throughput for the La Fortuna Mill process circuit is approximately 5 tons of alluvial placer material (ore) per hour and up to 10,000 tons annually. Make-up water for the gravity separation operations is estimated at 900 gallons per day.

Mined alluvial material is transported via dump truck and stockpiled at the Mill site. A front-end loader feeds stockpiled placer material to a grizzly and hopper. The grizzly oversize fraction (plus 1½ inch) is discharged to the reject stockpile (located at the dewatering area) for use as future backfill material; the undersize fraction (minus 1½ inch) is discharged to a conveyor and then fed to a wet trommel.

The trommel produces an oversize and undersize fraction. The oversize fraction (plus 3/8 inch) is discharged to the reject stockpile for future backfilling; the undersize fraction (minus 3/8 inch) discharges to a pair of sluice boxes and jigs

operated in parallel. The jig product is pumped to a concentrating table for final cleaning/concentrating; reject material from the sluice, jigs, and concentrating table is combined and discharged to the reject stockpile for use as future backfill material. The concentrates collected from the sluice box and concentrating table are either manually processed on-site (with a gold pan, vanning plaque [a shallow, smooth-surfaced bowl for concentrating mineral sands by color and specific gravity], or concentrating bowl) to recover the 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; otherwise they may be shipped to an out-of-state facility for the purpose of additional concentration and recovery.

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 are blended with the reject stockpile material and hauled back to the mining area for reclamation.

Water is 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.

Reclamation: Stockpiled reject material is combined and transported back to the mining area as backfill and the area regraded. The Permit requires that all blended reject material is 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 will be stored within lined containment that meets or exceeds 110-percent of the largest vessel. Electrical line power to the La Fortuna Mill site eliminates the need for diesel- or gasoline-fired electrical generators.

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**

Make-up Water: Make-up water is obtained from the Gold Point municipal water supply and meets all drinking water standards.

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 La Fortuna Mill Site. Surface water within a one 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 nine square miles. The majority of this watershed drains to a natural drainage wash between the mill site and the town of Gold Point. Runoff which could potentially flow through the La Fortuna site will be redirected away from the facility through the re-grading of the access roads adjacent to the site. Diversion structures may be constructed at a later date if needed.

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 and 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. Proposed Limitations, Schedule of Compliance, Monitoring, 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. 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. Code 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 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., by 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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