

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
BUREAU OF AIR POLLUTION CONTROL

Director's Review and Preliminary Determination of Permit Issuance for

**WK MINING (USA) LTD.
550 Burrard Street, Suite 788
Vancouver, BC CANADA V6C2B5
January 21, 2016**

WK Mining (USA) Ltd. submitted an application for a Class I (Title V) Operating Permit AP1041-3668, to the Nevada Division of Environmental Protection – Bureau of Air Pollution Control (BAPC). The project is located in Esmeralda County, Nevada in all or portions of Sections 3, 4, and 5, Township 2N, Range 42E and Sections 33 and 34, Township 3N, Range 42E (MDB&M).

WK Mining (USA) Ltd. proposes to construct and operate an Adsorption-Desorption-Recovery (ADR) plant to support open-pit mining activities at their Three Hills Mine Project near Tonopah, Nevada. The proposed draft Title V permit contains only those affected sources subject to 40 CFR Part 63, Subpart EEEEEEE, which includes certain components of the proposed ADR plant. Other equipment and processes at the Three Hills Mine Project will be covered in a separate minor source air quality operating permit.

The Nevada Division of Environmental Protection – Bureau of Air Pollution Control (BAPC) has reviewed the application, and has made a preliminary determination to issue Class I (Title V) Operating Permit AP1041-3668.

The facility-wide potential-to-emit (PTE) for criteria pollutants at the Three Hills Mine Project is given in the table below:

<i>WK Mining (USA) Ltd, Potential-to-Emit (PTE) Proposed Three Hills Mine Project</i>		
	Pollutant	Facility-Wide (TPY)
Current emissions estimates indicate that WK Mining's Three Hills Mine Project is a <i>minor source</i> , because the facility-wide PTE for any individual regulated pollutant is less than applicable major source thresholds. A Part 70 (Title V) permit is required to satisfy requirements under 40 CFR Part 63, Subpart EEEEEEE.	PM	(Particulate Matter) 11.33
	PM10	(Particulate matter <10 microns in diam.) 4.83
	PM2.5	(Particulate matter < 2.5 microns in diam.) 2.78
	SO2	(Sulfur Dioxide) 0.24
	NO_x	(Oxides of Nitrogen) 24.81
	CO	(Carbon monoxide) 32.53
	VOC	(Volatile Organic Compounds) 19.31
	Pb	(Lead) 0.04
	HAP (single)	(Hazardous Air Pollutants) < 10
	HAPs (all)	(Hazardous Air Pollutants) < 25
	GHG	(Green House Gases, CO2 e-basis) < 100,000

The project is located in Air Quality Hydrographic Area (HA) 137A – Big Smoky Valley Area of the Nevada Central Hydrographic Region. HA 137A is triggered for PSD Increment for PM₁₀. The equipment and processes in the proposed draft Title V permit are subject to 40 CFR Part 63, Subpart EEEEEEE – *Gold Mine Ore Processing and Production Area Source Category*.

Air dispersion modeling indicates that no adverse air quality impacts are anticipated as a result of the proposed project.

WK Mining (USA) Ltd. must comply with all State and Federal air quality requirements and all conditions established within the proposed draft Class I (Title V) operating permit.