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

Permittee: **Lake Mountain Mining, LLC**

Project Name: **327 Apex Mine Project**

Permit Number: **NEV2001103**
Review Type/Year/Revision: **Renewal 2021, Fact Sheet Revision 00**

A. Description of Facility

Location: The 327 Apex Mine Project is located on private land and public land administered by the BLM (Carson City District-Sierra Front Field Office) in Washoe County, within Township 21 North, Range 23 East, Sections 20, 29, and 32, Mount Diablo Baseline and Meridian, in the historic Olinghouse Mining District (also referred to as the White Horse District). The nearest community is Wadsworth, Nevada, located approximately 7 miles southeast of the proposed facility.

General Description: The current Permittee, Lake Mountain Mining, LLC (LMM), will utilize underground mining methods to remove up to 24,000 tons of gold-bearing ore annually. Gold will be extracted from the ore utilizing physical separation methods in which no chemicals will be utilized.

The 327 Apex Mine Project is designed to be constructed, 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.

Site Access: Proceed on Interstate-80 east from Reno or west from Fernley to *Exit 46—Fernley/Wadsworth, S.R.-447.* Proceed north on *S.R.-447,* through the town of Wadsworth, approximately 4.0 miles to *Olinghouse Road.* Proceed west on *Olinghouse Road,* approximately 6.5 miles to the historic Olinghouse town site and then northeast approximately 0.3 miles to the 327 Apex Mine site.

B. Synopsis

Background/History: The Olinghouse District was first surveyed and prospected during the early 1860's. Prospecting and small-scale mining occurred intermittently throughout the District for several years; however it wasn't until 1864 that the first appreciable gold and silver discoveries were made in the White Horse and Olinghouse canyons. In 1899, the District was officially organized as the White Horse District and later renamed the Olinghouse District after Olinghouse Canyon and neighboring Green Hill had become the center of mining activity.

Small-scale hard rock gold and silver mining began in 1874 and by 1898 when production reached its peak in the District; three mills were in operation supporting over a dozen small underground operations. Placer deposits were discovered in several tributaries of Olinghouse Canyon in 1897, with a minor amount of placer mining occurring until 1900.

Mining and exploration in the district remained dormant until after the Second World War. In 1946, hard rock underground mining returned to the Olinghouse District with the development of a small underground mine (Green Hill Mine) and the construction of a gravity separation/mercury amalgamation mill which operated for a short time until the mine closed due to declining ore grades.

In the late 1970's, the Nevada Pacific Mining Company conducted drilling programs to define the extent and grade of the historic Green Hill Mine area and from 1979 until 1988 conducted hardrock underground mining operations and operated a 300-ton per hour (tph) gravity wash plant at the site of the present day 327 Apex Project.

In 1986, Western Goldfields secured a small land position and conducted a small scale drilling program. Although gold mineralization was encountered, land constraints limited further exploration of the central portion of the district.

In 1991, Phelps Dodge Mining Company consolidated a large land position and by the end of 1993 had drilled 37 reverse circulation rotary drill holes and 7 core holes. In May 1994 Alta Gold Company purchased the Phelps Dodge package and carried out exploration and development activities and began active mining in 1998. Alta Gold mined more than 1,000,000 tons of ore until 1999, when the company filed for bankruptcy and ceased operations. Beginning in 2001, Target Minerals, Inc. (Target) began acquiring portions of the Alta claims and began underground development work in what was called the 327 Apex Mine Project from 2001 to 2010. Target later sold the 327 Apex Mine Project to the current Permittee in 2010.

Current Operation: The 327 Apex Mine Project is an underground mine located in the southern portion of the Pah Rah Range in southern Washoe County. The project is located at the former site of the Olinghouse Mine in the historic Olinghouse Mining. The Permittee is authorized to operate a 50-tph crushing and wet gravity concentrating circuit at the project site; however, the circuit has not been constructed as of October 2025. A small, 1-tph test mill is also authorized for operation at the site for small scale testing and process evaluation.

The 327 Apex Mine Project area of operation includes seven patented mining claims and 15 unpatented mining claims within the confines of a partially developed open pit. Surface disturbance is limited to processing, access development, ancillary facilities, and ventilation shafts for the underground workings, with a total disturbance of approximately 14 acres.

There has been no mining or processing at the 327 Apex Mine Project since 2013 and currently the site remains in temporary closure with no anticipated operation beginning in the near future. Equipment remains on site in the event that the operation wishes to start up again.

Mining: Conventional underground mining methods, consisting of drilling, blasting, loading and hauling, are used to remove up to 24,000 tons of ore annually. In July 2005, the previous Permittee was authorized to develop the "305 Adit" to intercept the existing 327 Apex workings, providing improved access to the ore body, additional underground ventilation, and an escape route.

The run-of-mine ore from the underground development is loaded into side-dump ore cars and then hauled down a narrow-gauge rail line via small, electrical powered locomotive to

the Ore Dump Station. The Ore Dump Station is a modified conveyor hopper, located in the laydown area, approximately 125 feet downgradient from the portal. From the dump station, the ore is discharged onto a belt conveyor or transported via front-end loader to an unlined 2,500-ton Ore Stockpile Pad.

Waste rock generated from the underground development, is also loaded into side-dump ore cars and then hauled down the same narrow-gauge rail line to the Waste Rock Dump Station, located approximately 250 feet downgradient of the portal. The Waste Rock Dump Station is also a modified conveyor hopper and discharges the waste rock onto a belt conveyor where it is then conveyed directly to the Waste Rock Dump for disposal. A portion of the waste rock may be used as underground backfill. Historic characterization data from Alta Gold and more recent data provided by Target Minerals and the current Permittee, indicate the ore and waste rock at the 327 Apex Project is both non-acid generating and meet the Profile I reference values.

Beneficiation/Concentration: As stated previously, a 50-tph crushing and wet gravity concentration circuit comprised of a jaw crusher, impact crusher, ball mill, concentrating tables, and spiral concentrators is permitted but has not been constructed. A small, 1-tph Abrasion-Concentration Test Mill is being operated to evaluate the final mill design.

The current operating plan states that minus 12-inch run-of-mine ore from the Ore Stockpile Pad will be fed via conveyor to a wet trommel screen to remove the minus 3/8-inch fraction.

The oversize material is conveyed to a two-stage crushing circuit where it will be crushed to minus 1/8-inch. Both the trommel and final crusher discharge product will be conveyed to the wet gravity concentration circuit comprised of a sluice, jigs, concentrating tables, Knelson Bowl concentrator, screw classifiers with cyclones and a thickener used for dewatering. The final concentrate will be shipped off site for final processing and gold recovery.

The Permittee plans to process up to 100 tons per day during the developmental phase and up to 200 tons per day and 3,500 tons per month during the production phase. Between 60 and 80 percent of the water introduced to the circuit is recycled back into the process. The coarse fraction of the processed ore is conveyed to the waste rock dump while the fine fraction of the waste will be piped to a "Water Scalping System" consisting of multiple dewatering cyclones and a thickener. Fines removed from the thickener are mixed with waste rock, and placed in the waste rock dump. Water removed is conveyed to the Fresh Water Storage Tank located above the portal on the existing open pit haul road.

Make-up water for the physical separation operation is obtained from an existing monitoring well, MW-06, initially installed and operated by Alta to monitor groundwater levels for the Olinghouse Project. Current, there is no make-up water demand but operations are predicted to require between 9 and 13 gallons per minute (gpm). Well water will be conveyed to the "Freshwater Tank" for temporary storage prior to introduction to the physical separation process.

C. Site Hydrology and Background Water Quality

The project site lies approximately one-half mile upstream from Olinghouse Canyon Creek. Olinghouse Canyon Creek's confluence with the Truckee River is approximately 14 miles

upstream of Pyramid Lake, the terminus of the Truckee River. Olinghouse Canyon Creek exhibits flow on an intermittent basis only.

During significant runoff events, flow from the Olinghouse Canyon drainage exits the Pah Rah Range and enters the alluvial Dodge Flat to the east. Due to the sporadic nature of significant flow in this basin, Olinghouse Canyon Creek contributes surface flow to the Truckee River on only an occasional basis. There has been no long-term monitoring of water quality in this basin due to the lack of perennial flows. Seventeen seep/spring sites have been identified within the project area. All had flow rates less than 40 gpm. Surface water samples have not exceeded Profile I constituent reference values. Exceedences of the Profile I reference values occurred in one or more samples for manganese, total dissolved solids and sulfate.

Groundwater underlying the project area exists in two types of aquifers: shallow, perched zones and deep bedrock. The perched zones are recharged by winter precipitation events and are largely drained by late spring and early summer as spring discharge. No springs exist within the boundaries of the proposed 327 Apex Mine Project.

Groundwater is encountered in the bedrock aquifer at depths ranging from 230 to 590 feet below ground surface. This groundwater moves primarily along the fractures and breccia zones and between individual volcanic flow units to the south-southeast. Groundwater is more sulfate-rich than surface water, but otherwise generally exhibits water quality characteristics similar to those found in surface water. Based on the depth to groundwater and the fact that LMM will only operate as a mining and physical separation facility, monitoring of groundwater downgradient of the process facility is not required.

Production water is obtained from well MW-06. Samples obtained from MW-06 in February 1997 and March 1997, met Profile I reference values. The current Permit requires sampling for Profile I constituents at the start of operations, then annually, for production water obtained from MW-06. The water will be sampled prior to its introduction to the Freshwater Tank(s). Currently no mining or processing is being performed at the 327 Apex Project, but the most recent sampling performed during the second quarter of 2013 indicates that there are no Profile I exceedances in water supply well MW-06.

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 published on the Division website: https://ndep.nv.gov/posts/category/land. 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 the public notice is posted to the Division website. 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 or 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 renewed Permit.

F. Proposed Limitations, Schedule of Compliance and 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 facility will use physical separation methods only for beneficiation of ore. Groundwater is approximately 400 feet below ground surface in the proposed area of operation**.** Regular monitoring of process water, waste resulting from the beneficiation process, and waste rock is included as a condition of the 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 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.

Prepared by: Keith Johnson, P.E.
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Revision 00: 2021 Permit Renewal. Updated “Boiler Plate” language.