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

Permittee Name: **KG Mining (Bald Mountain) Inc.**

Project Name: **South Operations Area - Yankee Mine Project**

Permit Number: **NEV2020103**
Review Type/Year/Revision: **Renewal 2026, Fact Sheet Revision 00**

A. Location and General Description

Location:

The facility is located on public land administered by the Bureau of Land Management, Bristlecone Field Office in White Pine County, within, Sections 14 and 23, portions of Sections 1, 10-13, 15, 22, and 24-27, T21N, R57E; and portions of Sections 19 and 30, T21N, R58E, MDB&M, approximately 80 miles south of the town of Elko, Nevada.

From Ely travel 30 miles west on US 50, then turn right on White Pine County Road 3. Travel 30 miles north on White Pine County Road 3, then turn left on an unnamed gravel road. Travel west on the unnamed gravel road for 8.5 miles, then turn left on an unnamed gravel road. Travel south on the unnamed gravel road for 4.5 miles, then turn right onto an unnamed gravel road. Travel 0.5 miles west on the unnamed gravel road to the site.

General Description:

The proposed plan for the South Operations Area - Yankee Mine Project (the Project) consists of open pit mining with associated rock disposal areas (RDAs), growth media stockpiles (GMSs), inter pit areas, ancillary areas, and haul roads connecting the Project and related facilities with the Vantage Complex Project (VCP) NEV2017111 in the South Operations Area. The Project includes existing closed facilities including pits and (RDAs) that are included in WPC Permit NEV0089008. These facilities are being transferred into this Permit under a separate Permit modification to Permit NEV0089008. No material processing will occur at the Project. Ore will be transported to the VCP NEV2017111 for heap leach processing and waste rock will be stored at existing and new RDAs. The existing heap leach pad and associated process facilities associated with Permit NEV0089008 will not be affected by the proposed new mining operation and will remain within the regulatory authority of Permit NEV0089008.

B. Synopsis

History:

The existing Yankee Mine (NEV0089008), located in the southern portion of the South Operations Area (SOA) Plan boundary, has been in reclamation and closure status since 1998. Mining activities at the Yankee Mine began prior to 1981, when Amselco Minerals Inc. conducted exploration drilling, mining, and heap leaching in addition to constructing ancillary facilities, such as power lines, buildings, storage facilities, crushing facilities, and wells.

In 1984, Amselco Minerals Inc. submitted an Exploration Plan of Operations, and intensive exploration was conducted until 1988 when a Plan of Operations for open pit mining and associated crushing and leaching was submitted.

The open pit operations ceased in 1998. Leaching and secondary leaching of the heaps ceased in the spring of 1999. In 2001, Placer Dome U.S., Inc. proposed to permanently close the Yankee Heap Leach Facility (HLF), and final reclamation was completed by 2008. The site included 17 pits with recontouring, and revegetation activities completed on major disturbance areas. Barrick Gold of North America (Barrick) acquired the Yankee Mine in 2006 during the acquisition of Placer Dome U.S. Kinross Gold Inc. subsequently acquired the mine from Barrick in January 2016.

Geology:

The Project lies in the Basin and Range physiographic province in eastern Nevada, within the eastern Great Basin. The area experienced deposition of thick sequences of miogeosynclinal sediments from the Precambrian through the Triassic Period. These sequences consist of clastic and carbonate facies up to 7.5 miles thick. Three major thrust belts are located within the region (Roberts Mountains Thrust, Central Nevada Thrust Belt and the Sevier Thrust Belt), which propagated from west to east over time. The progression of thrust belts and orogens eastward increased during the Late Triassic with the breakup of Pangea as sea-floor-spreading rates within the young Atlantic Ocean were high.

The Basin and Range physiographic province is characterized by parallel, north-south trending mountain ranges separated by alluvium-filled valleys. The Yankee area consists of Paleozoic sediments covered by tertiary volcanic and Quaternary alluvium. The oldest formation is the Devil's Gate limestone (equivalent to the Guilmette Formation). This is a gray, micritic, thick bedded limestone with occasional gastropod and brachiopod fossils. The top of the unit contains interbedded siltstones which grade into the overlying Pilot Shale. This transitional unit is usually altered to massive ore bearing jasperoid 40 to 60 feet thick.

The Pilot Shale is approximately 500 feet thick and almost completely oxidized. The ore bearing base of the formation is marked by a distinct clay-rich limestone unit 10 to 40 feet thick. This unit thins as the jasperoid below thickens. Occasionally, the lower limestone is unoxidized and contains orpiment, realgar, and fine-grained pyrite and marcasite. Above the limestone is a thin bedded siltstone 20 to 40 feet thick which is usually silicified and hematite rich near the ore deposits. The upper 400 feet of siltstone is calcareous, thick bedded, rarely altered, and contains little ore.

The Joana limestone overlies the Pilot Shale and forms a rim around the west and south edges of the Yankee basin. It is a gray, sparry, fossil-rich limestone unit approximately 200 feet thick. It is exposed only in the Monitor Pit. Locally the upper and lower contacts are silicified, but no direct links to gold occurrences in the Pilot Shale have been made.

The Chainman Shale crops out on the western margin of the basin and east of the Yankee ridge. It is favorably altered but contains no ore.

The Paleozoic section dips gently to the southwest and is locally covered by mafic Tertiary volcanic flows with interbedded silicic tuffs.

Alluvial materials at the mine site consist of gravelly and sandy silts interbedded with gravelly and silty sands. Cobble- and boulder-size materials are also present. The rocks of the Project have been folded into a series of low-amplitude anticlines and synclines that dip approximately 20 degrees. The folds have been truncated and deformed by later high-

angle faults that generally strike northwest, northeast, and east-west. Although multiple stages of movement are evident on several fault systems, the youngest period of activity is along the northeast trend. The predominant structural pattern in the area is that of the Basin-and Range type high-angle normal faults.

Mining:

The proposed Project will be mined using standard open pit methods including drilling, blasting, and loading into haul trucks. Blasted ore and waste rock are loaded into haul trucks by front-end loaders or shovels. Run-of-mine (ROM) ore will be hauled to the South Operations Area - Vantage Complex Project HLF Permit NEV2017111 for processing.

Depending on the mine plan and pit sequencing, waste rock will be hauled to mined-out portions of the pit as backfill material or placed in RDAs. The Project is not anticipated to intercept groundwater based on groundwater levels recorded at the site. However, interception of isolated lenses or unforeseen groundwater occurrences are possible. All RDAs will be constructed by end-dumping in lifts. Final slopes will be reclaimed per the requirements of the Plan of Operations and Reclamation Permit requirements (NVN-090443/Reclamation Permit #0033).

The waste rock material for the Project has been geochemically characterized using recommended test methodologies and procedures pursuant to Bureau of Land Management Rock Characterization and Water Resources Analysis Guidance for Mining Activities NV IM-2013-046 and Nevada Division of Environmental Protection (NDEP) 2019c. Waste Rock, Overburden, and Ore Evaluation, March 22. Geochemical characterization of the waste rock material includes static and kinetic testing, whole rock analysis, and MWMP testing for use in evaluating the acid drainage and metals leaching risk of the waste rock to be mined. A Revised Waste Rock Management Plan (Enviromin, Inc., Version 2, January 2019) has been established to describe how overburden and waste rock from the Project will be managed and monitored to minimize erosion and prevent environmental impacts to waters of the State.

The Project will generate approximately 165 million tons of waste rock that will be placed in RDAs and as pit backfill. Approximately 8 percent of this material is predicted to be potentially acid generating (PAG). This PAG material will be placed randomly on the RDAs to promote blending and not be used to backfill any pits below the pre-mining groundwater elevation.

When technically, safely, and economically feasible, open pits will be backfilled, either partially or completely depending on material availability, availability of mineral resource, and consideration of other influencing factors. Prior to backfilling any pit, the Permittee will submit a request to the Division to do so. In the event that groundwater is intercepted, waste rock material placed at or below the water table will be selectively handled to prevent the degradation of groundwater downgradient of the backfilled pits. This will be accomplished by only using only select rock types for placement as backfill. The select rock types to be used would have (a) Net Neutralization Potential (NNP) values greater than zero tons $CaCO_3$/1,000 tons of material in the majority (>95 %) of samples from historic geochemical test data, (b) Average aggregate NNP of greater than +100 tons $CaCO_3$/1,000 tons of material, and (c) Total sulfur concentration less than 0.3 % in the majority (>95 %) of samples from historic geochemical test data.

To avoid groundwater depletion, any pit where the pit bottom is at or below the groundwater elevation is to be backfilled using material that meets the criteria.

Backfill material placed above the water table will be monitored in accordance with this Plan. If waste rock monitoring reveals there is greater than 20% PAG; or there is between 10% and 20% PAG, with an overall average NNP value less than 200 tons $CaCO_3$/1,000 tons of material, appropriate management measures as outlined in the following would then be implemented.

If annual weighted average values computed from the quarterly monitoring results indicate either: (a) greater than 20% PAG or (b) between 10% and 20% PAG and the NNP value is less than 200 tons $CaCO_3$ / 1,000 tons of material, then any one or a combination of the five contingency measures described below would be applied.

1. Change routing of future waste rock to reduce the percentage of PAG material in the facility.
2. Place designated PAG in the interior of facility (e.g., minimum of 20 ft within the perimeter of the RDA or backfilled area). The minimum 20 ft thick perimeter shell would consist of non-PAG material.
3. Co-mingle PAG with non-PAG, to achieve an NNP value greater than 200 tons $CaCO_3$ /1,000 tons of material.
4. Enhance cover design, subject to BLM and NDEP approval, to reduce net infiltration.
5. Re-design RDA, subject to approval by the BLM and NDEP, to redirect surface runoff, manage seepage, re-slope facility, or locally enhance its cover.

If the results of annual monitoring reveal more than 20% PAG or between 10% and 20% PAG where the NNP value is less than 200 tons $CaCO_3$ / 1,000 tons of material, additional confirmatory samples may be collected and evaluated prior to the choice and implementation of contingency measures.

Soil covers will be used to facilitate reclamation of the Project mine waste rock facilities. The purpose of covers is to support establishment of vegetation, to physically separate waste rock from contact with surface water, to minimize erosion, and to restore hydrologic function of the reclaimed RDAs. Minimum design cover thickness is 6-inches for waste rock.

The RDAs have been sited and designed to minimize mineral resource conflicts and reduce the risk of impact to Waters of the State. RDAs are placed in the upper portion of drainages to avoid ponding or interception of surface runoff, and where necessary, drainage is diverted around the facilities. During operations, little if any flux of meteoric water is expected to occur within the RDAs because of the dry nature of rock when it is initially placed and the dry climate at the site. Reclaimed landforms and best management practices such as the use of silt fences and straw bales will promote long-term geomorphic stability, as demonstrated by the successful reclamation of the existing waste rock facilities in the region. Additionally, closure practices have been developed that reduce or eliminate infiltration of water.

The Project includes the redevelopment, expansion and/or modification of currently closed facilities including the following:

- Blue Pit
- Blue Extension Pit
- Gray Pit
- SW Extension Pit
- Saddle Pit
- West Spur Pit
- East Spur Pit
- East Crusher Pit
- East Davis Pit
- Grant Pit
- Monitor Pit
- Olustee Pit
- Vicksburg Pit
- Olustee Extension Pit
- West Crusher Pit
- West Davis Pit
- Yankee Pit
- Blue/Gray RDA
- North RDA
- Yankee RDA

The new Project consists of the following facilities:

- Unmodified Lincoln pit
- Unmodified Lee pit
- Yankee pit
- Backfilling of the Yankee pit to accommodate a portion of the Yankee South RDA
- Yankee North RDA
- Yankee West RDA
- Yankee South RDA
- Several Growth Media Stockpiles (GMSs)
- Installation of 3 monitoring wells YMW-1, YMW-2, and YMW-3
- Retention of existing water production well YWS-1
- Installation of new water production well YWS-2
- Modification of County Road 1006 to accommodate mine haul traffic (Lincoln (B) and Lincoln (C) haul roads)
- Construction of the Beeline haul road
- Construction of the Coolidge haul road (currently a light vehicle road)
- Abandonment of existing monitoring wells PZ-1015 and PZ-1016
- Other ancillary/support facilities that may be required to support mining activities
- Construction of a landfill

All of the existing pits and RDAs are transferred to this new Permit NEV2020103 under a separate permit modification action to Permit NEV0089008. The existing Yankee heap leach facility will remain under the regulation of Permit NEV0089008 managed as a closed facility. Modifications to or manipulations of the existing closed Yankee heap leach facility are not authorized by this new Permit NEV2020103.

As of the 2026 renewal, no mining activity has been reported at the South Operations Area – Yankee Mine.

C. Receiving Water Characteristics

The project area averages 13 inches of precipitation per year, while evaporation averages 46.8 inches per year. Evaporation in the general project area exceeds precipitation by a ratio of 3.6:1. The Project is located in the Long Valley hydrographic basin. Surface water flow in the project area is minimal, occurring in drainages primarily during the late spring due to snowmelt.

Surface water within the Long Valley hydrographic basin is limited to ephemeral springs and drainages that drain toward a small playa located within the center of the basin. There are no perennial streams within the Long Valley hydrographic basin. No lakes and springs are found within one mile of the Project. Drainages are dry for most of the year, flowing only during spring runoff and after large amounts of precipitation. These flows are diverted around mining and associated activities by the use of ditches, berms, and culverts. Most flow infiltrates or evaporates before reaching the playa. No downstream users of the surface water that originates on the Project exist.

The major watercourse in the vicinity is an unnamed drainage approximately 2 miles east of the site, in Long Valley, which serves to collect water from numerous unnamed draws within the immediate site vicinity. There are no major draws or watercourses within the mine catchment area. No springs are prevalent near the site or within the catchment area.

According to Nevada Division of Water Resources, two springs are located within a 5-mile radius of the Project boundary. The closest, Woodchuck Spring, is located approximately 3 miles from the northern boundary of the Project. The springs are located at higher elevations of the Project. There are no perennial surface water, seeps, and springs within the Project boundary or within one mile down gradient.

Groundwater in the vicinity of the site is generally at an elevation of 5,884 feet above mean sea level (amsl) based on observations in monitoring wells PZ-1015 and PZ-1016 in October 2019. The lowest point in the deepest pit, the Yankee pit, will be at an elevation of 5,925 feet amsl approximately 41 feet above the groundwater level. Groundwater is generally from 600 feet to 900 feet below the ground surface.

Groundwater analysis for Permit NEV0089008 at YWS-1 indicates that the groundwater at the site meets all NDEP Profile I reference values.

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 new Permit.

F. Proposed Limitations, Schedule of Compliance, Monitoring, Special

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 and sampling downgradient monitoring wells. 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 (the 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.

Prepared by: Allie Thibault
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Revision 00: Permit Renewal, BP updates