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

Permittee Name: **CR Reward LLC**

Project Name: **Reward Project 2**

Permit Number: **NEV2007101**
Review Type/Year/Revision: **Renewal 2026, Fact Sheet Revision 00**

A. Location and General Description

Location: The Reward Project 2 is located in southern Nye County, approximately 8 miles southeast of the town of Beatty, Nevada. The project is located near the historic Bullfrog-Rhyolite Mining District, within the northern portion of the Amargosa Valley and northwest of Carrara Canyon.

The mine and mill are located on both public land administered by the U.S. Bureau of Land Management – Las Vegas Field Office and private land within portions of The facility is located in Nye County, within Sections 33, 34 and 35, Township 12 South (T12S), Range 47 East (R47E), and Sections 1, 2, 3, 4, 9, 10, 11, and 16, T13S, R47E, Mount Diablo Baseline and Meridian.

The Permittee for the Reward Project 2 is CR Reward LLC, which is a subsidiary of Elko Mining Group, LLC.

***Site Access*:** To access the Reward Project 2 site, proceed approximately 8 miles southeast of Beatty on U.S.-95 to the mine access road. Proceed northeast approximately 2 miles to the mine site.

Characteristics: The Reward Project 2 has not been constructed. Current plans are for the Project to be developed as an open pit surface mining operation from which low grade gold values will be recovered from ore by a cyanide heap leach process. The facility is authorized to process up to 1,999,999 tons of ore annually.

The project will involve the following:

- Development of the project into an open pit mine;
- Construction of waste rock facilities associated with the pit development;
- Construction of a heap leach facility (including heap leach pad, a solution collection system, process pond and a carbon adsorption circuit);
- Construction and operation of an ore crushing facility;
- Use of a proposed or existing make-up water well and construction of a conveyance pipeline from the well to the project area;
- Construction of ancillary facilities to support the proposed operation;
- Construction of onsite mine haulage and personnel access roadways; and

- Ongoing development and exploration to include drilling and sampling.

The Reward Project 2 is designed to operate and close without discharge or release in excess of those standards established in regulation except for meteorological events which exceed the design storm event. Because the approved designs and operating plans are in excess of 5 years old and no construction has taken place at the Reward Project-2 site, a Schedule of Compliance (SOC) item requires that at least 60 days prior to initiating construction of any or all of the approved designs, the Permittee shall provide written notice to the Division of the intent to construct. The Permittee shall receive written acknowledgement and authorization from the Division prior to initiating construction. Any changes to the approved designs will require an engineering review, modification of the Permit, and payment of Permit modification fees.

B. Synopsis

History: The Reward Project was first evaluated by Barrick Gold Corporation (Barrick) during the mid 1990's. Barrick subsequently terminated its exploration activities and in 1998, Rayrock Resources, Inc. (Rayrock) and its subsidiary Daisy Mining Company initiated permitting activities for the Reward Project. Rayrock was purchased by Glamis Gold, Inc. (Glamis) and Glamis' subsidiary Glamis Daisy Mining Company applied to the Nevada Division of Environmental Protection—Bureau of Mining Regulation and Reclamation (the Division) for a Water Pollution Control (WPC) Permit on 29 April 1999. WPC Permit NEV0099102 (identified in the Division database as Reward Project-1) was approved on 7 October 1999 and became effective on 22 October 1999. Depressed gold prices between the years 1999 and 2001 resulted in a reevaluation of the project's feasibility. At the request of Glamis, the Reward Project WPC Permit was officially terminated on 25 April 2001. None of the permitted facilities were constructed.

Atna Resources Ltd. (Atna) acquired the Reward property with their purchase of patented placer mining claims from Barrick, obtaining mineral leases for patented and unpatented mining claims from private individuals, and through the staking of new, unpatented mining claims in the Reward Project area. An application for a new WPC Permit for the Reward Project-2 was submitted to the Division on 30 March 2007 and became effective 5 July 2008. With the exception of a make-up water supply well (WSW-1) and some mine access road development, there has been no construction at the Reward site. Exploration however, continues at the site under the purview of the Reclamation Branch and the NAC 519A regulations.

In November 2014, Atna sold the Reward 2 and Clover properties to Waterton Global Mining Company, LLC. The CR Reward LLC name was retained for the Reward 2 Project and will continue to operate as a subsidiary under Elko Mining Group, LLC.

Physical Features: The Reward mine and heap leach facility are located in the upper reaches of a colluvial plain, developed as a result of the erosional processes associated with the Bare Mountains. The colluvial plain consists of relatively steep, widely spaced, parallel drainages, perpendicular to the valley floor which drain into the Amargosa River valley if any surface flow present is of sufficient volume to reach the valley floor rather than infiltrate into the colluvial plain.

The project site consists of rocky, moderately steep terrain ranging in elevation from 3,500 feet to 4,900 feet above mean sea level (ft amsl). Local topography displays grades ranging from 1 to 11 percent below the 4,000 ft amsl elevation to grades ranging from 27 to 37 percent at elevations above 4,000 ft amsl. Exploration drilling during the 1990's performed at depths ranging between 570 ft below ground surface (ft bgs) to 1,185 ft bgs (3,680 ft to 3,065 ft amsl), did not indicate the presence of any groundwater, however there was one instance of a relatively small perched lens of water encountered at a depth of 280 ft bgs (3,970 ft amsl). Refer to Section C., Receiving Water Characteristics, for additional details.

Surface Mining: A geologic evaluation performed by the Permittee for the Reward deposit has identified approximately 5.4 million tons of gold-mineralized material and an estimated 11 million tons of waste rock and overburden material which will require removal and disposal. Conventional mining techniques will be used to develop the deposit and current plans indicate that three pits (Good Hope, Bull Moose North, and Bull Moose South) will be developed, eventually interconnecting into one contiguous pit with an approximate area of 55 acres and a final pit floor elevation of 3,620 ft amsl. A fourth pit, Gold Ace, will also be developed and possibly precede mining operations in the three pits. It is anticipated that this pit will have an area of approximately 6 acres and will be backfilled with waste rock.

Ore mining and processing operations are projected to occur at a permitted rate of 1,999,999 tons of ore per year over a mine life of approximately five years. An estimated 2-year residual leaching period will follow completion of mining operations; to be followed by final permanent closure and reclamation.

Waste Rock and Overburden Management: Five waste rock lithotypes have been identified at the Reward Project site. Characterization results of the five rock types indicate that the material is not acid generating. The ratio of acid neutralizing potential to acid generating potential (ANP:AGP) for all the five waste rock types range from 5:1 to 2,387:1. With the Reward Project located in an area of extremely low precipitation and very high evaporation, drainage as a result of meteoric water infiltration through the waste rock is unlikely.

The three waste rock dumps (North Dump, Gold Ace Dump, and South West Dump) have a combined acreage of 119.4 acres and have been designed to contain approximately 16 million tons of waste rock and overburden. In addition to backfilling the Gold Ace pit with waste rock, waste material from the Bull Moose South pit may also be utilized to partially backfill the Bull Moose North pit and waste rock from the Bull Moose North pit may also be utilized to partially backfill the Good Hope pit. Waste rock and overburden are end-dumped on the active face of the dump at the natural angle of repose, approximately 1.3 horizontal (H):1 vertical (V). The waste rock dumps are constructed in lifts not to exceed 100 feet. Final slopes will have an overall slope no steeper than 2.5H:1V with ultimate heights varying from 120 to 320 feet.

Ore Crushing: Current plans indicate that run-of-mine ore from the mining operation is to be transported by haul truck to the Reward crushing facility for size classification and reduction, loaded back on haul trucks and then transported to the heap leach pad or placed on a conveyor system for delivery to the pad.

The proposed ore crushing facility is comprised of a primary jaw crusher with secondary and tertiary cone crushers. Typical crusher throughput is between 350 and 450 tons per hour (tph) and up to 1.375 million tons per year.

Heap Leach Facility: The original HLP design was approved by the Division in March 2007; however, in July 2019, the Permittee submitted a minor modification to redesign the HLP to allow for a Phase 2 expansion of the HLP. Final designs for Phase 2 have not been submitted or approved by the Division; therefore, a minor modification is required before construction of Phase 2. Additional ore and waste rock characterization would also be required prior to mining for the Phase 2 expansion.

The proposed cyanide heap leach facility consists of a heap leach pad (HLP), a process solution tank system and a double-lined process solution pond, which overflows into an event pond, all of which occupies approximately 56 acres. The HLP is located southwest of the pits and waste rock dumps.

The approved heap leach pad liner system consists of a 60-mil double-sided textured linear low-density polyethylene (LLDPE) geomembrane, overlain with a 2-foot (minimum) cover layer of crushed ore or drainage gravel to assist in solution collection and to protect the liner during ore placement. The LLDPE liner overlays a 12-inch compacted soil layer with a maximum, recompacted (92 percent Modified Proctor, American Society for Testing and Materials [ASTM] Method D1557) in-place coefficient of permeability of $1x10^{-6}$ cm/sec or less. The LLDPE liner is fusion welded to 80-mil high-density polyethylene (HDPE) at the southern half of the stormwater channel.

During active operations, the ore is stacked on the HLP in 15- to 30-foot lifts to a maximum height of 170 feet. Assuming an ore density of 1.35 tons per cubic yard (cu yd) and a minimum 30-foot set back from the outside berm, estimated leach pad capacity is 7 million tons of ore. Each lift is placed by truck dumping or conveyor stacking to its angle of repose. Subsequent lifts are set back to create a 2.5H:1V intermediate slope for each group of three lifts.

Each lift of ore will be leached in a single leach cycle using dilute sodium cyanide solution and caustic soda or lime will be added to maintain a solution pH between 10.5 and 11.0 standard units (SU). Ore will be leached in an approximate 90-day cycle at a planned maximum solution rate of 0.0015 to 0.003 gallons per minute per square foot (gpm/sq ft) of ore surface. After an ore lift is leached, the spent ore will be leveled and scarified to increase percolation and the next lift will be placed. Solution will be applied to the heap at a maximum volumetric flow rate of 3,000 gallons per minute (gpm).

Stability analyses were performed using the computer program SLIDE 2018 by Rocscience. SLIDE is a two-dimensional slope stability program for evaluating circular or noncircular failure surfaces in soil or rock slopes using limit equilibrium methods. Spencer's method was used within the stability model to analyze all circular failure surfaces and assumes all interslice forces are parallel and have the same inclination. The stability analyses resulted in static and pseudostatic factors of safety of 1.39 and 1.08 respectively which exceed the minimum required factors of safety of 1.30 and 1.05.

Solution Collection: Pregnant solution collection will be accomplished through a pipe network designed to maintain a hydraulic head within the 2-foot drainage layer above the

liner during leaching and a gravity flow of approximately 50 percent of the pipe network's maximum capacity. Pregnant solution is collected from 4-inch diameter dual wall smooth interior perforated corrugated polyethylene (CPE) pipe.

The 4-inch diameter collection pipes are nominally spaced 25 feet apart in a herringbone pattern. In addition to the 4-inch pipe, an 8-inch diameter perforated CPE pipe is located along the northwest perimeter berm of Cell 1 and southwest perimeter berm of Cells 1 through 6. Solution will be directed toward perforated CPE solution header pipes which range in size from 6 to 12 inches in diameter and are situated in the solution pipe header channel in each cell of the HLP. The smaller header pipes are located in the upper part of the pad and increase in size as the contributing area increases. The largest header pipe is a 12-inch diameter perforated CPE pipe located at the bottom of each cell.

Each 12-inch diameter CPE header pipe connects to a 14-inch diameter HDPE DR17 cell outlet pipe located in front of the solution retention berm. The cell outlet pipe passes through the solution retention berm and has an LLDPE pipe boot around it to prevent flow into the solution conveyance channel. The cell outlet pipe conveys solution into a 6-inch parshall flume where solution is directed into either the pregnant or lean solution conveyance pipes by opening and closing butterfly valves. The pregnant solution conveyance pipe then conveys flows to the Pregnant Solution Tank and the lean solution conveyance pipe to the Lean Solution Tank located at the Process Plant.

From the HLP, the solution pipelines enter the 60-mil LLDPE lined stormwater channel and diverts to the 60-mil LLDPE pipe conveyance channel. After the pipe conveyance channel, the remaining portion of the stormwater channel is lined with 80-mil HDPE and ties in to the pond liner system.

Process Solution Tank System and Process Pad Design: In lieu of a conventional pregnant and barren pond system, the Permittee has opted to utilize an 18,700-gallon, dual-chamber steel process solution storage tank, placed on a 3-foot thick layer of Class-6 aggregate base (or equivalent) within secondary containment. The containment area is graded to drain to the adjacent double-lined event pond (discussed below). One chamber of the process solution tank serves to collect pregnant solution from the HLP; the other chamber serves to collect barren solution from the carbon adsorption circuit. The working capacity of each chamber is 8,182 gallons with a freeboard of 12 inches.

The process pad area is lined with a primary and secondary 60-mil HDPE liner, which overlies a minimum 6-inch layer of compacted bedding soil, with an in-place coefficient of permeability of $1x10^{-5}$ cm/sec or less. A 2-foot high berm comprised of structural fill surrounds the process pad area which is graded to drain toward the double-lined event pond discussed below. The process equipment (process solution tank system and carbon columns) is placed on a 6-inch thick reinforced concrete pad, sloped to drain toward the double-lined event pond.

Pond System Design: The process pond was designed to store 5.2 million gallons (M gallons) and the event pond was designed to store 8.8M gallons to the invert of the spillway at the 3,452 foot elevation (4 feet below the pond crest). The freeboard volume (volume between 3,453 and 3,456 feet amsl) of both ponds combined is 3M gallons and the total capacity of both ponds combined to the pond crest elevation is 18.2M gallons. The ponds

were designed to contain the 100-year, 24-hour storm event volume and 12-hour draindown volume.

Each pond has a sump located in the western corner of each pond bottom. The sump is a total of 5 feet deep with the lower 2 feet of the sump being the leak collection and recovery system (LCRS) and the upper 3 feet serving as the pond surface water sump. The LCRS is between the 60-mil secondary and 80-mil primary liners and the pond surface water sump is located above the primary liner. A 12-inch diameter HDPE DR 21 pipe with slots cut into the lower 10 feet is positioned into the LCRS, which serves as a pump sleeve. A submersible pump will be positioned inside of the pump sleeve and connected to a discharge pipe that will pump leakage from between the layers to the crest of the pond and back onto the primary geomembrane. The 24-inch diameter carbon steel pipe is supported on the crest with two steel support channels that are welded to a steel plate embedded or bolted into reinforced concrete anchor block.

The fluid management system for the process pad area is designed to accommodate normal process solution volumes, volumes generated as a result of upset conditions, the emergency storage of solution as a result of the 100-year, 24-hour storm event and draindown over a 12-hour period assuming a full flow at 3,000 gpm from the HLP.

Gold Recovery: Process solution from the pregnant side of the dual-chambered process solution tank is pumped through a five-stage carbon column located on containment within the process pad area and sized to handle approximately 10 tons of carbon at a flow rate between 700 and 1,250 gpm.

Gold is adsorbed onto the activated carbon and the resulting barren solution reports to the barren side of the dual-chambered process solution tank where fresh water, sodium cyanide, and caustic soda are added prior to its recirculation back to the leach pad. The loaded carbon is then loaded into DOT-approved containers for shipment to an off-site permitted facility in Nevada or out-of-state. Reactivated carbon will then be returned to the Reward Project site for reuse.

Vadose Zone Monitoring: The unsaturated or vadose zone beneath the HLP, solution pond, and process pad area will be monitored by a series of suction lysimeters (i.e. porous cup lysimeters). The vadose zone system consists of eight lysimeters to be installed at a depth of 10 feet below the final grade with three installed along the toe of the HLP, one installed under the processing facilities, and one installed under the process pond area.

The lysimeters consist of a porous suction lysimeter probe and an internal collection cup installed within the native soils. The lysimeter is connected to polyethylene tubing installed within PVC piping that is routed to nearby accessible monitoring locations.

The lysimeters will be used to monitor any potential impacts of the vadose zone resulting from an accidental release of process fluid since there is a substantial distance between the process components and ground water beneath the site. Should any lysimeter fail to perform under actual operating conditions, the Permittee will need to install vadose zone monitoring wells as replacements.

C. Receiving Water Characteristics

Regional Hydrogeology: The Reward Project site lies within the Oasis Valley-Forty Mile Canyon groundwater basin. Groundwater flow within the area is structurally controlled with movement occurring within the bedrock through interconnected joints and faults. Four principal hydrogeological units have been identified: a regional Paleozoic carbonate aquifer, which controls interbasin flow; a Paleozoic clastic aquitard; Tertiary tuffs aquitards that are capable of transmitting water; and Quaternary alluvial deposits.

Groundwater: Groundwater occurrence within the Reward Project area is believed to be the result of localized recharge and moves southwest, south, and southeast toward Oasis Valley, Crater Flat and the Yucca Mountain/Forty Mile Wash area, respectively. Groundwater movement within the Crater Flat area flows from north to south. During the 1990's, a series of 25 boreholes were drilled at depths ranging from 570 ft to 1,185 ft bgs (3,680 ft to 3,065 ft amsl). The boreholes did not indicate the presence of groundwater, however there was one instance where a relatively small perched lens of water was encountered at a depth of 280 ft bgs (3,970 ft amsl).

In the northern portion of Tates Wash, located approximately 5 miles north of the Reward Project site, isolated perched water zones have been identified at depths of 150 and 310 feet bgs (approximately 4,000 feet amsl). These zones however, are relatively confined and limited spatially.

Surface Water: There are no known perennial surface waterways, streams, springs or seeps within a 1-mile radius of the Reward Project site. Several ephemeral dry washes are located within and near the facility, conveying stormwater (when present) from the higher elevations along the range front towards the pediment and desert floor west of the facility. Generally, stormwater conveyed in the ephemeral drainages infiltrates into the alluvium through which the drainages run prior to their intersection with US-95.

Make-up Water Supply: During the 1990's, four water supply wells were drilled by Glamis for a neighboring project located 4 miles north of the Reward Project site. Two wells were drilled to depths 190 feet bgs (4,080 feet amsl) and 740 feet bgs (3,460 feet amsl) respectively and did not encounter any water. A third well encountered groundwater at a depth 210 feet bgs and continuously yields 30 gpm. The water meets the Division Profile I reference values for all constituents and is used exclusively for seasonal livestock watering. A new make-up water well (MW-1, NDWR Permit #76390) was completed in 2011 to a depth of 1,000 feet bgs (3,150 feet amsl) and meets the Division Profile I reference values for all constituents. The well is expected to meet all necessary water demands.

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 Effluent Limitations, Schedule of Compliance, Monitoring, 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 primary method for identification of escaping process solution will be placed on required routine monitoring of leak detection systems as well as routinely sampling the downgradient production/make-up water well(s) and surface water, if present. 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.

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