

Tailings produced by the underground mill will be transported to the waste piles via truck from the filter building shown on Map C-2. The ore sent to the mill will come from a roughly 4.5 foot thick ore vein (quartz hosting the sulfides) and be processed through a flotation system designed to remove >99% of sulfide minerals. The resulting tailings from this process will be -150 to 325 mesh and have a moisture content of between 13% and 16%. The mill process is designed to remove the sulfide minerals from the ore to the maximum extent possible, and therefore will produce tailings that will not produce acid. Until permanent tailings can be placed, temporary tailings will be stored in a designated area. Information on the planned temporary storage area is included in Appendix 16.

In order to accommodate the new mining at the Revenue Mine, three waste piles will be constructed over the life of the mine. The first embankment (Revenue Waste pile) will be a central pile located on top of the existing waste rock embankment. The second embankment (Atlas Waste pile) will be to the west of the current mining area, and will be constructed on ground that was partially disturbed by the Atlas Mine. The Atlas Waste pile at the Revenue Mine has been reduced in size and scope since its original design in order to avoid disturbing nearby wetlands. This revised waste pile is 206,271 tons in capacity, and 4.35 acres in area (including Sediment Pond 1). An additional 0.30 acres of area is taken up by the Diversion #1B ditch. This leads to the Atlas disturbance area being 4.64 acres. Map C-4 shows the final maximum extent of the two piles. These two embankments will have a combined capacity of approximately 1,000,000 tons. This volume will provide 10.0 years of tailings and waste storage under the assumption that no waste rock is removed from the site. If large amounts of waste rock are removed, the life of the piles could be extended slightly beyond 15 years. At such time, Fortune Revenue Silver Mines, Inc. may consider revising the permit to allow paste fill storage of tailings underground. It cannot be done at this time since it is planned to conduct new mining in all areas and there is no room to place the paste fill at this time.

The third waste pile was added due to a larger amount of rock blasted from the mill tunnel construction. No tailings will be stored in this waste pile. This pile added an additional area of 1.1 acres on the east side of the permit area. This area is to be used for permanent waste rock