Flag Resources, Inc. Permit # M-1981-202SG 11/27/2021 Silt Pit 2021 Annual Report

Notes:

Please refer to the 2021 Annual Report Map for location of the areas of disturbance in the mine. We continued to remove material from stockpiles, partially mined area on the east side and a small section below the feed lot on the west side. Reclamation is on going as mining progresses. The markings and colors noted in the text refer to areas on the map.

Notes:

(8) We continued to mine in the area east of the Plant Site on the floor of the lake area as shown on the map. A 3.6 acres north of the settling pond was stripped this year and mining continued into that area (purple). The total stockpiled topsoil remains at approximately 84,200 YD3 (light brown) in the four stockpile areas. All the sloping around east lake are now complete and rough graded 3:1 (~6200 feet). In the new area the slopes are being mined 3:1 so no grading will be needed when reclamation starts in that area.. Topsoil material has been piled along the north shore so final soiling can be complete. We are still using the Plant Site and it contains gravel stockpiles, shop and office facilities.

(10) The west lake area covers approximately 64.1 acres of which 44.47 acres \pm (blue) is lake area. Approximately 40.5 acres of the east part of the mine will fill with water when mining ends and 5.0 acres is rough graded, ready for re-soiling and seeding on the above water areas. We continue to fill and clean the settling ponds (dark blue). Reclamation is proceeding on the Feed lot area (6.6 ac) and is expected to be complete this winter. Most of the area along the west bank of the west lake and area around the south ponds, west of the Plant Site has been partially reclaimed (green). All sloping is done around the west lake area and much of the non active area has a topsoil cover. Reclamation, except seeding of minor areas, is complete on much of the western 64.1 acres \pm of the site.

(11) Mining will continue in the stripped area north of the settling ponds and on material remaining east of the Plant Site. We will continue to mine on the floor of the partially mined area.

12) No reclamation is required next year in the Plant Site area or in the mining area east of it. Reclamation will continue on the feedlot area and the areas above the water line around the east lake.

(14) Weed control was done on June 2021 at the mine and spot work was done on the Plant Site areas and roadways. Escort and 2-4-D was applied to the Hoary Crest, and Kochia, and Telar and Milestone was used on the Russian Knapweed. Ranger pro was use on grass areas to control the weeds in those areas. Weed control will continue in 2022 as needed.

(18) The current bond is \$337,611.00. The Division reviewed and increased the bond in March 2021.