Flag Resources, Inc. Permit # M-1981-202SG 11/9/2023 Silt Pit 2023 Annual Report

Notes:

Please refer to the 2023 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 north 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. The north area was completed this year (brown hatch) and and backfilling has begun in the area (brown). The total stockpiled topsoil is approximately 73,550 YD3 (light brown) in three stockpile areas. All the slopes around east lake are now complete and rough graded 3:1 (~6200 feet), The west and south sides of the old feed lot have been graded and seeded. 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 40.1 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). A peninsula has been built using overburden on the south shore parallel to the powerlines. It may extend across the excavated area to divided the east lake in to 2 parts. The Feed lot area, 6.6 ac, is complete with the seeding being done in the Fall of 2022 (green hatched area).

The area along the west bank of the west lake and area around the south ponds, west of the Plant Site has been 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 ± of the site.

(11) Mining will resume in the east lake area 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. Backfilling will continue on the area mined north of the Plant Site. The feedlot area may be reseeded.

(14) Weed control was done on June 2023 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 2024 as needed.

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