

PLAN OF OPERATIONS FOR MINING ACTIVITIES ON NATIONAL FOREST SYSTEM LANDS

USE OF THIS FORM IS OPTIONAL 1st TIME USERS SHOULD DIRECT QUESTIONS REGARDING THIS FORM OR REGULATIONS (36 CFR 228A) TO THE FOREST SERVICE DISTRICT OFFICE NEAREST YOUR AREA OF INTEREST.

Submitted by:	<u>Walter Hunt</u>	<u>Chief Operating Officer</u>	<u>Oct. 31 2023</u>
	Signature	Title	Date (mm/dd/yy)
	<u></u>	<u></u>	<u></u>
	Signature	Title	Date (mm/dd/yy)
Plan Received by:	<u></u>	<u>District Ranger</u>	<u></u>
	Signature	Title	Date (mm/dd/yy)

I. GENERAL INFORMATION

- A. Name of Mine/Project: Cat Creek Drilling Project
- B. Type of Operation: Drilling
(lode, placer, mill, exploration, development, production, other)
- C. Is this a (☒new/☐continuing) operation? (check one).
If continuing a previous operation, this plan (☐replaces/☐modifies/☐supplements) a previous plan of operations. (check one)
- D. Proposed start-up date (mm/dd/yy) of operation: July 1, 2025
- E. Expected total duration of this operation: July 1, 2025 to July 1, 2028
- F. If seasonal, expected date (mm/dd/yy) of annual reclamation/stabilization close out: Oct 31 of 2025, 2026 & 2027
- G. Expected date (mm/dd/yy) for completion of all required reclamation: July 1, 2028

II. PRINCIPALS

- A. Name, address and phone number of operator:
Solitario Resources Corp. 4251 Kipling St. Ste 390, Wheat Ridge, CO 80033
- B. Name, address, and phone number of authorized field representative (if other than the operator).
Attach authorization to act on behalf of operator.
Sandor Ringhoffer, Solitario Resources Corp. 4251 Kipling Street, Suite 390 Wheat Ridge, Colorado 80033
Cell: 303-887-2930
- C. Name, address and phone number of owners of the claims (if different than the operator):
Cat Creek, LLC, 630 20 Road, Grand Junction, CO 81507 (970) 250-4031

(If more space is needed to fill out a block of information, use additional sheets and attach form)

- D. Name, address and phone number of any other lessees, assigns, agents, etc., and briefly describe their involvement with the operation, if applicable:

n/a

III. PROPERTY OR AREA

(Name of claim, if applicable, and the legal land description where the operation will be located.)

MC#	Name	Section	Township	Range
CO101870630	Cat Creek 12	4	T. 36 N	R. 6 E

IV. DESCRIPTION OF THE OPERATION

- A. **Access.** Show on a map (USGS quadrangle map or a National Forest map, for example) the claim boundaries, if applicable, and all access needs such as roads and trails, on and off the claim. Specify which Forest Service roads will be used, where maintenance or reconstruction is proposed, and where new construction is necessary. For new construction, include construction specifications such as widths, grades, etc., location and size of culverts, describe maintenance plans, and the type and size of vehicles and equipment that will use the access routes.

No new road construction needed. Access to drill sites will use USFS 250, 251, 237 and 1A (Figure 1). Minor road maintenance will consist of filling holes manually or by utilizing a backhoe or similar type of wheeled equipment which will be limited to the existing footprint of the road 237, 1A. Figure 1 shows the Cat Creek claim block in relation to drill sites and access. Rd 237 1A is not currently designated a Forest Service System road on all maps.

Per review of the project NEPA analysis, the following actions will be taken to address soil impacts in the monsoon season: Heavy equipment only be operated when soil moisture is below the plastic limit, or protected by at least 1 foot of packed snow or 2 inches of frozen soil and avoid soil-disturbing activities during periods of heavy rain or wet soils. Sediment controls (silt fence, wattles) will be applied in areas of disturbed soils to prevent rilling and gullyng. Sediment controls will be keyed into the ground. Disturbed areas will be revegetated using certified local native plants as practicable while avoiding the use of persistent or invasive exotic plants.

- B. **Map, Sketch or Drawing.** Show location and layout of the area of operation. Identify any streams, creeks or springs if known.

Show the size and kind of all surface disturbances such as trenches, pits, settling ponds, stream channels and run-off diversions, waste dumps, drill pads, timber disposal or clearance, etc. Include sizes, capacities, acreage, amounts, locations, materials involved, etc.

The attached figures show access roads, drill site locations and parking/storage. Short term use of existing roads and off road parking should result in only minimal disturbance. No activities will involve excavation or physical ground disturbance. No water bodies will be disturbed and no modification of vegetation will occur. Detailed description of activities and equipment/materials follows.

(If more space is needed to fill out a block of information, use additional sheets and attach form)

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- C. **Project Description.** *Describe all aspects of the operation including mining, milling, and exploration methods, materials, equipment, workforce, construction and operation schedule, power requirements, how clearing will be accomplished, topsoil stockpile, waste rock placement, tailings disposal, proposed number of drillholes and depth, depth of proposed suction dredging, and how gravels will be replaced, etc. Calculate production rates of ore. Include justification and calculations for settling pond capacities, and the size of runoff diversion channels.*

Each of the two drill sites shown on Figure 1 will have one core hole drilled and, depending on initial results, three additional drill holes if warranted by results. Depths of drill holes will be determined by the geology encountered during drilling. Holes may vary from 0 to 2800 ft in depth but are likely not to exceed 1500 ft. The depth will depend on the geology encountered. Drill holes will be collared within the footprint of the road to eliminate new surface disturbance. Other vehicles listed below will be parked on adjacent flat area at each site (staging areas) as located on Figure 1 and images. Due to the short time of use of each site, no stripping of existing topsoil will occur and vehicles and other tools/structures will be parked on native grass/soil which will be seeded and reclaimed as described in H.

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- D. **Equipment and Vehicles.** *Describe that which is proposed for use in your operation (Examples: drill, dozer, wash plant, mill, etc.). Include: sizes, capacity, frequency of use, etc.*

Vehicles and equipment used at each drill site will be one track mounted core drill, one trailer mounted solid recovery unit (centrifuge), up to three pickup trucks, one or two, 2000 to 6000 gallon water trucks, one backhoe, two stock watering tanks for settling of drill water, a water tank or bladder for water storage, mud pump and mixing tank for grout and cement for drill hole reclamation, parts trailer, waste receptacles labeled for trash and recyclables, generator, 2 light plants and a Porta Potty.

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- E. **Structures.** *Include information about fixed or portable structures or facilities planned for the operation. Show locations on the map. Include such things as living quarters, storage sheds, mill buildings, thickener tanks, fuel storage, powder magazines, pipelines, water diversions, trailers, sanitation facilities including sewage disposal, etc. Include engineering design and geotechnical information for project facilities, justification and calculations for sizing of tanks, pipelines and water diversions, etc.*

No structures will be required.

V. ENVIRONMENTAL PROTECTION MEASURES (SEE 36 CFR 228.8)

- A. **Air Quality.** *Describe measures proposed to minimize impacts on air quality such as obtaining a burning permit for slash disposal or dust abatement on roads.*

The access roads are generally rocky and vehicle traffic does not result in excessive fugitive dust. However, speeds of vehicle on the project secondary roads will be limited to a maximum of 25 mph. Drilling will use water so the drilling itself will not generate dust. All vehicles and other motorized equipment will be operated according to manufacturer's recommended operating parameters. No open burning will be allowed.

B. Water Quality. *State how applicable state and federal water quality standards will be met. Describe measures or management practices to be used to minimize water quality impacts and meet applicable standards.*

1. *State whether water is to be used in the operation, and describe the quantity, source, methods and design of diversions, storage, use, disposal, and treatment facilities. Include assumptions for sizing water conveyance or storage facilities.*
2. *Describe methods to control erosion and surface water runoff from all disturbed areas, including waste and tailings dumps.*
3. *Describe proposed surface water and groundwater quality monitoring, if required, to demonstrate compliance with federal or state water quality standards.*
4. *Describe the measures to be used to minimize potential water quality impacts during seasonal closures, or for a temporary cessation of operations.*
5. *If land application is proposed for waste water disposal, the location and operation of the land application system must be described. Also describe how vegetation, soil, and surface and groundwater quality will be protected if land application is used.*

Non-saline water will be used in drilling as a drill lubricant and coolant as well as to evacuate drill cuttings from the drill face. The amount of water to be used will be determined by the permeability of the geologic formations encountered in a drill hole. Water will be recirculated to the extent possible. Water will be transported to the site from permitted private or public sources depending on availability. A 4000 gallon highway capable water truck in combination with an off-road capable water hauling truck or buggy will transport water to the site and deposit the water into an on-site tank or bladder for storage. A wheeled, flat top, 21,000 gallon or similar storage tank will be staged in an existing turn around area on the south side of Fr 271, approx. 1/2 mile west of the intersection of Fr 271 and Fr 250 to facilitate transfer of water to the off-road water buggy. Water usage is estimated to vary up to 5,000 gallons per day; however, if circulation of drill water is lost, larger quantities may be required until circulation can be reestablished. Water will be recirculated during drilling and placed in either contained water settling tanks or water will be clarified using a Solids Removal Unit. Solids will be returned to the drill hole, removed from the site or dispersed, mulched and seeded.

C. Solid Wastes. *Describe the quantity and the physical and chemical characteristics of solid waste produced by the operation. Describe how the wastes will be disposed of including location and design of facilities, or treated so as to minimize adverse impacts.*

All of the solid wastes generated on site will be transported, as needed, to approved solid waste facilities for disposal except for the drill cuttings as discussed above. These cuttings consist of crushed/pulverized rock from the drill hole with a consistency of mud or sand.

Human waste will be managed by using portable toilets under contract with a commercial provider. The disposal of this waste will be undertaken by the contractor at a licensed and permitted facility. Trash and recyclable refuse will be transported to a licensed disposal or recycling facility.

D. Scenic Values. *Describe protection of scenic values such as screening, slash disposal, or timely reclamation.*

Proposed drill sites and the staging area are located in an area that avoids visibility from paved roads, permanent structures, dwellings, or developed campgrounds.

If drilling occurs during nighttime hours, then portable light plants will be required for work to safely proceed. To minimize stray light and light pollution, a maximum of two directional light plants would be used on a drill site. Directional lighting will generally minimize unnecessary glare by focusing the light downward on the worksite and away from populated areas to reduce stray light. Shielding of the sides will reduce scattered light skyward and laterally. The 7 mile distance of the drill sites from line-of-site population in valley bottom will limit visibility.

- E. **Fish and Wildlife.** *Describe measures to maintain and protect fisheries and wildlife, and their habitat (includes threatened, endangered, and sensitive species) affected by the operations.*

Fisheries: No fisheries exist on the property covered by this Plan. Solitario will consult with the Forest on existing T&E and wildlife studies and will coordinate with the Forest if additional studies are deemed necessary.

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- F. **Cultural Resources.** *Describe measures for protecting known historic and archeological values, or new sites in the project area. Two assets of potential historical or archaeological importance have been identified in the immediate vicinity of the drill site CC-02:*

- *Extensive erosion control channels exist throughout the general project area that are elongate trenches that parallel contours on broad open slopes on the northern side of the ridge between Cat and Willow Creeks. These trenches are CCC-era features. Their locations are downslope from the drill sites. Care will be taken to avoid encroaching on these features with vehicles or manual labor.*
- *A Culturally Modified Tree (Ponderosa Pine) exists near the site of drill hole CC-02. It has metal signage attached and may require further study to verify indigenous provenance.*

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- G. **Hazardous Substances.**

1. *Identify the type and volume of all hazardous materials and toxic substances which will be used or generated in the operations including cyanide, solvents, petroleum products, mill, process and laboratory reagents.*

The only significant hazardous substances anticipated on site will be diesel fuel used in drilling and lesser quantities of gasoline for use in a portable generator or light plant. Diesel fuel will be transported to the site in a permanently mounted steel tank in a pickup truck and stored in a permanently mounted tank on the drill rig. Gasoline, if present, will be held in a portable container and stored in the parts trailer or pickup truck. Any cleaning solvent will be stored in the parts trailer.

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2. *For each material or substance, describe the methods, volume, and frequency of transport (include type of containers and vehicles), procedures for use of materials or substances, methods, volume, and containers for disposal of materials and substances, security (fencing), identification (signing/labeling), or other special operations requirements necessary to conduct the proposed operations.*

A spill prevention control plan (SPCP) will be prepared and presented to the Conejos Peak Ranger District (CPRD) for review and approval prior to commencing work. The SPCP will include volumes of materials and descriptions of containment from the contractor selected.

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3. *Describe the measures to be taken for release of a reportable quantity of a hazardous material or the release of a toxic substance. This includes plans for spill prevention, containment, notification, and cleanup. Solitario personnel, contractors and/or subcontractors will not store large quantities of hazardous/flammable materials for its work at the Site that would require an EPA specified SPCC (Spill Prevention, Control and Counter measure) plan. Contractors will be handling daily working volumes of petroleum-based fuels, lubricants and coolants along with small quantities of other materials to complete the work. Safety and spill response preparation will include a spill response kit containing appropriate and sufficient clean-up materials (e.g., absorbent pads) to handle at a minimum the 25 gallon release reporting limit. These will be found at working areas where these materials will be in use. Details are found in the Solitario Cat Creek SPCP plan. The SPCP will also include spill response measures from the contractor selected.*
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- H. **Reclamation.** Describe the annual and final reclamation standards based on the anticipated schedule for construction, operations, and project closure. Include such items as the removal of structures and facilities including bridges and culverts, a revegetation plan, permanent containment of mine tailings, waste, or sludges which pose a threat of a release into the environment, closing ponds and eliminating standing water, a final surface shaping plan, and post operations monitoring and maintenance plans.

This Plan of Operations is designed to avoid new surface disturbance by avoiding excavating or breaking native soil horizons at the site. The staging areas directly adjacent to the drill collars on road 1A will be used to park vehicles at the site but no vegetation is planned to be removed. The intent is to maintain native vegetation to facilitate natural revegetation. Upon closure, any areas of compacted soil will be roughed, seeded with a seed mix recommended by the CPRD, and mulched to promote revegetation. The affected area at each drill site will be raked reseeded and mulched. Soil is very thin at the sites so it is intended to leave the soil undisturbed due to the short-term use of these areas. No recontouring will be required as a result of planned activities. The area on the road around the drill hole collars will be returned to the preexisting roadbed contours by manual raking if needed.

VI. FOREST SERVICE EVALUATION OF PLAN OF OPERATIONS

A. Required changes/modifications/special mitigation for plan of operations:

PROJECT DESIGN FEATURES incorporated from the project **CATEGORICAL EXCLUSION REVIEW:**

- To reduce impacts to soils, use a water recycling method that limits the overall amount of soil disturbance.
- To maintain visitor access, provide through access or space for vehicles to drive around the operation.
- To protect historic resources in the project area:
 - Avoid driving through or parking in the CCC furrows at the project site; and
 - Avoid impacting culturally modified trees (CMTs) in and adjacent to the project area.
- To prevent the spread of noxious weeds and nonnative invasive species, wash all equipment before entering NFS lands, use only weed-free mulch, and minimize soil disturbance.
- To prevent displacement of bighorn sheep during their reproductive period, project can commence after July 1. This includes moving equipment and materials to site.

- B. **Bond.** Reclamation of all disturbances connected with this plan of operations is covered by Reclamation Performance Bond No. **66010428***, dated (mm/dd/yy) **11/15/2024**, signed by **Jim Maronick** (Principal) and ****Note below** (Surety), for the penal sum of **\$130,130.00**. This Reclamation Performance Bond is a guarantee of faithful performance with the terms and conditions listed below, and with the reclamation requirements agreed upon in the plan of operations. This Reclamation Performance Bond also extends to and includes any unauthorized activities conducted in connection with this operation.

The bond amount for this Reclamation Performance Bond was based on a bond calculation worksheet. The bond amount may be adjusted during the term of this proposed plan of operations in response to changes in the operations or to changes in the economy. Both the Reclamation Performance Bond and the bond calculation worksheet are attached to and made part of this plan of operations. Acceptable bond securities (subject to change) include:

1. *Negotiable Treasury bills and notes which are unconditionally guaranteed as to both principle and interest in an amount equal at their par value to the penal sum of the bond; or*
2. *Certified or cashier's check, bank draft, Post Office money order, cash, assigned certificate of deposit, assigned savings account, blanket bond, or an irrevocable letter of credit equal to the penal sum of the bond.*

***Note:** DRMS Bond (CD) No. is recorded as **66010428**

****Note:** Bond is held by **First Interstate Bank (Surety)**, P.O. Box 30918, BILLINGS, MT 59116-0918
Bond CD account number: 6601014248

(If more space is needed to fill out a block of information, use additional sheets and attach form)

VII. TERMS AND CONDITIONS

- A. If a bond is required, it must be furnished before approval of the plan of operations.
- B. Information provided with this plan marked confidential will be treated in accordance with the agency's laws, rules, and regulations.
- C. Approval of this plan does not constitute certification of ownership to any person named herein and/or recognition of the validity of any mining claim named herein.
- D. Approval of this plan does not relieve me of my responsibility to comply with other applicable state or federal laws, rules, or regulations.
- E. If previously undiscovered cultural resources (historic or prehistoric objects, artifacts, or sites) are exposed as a result of operations, those operations will not proceed until notification is received from the Authorized Officer that provisions for mitigating unforeseen impacts as required by 36 CFR 228.4(e) and 36 CFR 800 have been complied with.
- F. This plan of operations has been approved for a period of **3 yrs.** or until (mm/dd/yy) 07/1/2028. A new or revised plan must be submitted in accordance with 36 CFR part 228, subpart A, if operations are to be continued after that time period.

VIII. OPERATING PLAN ACCEPTANCE

☐ I/☒ We have reviewed and agreed to comply with all conditions in this plan of operations including the required changes, modifications, special mitigation, and reclamation requirements.

☐ I/☒ We understand that the bond will not be released until the Authorized Officer in charge gives written approval.

Signature of ☐ Operator (or ☒ Authorized Representative)

8-29-2024

(Date)

(mm/dd/yy)

IX. OPERATING PLAN APPROVAL

(Name)

(Title)

Signature of (Authorized Officer)

(Date)

(mm/dd/yy)

Burden and Non-Discrimination Statement

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0022. The time required to complete this information collection is estimated to average 12 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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