

Ajax 1 Placer Claim

#### EXHIBIT C — MINING PLAN

6.3.3 EXHIBIT C - Mining Plan (1) The purpose of the mining plan is to describe how mining will affect the permit area for the duration of the operation. This plan must be correlated to Exhibit E - Map. The description of the mining plan must be adequate to satisfy the requirements of Rule 3.1 and demonstrate compliance with Rule 3. At a minimum, the Operator/Applicant must include the following information:

(a) specify the estimated dates that mining will commence and end. If the operation is intended to be an intermittent operation as defined in C.R.S. 34-32-103(6)(a)(II), the Applicant should include in this exhibit a statement that conforms to the provisions of Section 34-32-103(6)(a)(II), C.R.S.

Ajax 1 is the claim that will be managed for reclamation activities. This claim has an ore pile that has been measured and scaled to roughly 6-7,000 tons of mid and high-grade gold & silver ore that was removed from the lode source historically. This claim has a large flat gravel working pad and established safe working areas outside of consistent or set travel areas.

Mining activities will be contained to removal of the historical ore pile, crushing the rock to a fine consistency, and processing it on a shaker table. The process that will be outlined will show that this is an in-line contained process that will prevent environmental impacts, human-introduced legacy damages, or short-term impedances to the area. Equipment utilized is contained to the direct working area only. There will be no lower near waterway access and usage for this project and the removal of the ore pile on-site.

#### Equipment Setup & Preparation:

Road access to the working area that will be permitted for operations has a history of becoming very rough and hard to access with standard trucks. Due to this challenge only traveling to the working area with equipment as little as possible will prevent undue damage to the road.

### BPMS will not provide road maintenance actions to the travel way. No new road maintenance will need to occur.

All equipment will be brought up on trailers to be unloaded and placed within safe, established flat historical working pads on-site. Equipment transferred to the actionable site will be limited to start and finish activities with no major equipment movement egress and ingress during mining activities. Reclamation equipment will be comprised primarily of a track hoe, with specialized low PSI ground impact tracks, and specialized attachments. This equipment will be used in the removal of the historical ore piles that need to be cleaned up, and the direct reclamation activities that will be enacted during and after mining actions have occurred.

A jaw crusher, hammermill, small reverse helix trommel and a shaker table will be utilized in the proper and safe concentration of the valuable precious metals. These units will be installed at the flat open pad well away from the roadway, and in an area that will promote safety, viability, and continued use during the project without the risk of issues. Utilizing only water during the concentration and separation of values there will be zero introduction of any foreign chemicals, acids, or waste byproducts that are or could have damaging effects to the ecology or environment of the forest.



Water for the hammermill, and processing equipment will be a closed loop recirculating setup feeding from one primary source of stored water onsite. Roughly 5,000 gallons of water will be utilized in the above ground water holding tank with proper reserve space allowed for rain water, material additions, and unexpected fillings. This tank is similar and the same as to what fire departments use for temporary water

holding and water management at a structure fire. These above ground water holding retainers are set up fast, and able to be removed rapidly if needed.

#### Site Preparation Timeline Breakdown:

- i. Approval of Permitted Activities
- ii. Equipment delivery and placement~2 days
- **iii.** Milling & processing equipment placement~1.5 weeks (concurrent with equipment delivery.
- iv. Recirculating above ground water storage receptacle~1-3 days (concurrent with other tasks).
- *v.* Ground erosion control best practices~1 week (concurrent with equipment placement and site tasks)

#### Total site preparation time for this project initially will range between 7-10 days total.

#### *Mining Activity Duration from May 31<sup>st</sup> – October 1<sup>st</sup> This duration of time will also include final reclamation time for the project.*

(b) the estimated depth to which soil, suitable as a plant growth medium, will be salvaged for use in the reclamation process. This description must be consistent with information provided in Exhibit B. Sufficient soil must be salvaged to meet the vegetation establishment criteria of Rule 3.1.10. If plant growth medium is not reapplied on a graded area immediately after salvage, then the Operator/Applicant must specify how the topsoil will be stockpiled and stabilized with a vegetative cover or other means until used in reclamation. Plant growth medium stockpiles must be located separate from other stockpiles, out of the way of mine traffic and out of stream channels or drainageways. The location of plant growth medium stockpiles must be shown on Exhibit E - Map;

No new depth of soil will be disturbed during the removal of this ore pile. This is an above ground ore pile that will be crushed, processed and removed. Tailings and suitable plant growth medium will be utilized along the hillside bench to create new vegetative habitat for new growth.

(c) specify the thickness of overburden or quantity of waste rock, if any, to be removed to reach the deposit. The location of any overburden stockpiles or waste rock fills must be shown on Exhibit E-Map;

No overburden will be created from this project. Material will be coming from an already established ore pile on-site as described in Exhibit E Map. All fine tailings will be used as fill along the hill where the material is removed from. No new stockpiles will be created on-site, no new ore developments



will take place. This will only be focused on the removal of an already standing ore pile on-site that can be cleaned up and processed successfully. Waste rock will be spread in the area marked below on the map diagram provided. This will be mixed with the local soil and subsoil, graded to match requirements of the NFS, seeded with an approved seed list from the NFS, woodchip blanket will be placed on top to cover and protect against erosion and seed loss. This waste rock is very important to the reclamation and longevity of the direct working. Combining it will local soil and subsoils will build up the area and allow for better flora and wildlife introductions.



(d) specify the thickness of the deposit to be mined;

No new land will be disturbed. No deposit thickness needing measurement. Removing 7,000 ton maximum ore pile standing on-site at this point. This is a long standing ore pile that was left behind from mining that occurred decades ago.

(e) describe the major components of the mining operation such as: roads and access routes, pit, office, shop/maintenance buildings, plant, processing facilities, and any underground openings such as adits or ventilation facilities. These components must be located on Exhibit E- Map;

There will not be any new development to the area such as roads. Current road system with not be maintained by BPMS or redeveloped by BPMS. NFS will oversee the primary maintenance of their road. NFS can request help from BPMS for road maintenance and BPMS will be accommodating and provide assistance where it is able. There is one access route from the primary working area to the pile of ore that will be utilized for the retrieval and processing. This area is roughly 26 Ft long and will be 5 Ft wide to travel back and forth from the pile to the processing area.



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(f) specify the dimensions of any significant disturbances to the land surface such as pit excavations, mine benches, impoundments, stockpiles, waste rock disposal areas, etc; CODE OF COLORADO REGULATIONS 2 CCR 407-1 Division of Reclamation, Mining, and Safety 93

No pit excavations, mine benches, impoundments, stockpiles or waste rock disposal piles will be utilized. All waste will be fine grain and deposited back within the area it was removed to help re-establish proper ground grade for reclamation. This material will be spread out over the area to be reclaimed and graded to provided stability. (See diagram below describing benching.)

(g) specify the dimensions of any existing or proposed roads that will be used for the mining operation. Describe any improvements necessary on existing roads and the specifications to be used in the construction of new roads. New or improved roads must be included as part of the permitted acreage. Describe any associated drainage and runoff conveyance structures to include sufficient information to evaluate structure sizing;

The existing road is Ajax Valley Road that starts at Apex Valley Rd at the South and Heads North 1.4 Miles. This road is an average of 10-12Ft wide with heavy gravels, boulders, bedrock, rock and fines. Road improvements will not be done by the mining operator/claimant. Minimal travel impact in the area, and off-road capable trucks allow for easy access to the claim without creating more damage or maintenance. No agreement has been made with the NFS to do any road work at this time on the access road.

- (h) specify how much water will be used in conjunction with the operation, and the source of this water; Roughly 9,000 gallons of water will be used. Water will be purchased and water trucked into the claim to fill an above ground temporary water containment tank. Water purchased will be from licensed water supply houses local to Blackhawk Colorado.
- (i) if groundwater will be encountered and/or surface water intercepted or disturbed, describe how mining will affect the quantity and quality of the surface or groundwater and the methods to be used



to minimize disturbance to the surface and groundwater systems including proposed dewatering, sediment-containment or chemical treatment systems, storm water run-off controls, and groundwater points of compliance;

Groundwater including primary flowing water/creek is located in the lower level area from where the processing, water containment, and work will operated. No chemicals are used with the processing water. Dewatering screw is also used before water is placed back into the holding tank. All clean tailings are placed back into the area where fill is needed at and near the ore pile that is being removed. Silt fencing is placed around all working areas, and along the flowing waterway below to prevent muddied or silted waters from erosion, project runoff to prevent groundwater disturbance. All possible issues with water management will utilize fencing to allow for proper interception. Water discharge from the holding tank will take place towards the North and West into the NNW treeline and at a rate that does not allow for above ground flowing water but instead allows water to soak into the ground and filter naturally, <u>per the NFS request for water management.</u>

## <u>No groundwater will be encountered during the removal of this standing ore pile. Now excavation plans have been established. Only removing 1 above ground ore pile maximum 7,000 tons of material.</u>

(j) specify how you will comply with applicable Colorado water laws and regulations governing injury to existing water rights;

No water will be drawn from the flowing waterway in the area, nor will water be directly discharged into the flow waterway. No material or fugitive dust will be eroded into the water way with protections of silt fencing and wattles the waters will not get muddled or silted at any time during the duration of the project.

(k) regardless of DMO status, if refuse and acid or toxic producing materials are exposed during mining, describe how they shall be handled and disposed of in a manner that will control unsightliness and protect the drainage system from pollution.

(I) describe what measures will be taken to minimize disturbance to the hydrologic balance, prevent off-site damage, and provide for a stable configuration of the reclaimed area consistent with the proposed future land use.

No water will be drawn from the waterway to supply the operation with new or replenishment water. No water will be discharged in a manner that will flow over the ground, causing intrusion in the current water way that is present. All work areas, including the length of the waterway below the working area will be protected with silt fencing and wattles, and during reclamation a combination of silt fencing and erosion wattles will be utilized along the hill to prevent wash-away or displacement. No refuse, acid, or toxic producing materials will be created, brought to site to mix with water, or used in a manner that would create issue with the hydrologic balance.

\*\*\*Attached is a diagram from the reclamation plan describing how the hillside where the ore pile currently stands will be benched to prevent erosion issues.



Utilizing wattles at the end of the project, slash from material removed to create working path, and



woodchip netting provided by the NFS will allow for this project to have securities and safeguards in place to prevent erosion contamination, water intrusions or hydrologic imbalances due to silted materials being introduced.

(m) specify whether the deposit/ore will be processed on site. Processing includes crushing, screening, washing, concrete or asphalt mixing, leaching or milling. If the deposit/ore will be processed, then describe the nature of the process, facilities and chemicals utilized.

The process area and any structures must be described on Exhibit E - Map.

All the deposited ore established in a current ore pile is to be rough processed on site. As outlined in the map provided for Exhibit E. The working area will be above the flowing water area, on a secure stable man-made bench and road configuration from prior mining activities. The processing plan will be managed by a small jaw crusher and a small hammermill that will feed a roughing trommel and a shaker table. This will rough process 1-3 tons of material per hour. This material is then separated from the water in the dewatering screw. No fugitive dust will be substantially created with the use of water within the crushers. This will prevent any clouding and dispersing of the particulate.

No leeching or chemical separation will take place on-site. Only water will be used to rough concentrate the material via specific gravity. All concentrates including 1's, #2's, #3 concentrates including midlings will be sent to the refinery to final extraction of all profitable materials within the ore body., Only clean tailings will be left behind primarily constructed of the local country rock.

\*Attached for further detail and representation see Plan of Operations\*\*







(n) identify the primary, and if applicable, secondary and incidental commodities to be mined/extracted by the proposed operation; and if not to be used as construction material, describe the intended use.



Primary commodities that will be retrieved will be gold, then silver, and platinum metal groups.

All material will be sent to refinery to be contained and weighed within in specific metallic category and sold within the industry to provide for many ever-growing industries that rely on these metal groups to sustain life managing operations within the United States.

o) Specify if explosives will be used in conjunction with the mining or reclamation. In consultation with the Office the Applicant must demonstrate, pursuant to Subsection 6.5(4) under the Geotechnical Stability Exhibit, that off site areas will not be adversely affected by blasting during mining or reclamation operations.

\*\*\*No Blasting Will Occur At Any Time\*\*\*

(2) If tailing ponds are part of

the milling process, the mine plan description should address the following:

(a) Plant Facilities: Describe the chemical types and quantities to be utilized, chemical storage and spill containment and emergency response plans for on-site spills. Plant operation details should include tank capacities and operating solution volumes.

Pond will be an above ground water containment system. This is a framed system with a heavy poly liner made for fire departments and is extremely durable and heavy duty. This pond will not hold tailings.

No chemicals will be utilized anywhere within the water containment system, processing system, or stored near water containment. Water containment for the processing of the material will be



stored in an above ground temporary containment tank that is used by fire departments for holding water. This above ground water holding tank will not be used to hold tailings or other portions of the ore body. All tailings will be dewatered before the water goes back into the holding tank. The holding tank holds 3,000 gallons and will be kept at 2/3<sup>rd</sup> full to prevent overflow from rain events during containment periods of water for processing material. Spill kits will be kept on-site for the usage of any spills that could occur on-site.

No EPA regulated or unregulated chemicals will be utilized in the settling, coagulation, separation, or concentration of any values or treated to the bulk water onsite. No mercury will be used at this operation. Only water will be utilized concentrating the value bearing material by specific gravity



and sent off-site to a 3rd party refinery. All fuel storage will be done with DOT approved fuel tanks mounted on the backs on highway licensed and insured vehicles. These are leakproof tanks that will hold the diesel or gas that is needed on-site. No barrels of fuel or oils will be stored on the ground. No flammable liquids, caustic, or

listed chemicals will not be stored onsite on the ground or in improper containers. All refueling of equipment will be done no closer than 25 Ft from the recirculating pond on-site while utilizing spill kits, and petro-pads to prevent spill events.

Absorbent clay sealed in a bucket with a shovel for usage will also be kept within the project for additional spill remediation needed on-site.



#### Lowest Cost per Liter

PetroPad Smart Polymer Drip Pads has the lowest cost per liter of oil absorbed (and is the only one that retains it permanently) thanks to the Green Rhino Neutroilize Smart Fabric Technology™.

While other absorbents may appear cost-effective initially, they are single-use and generate a lot of hazardous waste which costs you money. PetroPad Oil Absorbing Mats have unbeatable capacity and don't need to be disposed of until full. They could last years!

Unlike spill trays, PetroPad won't generate gallons of contaminated water every time it rains.

Description	Oil Capacity Gal/L	W x D x H*	Net Weight Ib/kg
Small PetroPad	1.2/4.5	24 x 0.63 x 18.1 in (610 x 16 x 460 mm)	1.8/0.8
Medium PetroPad	2.8/10.5	27.2 x 0.63 x 35.4 in (690 x 16 x 900 mm)	4.0/1.8
Large PetroPad	5.3/20.2	35.8 x 0.63 x 53.9 in (910 x 16 x 1370 mm)	7.1/3.2
X-Large PetroPad	8/30.4	53.9 x 0.63 x 53.9 in (1370 x 16 x 1370 mm)	11.0/5.0
XX-Large PetroPad	11.7/44.3	53.9 x 0.63 x 85.8 in (1370 x 16 x 2180 mm)	18.4/8.4



b) Tailings: Describe the geochemical constituents of the tailing or leached ore, the chemistry of any leachate, anticipated impacts to ground or surface waters and design details such as liners, ponds and embankments, diversions or chemical treatment facilities to be used to control these impacts, and ground and surface water monitoring systems, to include proposed groundwater points of compliance. CODE OF COLORADO REGULATIONS 2 CCR 407-1 Division of Reclamation, Mining, and Safety 94

# Tailings that will be leftover will be small diameter gravels that will be comprised of quartz, biotite gneiss, microline-quarts-biotite gneiss, and granodiorite pegmatite. Portable temporary water containment system will be holding water only, no sediments will be contained within the water. All solids will be going through a dewatering screw removing all material from water.

(c) Drainage Control: Describe the measures used to divert upland drainage away from the site both during and after operation. This must include design details demonstrating the capacity of ditches and impoundment structures to contain operating solutions and the volume of water generated by a one hundred (100) year 24-hour rainfall event.

Drainage as required and requested by National Forest District Officials, the cutting in and banking "Wash-Ins" that will redirect water away from overflowing the working area and prevents rain run off from establishing new erosion points along the northern portion of the work area. Silt fencing will be utilized to prevent silted waters from occurring on-site. These ditches will be cut in at a depth of 18" and will be an average of 48" wide feeding back about 15 Ft towards and into the wooded portion of the claim. The dotted red and white lines as indicated in the map below show where the NFS wants to see drainage ditches constructed. These diversion channels can maintain 22 gal/min up to 39 gal/min. per channel diversion ditch. Water does not generally flow at a high rate in the area. Only during snow melt and heavy rainstorms will the water run above a trickle in this area due to old water diversion methods employed in the area decades ago.

This area of the lower access on the northern side will be gated off. This will prevent the driving of any equipment, atvs, or vehicles from driving or accessing the lower portion of the area.



Map above illustrates where NFS requires "Wash-In" "Wash-Out" ditches to be cut into the downward draining landscape to prevent issue with water quality issues.



(d) Maps and Plans: Design drawings must, at a minimum, describe specific design details for tailing ponds and embankments, ponds and ditches, ore and tail transport systems, and ground and surface water monitoring systems.

See attached maps, and additional imagery provided for the project.





#### CANDY MOUNTAIN MINING COMPANY INC. Kiel Schleusner – Field Representative | CEO



CANDY MOUNTAIN















