

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
BUREAU OF MINING REGULATION AND RECLAMATION
RECLAMATION PERMIT

PERMITTEE: The Plum Mining Company LLC
P. O. Box 1118
Virginia City, Nevada 89440

PROJECT NAME: Billie the Kid Mine

PROJECT LOCATION: Sections 5 thru 8 of Township 16 North, Range 21 East
M.D.B. & M., Story County, Nevada

PERMIT NUMBER: 0196 **BLM NOTICE #86559**

PROJECT TYPE: Silver/ Gold Mine **AMENDMENTS:** 6/17/02, 9/13/04, 11/4/04
2/22/08, 4/10/08, 8/8/08, 4/12/11

Pursuant to Nevada Revised Statutes (NRS) 519A.010 to 519A.280, inclusive, and regulations promulgated thereunder by the State Environmental Commission as Nevada Administrative Code (NAC) 519A.010 to 519A.415, inclusive, and implemented by the Division of Environmental Protection (hereinafter the Division), this permit authorizes the Plum Mining Company LLC to reclaim the **Billie the Kid Mine** consistent with the conditions of this permit and the reclamation plan dated July 7th, 2000, entitled, "*Plum Mining Reclamation Plan Revision #5 for the Billie the Kid Mine*", to include amendments to the Reclamation Plan noted above.

This revised permit issued this 5th day of July 2011, is valid for the life of the project unless it is modified, suspended or revoked by the Division. The permit will not now or in the future serve as a determination of ownership or the validity of any mining claim to which it might relate.

This permit becomes effective upon receipt, by the Division, of an acceptable surety or verification from the federal land management agency that an acceptable surety has been posted. A surety is required by NAC 519A.350 prior to engaging in the activities authorized by this permit.



Bruce Holmgren, P.E., Chief
Bureau of Mining Regulation and Reclamation

PERMIT LIMITATIONS AND REQUIREMENTS:

1. Permitted Disturbances

A. Disturbance Acreage Table

Mine Facility Disturbance	Public Acres	Private Acres
Mine Pits	3.0	53.6
Heap Leach Pad (1)	0	18.60
Waste rock Facilities	0	8.8
Billie the Kid Haul- Access Rds. (2)	0	6.92
Yards/In-fill areas	0	6.0
Heap Process Haul Road	0	0.73
Pregnant/Barren/Event Ponds	0	3.25
Freshwater West pond	0	1.60
Crusher site	0	1.29
Ore stockpile area	0	1.15
Crusher Yard Area	0	2.59
Storage-Bone Yard	0	1.46
Process/office Buildings w/foundations	0	2.57
Growth Medium Stockpile	0	4.28
Process Area road	0	0.73
Equipment Storage Yard	0	3.42
Storm-water Pond	0	0.75
Diversion - Drainage Control	0	0.5
Exploration Roads/Drill Pads/Sumps (3)	4.17	10.66
Subtotal	7.17	128.90
Permitted Disturbance Total	136.07	

(1) Additional surety must be provided for heap leach cell re-grading and process fluid stabilization prior to expanding the heap leach pad cells greater than 40 ft. in height.

(2) The main haul road, from the pits to process area, is located on both public and private lands. A portion of the haul road is defined by the Bureau of Land Management (BLM) as a "Right of Way" access and other portions are private land currently held by the operator. A significant portion of the private haul road will not be reclaimed as it will be consumed by pit expansions.

(3) Under a BLM Notice, # 86559, a surety bond is provided to the BLM for reclamation.

PERMIT LIMITATIONS AND REQUIREMENTS:

B. Drill holes will be plugged in accordance with the provisions specified in Chapter 534 of the Nevada Administrative Code. No more than 3 drill holes will remain unplugged at any one time.

2. Departure from Approved Plan for Reclamation

A. Except in the case of an emergency, the operator may not depart from the approved plan for reclamation without a modification approved by the Division.

B. When an operator submits an amended plan of operation to the federal agency, a copy shall also be filed with the Division.

3. Fees

A. On or before April 15 of each year submit the fees as required by NAC 519A.235.

B. On or before April 15 of each year submit the fees as required by NRS 519A.260.

4. Reports

A. On or before April 15 of each year, the operator shall submit a report (NRS 519A.260), in a format specified by the Division, relating to the status and production of the operation and identifying each acre of land affected and land reclaimed by the operation.

5. Project Completion, Abandonment or Suspension of Work

A. The Division shall be notified in writing within 90 days after an operation is complete or abandoned. The notice must state the date on which the activities for reclamation will begin as specified in NAC 519A.320.

PERMIT LIMITATIONS AND REQUIREMENTS:

B. The Division shall be notified in writing within 90 days after work is suspended at the operation for more than 120 days. The notice must state the nature and reason for the suspension; the anticipated duration of the suspension; and any event which would reasonably be expected to result in either the resumption of activities or the abandonment of the operation. The Operator is not required to notify the Division of a temporary closure caused by weather conditions.

6. Surety

A. The operator shall file and maintain an acceptable surety as specified in NAC 519A.350 to ensure that reclamation will be completed.

B. Within 3 years after the effective date of this permit and at least every 3 years thereafter, the operator shall review the surety amount to determine whether it is still adequate to execute the approved reclamation plan. Inflation must be considered.

C. The operator shall notify the Division and the appropriate Federal Land Management Agency(s) of the results of the surety review, and within 120 days of its completion, verify that the current surety is adequate, increase the surety, or request a decrease in the surety.

D. The operator must provide documentation on reclamation work completed, before any portion of the surety may be released. (See Attachment A).

7. Inspection of Exploration Project and/or Mining Operation

A. The operator shall allow authorized representatives of the Division, and the appropriate federal land management agency(s) to inspect the operation, during normal business hours, to determine compliance with the terms and conditions of this permit and the status of reclamation activities.

8. General Requirements

A. The operator shall maintain a copy of this permit and all modifications at the permitted project or operation at all times.

PERMIT LIMITATIONS AND REQUIREMENTS:

- B. The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances and the remainder of this permit, shall not be affected.
- C. Any noncompliance with this permit shall be reported orally to the Division within 48 hours of the time the operator has knowledge of the circumstances. A written summary shall be provided within 10 days after the oral report is made.
- D. Any changes in the Operator's name or address shall be reported within 10 days to the Division in writing, and must indicate the permit number and appropriate changes.
- E. Any changes in Corporation/Partnership/Proprietorship name, officers, or address shall be reported within 10 days to the Division in writing, and must indicate the permit number and appropriate changes.
- F. The operator shall meet the revegetation standards as set forth in Attachment B.
- G. An operator who initiates reclamation activities prior to meeting chemical stabilization (closure) requirements will be responsible to provide a surety for and to repair any reclaimed areas which may be re-affected by closure activities.

9. Schedule of Compliance:

- A. The permittee shall achieve compliance in accordance with the following schedule:

On or before April 15th of every year, The Plum Mining LLC shall present an exploration disturbance status report from the previous year ending in December 31st, of the prior year. As part of the report, provide the total acreages disturbed and any concurrent reclamation that has been performed on a map with the report.

ATTACHMENT A

Documentation of Reclamation Activities for Surety Release

An operator may request surety release in accordance with applicable State and Federal regulations. The following documentation must be submitted simultaneously to the Nevada Division of Environmental Protection (NDEP) and the Federal land management agency prior to the agencies conducting a site inspection:

MINING OPERATIONS

1. **Map(s)** clearly identifying the area, noting specific treatments and sampling locations (as applicable).
2. Description of the following activities:
 - A. **Earthwork:**
 - 1) The number of acres regraded and/or ripped.
 - 2) Final slope angles left after regrading.
 - 3) Methodology used to check final slope angles (e.g., clinometer, transit, etc.).
 - 4) The number of acres that received topsoil/growth medium.
 - 5) Depth and source of topsoil/growth medium and application method.
 - 6) Dates of initiation and completion of activities.
 - B. **Revegetation Activities:**
 - 1) The number of acres that were seeded and/or planted.
 - 2) Seed bed preparation methods utilized.
 - 3) Seeding/planting methods used (e.g., broadcast seeding, etc.).
 - 4) Provide information on how seed was covered.
 - 5) Seed mix and seeding rate; document by maintaining seed tags and any testing results (PLS, germination, noxious weeds, etc.).
 - 6) The number of acres that received fertilization, mulch or amendments.
 - 7) Fertilizer (N-P-K, type, application rate, application method).
 - 8) Mulches and soil amendments (type, application rate, and application method).
 - 9) Date of initiation and completion of activities (such as seeding, seed bed prep, irrigation).
 - C. **Final Revegetation Sampling:**
 - 1) Adjacent representative vegetation type or range site description (baseline data).
 - 2) Sampling method (e.g., line intercept).
 - 3) Number of samples taken (disturbed and adjacent representative sites).
 - 4) Statement of methodology demonstrating sample size, adequacy and how the location of sampling sites were determined.
 - 5) Results of sampling (copy of sampling worksheet) for disturbed and representative areas. Indicate all perennial species located.
 - 6) Dates of sampling.
 - D. **Other reclamation activities** such as; structure and debris removal, safety feature installation, erosion control treatment, equipment removal or other permit requirements.
3. Detailed calculation of the surety amount proposed for release if applicable.
4. Prior to release, a field inspection is required to verify that reclamation has been performed in accordance with the approved reclamation plan and permit.

ATTACHMENT A

Documentation of Reclamation Activities for Surety Release

An operator may request surety release in accordance with applicable State and Federal regulations. The following documentation must be submitted simultaneously to Nevada Division of Environmental Protection (NDEP) and the Federal land management agency prior to the agencies conducting a site inspection:

EXPLORATION PROJECTS

1. **Map(s)** clearly identifying the area, noting specific treatments and sampling locations (as applicable).
2. Description of the following activities:
 - A. **Earthwork:**
 - 1) The number of acres regraded.
 - 2) Dates of initiation and completion of activities.
 - B. **Revegetation Activities:**
 - 1) The number of acres that were seeded and/or planted.
 - 2) Seed bed preparation methods utilized.
 - 3) Seeding/planting methods used (e.g., broadcast seeding, etc.).
 - 4) Provide information on how seed was covered.
 - 5) Seed mix and seeding rate; document by maintaining seed tags and any testing results (PLS, germination, noxious weeds, etc.).
 - 6) The number of acres that received fertilization, mulch or amendments.
 - 7) Fertilizer (N-P-K, type, application rate, application method).
 - 8) Mulches and soil amendments (type, application rate, and application method).
 - 9) Date of initiation and completion of activities.
 - C. **Other reclamation activities** such as; drillhole plugging, structure and debris removal, safety feature installation, erosion control treatment, equipment removal or other permit requirements.
3. Detailed calculation of the surety amount proposed for release if applicable.
4. Prior to release, a field inspection is required to verify that reclamation has been performed in accordance with the approved reclamation plan and permit.

ATTACHMENT B

NEVADA GUIDELINES FOR SUCCESSFUL REVEGETATION FOR THE NEVADA DIVISION OF ENVIRONMENTAL PROTECTION, THE BUREAU OF LAND MANAGEMENT AND THE U.S.D.A. FOREST SERVICE

I. MINING PLANS-OF-OPERATIONS

A. Reclaimed Desired Plant Communities for Mining Operation Disturbances

Reclamation goals for mining disturbances are 1) stabilize the site, and 2) establish a productive community based on the applicable land use plan and designated post-mining land uses. To meet these goals, a Reclaimed Desired Plant Community (RDPC) should be selected for use on the disturbed mine sites. A RDPC is defined as:

A perennial plant community established on a disturbed site which contributes to stability through management and land treatment, and which produces that type and amount of vegetation necessary to meet or exceed both the land use and activity plan objective established for the site.

Several RDPCs may be selected based on site-specific revegetation goals and variable site characteristics for the mining disturbances. When selecting RDPCs, major alterations in reconstructed soils and the subsequent effect of this on the site's capability to establish and sustain the desired vegetation must be considered. A RDPC must have a reasonable chance for success when making the selection.

The plant community for the RDPC should be diverse, and when appropriate for the site should include grasses, forbs, shrubs and/or trees. The RDPC shall be comprised of species native to the area, or introduced species where the need is documented for inclusion to achieve the approved post-mining land use. The RDPC must meet the requirements of applicable State and Federal seed, poisonous and noxious plants, and introduced species laws or regulations. All RDPCs must be approved by the agencies. Plants for RDPCs may be selected using one or more of the following methods:

1. Select existing vegetation types around the mine site to represent the varied RDPCs.
2. Use test plots, demonstration areas, or areas concurrently reclaimed within the mine site or within similar representative areas from adjacent mines to serve as the RDPCs as long as they meet the reclamation goal.
3. For areas where existing vegetative types adjacent to the mine area are severely disturbed or where test plots or demonstration areas are not reasonable alternatives, RDPCs may be selected using appropriate ecological or range site descriptions or other technical sources.

B. Guidelines for Successful Revegetation

The revegetation release criteria for reclaimed mine sites will be to achieve as close to 100 percent of the perennial plant cover of selected comparison areas as possible. The comparison or reference areas will be selected from representative plant communities adjacent to the mine site, test plots or demonstration areas or, as appropriate, representative ecological or range site descriptions. As approved by the agencies, the selected plant communities or reference areas must have a reasonable chance for success on the mine site. Each plan-of-operations shall identify the site-specific release criteria in the reclamation plan or permit. The agencies may also require specific release standards for individual plant species or vegetative types (grasses, forbs, shrubs, trees). Cover would be estimated using a method as described in Sampling Vegetation Attributes, Interagency Technical Reference, 1996, BLM/RS/ST-96/002+1730 or other acceptable technical methods.

The determination of successful revegetation of mining disturbances will require an evaluation of the data by the agencies on a site-specific basis. These data must include all of the information requested in Attachment A of the Reclamation Permit, "Documentation of Reclamation Activities for Surety Release and Annual Fee Responding". When making this evaluation, the following information shall also be considered:

1. Have the desirable species been successfully established, and do they provide sufficient aerial cover to adequately protect the site from soil erosion?
2. Is there evidence that a self-sustaining community has been established? Are vegetative reproduction (e.g. rhizomes) and seedling establishment of the desirable seeded species occurring?
3. Is there evidence of site stability, including the lack of surface soil erosion, gully formation and slumping?
4. Has the revegetation goal in the reclamation plan been met?
5. Has the operator taken reasonable measures to establish the RDPC?

C. Time frames

The success of the vegetative growth on a reclaimed site may be evaluated for release no sooner than during the third growing season after earthwork, planting and irrigation (if used) has been completed. Final bond release may be considered at that time. Interim progress of reclamation will be monitored as appropriate by the agency and operator. Where it has been determined that revegetation success has not been met, the agencies and the operator will meet to decide on the best course of actions necessary to meet the reclamation goal.

II. EXPLORATION PLANS-OF-OPERATIONS

The same guidelines as described above should be used to evaluate the success of the RDPCs for plan-level exploration disturbances. The agencies may also decide, depending on the size and scope of the project, to evaluate revegetation and reclamation success based on general ground reconnaissance and professional judgement. Extenuating circumstances may be considered when evaluating the success of the revegetation effort. If regulatory agencies determine that remediation is required on the site, the operator and agencies will meet to determine the procedures.

III. BLM NOTICES

On notice-level activities on the public lands, the BLM will evaluate revegetation and reclamation success based on general ground reconnaissance and professional judgement. Notice-level disturbance may be considered reclaimed if in the professional judgement of the regulatory agency effective action has been taken to stabilize and revegetate the site to a condition designed to result in the establishment of a productive post-mining land use. Extenuating circumstances may be considered when evaluating the success of the revegetation effort. If the BLM determines that further stabilization or revegetation efforts are needed, the operator and BLM will meet to determine what further steps are necessary.