Permitting the Drumlummon Mine

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- Owner Operator – Drumlummon Gold Corp.  
  a subsidiary of Rx Exploration
- Consulting Engineer – CDM
Drummond Mine, Marysville
Drumllummon Gold Corporation (DGC)
Mine Development Objective

- Coordinate exploration, initial mine production, and operating permit activities to achieve uninterrupted progression to full-scale mine and mill development
Activities Are Conducted Under...

- Exploration License
- Small Miner Exclusion Statement (SMES)
- Operating Permit
# Activities Allowed During Mine Development

<table>
<thead>
<tr>
<th>Permit Type</th>
<th>What is permitted</th>
<th>How long does it take?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exploration License</strong></td>
<td>• Surface exploration</td>
<td>1 – 4 weeks</td>
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<tr>
<td></td>
<td>• Underground exploration, including 10,000 ton bulk sample</td>
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<td></td>
<td>• Mine dewatering to facilitate exploration</td>
<td>1 – 4 weeks</td>
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<td></td>
<td></td>
<td>3 – 6 months</td>
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<tr>
<td><strong>Small Miners Exclusion Statement</strong></td>
<td>• Two 5 acre mine and milling sites, separated by 1 mile</td>
<td>DGC has an SMES</td>
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<tr>
<td>(SMES)</td>
<td>• Tailing ponds</td>
<td>3 – 6 months</td>
</tr>
<tr>
<td><strong>Operating Permit</strong></td>
<td>• All mine facilities, including discharges to groundwater</td>
<td>1 – 3 years</td>
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Exploration Activities

- Initial exploration focused on:
  - Surface exploration
  - Mine dewatering to establish underground drill stations
  - Underground exploration

- Ongoing exploration will combine underground and surface exploration
Exploration Activities - Dewatering

- Dewatering from the 400 level to the 800 level
- Rate up to 400 gpm
- Treatment for arsenic and antimony
- Discharge to groundwater
Small Miner Exclusion Statement

- Mining is being conducted under the SMES
- Ore has been milled at the Phillipsburg mill
Small Miner Exclusion Statement

- DGC has an on-site tailings impoundment with approved design for use under SMES
- DGC is evaluating on-site mill under SMES
- The SMES mill and tailings impoundment must result in less than 5 acres disturbance
- The SMES tailings impoundment will contain 2 years production
Transitioning to the Operating Permit

Drumlummon Gold is completing an application for an operating permit that will include:

- Underground mining at the Drumlummon Mine for approximately a 7-year mine life
- Dewatering to approximately the 1,200 level
- Water treatment
- Waste rock management
- Mill construction and operation
- Tailings impoundment construction and operation
- Concurrent and final reclamation
Operating Permit Application

- Environmental Baseline Assessment
- Plan of Operations
- Reclamation Plan
Operating Permit – Environmental Baseline Assessment

- Historic mining impacts extend from the upper watershed along Silver Creek
  - Extensive historic placer and lode mining

- Montana AML Program completed an extensive assessment of the watershed, providing a robust data set of existing environmental conditions

- DGC continues to collect water level, water quality, and additional data to document baseline conditions
Operating Permit - Plan of Operations

- High grade underground gold / silver veins containing over 1M tons ore
- Mining rate of 500 tpd
- Transport to on-site mill
- Ore storage, crushing, 500 tpd mill
- 800,000 cubic yards tailings impoundment – dry stacked tails
- Environmental monitoring
Opportunities Included in the Permit Application

- Reclamation of historic mining impacts
Opportunities included in the Permit Application
Operating Permit - Reclamation Plan

- Mine reclamation
- Surface disturbance reclamation
- Facility decommissioning
- Tailings impoundment concurrent reclamation and final closure
- Concurrent and final vegetative reclamation
Summary

- **Exploration License:**
  - DGC will continue exploration activities to expand reserves

- **SMES:**
  - DGC can continue mining under a SMES, ore can be processed at the Phillipsburg mill or Golden Sunlight
  - DGC may construct a SMES tailings impoundment, after bonding, with a 2 year tailings capacity
  - DGC may construct an on-site mill

- **Operating Permit:**
  - DGC anticipates submittal of an operating permit application in the near future targeting a 7-year mine life
Questions?