

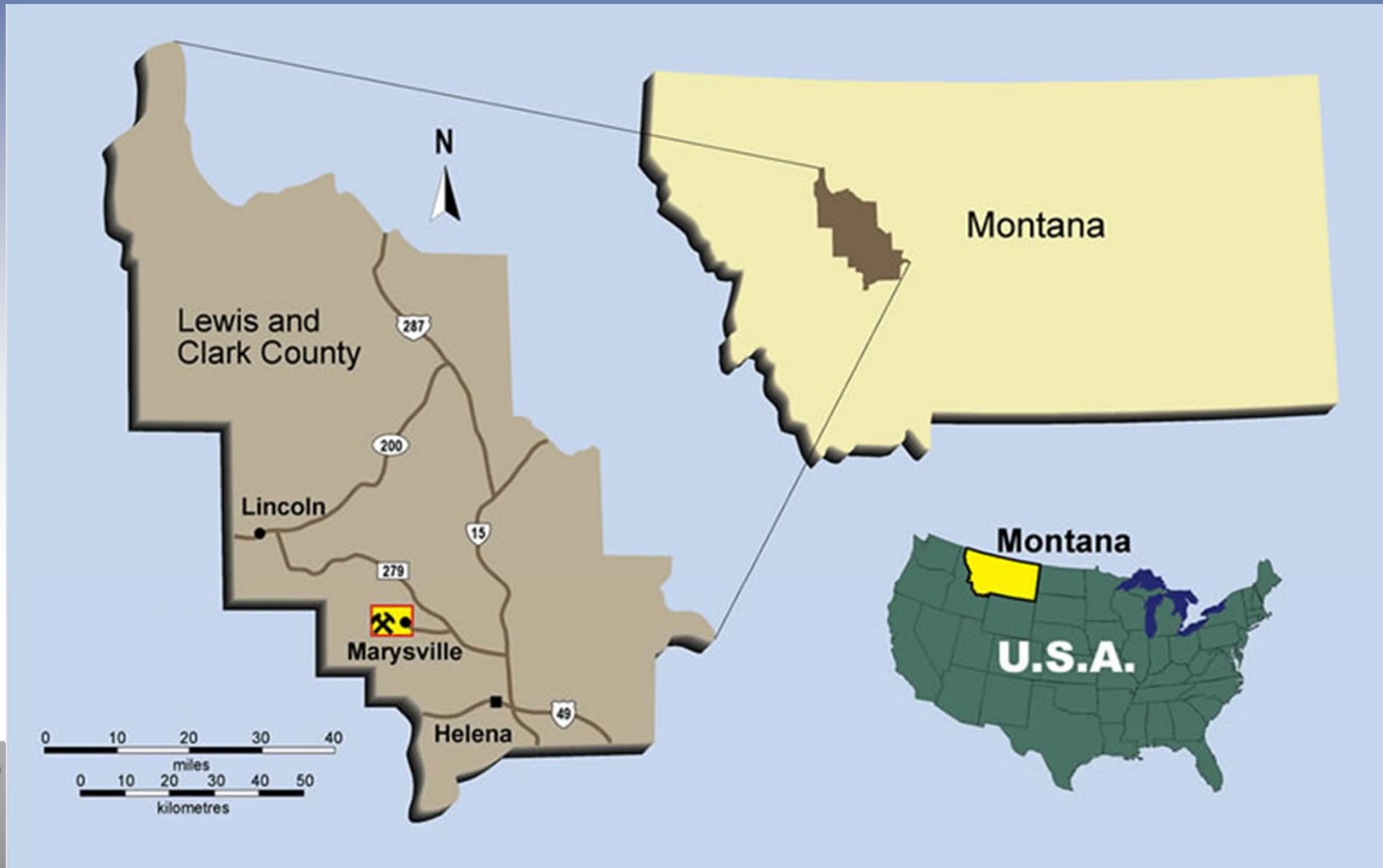
Permitting the Drumlummon Mine

Presented by: Bob Vince, CDM and
Pete Strazdas, Independent Consultant

- **Owner Operator – Drumlummon Gold Corp.**
a subsidiary of Rx Exploration
- **Consulting Engineer – CDM**



Drumlummon Mine, Marysville



Drumlummon Gold Corporation (DGC) Mine Development Objective

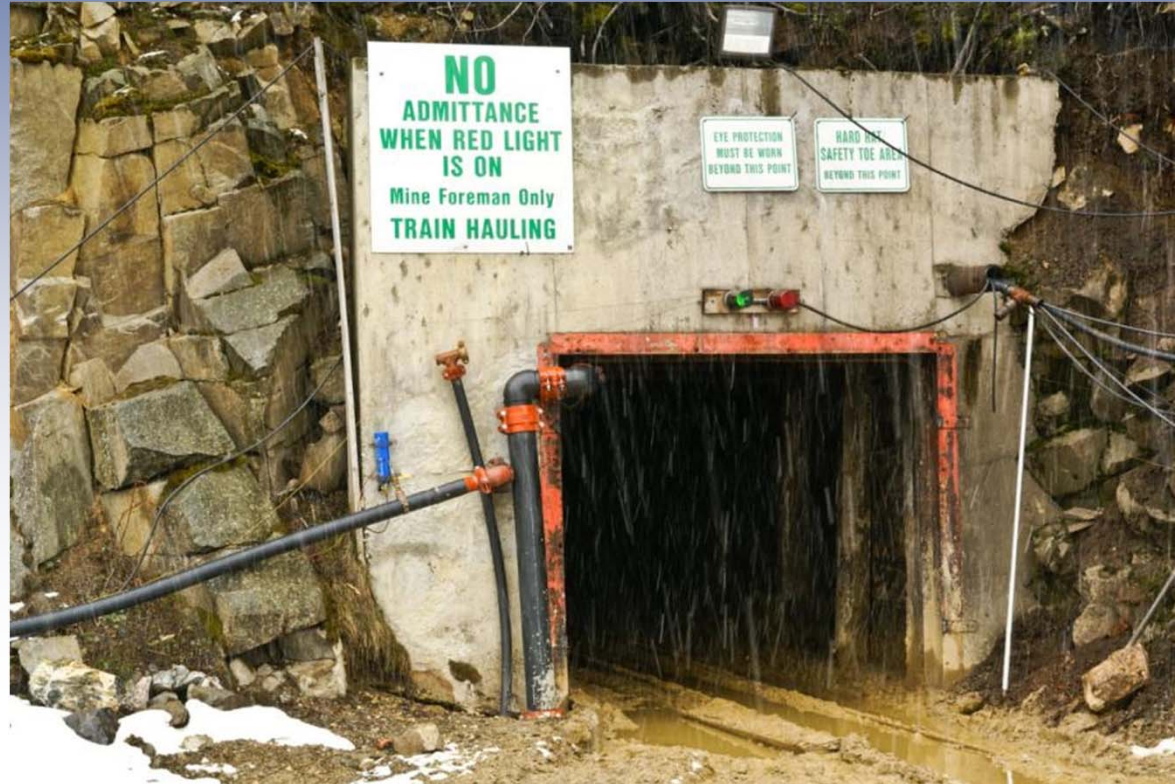
- Coordinate exploration, initial mine production, and operating permit activities to achieve uninterrupted progression to full-scale mine and mill development



Visible-Gold-and-Silver-Drumlummon-2010

Activities Are Conducted Under...

- Exploration License
- Small Miner Exclusion Statement (SMES)
- Operating Permit

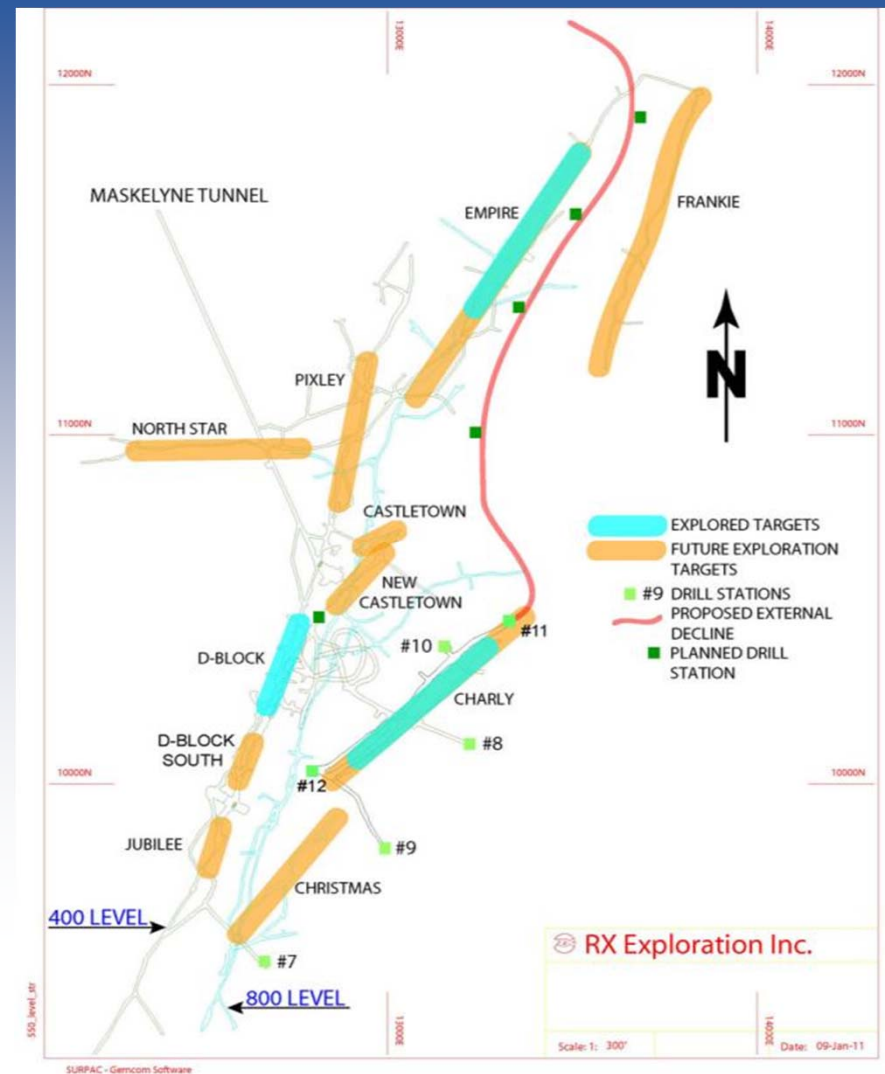


Activities Allowed During Mine Development

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

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

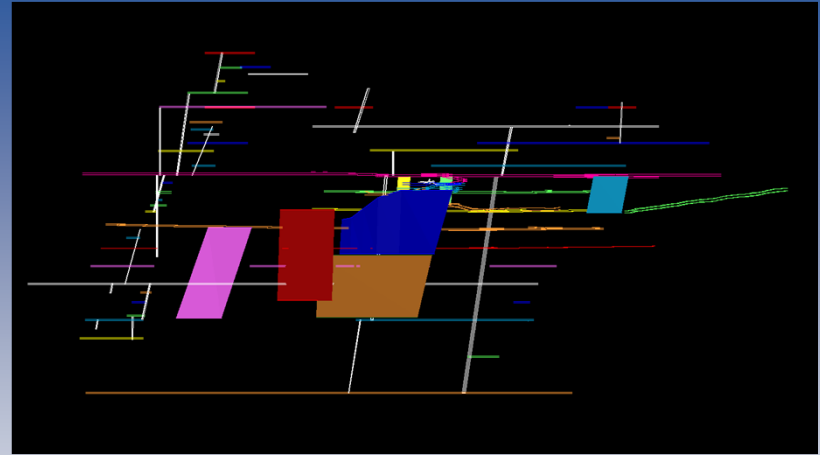


Operating Permit – Environmental Baseline Assessment

- 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?

Q&A

