

INTERIM MANAGEMENT PLAN
FOR THE

CASTLE MOUNTAIN MINE



BLM File #3809(p) CACA-031137
County Plan #90M-013
CA Mine ID# 91-36-0015

Submitted to:

Bureau of Land Management
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Castle Mountain Venture (“CMV” or “the Company”) is a California General Partnership between Viceroy Gold Corporation (“Viceroy”) and Telegraph Gold Inc. CMV retains 100 percent ownership of the Castle Mountain Mine (“CMM”) and is also the mine operator.

I. PURPOSE OF THE INTERIM MANAGEMENT PLAN

An Interim Management Plan (IMP) is required for periods of non-operations under the Code of Federal Regulations (CFR) 3809.401(b)(5) and 3809.424 and as defined for each idle mine under the California Surface Mining and Reclamation Act (SMARA). The purpose of an IMP is to manage the responsible suspension of some mining activity, but in doing so, to prevent unnecessary or undue degradation, minimize adverse environmental effects, and eliminate residual hazards to public health and safety. As defined in SMARA, “idle” means to curtail for one year or more surface mining operations by more than 90 percent of the operation’s previous maximum annual mineral production, intending to resume those surface mining operations at a future date.

This IMP incorporates plans and measures from CFR 3809.401(b)(5) and 3809.424 to comply with Federal regulations implemented by the Bureau of Land Management (BLM) and from SMARA regulations to comply with State and County requirements.

a. Background

The Castle Mountain Mine (owned and operated by CMV) is in San Bernardino County near the California/Nevada state line, approximately 18 miles southeast of Nipton, California, and approximately 17 miles southwest of Searchlight, Nevada (see Figure 1-1 at the end of report). It is located approximately 18 miles southeast of Nipton Road, off Walking Box Ranch Road in the Castle Mountains (see Figure 1-2). The center point coordinates to the approximate center of the project area are Latitude 35° 16’ 26.92” N, Longitude 115° 06’ 10.98” W.

The authorized project area includes approximately 3,910 acres consisting of the following:

- Approximately 1,301 acres of patented lode claims (owned in fee title by CMV), and;
- Approximately 2,609 acres of unpatented lode and mill site claims (reserved as possessory rights by CMV)

The BLM approved a Record of Decision (ROD) for the CMM Plan of Operations (CACA-031137) in 1990 and an amendment for mine expansion in 1998; this resulted in a second ROD. Castle Mountain Mine has a valid Conditional Use Permit and Mine and Reclamation Plan with

the County (90M-013), approved in September 1990 with revisions approved in 1998, 2013, and 2019, with an end date of December 31, 2035. During the 1990 and 1998 review process, the BLM and County prepared a joint EIS/EIR.

The above permits allowed mining activities to disturb approximately 1,375 acres within a project site of approximately 3,910. Mining and processing activities for gold and silver production were conducted from 1991 through 2004 on approximately 730 acres. The site had been physically reclaimed by 2005, including removing site facilities and leach pad restoration and revegetation. Revegetation monitoring and remediation were conducted through 2012. The California Office of Mine Reclamation (OMR) (now Division of Mine Reclamation (DMR)) determined that the site met its revegetation success criteria per its letter dated February 17, 2012.

The site became “idle” in June 2012, changing its status from “closed with no intent to re-open” to “idle” status. In anticipation of renewed mining at the site, CMV applied for and received BLM approval for two mine plan of operation modifications for continued mineral exploration at the mine site in 2013¹. A third mineral exploration program, *Phase III Exploration Drilling Program*, was approved on September 11, 2018. This phased mineral exploration program is being conducted and is expected to continue as needed.

CMV prepared and applied for minor revisions to the approved mine plan in January 2019. The County and BLM approved the minor modifications in 2019 and 2020, respectively. The purpose of the 2019 modification was to: (1) adopt into the Mine and Reclamation Plan the changes in land status since 2007 when 1,038 acres of previously publicly held land was authorized for transfer to a patent by the U.S. Department of the Interior; (2) to provide updated context for previously approved activities that have either been completed or adjusted (pursuant to agency authorization) since 1998; and (3) account for scheduling adjustments related to mining operations and reclamation. The 2018 Plan update included a 10-year extension of the 1998 Plan to 2035 to account for the time required to complete the remaining authorized mining and reclamation activities detailed in the approved 1998 Plan.

II. DESCRIPTION OF SURFACE MINING ACTIVITIES

Mining resumed at the Castle Mountain Mine in 2020 and has continued to the present day. Primary approved mining activity consists of standard open pit mining and leach pad processing techniques, including:

- Mineral Exploration
- Drilling and blasting
- Mined material removal using loaders and shovels
- Waste (overburden) transport via 100-ton haul truck to an approved overburden site
- Ore transport to the ROM leach pad or the crushing and agglomeration plant.
- Ore crushing and agglomeration
- Ore comminution
- Overland ore conveying and stockpiling
- Heap leach pad processing consisting of a leach pad, tank pond, and event pond
- Leach solution processing and refining plant

Ancillary and mine support facilities include:

¹ BLM, DOI-BLM-CA-D090-2013-DNA, February 2013; BLM, DOI-BLM-CA-D090-2013-0105-DNA, September 2013

- Water production wells, piping and storage tanks
- Groundwater monitoring wells
- Fuel storage tanks
- Mobile fleet maintenance area
- On-site power generation via Tier-4F diesel power generators.
- Modular office space
- Hazardous waste storage yard
- Growth media stockpiles
- Nurseries and a Greenhouse

a. Financial Assurances

CMV continues to provide financial assurance cost estimates (“FACEs”) and Financial Assurance in the form of bonds for reclamation and closure of the site; San Bernardino County holds the primary reclamation bonds. The reclamation obligation is reviewed annually via a FACE report submitted 30 days after the annual mine inspection; once the county and California Department of Mine Reclamation (“DMR”) review and approve the FACE report, the bond is adjusted accordingly, and a revised rider is signed and remitted to the county. The principal amounts of the company’s financial assurances are currently \$5,810,282 to cover estimated reclamation costs for the cumulative acreage scheduled to be disturbed through the end of 2024 (approximately 801 acres) and the onsite removal of structures and equipment.

The Colorado River Basin Regional Water Quality Control Board also holds a bond for closure and post-closure monitoring of the regulated leach pad, tank pond, event pond, and material stockpiles (growth media and overburden). This bond also includes a provision for all known and reasonably foreseeable releases. The bond is reviewed and adjusted annually; it was last updated in June 2023, and the financial assurance is currently \$5,340,200.

The County of San Bernardino County and BLM last inspected the site on February 1st, 2024. Regional Water Board staff also inspect the project site at least once annually.

b. Approved Project Site

The operation has an approved Mine and Reclamation Plan that includes 3,910 acres in patented and unpatented claims and 1,375 acres approved for mining and mining-related activities. Most of the disturbed portions of the mine were reclaimed by 2005 and verified fully reclaimed by DMR in 2012. Many of these areas have been re-disturbed since mining resumed in 2020. Approximately 1,400 acres within the approved mine and reclamation plan boundary have been proposed for disturbance, pending BLM and County review of a mine plan amendment submitted in March 2022 (“2022 Plan”). This IMP will be updated based on any final authorization and modification to the approved mine plan.

c. Mine Pit Areas

Mining and processing activities were conducted from 1991 through 2004 and resumed in 2020. Site authorizations include mine pits, including the JSLA (originally Lesley Ann), Jumbo, Oro Belle, and South Extension pits.

JSLA pit was fully mined to approved limits, then backfilled as Jumbo and Oro Belle were mined through 2001. The latter two have not reached their maximum approved mining limits, and the

(approved) South Extension pit has not yet been mined. Current activity includes excavating backfilled material from the JSLA pit and the overburden sites and processing the ore component on the leach pad. Low-grade ore is also stockpiled at an approved overburden site per the authorized permit conditions.

The 2022 Plan proposes to expand all pits both laterally and vertically, including substantial sequential mine pit backfilling for the JSLA, Jumbo, Oro Belle, and partially at the South Extension.

d. Overburden Stockpile Areas

Two overburden sites are authorized to receive waste rock: the North and South Overburden sites.

The 2022 Plan proposes to expand the authorized overburden sites as the expanded mine pits envelop the original site locations.

e. Heap Leach Pad and Process Plant Area

Leach pad processing activities were conducted from 1991 through 2004 and resumed in 2020. The leach pad area is authorized across about 421 acres of the southwestern portion of the project boundary. The ore is stacked to approximately 20-foot lifts to 150 feet above the natural topography on the pad. Ore is either placed as ROM (Run-of-Mine) ore or crushed and agglomerated, then conveyed via grasshopper conveyors and stacked on the leach pad. The leach solution is applied via a network of drip emitters buried under ore to further prevent wildlife impacts and evaporative water loss.

The 2022 Plan proposes to double the size of the leach pad and increase the maximum height to 300 feet.

III. INTERIM MANAGEMENT PLAN

a. Conformance with BLM Regulation at CFR §3809.401(b)5(i-vi)

Interim management plan. A plan to manage the project area during periods of temporary closure (including seasonal closure) to prevent unnecessary or undue degradation. The interim management plan must include, where applicable, the following:

b. Measures to stabilize excavations and workings

The mine pits, overburden stockpiles, and the heap leach pad have all been designed to industry geotechnical and slope stability standards. Therefore, these workings have been constructed to remain stable regardless of idle or active status. During an idle period, excavations, overburden stockpiles, and the leach pad will have access restricted by implementing the following measures:

- Access roads to the mine site will be gated with informational safety and warning signs informing people of the mine facilities and the potential dangers.

- Rock barriers/berms will block access roads near the pits, overburden stockpiles, and steep slopes to restrict people and discourage vehicular access.
- The historic leach pad and the active leach heap pad areas are encircled by a six-foot high, gated, and locked chain link fence with safety signs to be maintained during idle periods. The haul road entrance into the leach pad area would be additionally bermed during an idle period.
- A safety berm will be maintained around pit perimeters where the public can attain access.

Heap Leach Pad

The leach pad, ponds, and process plant will continue to operate for some time during idle periods. Pregnant solution is currently circulated at about 3,000 gallons per minute from the leach pad to the process plant before being returned to the leach pad. The addition of fresh ore to the leach pad will cease during idle operations. Still, the leach solution will continue recycling until cyanide levels are below the limit established in the WDRs permit and until the solution draining from the pad has reduced to a volume that the solution storage tanks can manage. Leach pad monitoring that includes wildlife monitoring, solution collection, leak detection, and stormwater and erosion controls will all continue during an idle period.

Mine Pits

Mine pit slopes and benches are maintained in accordance with the approved geotechnical plan. Benches are clean and bermed to catch loose material. These conditions will be confirmed before the start of the idle period, and in general, mine pit access will be limited at that time.

Mine pit dewatering is not currently required. However, during the 2022 Plan schedule of operations, mine pit dewatering will be suspended during an idle period. The geotechnical engineer of record, Call & Nicholas Inc. (CNI), recently reassessed pit slope stability. CNI investigated the effect on pit slope stability if pit dewaterers ceased during an idle period. CNI included their findings in a 2023 memo update to their 2022 Castle Mountain Geotechnical Feasibility report; all have been incorporated into the 2022 Plan (Appendix G). The CNI memo stated that an acceptable factor of safety (FoS) will be maintained even during a suspension of in-pit dewatering. We note that their findings assume that certain pit slope elevation recommendations (that increase the FoS) would be incorporated into the 2022 Plan pit design, and these recommendations have been included.

Water quality monitoring and sampling will continue in compliance with all applicable local, state, and federal regulations and permit requirements.

Overburden (Waste Rock) Sites

The North and South Overburden Sites will not receive waste rock material during a mining suspension. During operations, these sites are sloped with an angle of repose, and the toe of the slope is bermed to prevent rock from leaving the site and to mitigate stormwater and erosion. The upper crest of the slope is also bermed for safety and to prevent stormwater flow down the slope, limit erosion, and promote slope stability. These conditions will continue to be monitored during an active IMP, and any deficiencies will be corrected. Also, management of these areas is described in the CMM Waste Rock Management Plan (WRMP); all compliance, monitoring, and reporting obligations included in the WRMP will continue during a period of idle mine operations.

*c. Measures to isolate or control toxic or deleterious materials
(See also the requirements in §3809.420(c)(12)(vii).)*

- Hazardous materials (“hazmat”) used at the CMM are managed through a Hazardous Materials Business Plan (HMBP). The HMBP is updated at least once yearly and includes information regarding the material type and hazard, quantity, storage location, storage container construction, and size. By February 28th of every year, the HMBP is submitted to the CUPA² for review, this will continue during any idle period. Hazmat storage areas that may remain onsite will be fenced, and buildings/sheds will be locked and secured. Quantities of Hazmat above certain thresholds are also stored within a secondary containment structure. These containment structures and storage sites will continue to be monitored and inspected weekly or monthly (as appropriate) by trained CMM personnel. Inspections identify tampering, illegal entry, spills, container integrity, and general environmental and safety conditions; a log will be kept to this effect. Hazardous material and waste will be managed according to applicable regulations, and minimum weekly inspections will continue.
- Cyanide storage at the CMM is regulated through the local CUPA and monitored in compliance with the approved Risk Management Plan (RMP). If cyanide remains on-site during an idle period, compliance with the RMP will continue.
- The heap leach pad continuously recirculates the leach solution comprised of a weak sodium cyanide and water solution. Solution circulation will likely continue during an active IMP; therefore, all leach pad monitoring and mitigations will continue. The leach pad is regulated by the Colorado River Basin Regional Water Quality Control Board, and the approved permit, Board Order No. R7-2020-0004. This permit requires very specific leach pad monitoring and reporting obligations that must continue indefinitely until the leach pad is indefinitely closed for use.
- Any hazardous or domestic solid waste will be shipped to an appropriate disposal site in accordance with Federal, State, and County regulations. Other waste materials will be recycled if possible or disposed of per Federal, State, and County regulations. During an idle period, no solid domestic or hazardous waste will be maintained at the project site; these wastes will be removed at the initiation of the idle period.
- Site stormwater during active operations is managed under a Notice of Non-Applicability (“NONA”) permit issued through the Colorado River Basin Water Quality Control Board (“regional water board”). Permit fees are paid annually. A site stormwater Best Management Practices (BMP) Plan is in effect at the CMM; this program, which includes visual and water quality monitoring, will continue during an idle period.
- Fuels and petroleum materials such as lubricants and hydraulic fluids are managed per the Spill Prevention Control and Countermeasures Plan (SPCC Plan) that is in effect at the CMM. This plan was most recently updated by Tetra Tech and signed/stamped by their qualified professional on January 4th, 2024. The SPCC Plan includes inspection frequencies for storage areas and fuel tanks. While fuels and regulated materials are stored on sites, the AST inspections and monitoring will continue through the idle operation.

² Certified Unified Program Agency (The CUPA for the CMM is San Bernardino County Fire Dept.-Haz Mat Division)

- The CMM environmental department implements the Environmental Management System (EMS) at the CMM. The EMS system includes SOPs, Plans, and Policies enforced at the CMM; combined, the EMS prevents the likelihood of UUD at the CMM. The CMM EMS program will continue to be implemented during an idled period.

d. Provisions for the storage or removal of equipment, supplies, and structures

Mobile mining equipment, the crushing and agglomeration plant, and some generators are owned by CMM contractors and would be removed from the site during an idle period.

The mobile mining fleet will be parked during an idle period. Equipment is parked at the Ready-Line area, which is elevated and bermed; this prevents stormwater run-on from impacting the equipment, and area perimeter berms prevent any equipment fluid spills from migrating away from the Ready-Line area. Mobile mining equipment may be removed from the CMM during a prolonged idled period.

All fixed structures will remain in place but will be stabilized, drained/emptied of any accumulated material (as applicable), and secured/locked out during an idle period. Fixed structures include:

- | | |
|---------------------------------|-----------------------------|
| • modular office buildings | • The analytical laboratory |
| • Storage containers | • Perimeter fences |
| • Water wells and storage tanks | • Power generators |
| • The Process (CIC) Plant | • AST Fuel tanks |
| • Pregnant and Barren tanks | • Reagent silos |
| • The Process Plant Warehouse | |
| • Greenhouse | |

Implementation of an IMP will be well planned. To the extent possible, reagent inventories like lime and cement stored in vertical silos will be allowed to deplete to a low inventory during the normal course of operations. This will limit the quantity of stored reagents during an idle period. Fuel ASTs will follow suit and remain managed per Section III.c of this IMP.

The West Well Field (WWF) water wells outside the main fenced mine site area are also fenced with locked gates; the 250,000-gallon water tank is also fenced and locked. Any water production or groundwater monitoring wells not routinely used will be sealed and locked.

e. Measures to maintain the project area in a safe and clean condition

- Access to the CMM project is via the CMM access road, also known as Walking Box Ranch Road. This road falls under the BLM’s jurisdiction but is maintained by CMV. Road maintenance will continue during an idle period.
- Site access will be limited by gates, fences, berms, and blocked roads with appropriate warning signage. Entry will be restricted only to authorized personnel. Perimeter and wildlife fencing will continue to be inspected and maintained routinely.

- The CMM will be monitored daily (during business hours) and as discussed below. Site inspections will continue as described in this IMP.
- Solid domestic trash management will continue, and existing mitigations will be enforced. This includes waste containers that will use closed tops to prevent the attraction of ravens.
- The CMM maintains an Emergency Response Plan (ERP) and its use will continue during an active IMP.

f. Plans for monitoring site conditions during periods of non-operation

The site will be monitored daily (during business hours) for evidence of tampering, entry, and signs of unsafe conditions. Most environmental monitoring programs at the CMM are required as specific permit conditions; therefore, monitoring activity during an idle period will be largely unchanged. Monitoring programs that are in place during normal mine operations and which will continue during an active IMP include:

Hazardous Materials

Hazmat is stored and managed in compliance with the CUPA-approved HMBP; compliance will continue during an active IMP.

Hydrocarbons

Storage and management of fuel, oil, and lubricants are managed in compliance with the CUPA-approved SPCC plan; compliance will continue during an active IMP.

Groundwater Resources

Groundwater, the leach pad, ponds, and waste rock sites are monitored weekly, and reporting is completed in compliance with regional water board permit No. R7-2020-0004. This permit will remain in effect during an idle period; thus, the monitoring must continue.

Surface Water Resources (stormwater)

Surface water is a rare occurrence at the CMM. It may only happen a few times or not at all, and only after significant rain produces runoff in the ordinarily dry ephemeral washes found throughout the project site. Stormwater monitoring is part of our internal stormwater Best Management Practices (BMP) Plan. Monitoring is described in section 5.3 of the Waste Rock Management Plan (Appendix F) that is included with the 2022 Plan. That section describes both visual monitoring and water quality monitoring.

Visual monitoring identifies potential problems before they amplify, such as deteriorating storage containers or erosion to project facilities like the leach pad stormwater conveyance that protects it from run-on stormwater during rain events.

Water quality sampling uses field testing, discrete sample collection, and laboratory analysis to confirm that mine facilities are not negatively impacting the environment. Discrete water quality samples are collected after storm events from three passive samplers. One sampler is located upgradient from the CMM; this is the baseline (or background) data point. Two other samplers are deployed in washes downgradient from the leach pad, mine pits, and waste rock (overburden)

sites. We can compare data from the upgradient and downgradient samplers to better inform our operational management and, if necessary, make operating changes to prevent UUD.

Reclamation Plan

The ongoing revegetation plan consists of two main plant nurseries and a greenhouse; these programs will continue to be maintained throughout an idle period. Plants will be kept in good health, and the inventory will continue to be documented through the annual Operations and Revegetation Report, which is submitted to the County and BLM by February 1st each year.

Reporting and Financial Assurance

CMV will continue to prepare its annual reports for the State/County and BLM, and the site will be inspected at least once per year by the County and at the discretion of the BLM. Financial assurances required by the BLM and San Bernardino County will be maintained and updated as needed through the period of non-operation. SMARA requires an annual update to the financial assurance cost estimate.

g. A schedule of anticipated periods of temporary closure during which you would implement the interim management plan, including provisions for notifying BLM of unplanned or extended temporary closures.

There are no anticipated periods of temporary closure during which the IMP provisions would be implemented. CMV will notify the BLM Needles office and San Bernardino County Land Use Services department within one week of the decision to idle mine operations and enter into a care and maintenance phase.

h. Public Safety

All perimeter fences will continue to be inspected, maintained, gated, and locked. Safety signs identifying hazards and contact information will be deployed appropriately at all gates and near public roads. Using physical barriers or berms will restrict public access and vehicles from hazardous areas like near pit slopes.