



GS MINING COMPANY, LLC

Bates-Hunter Mine and Golden Gilpin Mill Materials and Waste Handling

The Bates-Hunter Mine operation will be focused on mining metals and mineralized rock from the various veins associated with the project. Additional, sub-economic rock will need to be excavated, as in any mining operation. This waste rock will be left underground in the vast open voids created by the historic mining on the Bates vein.

The Golden Gilpin Mill will process the mineralized material removed from the Bates-Hunter mine. This process begins with the crushing of the rock to approximately 1/2-inch particles. The crushed rock is then ground in a ball mill (steel cylinder with steel balls) with water. The slurry is then processed using a gravity separation device (duplex jig) and sized with a dual rake classifier. Gravity recovered materials will be further concentrated on site and prepared for shipping to a refinery. The particles that are too large will return to the ball mill for further grinding. Gravity tailings of the proper size will continue in the circuit to flotation. In flotation processing, particles are selectively floated in a froth or settle to the bottom of the tanks. Typically, the flotation froth contains the valuable metals which are then dewatered and packaged for sale. Tailings or waste from the flotation process will be dewatered and returned to the mine for emplacement in the underground voids, providing surface stability to the historic area, improve ground water quality and provide operational benefits such as ground support and working floor area. Mill water is recycled and replenished, consuming water under the historic water rights held by the project.