



BONITA PEAK MINING DISTRICT UPDATE

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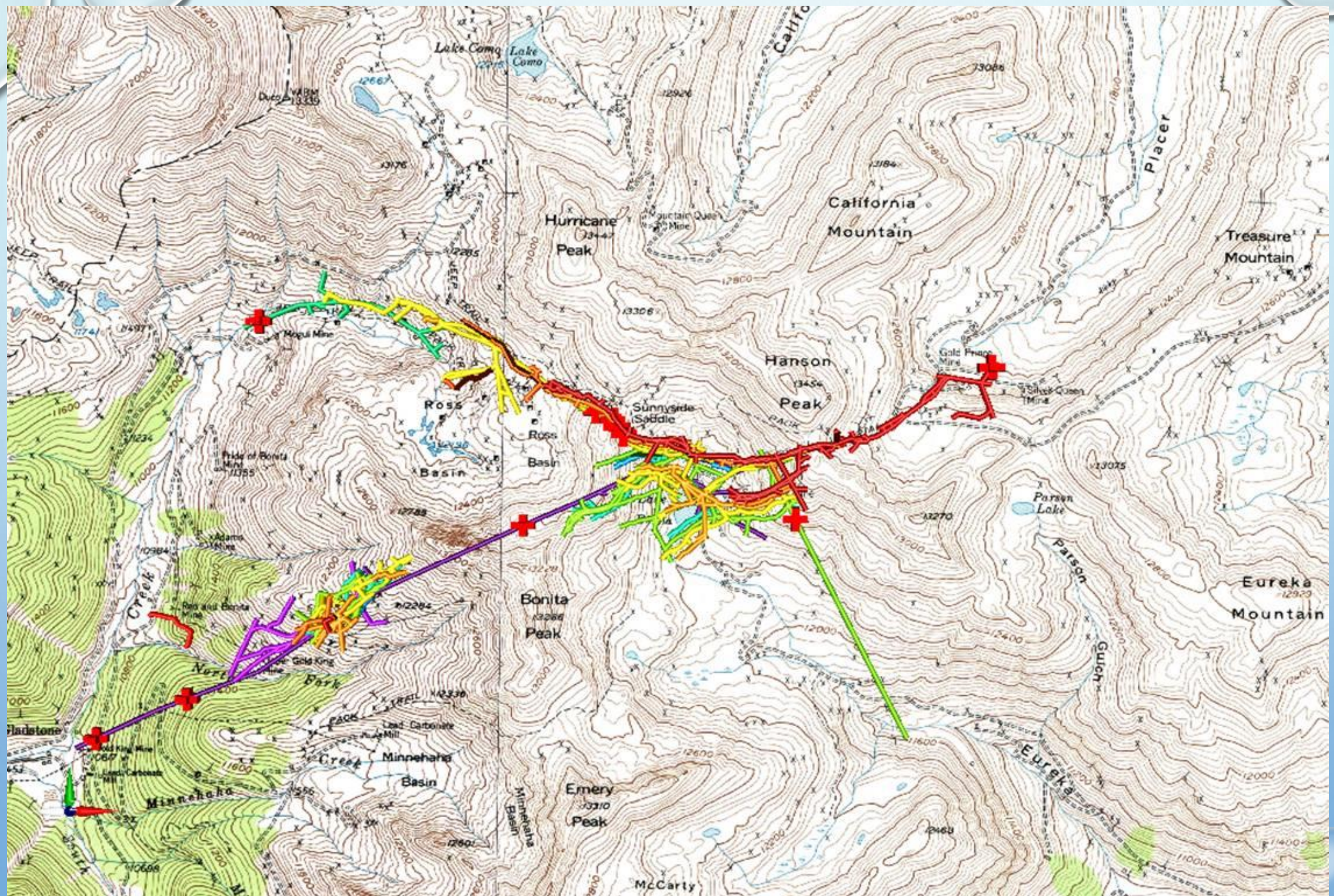
APRIL 4, 2022



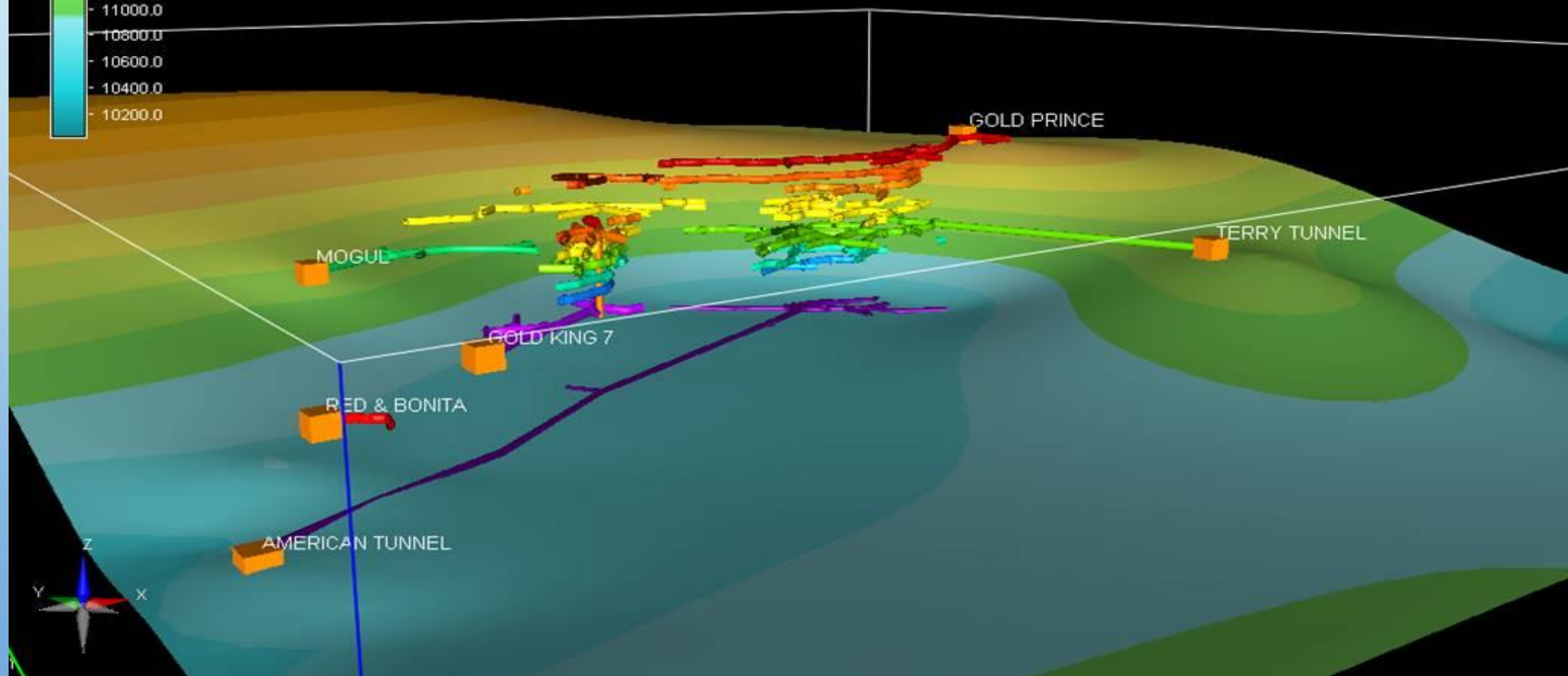
CURRENT MAJOR ACTIVITIES IN THE BPMD

- ACTIVITY AROUND GLADSTONE.
- REPOSITORY DESIGN AT MAYFLOWER TAILINGS IMPOUNDMENT #4.
- SITE STABILIZATION (IROD PROJECTS).
- INVESTIGATION OF FLUVIAL TAILINGS AROUND AND ABOVE HOWARDSVILLE.
- PROPOSED WATER QUALITY STANDARDS IN UPPER MINERAL CREEK.
- UNITED STATES – SUNNYSIDE GOLD CORPORATION DRAFT SETTLEMENT AGREEMENT.





Z contour: Groundwater_minus_BHs_3_29_12.2grd



GLADSTONE ACTIVITY

- GLADSTONE AREA IS THE LARGEST SOURCE AREA OF MINING-RELATED METAL LOADING.
- CONTINUED TREATMENT OF GOLD KING MINE DRAINAGE.
- RED & BONITA BULKHEAD INSTALLED IN 2015, BUT NOT TESTED UNTIL 2020.
- WELLS TO BE DRILLED INTO THE MINE POOL IN 2023.
- NEW 1300 FOOT TUNNEL TO BE DRIVEN INTO THE GOLD KING MINE IN 2023?



Gold King Treatment Plant

CONSTRUCTION OF THE MAYFLOWER REPOSITORY TO BEGAN IN 2023.

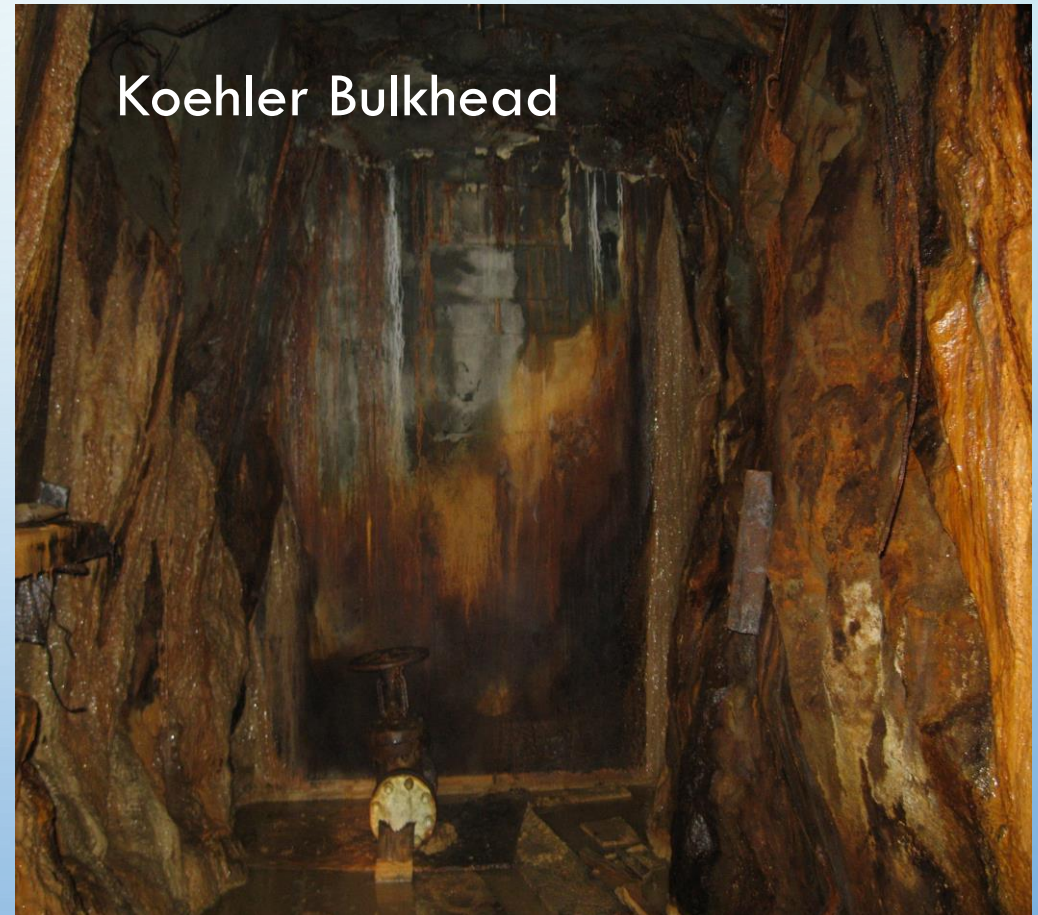


SITE STABILIZATION PROJECTS ARE ON-GOING.



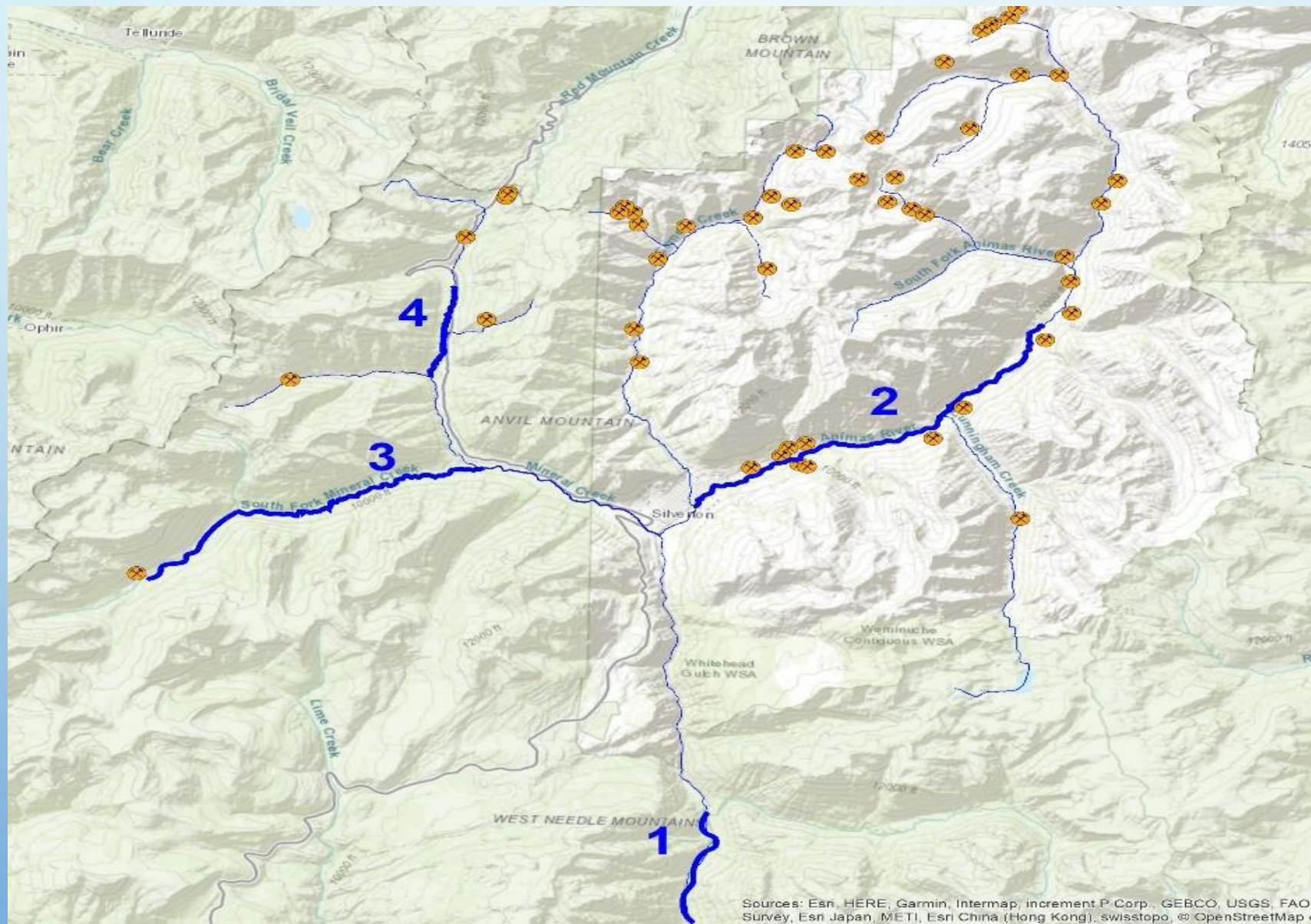
WATER QUALITY CHANGES IN UPPER MINERAL CREEK

- OVER THE PAST TWENTY-FIVE YEARS, OVER A DOZEN MINE REMEDIATION PROJECTS HAVE BEEN COMPLETED UPSTREAM OF THIS SEGMENT. MANY OF THESE PROJECTS INCLUDED 319 FUNDS.
- IN THE MID-1990'S, WATER QUALITY WAS TOO TOXIC IN UPPER MINERAL CREEK TO SUPPORT AQUATIC LIFE. THUS, IN 2001, ARSG PROPOSED THAT NO AQUATIC LIFE CLASSIFICATION SHOULD BE APPLIED ABOVE THE SOUTH FORK OF MINERAL CREEK.

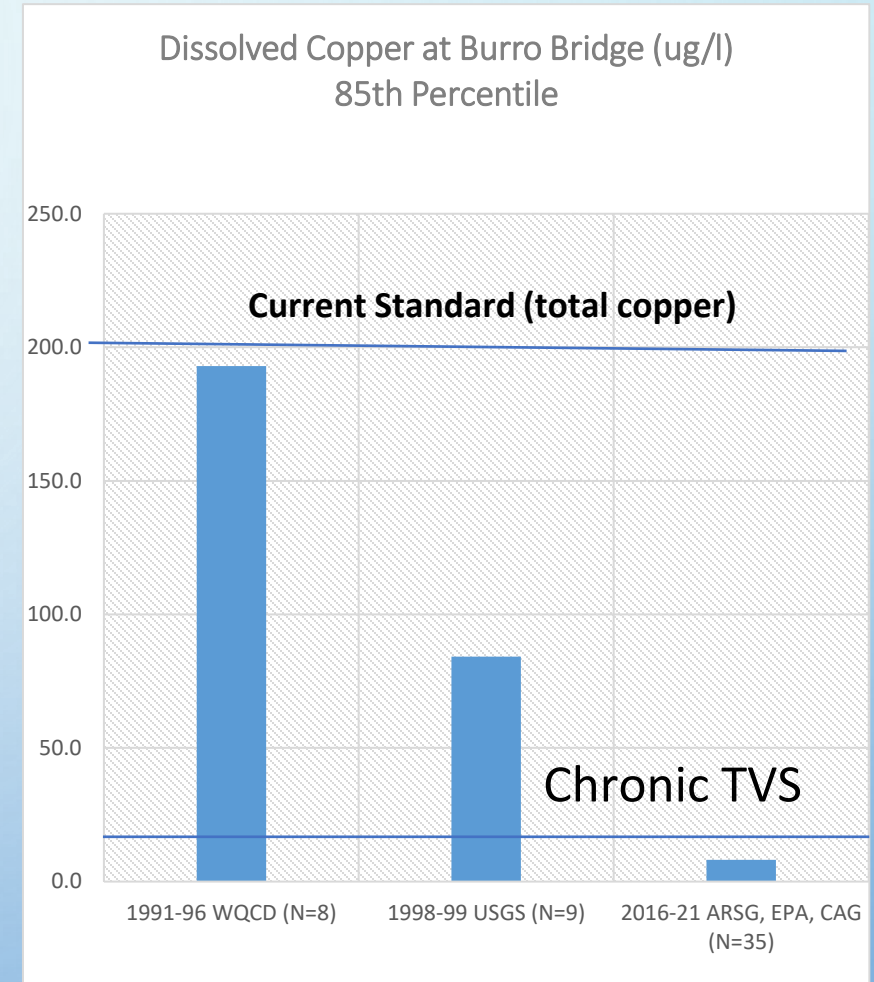
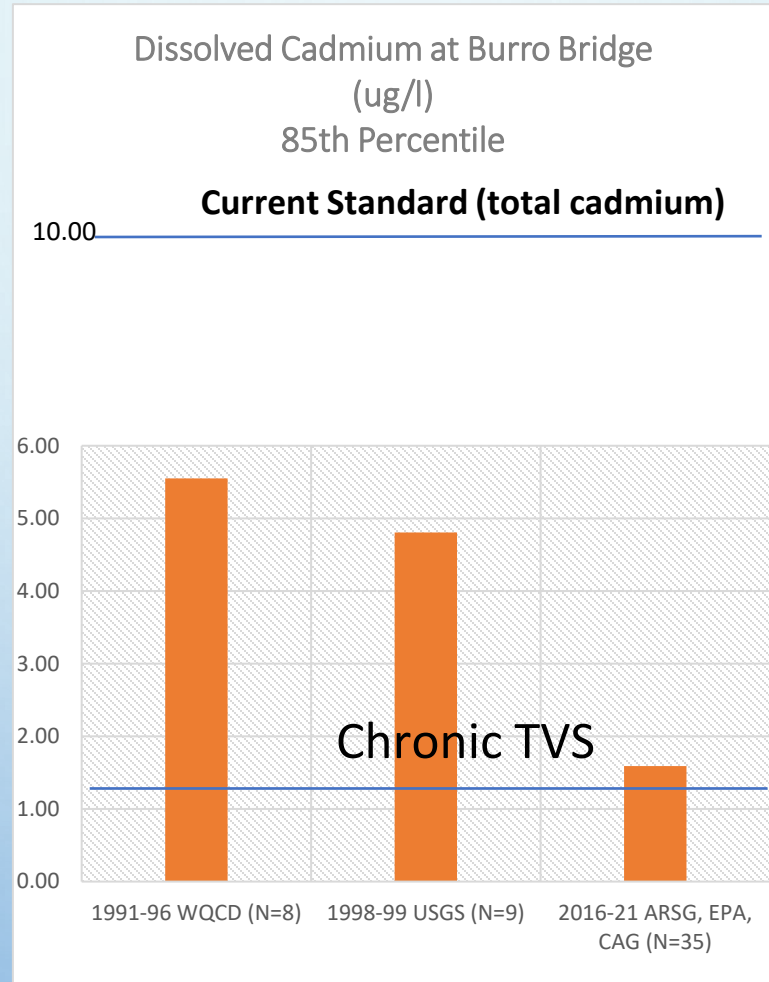
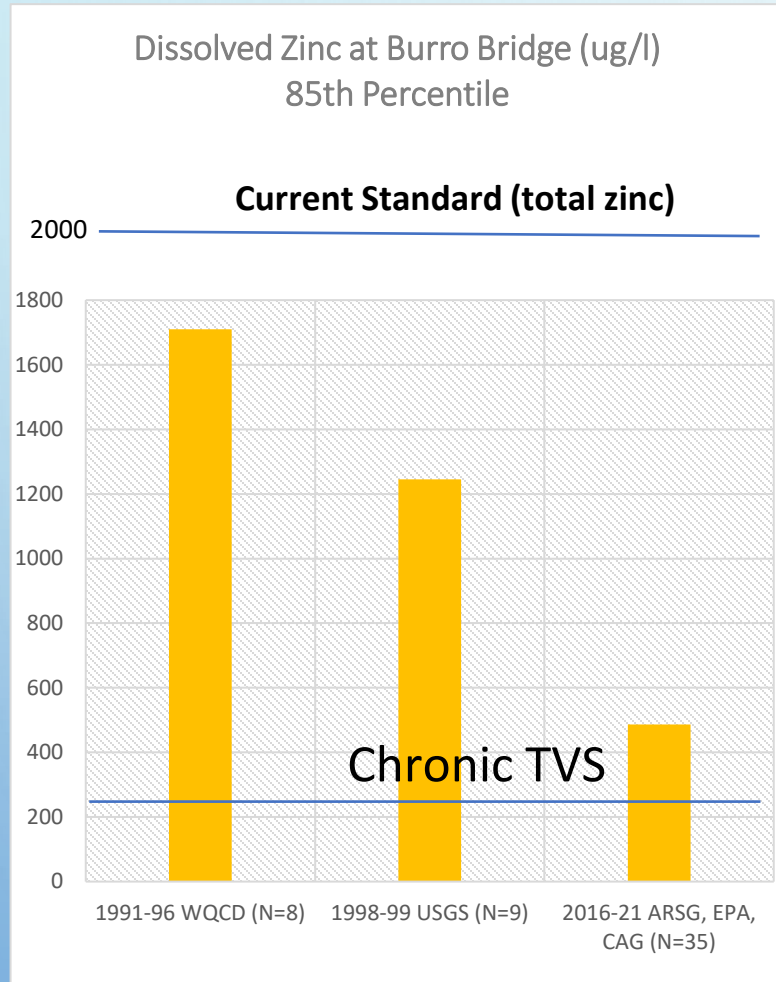


CURRENT MINERAL CREEK CONDITIONS

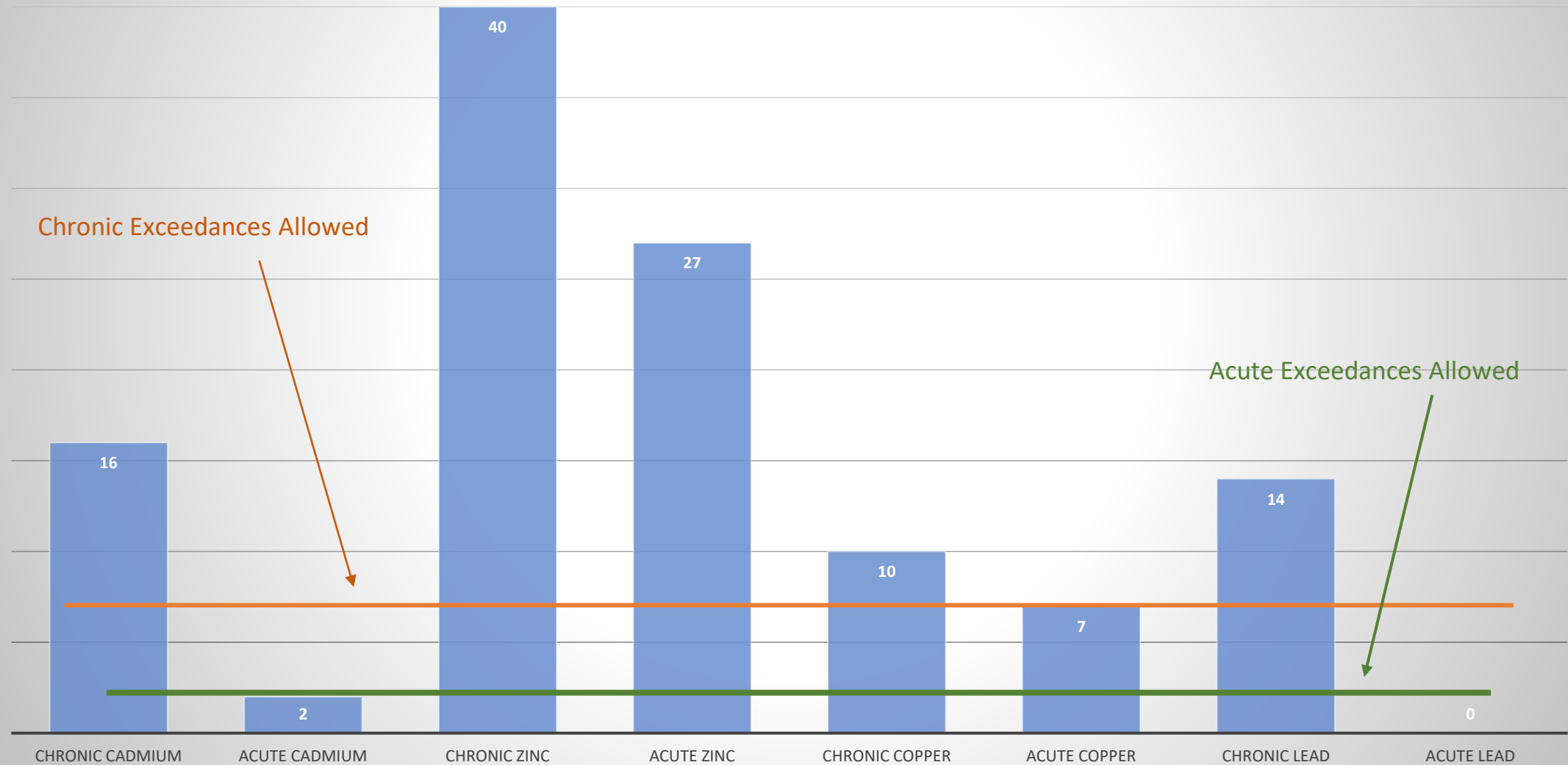
- WATER QUALITY DATA AT BURRO BRIDGE OVER THE LAST FEW YEARS SHOWS A 95% REDUCTION IN COPPER AND 70% REDUCTION IN CADMIUM AND ZINC CONCENTRATIONS SINCE THE MID-1990'S. SEE THE SAME REDUCTIONS IN MINERAL CREEK JUST ABOVE THE CONFLUENCE WITH THE ANIMAS RIVER.
- BROOK TROUT WERE FOUND IN THIS SEGMENT IN 2016, AND HAVE BEEN FOUND MORE RECENTLY AS WELL. MACROINVERTEBRATE STUDIES SHOW A HEALTHY POPULATION OF BUGS.
- ALL WATER QUALITY PARAMETERS MEET AQUATIC-LIFE TABLE VALUE STANDARDS (TVS), EXCEPT CADMIUM, COPPER, LEAD AND ZINC. CADMIUM, COPPER AND LEAD MEET TVS EXCEPT DURING APRIL - JUNE. ZINC DOESN'T MEET TVS YEAR-ROUND.



WATER QUALITY CHANGES OVER TIME



Number of Paired Exceedances 2016-2021 of TVS (47 Sample Pts. within the Segment)



CAG PROPOSAL

- ADD AN AQUATIC-LIFE USE CLASSIFICATION AND STANDARDS PROTECTIVE OF THE USE.
- TABLE VALUE STANDARDS (TVS) WOULD BE APPLIED WITH AN ACKNOWLEDGEMENT THAT TVS IS NOT ATTAINABLE DURING SPRING RUNOFF FOR CADMIUM, COPPER, LEAD, AND ZINC.
- TVS IS ALSO NOT LIKELY TO BE ATTAINABLE FOR ZINC THE REST OF THE YEAR AS WELL.
- (THE CAG PROVIDED EXTENSIVE DATA SHOWING THAT ONLY A SMALL PORTION OF THESE EXCEEDANCES, ESPECIALLY SPRING RUNOFF, CAN BE ATTRIBUTED DIRECTLY TO MINE SITES.)

SUMMARY OF CAG PREHEARING STATEMENT

- CADMIUM, COPPER, ZINC, AND LEAD DO NOT MEET TVS DURING SPRING RUNOFF. WOULD NEED REDUCTIONS OF APPROXIMATELY 60% FOR CADMIUM AND COPPER TO MEET CHRONIC TVS, 70% FOR LEAD AND ZINC TO MEET CHRONIC TVS DURING SPRING RUNOFF. DURING RUNOFF, MINE SITES APPEAR TO CONTRIBUTE ONLY ~10% OF THE CADMIUM, ZINC AND COPPER, AND 33% OF THE LEAD.
- ZINC DOES NOT MEET TVS THE REST OF THE YEAR AS WELL. WOULD NEED ABOUT A 33% REDUCTION IN ZINC TO MEET CHRONIC TVS DURING NON-SPRING RUNOFF. DURING NON-SPRING RUNOFF, MINE SITES APPEAR TO CONTRIBUTE ABOUT 63% OF THE ZINC.
- THE TWO BIG MINING SOURCES OF METALS ARE THE SILVER LEDGE AND THE KOEHLER MINES.
- SITE SPECIFIC STANDARDS ARE APPROPRIATE FOR FOUR METALS DURING RUNOFF AND LIKELY APPROPRIATE THE REST OF THE YEAR FOR ZINC.

BPMD SUPERFUND & NATURAL RESOURCES DAMAGES REVIEW AND UPDATE

- There are two Proposed Settlements which will impact the Animas/San Juan Watershed currently under consideration
 - A Natural Resources Damages Settlement between the State of Colorado and Sunnyside Gold
 - The BPMD Superfund Settlement between the “Primary” Potential Responsible Parties

NATURAL RESOURCES DAMAGES SETTLEMENT

- **SETTLING PARTIES:** State of Colorado and Sunnyside Gold
- **VENUE:** U.S. DISTRICT COURT OF NEW MEXICO (MDL)
- **SETTLEMENT AMOUNT:**
 1. One million, two hundred thousand dollars (\$1,200,000) to settle the State's claims for Natural Resource Damages resulting from the Gold King Release; and
 2. Four hundred thousand dollars (\$400,000) to settle the State's claims for Natural Resource Damages resulting from other releases within the Site.

NATURAL RESOURCES DAMAGES SETTLEMENT

- “The settlement announced today is a step in the right direction to address the damage suffered in southwest Colorado and the Four Corners region in the wake of the Gold King Mine disaster and other degradation of our natural resources. The trustees look forward to partnering with the local community on how to invest the funds,” ----Attorney General Phil Weiser.

BPMD SUPERFUND SETTLEMENT

- SETTLING PARTIES: SUNNYSIDE GOLD, FEDERAL LAND MANAGEMENT AGENCIES, EPA
- VENUE: U.S. DISTRICT COURT OF NEW MEXICO (MDL)
- SETTLEMENT AMOUNT:
 - SGC will make payment in the amount of \$40,950,000 to the United States
 - SGC will pay to the State of Colorado \$4,050,000
 - The United States, on behalf of Settling Federal Agencies, will make payment in the amount of \$45,000,000 to the appropriate federal accounts.

BPMD SUPERFUND SETTLEMENT

- CURRENT STATUS: COMMENTS UNDER REVIEW BY THE DOJ
- MUST BE LODGED (FILED), WITHSTAND INTERVENTION AND APPROVED
- ANTICIPATED SETTLEMENT DISTRIBUTION:
 - The State of Colorado will receive \$4,050,000
 - The majority of remaining Settlement Funds will be disbursed to the EPA (Approximately \$70-80 Million)
 - The remainder of Settlement Funds will be disbursed to the Federal Land Management Agencies

QUESTIONS ?

