EXHIBIT K

CONDITIONS OF APPROVAL FOR "PLAN OF OPERATIONS"
Replaces Forest Service Evaluation of Plan of Operations FS 2800-5 VI and Terms and Conditions FS 2800-5 VIII

Claim Name(s): Big Seam
Red Ink Maid

Operator: Richard Sykora or his designatee

CAMC #(s):29686
29687

Address: P.O. Box 622
Foresthill, CA 95631

1. OPERATIONS

a.) Extent or scope of this project will not exceed the proposed operation as described. Any unapproved deviation from the proposal may be construed as unlawful, and the United States Forest Service may take appropriate legal action.

b.) Periodic progress assessments of your mining and mining related activities will be made to ascertain adherence to approved operations, per 36CFR228.7.

c.) This authorization is for underground exploration using the below listed equipment. Any mining operations or associated activities other than specified are not approved herein.

d.) Surface equipment used for your operation will be limited to:

One (1) Generator
One (1) Air compressor
Two (2) Fuel Tank
One (1) Storage Locker and associated tools

e.) Any equipment brought in from other than the project area, must be washed before being transported to and from the site to avoid the spread of noxious weeds.

f.) If designated cast (waste) area (as identified by the RWQCB Waste Discharge Permit) fails to accommodate the excavated material at the authorized waste dump area, the excavation activity must stop.

g.) Unused and/or unusable equipment and materials not actively being used for this mining operation may not be stored on National Forest System lands without prior written authorization.

h.) This authorization shall be kept at the work site and made available to any Forest Officer or Law Enforcement Officer or other Government official upon request.

i.) Appendix A of these Conditions of Approval contain Mitigation Measures that are also terms and conditions of, and part of, this authorization.

EXHIBIT C

2. FIRE

a.) State and Federal fire laws and regulations apply to your activities in accordance with 36 CFR §228.11 and Public Resource Codes (PRC). The operator will adhere to the attached Fire Prevention Sections 1,2 and 3.

b.) Contact the local California Department of Forestry and/or a local Forest Service Ranger Station for additional and/or current information.

c.) Discharging of explosives on National Forest lands will require a blasting permit from the Forest Service. Transporting, storage and discharge of explosives must be in accordance with all applicable Federal, State and Local laws and regulations, including but not limited to: Placer County Sheriff Office, and the National Explosive Licensing Center (404-417-2750)

d.) All fire restrictions apply to these operations unless specifically exempted by the authorizing officer in writing. It is the claimants responsibility to request exemption.

3. FUEL and HAZARDOUS MATERIALS

a.) The operator shall provide the Forest Service with copies of all other Federal, State and local agency permits which include required stipulations and conditions relating to hazardous substances, their proper transportation, storage, use, disposal and or consumption on National Forest lands.

b.) Storage of hazardous materials not addressed below is not allowed unless each individual product is specifically authorized. The operator shall submit information regarding hazardous material to be used in the operation, including transportation, storage, use generation and disposal of each individual product. This includes providing to the Forest Service the MSDS of hazardous materials used at the mine site, or in advance of transport on National Forest roads.

c.) Only fuel, oil and petrochemicals used to keep external combustions equipment operational and lubricated are authorized to be stored on National Forest System lands for the Big Seam Red Ink Maid Project. All storage containers of these products must be kept within in an adequate sized covered impervious basin out of the flood plain to prevent contamination of soil and water resources. All hazardous waste products must be properly identified and labeled and disposed of in accordance with State and County Environmental Heath regulations. All hazardous waste materials including oil, hydraulic fluids, antifreeze, batteries and other discarded contaminants must be removed from National Forest System lands, sealed in approved containers and taken to an approved oil disposal facility or other authorized disposal facilities. Containers for small quantities of fuel such as 5 gallon gas cans or less must meet Type I & II safety codes and be UL listed.

d.) The mine operator shall have absorbent socks and pillows with capacity to absorb the quantity of fuel, hydraulic fluid or lubricants stored on site, including what is in the equipment fuel tanks and fluid reservoirs.

4. COMPLIANCE with LAWS, REGULATIONS, and other LEGAL REQUIREMENTS

a.) The operator shall comply with all applicable Federal, State, and local laws, regulations, and standards, including but not limited to, the Federal Water Pollution Control Act, 33 U.S.C. 1251 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., the Comprehensive Environmental Response, Control, and Liability Act, 42 U.S. C. 9601 et seq., and other relevant environmental laws, as well as public health and safety laws and other laws relating to the siting, construction, operation, and maintenance of any facility, improvement, or equipment on the property.

b.) Native American and Historic Era (over 50 years old) sites, features and artifacts must be protected until such a time as they can be reviewed, recorded and possibly evaluated by qualified Forest Service personnel. This includes historic mining sites, townsites, cabins, trash scatters, mining equipment, ditches and other artifacts and features over 50 years old. Native American sites may include grinding stones grinding rocks, arrowheads, flakes, et cetera. In accordance with the National Historic Preservation Act of 1966, the Antiquities Act of 1906, and the Archaeological Protection Act of 1979 as amended, disturbing, altering or removing sites, features and/or artifacts from National Forest System lands is illegal and punishable by fines up to $10,000.00 and/or imprisonment. Should an archaeological or historic era site, feature or artifact be discovered, work shall stop. The Forest Service must be immediately notified and the area protected from any disturbance until reviewed by qualified Forest Service personnel.

c.) Endangered, threatened, and proposed species are protected under the Endangered Species Act of 1973, as amended. It is illegal to take federally listed species and their habitat, except where an exemption has been granted under the Act (50 CFR 451) or when the U. S. Fish and Wildlife Service has permitted an incidental taking (50 CFR 402.14(i)). Forest Service Sensitive plants and animals may also require special protection measures. To ensure that your operations comply with all laws and regulations, should you discover the presence of any endangered, threatened, proposed, or sensitive species, cease work in the area of discovery, and report it immediately to the Forest Service.

5. STRUCTURES

a.) No structures of any sort may be used, repaired, constructed, or placed upon National Forest System lands without prior specific written authorization.

b.) The Forest Service will not be responsible for any liability concerning mine structures or other improvements.

6. SANITATION

a.) County public health and safety requirements shall be complied with. Human waste disposal systems (other than self-contained units dumped at legal disposal sites) must be certified by the County Sanitarian.

b.) Solid waste and trash must be removed from National Forest System lands and disposed of in an approved manner at least once every seven (7) days.(36CFR228.8(c).

7. VEGETATION

a.) Vegetation slash will be used for reclamation and erosion control as specified in the attached Mitigation Measures. Live and cut vegetation may not be covered by mining waste material, except for as provided in #12 of the mitigation measures for Waste Dump 5.

8. ROADS and TRAILS

a.) No road, trail, bridge, landing area for aircraft, or the like, shall be constructed or improved, nor shall any other means of access, including, but not limited to, off-road vehicles, be used until you have received approval and acquired any necessary road use or special use permits.

b.) The existing road maintenance schedule and the estimated 640 feet of new road construction must follow the enclosed Appendix A.

c.) Encroachments upon any County or State roadway must be authorized by the County or State Transportation Department.

d.) Prior to any snow removal activities on Forest System roads, the proper permits must be obtained from the authorized officer.

e.) Any gates restricting access to any National Forest System land shall be specifically approved prior to their installation. A key for access through the gate shall be supplied to the Forest Service for administration purposes. Unapproved gates will be removed or destroyed by the Forest Service and the person responsible for their placement cited under 36 CFR 261.12(d).

9. WATER QUALITY

a.) All mining and mining related operations shall comply with applicable Federal and State water quality standards, including regulations issued pursuant to the Federal Water Pollution Control Act, as ammended. Provide this office with a copy of your Storm Water Pollution Prevention Plan as soon as it is approved by the Regional Water Quality Control Board.

b.) Soil loss from the site must not occur. The terms and conditions of any Storm Water Prevention Plan, National Pollutant Discharge Elimination Permit System or Waste Discharge Requirement Permit, will become part of this authorization upon issuance. Provide this office with a copy of your National Pollutant Discharge Elimination Permit, or any waste discharge requirements.

c.) The attached mitigation measures contain erosion control measures that minimize sediment generated by mining and related operations that generate sediment and erosion from entering watercourses. The claimant/operater shall monitor effectiveness of erosion control measures and make effective improvements in a timely manner.

d.) The attached mitigation measures describe winter stabilization and erosion control measures must be in place by September 15, of each year. A joint inspection between the Forest Service and the operator will be made to determine the winterization needs prior to implementation.

10. RECLAMATION

a.) Site cleanup/Reclamation work must be completed prior to the termination date of this authorization, unless reauthorization is requested prior to expiration. All personal property, equipment, structures, trash and debris must be removed from National Forest System lands. All hazards to public safety must be secured and the area returned to its natural state, as required by 36CFR228.8(g) and 36CFR228.10. Failure to complete the required work may result in the Forest Service completing the necessary items utilizing the posted performance bond funds and/or billing the operator for the costs.

b.) It has been determined that a monitoring plan must be developed to measure the changes, success and/or failure, of these mitigation measures to specific surface resources in the existing portal and access road areas, and on the new access road and new waste dump areas. The plan will identify benchmarks for achievement of reclamation goals and establish specific criteria for partial or full release of any performance bond.

c.) This authorization may not be implemented until all permits, and/or authorizations required by law or regulation from other Federal, State or local agencies are acquired and/or complied with and any required bond accepted.

d.) Upon abandonment of a mine, the owner or operator shall effectively close or fence off all surface openings which persons could fall into or through which persons could enter. Upon or near all such safeguards, trespass warnings and appropriate danger notices shall be posted. 30CFR57.20021.

e.) The Reclamation Plan is an attached document.

11. BONDING

a.) A performance/reclamation bond of $ (to be determined in a separate document by October 31, 2004) is required as a condition of this approval to the Plan of Operations. This bond must be maintained in good standing until the project is terminated and all restoration/reclamation work is completed to the satisfaction of the United States Forest Service. The penal sum of this Bond may increase if annual progress assessments indicate that your operations have exceeded those mining and mining related activities approved herein. The value of this Bond will be

reviewed for adequacy annually, and the required amount allocated may need to be adjusted if the cost associations reflected in the attached Bond Calculation Sheet change or if the on-the-ground conditions warrant cost adjustments.

b.) A copy of the bond calculation is enclosed. This bond is subject to: Title 36 CFR §228.8(g), which requires all reclamation to be completed within 1 year of the conclusion of operations, unless a longer time is allowed by the authorized officer ; Title 36 CFR 228.10(a),(b) and (c), which includes that a statement shall be filed every year in the event operations are not reactivated.

c.) This bond must be in place prior to commencing any surface disturbing activities as presented in your Plan of Operations.

12. APPEAL RIGHTS

a.) Any operator aggrieved by this decision in connection with the 36 CFR 228 regulations may file with the Forest Supervisor, Tahoe National Forest, 631 Coyote Street, Nevada City, CA 95959-2250, a written statement setting forth in detail the respects in which the decision complained of is contrary to, or in conflict with, the facts, the Law, or the regulations of the Secretary, or is otherwise in error. No such appeal will be considered unless it is filed within forty five (45) days of the date on the notice of the decision being appealed. Such appeals are under the provisions of 36 CFR 251, Subpart C.

13. SIGNATURE

a.) Approval of this operating plan does not constitute, now or in the future, recognition or certification of the validity of any mining claim to which it may relate or to the mineral character of the land on which it lies or the ownership by any person named as owner herein.

THIS AUTHORIZATION EXPIRES DECEMBER 1, 2009 AND IS NOT TRANSFERABLE.

I, THE UNDERSIGNED, CERTIFY THAT I HAVE READ, UNDERSTAND AND WILL ABIDE BY ALL THE ABOVE REQUIREMENTS, AND CONDITIONS OF THIS AUTHORIZATION.

ACCEPTED: _____, OPERATOR DATE: 9/16/04

APPROVED: _____, DISTRICT RANGER DATE: 9/20/04

EXHIBIT L

United States Department of Agriculture
Forest Service
American River Ranger District
22830 Foresthill Road
Foresthill, CA 95631
530-367-2224
530-367-2226 TDD
530-367-2992 FAX

File Code: 2810
Date: May 11, 2005

Richard Sykora
P.O. Box 622
Foresthill, CA 95631

Dear Mr. Sykora:

This letter is to acknowledge your receipt of the draft reclamation plan and performance bond calculations for the Big Seam and Red Ink Mine for review and comment on May 2, 2005. This document was scheduled to be completed on October 31, 2004. Due to unforeseen staffing requirements and operational commitments, we were not able to deliver it to you until May 2, 2005. The Reclamation Plan and Bond Calculations pertain to your use of the existing access road, the use of the existing portal landing area, the new access road to waste area #5, and the new waste area #5. You are required to furnish a performance bond as a condition of the approved Plan of Operation. In determining the amount of the bond, consideration was given to the estimated cost of stabilizing, rehabilitation and reclaiming the area of your mining operations.

As stated in District Ranger Rich Johnson's letter of October 20, 2004 "the only responsibility you now have to the previous waste areas –1, 2, 3, and 4 and the access road to waste areas 2, 3, and 4, is to ensure that erosion control measures that you have been practicing, including all the successful measures previously used to divert water away from the dumps, continue."

We will schedule a meeting with you next week to review these documents together when Mo Tebbe, District Public Services Officer, returns to the office.

Please contact Rick Weaver at 530-478-6241 with any questions.

Sincerely,

JAN CUTTS
District Ranger

EXHIBIT M

California Regional Water Quality Control Board

Central Valley Region

Robert Schneider, Chair

Alan C. Lloyd, Ph.D.
Secretary for Environmental Protection

Sacramento Main Office
11020 Sun Center Drive #200, Rancho Cordova, California 95670-6114
Phone (916) 464-3291 • FAX (916) 464-4775
http://www.waterboards.ca.gov/centralvalley

Arnold Schwarzenegger
Governor

16 December 2005

Mr. Richard Sykora
P.O. Box 633
Foresthill, CA 95631

BIG SEAM AND RED INK MAID MINING CLAIM, PLACER COUNTY

We have reviewed your 1 November 2005 letter and attached documents regarding your intent to continue mining activities at the Big Seam and Red Ink Maid Mining Claim in Placer County. This letter provides the status of our decision on whether waste discharge requirements (WDRs) are necessary for the mining activities, and includes information regarding permitting for storm water runoff during mining activities.

Your letter indicates that your mining activities will produce up to 770 cubic yards of waste rock per year if you work full-time, but that you will likely produce only 175 cubic yards per year. Your letter also indicates that the rock is sulfide-poor, and would therefore likely not be acid-generating.

Prior to our decision on whether WDRs are necessary for the proposed activity, we will need to conduct a site inspection to assess the geological characteristics of the waste rock, and the potential threat to water quality that could be caused by surface water runoff and sedimentation. If we determine that WDRs are required, a Report of Waste Discharge and a filing fee will need to be submitted.

The mining activities may also require coverage under an NPDES permit for discharges of storm water to surface waters or surface water drainage courses. Coverage under the General Permit for Storm Water Discharges Associated with Industrial Activities (NPDES General Permit No. 97-03-DWQ) and preparation of a Storm Water Pollution Prevention Plan may be appropriate for this site. Please contact Jatin Khandwala at (916) 464-4647 for additional information about the storm water program.

If you have any questions, please call me at (916) 464-4631.

STEVE E. ROSENBAUM
Senior Engineering Geologist
Land Disposal Program
Lower Sacramento River Watershed

cc: Ms. Mo Tebbe, USDA Forest Service, Foresthill
Mr. John Halligan, Department of Conservation, Office of Mine Reclamation, Sacramento
Placer County Department of Health and Human Services, Auburn

EXHIBIT N

United States Department of Agriculture
Forest Service
American River Ranger District
22830 Foresthill Road
Foresthill, CA
95631
530 367-2224
530 367-2226 TDD
530 367-2992 FAX

File Code: 2810

Date: JUL 2 8 2006

Crystal Jacobsen
Placer County Planning Department
3091 County Center Drive
Auburn, CA 95603

RECEIVED
JUL 3 1 2006
PLANNING DEPT.

RE: Red Ink Maid and Big Seam Revised Reclamation Plan

Dear Ms. Jacobsen:

My staff and I have reviewed the revised reclamation plan and it's attachments for the Red Ink Maid and Big Seam mining claims dated May 30, 2006 and offer the following comments.

A general comment: As you are aware the mining claims are located completely on National Forest system (NFS) lands administered by the American River Ranger District of the Tahoe National Forest. In September of 2004 Mr. Richard Sykora and the District Ranger, Richard A. Johnson, signed Conditions of Approval for a Plan of Operations that contains terms and conditions of operating these mining claims on NFS lands.

This Plan of Operations, or authorization, included a (draft) Reclamation Plan that addresses end uses for NFS lands, and addresses reclamation end result objectives that are important to Forest Service management of that specific area. The Plan of Operations and the draft Forest Service reclamation plan is compliant with Forest Service regulation, policy, direction, and guidelines and the environmental analysis conducted for this project. Additionally, there are thirteen measures described to guide achievement of the end result designed for this mining claim. A few of these measures, in whole or in part, are specific to the Forest Service, although they could be adapted by the Forest Service to be compatible with State standards for SMARA. Since the claims are located on National Forest system lands, the SMARA compliant reclamation plan must also reflect end use and objectives for NFS lands. A copy of the Forest Service draft reclamation plan is attached.

The following comments follow the Reclamation Plan format as submitted for our review.

Page 3, **GENERAL MINING OPERATION INFORMATION** (2) ADDRESS THE PRESENCE/ABSENCE OF... - to be compliant with the authorized plan of operations the operator is also responsible for the monitoring of mitigation measures and BMP implementation, to ensure proper implementation to avoid and/or minimize impacts to resources. The operator and the Forest Service will need to develop this.

5. Page 6, PROPOSED REVEGETATION PLAN...The Forest Service request that the operator develop and implement a monitoring plan suitable to all agencies that documents survival of plants, and that said monitoring plan is delivered to each agency designated representative within 30 days of the monitoring. Forest Service standard is that newly vegetated sites are monitored twice a year in the first year and if/when survival does not meet standard, prompt replanting/sowing takes place until desired species are established (after 3 consecutive years of growth and survival). Describe what would trigger continued efforts for revegetation of the site after the determination is made, and how that determination is made.

6. Page 8, BACKFILLING, REGRADING, SLOPE STABILITY – The Forest Service request clarification of the statement that "the past and present dumps have been, and will be, filled with the exact same material that lies on the surface as no processing occurs".

7. Page 10, DRAINAGE, DIVERSION STRUCTURES, WATERWAYS AND EROSION CONTROL ... The third paragraph mentions that "any area larger than 500 square feet on the site that receives an average evaluation score of Class 2 as stated in Table 1 (or higher) which persists for more than one year will be investigated. The investigator will determine the need for remedial measures". Please describe who the investigator is and what their qualifications are, what reporting is done to whom and with what time frame, or any applicable information regarding this investigation.

   The fourth paragraph: I want to clarify the entire paragraph in particular the following sentence "The BMPs were evaluated by State Water Quality Control personnel as they were applied on site during management activities". In simplistic terms: the Forest Service has a waiver from the State Water Quality Control Board so that Forest Service application and monitoring of site-specific BMPs results in the Forest Service compliance with the Clean Water Act and other applicable laws regarding water quality. BMPs are part of the approved Plan of Operation for these claims, and it is incumbent on the operator to follow the BMPs to be in compliance with the Plan of Operation, and to monitor their own activities to ensure this compliance. The Forest Service will monitor the operators monitoring of their own compliance as well as perform independent compliance reviews. The Forest Service disagrees with the inclusion of the fourth paragraph in the Reclamation Plan as submitted and requests its removal.

8. Page 11, CLOSURE OF SURFACE OPENINGS....Forest Service requests verification that the gates that have been installed on all portals to tunnels meet the State's standard. Also the Forest Service could not locate a map that contains identification of all surface openings on a site map.

In closing, following the second waste dump failure, in April this year, I have concerns about the over all stability of all the waste dumps on the Red Ink Maid and Big Seam claims. Enough can not be done to ensure that the stable slopes remain stable: revegetation, diverting water and runoff, mitigating potential failure points. The failed slopes should be monitored to determine what additional impacts are occurring to other resources as a result of the failure.

If you have any questions on these comments or require any assistance with other issues regarding mine operation on National Forest, including how to adapt Forest Service end use goals and objectives to become compatible with State standards for SMARA, please contact Mo Tebbe or myself.

Sincerely,

JAN CUTTS
District Ranger

EXHIBIT O

WASTEROCK STABILITY EVALUATION AND INITIAL CHARACTERIZATION
for
BIG SEAM AND RED INK MAID MINING CLAIM
Placer County, California

Prepared for:

Mr. Richard Sykora
P.O. Box 622
Foresthill, California 95631

Prepared by:

Holdrege & Kull
792 Searls Avenue
Nevada City, California 95959

Project No. 2890-01
November 1, 2006

- Total pollutant load is small, as discussed above for groundwater.

H&K elected to employ an environmental attenuation factor of 100 for assessing potential impact to surface water and groundwater.

Water quality goals of various agencies for arsenic are listed in Table 2. The most conservative water quality goals listed for arsenic (e.g., the California Public Health Goal, 0.004 µg/L) are lower than the practical quantitation or reporting limit for laboratory analysis. Using the laboratory reporting limit (2.0 µg/L) as a water quality goal, and attenuation factor of 100 in equation 4 of the DLM yields an SDL of 20 µg/L. For comparison, the least conservative listed water quality goal (the California MCL for drinking water, 50 µg/L), and attenuation factor of 100 yields a water quality goal of 500 µg/L. The soluble arsenic concentration reported in the sample from SP-1 (8.1 µg/) is less than both calculated SDLs.

5.4 CONCLUSIONS REGARDING WASTEROCK CHARACTERIZATION

Evaluation of chemical data indicates that, of the metals analyzed, only arsenic is present at concentrations above anticipated background values for non-mineralized native soil in the area, and only in background location BG-2 and wasterock stockpile SP-1.

The arsenic concentrations detected at these areas are believed to originate from naturally mineralized conditions. The values reported for total arsenic and soluble arsenic in SP-1 samples likely represent a high concentration bias because samples submitted for analysis do not include the coarse fraction of the stockpiles. The sand and finer grain-sized samples are expected to exhibit higher concentrations of soluble constituents than the wasterock as a whole, which is composed predominantly of gravel and cobble-sized rock fragments.

The acid neutralizing potential of the wasterock suggests that generation of acid leachate from the wasterock stockpiles is unlikely. Furthermore, the soluble arsenic concentration detected in SP-1 is lower than the SDLs developed specifically for the site, despite the fine-grained sample bias. Based on evaluation of the data obtained from this initial characterization, our opinion is that the mine waste stockpiles do not present a significant risk to water quality, and the

EXHIBIT P

California Regional Water Quality Control Board
Central Valley Region

Linda S. Adams
Secretary for Environmental Protection

Sacramento Main Office
11020 Sun Center Drive #200, Rancho Cordova, California 95670-6114
Phone (916) 464-3291 • FAX (916) 464-4645
http://www.waterboards.ca.gov/centralvalley

Arnold Schwarzenegger
Governor

Richard Sykora
P.O. Box 622
Foresthill, CA 95631

28 November 2006

WASTEROCK STABILITY EVALUATION AND INTIAL CHARACTERIZATION BIG SEAM AND RED INK MAID MINING CLAIMS, PLACER COUNTY

We have reviewed the Holdredge & Kull (H&K) report (dated 1 November 2006) for Wasterock Stability Evaluation and Initial Characterization of your Big Seam and Red Ink Maid Mining Claims in Placer County. We had requested this information in our 3 May 2006 letter and again in our 7 July 2006 letter as part of the Report of Waste Discharge pursuant to Title 27, California Code of Regulations (27 CCR).

After reviewing the H&K report, we have the following comments regarding the Wasterock Stability Evaluation:

1. In Section 4.1, H&K reports "*that the slumping observed in stockpile 4 was likely attributable to a failure within the underlying colluvium rather than a failure of the relatively high friction, predominantly granular wasterock*". In Section 2.1.1 of the H&K report, the colluvium underlying stockpile 2 was also reported as the likely cause of a toe failure. Thus, the underlying foundation material (colluvium) is the most likely failure plane. Stability analysis A and B in Table 4.1.1 tested wasterock only. The remaining stability analyses C through G included colluvium and have calculated factors of safety of less than 1.5 under static conditions. Dynamic conditions would likely have lower factors of safety. Title 27 CCR 21750 (f)(5)(C) requires that "*the report must indicate a factor of safety for the critical slope of at least 1.5 under dynamic conditions.*" Section 4.1 of the report states that H&K did not consider seismic loading (dynamic conditions) in the analysis of the wasterock stockpiles. Therefore, we conclude from the H&K report that the existing wasterock stockpiles do not meet the required minimum factor of safety of 1.5.

2. We request that you immediately implement the recommendations to reduce surface water infiltration of the wasterock stockpiles 1-4 as outlined in Section 4.2 of the H&K report, thus potentially decreasing the risk of slope failure during precipitation events.

3. No preliminary design or stability analysis of the proposed wasterock stockpile #5 was included for our review in the H&K report as was requested in our letters of 3 May 2006 and 7 July 2006. As required in 27 CCR 21760, a design report containing the preliminary plans for the proposed waste management unit (wasterock stockpile #5) must be submitted along with a stability analysis of the proposed design. No wasterock may be discharged at the proposed wasterock stockpile #5 without first securing Waste Discharge Requirements (WDRs).

We have the following comments regarding the Initial Characterization of the existing wasterock stockpile (#1 through #4):

4. We agree that the values reported for total and soluble arsenic in SP-1 samples likely represent a high concentration bias because samples submitted for analysis do not include the coarse fraction of the stockpiles (Section 5.4). Soluble arsenic was detected at a concentration of 8.1 micrograms per liter (µ/L), as determined by the California Waste Extraction Test using deionized water extractant solution (WET-DI).

5. We agree with the conclusion in Section 5.4 of the report "*that the acid neutralizing potential of the wasterock suggests that generation of leachate from the wasterock stockpiles is unlikely*". The ratio of acid neutralization potential to acid generating potential (NP:AGP) was 17:1, indicating that the mine waste material in SP-1 is acid neutralizing. Typically, ratios of greater than 3:1 indicate that an acid leachate will probably not be formed by the waste. In addition, the sample pH was 8.3.

6. We have reviewed the laboratory analysis of the samples in Table 1 of the H&K report. We agree with H&K assessment that they do not pose a significant threat to water quality nor do they contain a significant amount of degradable materials (Section 5.4). Therefore, the wasterock is appropriate for consideration as Group C mining waste under 27 CCR 22480.

7. We do not concur with H&K opinion in Section 5.4 that the wasterock stockpiles satisfy the general and specific conditions of the General Waiver (RWQCB Resolution No. R5-2003-0008). Small metals mining operations were specifically not included in the General Waiver when it was adopted (see Staff Report for Resolution No. R5-2003-0008).

SUMMARY:

We have reviewed the H&K report and have concluded that the existing wasterock stockpiles 1-4 do not meet the required minimum factor of safety of 1.5. Additionally, no stability analysis of the proposed wasterock stockpile #5 was included. Therefore, the Report of Waste Discharge is incomplete. **No** wasterock may be discharged at the site without first securing WDRs.

We are in agreement with the H&K report that the wasterock sampled for acid generating potential has a ratio of greater than 3:1, indicating that acid leachate will probably not be formed by the waste. We agree with H&K assessment that the wasterock stockpiles sampled do not pose a significant threat to water quality (other than turbidity) nor do they contain a significant amount off degradable materials.

Please call me at (916) 464-4639 should you have any questions.

Jeff S. Huggins

JEFF HUGGINS
Water Resources Control Engineer
Land Disposal Program
Lower Sacramento River Watershed

cc: Printed on following page.

found in W.D.R. file

EXHIBIT Q

United States Department of Agriculture
Forest Service
American River Ranger District
22830 Foresthill Road
Foresthill, CA
95631
530 367-2224
530 367-2226 TDD
530 367-2992 FAX

File Code: 2810

Date: October 21, 2009

Ted Rel, Planner
Placer County Planning Department
3091 County Center Drive
Auburn, CA 95603

Dear Mr. Rel:

Reference is made to your recent conversation with Tahoe National Forest Minerals Program Manger Greg Schimke regarding the Red Ink Maid and Big Seam mining claims, Richard Sykora, Operator.

As the current District Ranger for the American River Ranger District, I want to re-confirm the previous District Ranger(s) decision as shown on the enclosed letters dated September 20, 2004 and again on May 11, 2005. Specifically, I want to re-confirm that "the only responsibility you now have to the previous waste areas- 1, 2, 3, and 4, and the access road to waste areas 2, 3 and 4, is to ensure that erosion control measures that you have been practicing, including all the successful measures previously used to divert water away from the dumps, continue."

If you have any questions, please feel free to contact me at (530) 478-6254 extension 238 or Mr. Schimke at (530) 478-6273.

Sincerely,

CHRIS FISCHER
District Ranger

Enclosures

Cc: Mr. Richard Sykora
Mo Tebbe
Greg Schimke

EXHIBIT R

COUNTY OF PLACER
Community Development / Resource Agency

Michael J. Johnson, AICP
Agency Director

ENGINEERING & SURVEYING

Wes Zicker, PE
Director

Mr. Kenneth Trott
Department of Conservation
Office of Mine Reclamation
801 K Street, MS 09-06, Sacramento, CA 95814

8 November 2010

SUBJ: CA-MINE ID #91-30-0020 RED INK MAID MINE, RECLAMATION COMPLETE FOR WASTE ROCK DUMPS #1 – 4.

Dear Mr. Trott,

Placer County has received correspondence from the U.S. Forest Service (USFS) dated October, 21, 2009, from district ranger Mr. Chris Fischer confirming that the USFS has accepted responsibility (other than maintaining erosion control efforts) for waste rock dump sites 1, 2 ,3, and 4.

Placer County, acting as Lead Agency (SMARA) recognizes that the USFS takes responsibility for any outstanding reclamation liabilities for waste rock dump sites #1, 2, 3, and 4. Placer County performed a special inspection of the mine site on September 14th, 2010. As a result of the subject inspection, we have determined that waste rock dump sites #1, 2, 3, and 4, are considered reclaimed on behalf of the mine operator, Red Ink Maid, LLC, and that the mine operator has no outstanding reclamation liabilities on waste rock dump sites #1, 2, 3, and 4.

Placer County respectfully requests concurrence with our findings from the Office of Mine Reclamation.

Attached, please find the special inspection report, and revised financial assurance cost estimate for the remaining liabilities (existing portal landing area, waste rock site #5, access road to waste rock site #5) of the Red Ink Maid & Big Seam mining claim/s.

If you have any questions, please contact me at (530) 745-7542

Ted D. Rel

cc: Red Ink Maid, LLC
Chris Fischer, District Ranger, USFS

State of California
DEPARTMENT OF CONSERVATION
OFFICE OF MINE RECLAMATION
MRRC-1 Page 1 of 3

SURFACE MINING INSPECTION REPORT

Instructions for completing this form are on the reverse side. Attach notice(s) of violation(s) and order(s) to comply for all observed non-compliance.

I. Mine Name as reported by Operator on Mining Operation Annual Report	Inspection Date:	CA MINE ID#:
RED INK MAID MINE	9/14/2010	91- 31-0020

II. SMARA Lead Agency Name (City or County only)		
PLACER COUNTY		
Inspector: TED REL		Telephone: (530) 745-7542
Title: JR. CIVIL ENGINEER	Organization: PLACER COUNTY ENGINEERING & SURVEYING DEPT.	
Mailing Address: 3091 COUNTY CENTER DRIVE SUITE 120		
City: AUBURN	State: CA	ZIP Code: 95603
E-mail Address (Optional): trel@placer.ca.gov		

III. Mine Operator		
WILD CAT MINING ENT. LLC		
Contact Person: RICHARD SYKORA		Telephone: (775) 882-4641
Mailing Address: PO BOX 622		
City: FORESTHILL	State: CA	ZIP Code: 95631
E-mail Address (Optional):		

IV. Does the operation have:	P	NR	No	Yes
A permit to mine?	☐	☐	☐	Permit # PMPB T20050399
An approved Reclamation Plan?	☐	☐	☐	RP # APPROVED WITH PMPB T20050399

Has the operator filed a Mining Operation Annual Report (form MRRC-2)? Check one: ☐ Yes ☐ No ☒ Unknown

Is this operation on Federal Land? Check one: ☒ Yes ☐ No
If "Yes", provide one or both of the Federal Mine Land Identification Numbers below:

California Mining Claim Number (CAMC#):

U.S. Forest Service Identification Number (USFS ID#): USFS ID# UNKNOWN AT THIS TIME

DISTRIBUTION: Original to Operator. Copies to: State (by Lead Agency), Lead Agency, State (by Operator), and BLM or USFS (if required).

State of California
DEPARTMENT OF CONSERVATION
OFFICE OF MINE RECLAMATION

SURFACE MINING INSPECTION REPORT

V. Does the Operator currently have a Lead Agency approved Financial Assurance? Check one: ☐ Yes ☐ No If "Yes", complete section below. If "No", refer to instructions on the reverse of this page and complete Section VI.		Inspection Date: 9/14/2010	CA MINE ID#: 91 - 31-0020
Type of Financial Assurance Mechanism(s)	Financial Assurance Mechanism Number(s)	Current Amount on File	Date of Expiration
☐ Surety Bond		$	
☐ Certificate of Deposit		$	
☒ Letter of Credit	#4135883	$ 20,000.00	renews annually
☐ Trust Fund		$	
☐ Pledge of Revenue		$	
☐ Budget Set Aside		$	
☐		$	
The Financial Assurance Amount **must** be adjusted annually. **Attach a copy of the revised Financial Assurance Amount calculation with this report.**		Date of Financial Assurance Amount Calculation: 9/14/2010	
Does the current mechanism(s) on file cover the new annual calculation? ☒ Yes ☐ No		If "No", date operator was notified that a new mechanism is required:	

VI. Financial Assurance comments.

DISTRIBUTION: Original to Operator. Copies to: State (by Lead Agency), Lead Agency, State (by Operator), and BLM or USFS (if required).

State of California
DEPARTMENT OF CONSERVATION
OFFICE OF MINE RECLAMATION

SURFACE MINING INSPECTION REPORT

VII. Is the operation in compliance with provisions of the approved Reclamation Plan with respect to:	OK	VN	NI	NA	CA MINE ID # 91 - 31-0020
Wildlife Habitat	☒	☐	☐	☐	Inspection Date: 9/14/2010
Revegetation	☒	☐	☐	☐	
Agricultural Land	☐	☐	☐	☒	Weather Code(s): CR
Stream Protection	☒	☐	☐	☐	Duration of Inspection: 1.5 HRS
Tailings and Mine Waste Management	☒	☐	☐	☐	
Closure of Surface Openings	☒	☐	☐	☐	Approximate Disturbed Acreage: >.5
Building, Structure, and Equipment Removal	☒	☐	☐	☐	
Topsoil Salvage, Maintenance, and Redistribution	☐	☐	☐	☒	Status of Operation Code(s): A
Backfilling, Regrading, Slope Stability, and Recontouring	☒	☐	☐	☐	
Drainage, Diversion Structures, Waterways, and Erosion	☒	☐	☐	☐	Status of Reclamation Code(s): see note
Other (list or explain below)	☐	☐	☐	☒	

VIII. Comments/Description of Violation(s) and Corrective Measure(s) Required
[NOTE: please indicate if you have attached notice(s) of violation(s) and correction order(s), in lieu of description on this form]:

NOTE:

This inspection was conducted to make a determination to consider waste rock dump sites #1 - 4 reclaimed. Reclamation is completed for waste rock dumps sites #1, 2, 3 & 4.

IX. Number of Violations:	Inspector's Signature:	Date Signed:
0		9/15/2010

DISTRIBUTION: Original to Operator. Copies to: State (by Lead Agency), Lead Agency, State (by Operator), and BLM or USFS (if required).

EXHIBIT S

COUNTY OF PLACER
Community Development / Resource Agency

Michael J. Johnson, AICP
Agency Director

ENGINEERING & SURVEYING

Wes Zicker, PE
Director

September 2, 2010

Mr. Kenneth E. Trott
California Department of Conservation
Office of Mine Reclamation
801 K Street MS 09-06
Sacramento, CA 95814

RE: RED INK MAID MINE, ID #91-31-0020

Dear Mr. Trott:

We are in receipt of your correspondence dated August 6th, 2010, regarding the subject mine. We respond to the letter as follows:

Specifically, Placer County has not considered the mine as "idle" for the following reasons:

- When we considered the production amounts (annual MRRC-2 reports) provided to Placer County in 2005, 2006 and 2007, we calculated that production had decreased to a little over 80% between 2005 and 2006, therefore did not meet the criteria as being "idle" as defined by Public Resources Code (PRC) Section 2727.1.

NOT 90% 2727.1

- The Red Ink Maid mine has not curtailed production at all between 2005 and up until July 19th, 2010; rather, mining operations were conducted steadily. We take into consideration that this mining operation is an exploratory gold mine and that although operations may have remained steady during this period, the mine still had "mineral" production in the form of waste rock, rather than gold, which is NOT reported on the MRRC-2 since the waste rock is not considered a "commodity" per se. PRC Section 2727.1 refers to "mineral production" and not "commodity" production.

Rec 2730

- Our observations with on-site annual inspections have confirmed that the Red Ink Maid mine has not curtailed mineral production to 90% of the previous year.

Please provide direction in the event that your interpretation of the intent of PRC Section 2727.1 is different than the above.

In response to paragraph 4, Placer County, acting as Lead Agency, has received mine operator annual reports for 2008 and 2009 from the mine operator, however, they were not provided at the time of our inspection on March 10, 2010. Additionally, we cannot confirm if these reports

were submitted untimely to the Office of Mine Reclamation (OMR). Please provide direction and/or confirmation.

In response to paragraph 5 and 6, the mine operator for the Red Ink Maid mine submitted a Financial Assurance Cost Estimate (FACE) dated June 26th, 2009. Placer County, acting as Lead Agency has had several revision requests to the subject FACE which we will forward to OMR for your concurrence upon our final approval as the Lead Agency. A copy is attached to this correspondence, however, please note that we have not yet approved the latest revision.

In response to paragraph 7, we confirm the inspection date was March 10, 2010 and the agencies present including Placer County. We have received a copy the Notice of Violation issued by the California Regional Water Quality Control Board dated March 23, 2010 as mentioned in paragraph 7.

At this time, Placer County does not regulate nor enforce rules and regulations set forth by the California Regional Water Quality Control Board (CRWQCB) on federal lands under the jurisdiction of the USFS (or BLM), other than those requirements included in the Reclamation Plan approved by Placer County. Waste Discharge Requirement (WDRs) Order No. R5-2007-0181 was NOT part of the Reclamation Plan approved by Placer County, and in our opinion it is the responsibility of the USFS to ensure compliance in accordance with the Plan of Operations that is approved by the USFS for the Red Ink Maid mine. For example, we would note that on July 19, 2010, the USFS has ordered the Red Ink Maid mine to cease and desist operating until it complies with WDR Order No. R5-2007-0181.

We would also like to bring to your attention that Placer County is in receipt of two letters, copies attached, from the United States Forest Service (USFS) stating that waste rock dumps #1 through #4 are no longer the responsibility to the mine operator except for maintaining water quality and erosion control measures. The first letter was received on September 20, 2004 from District Ranger Richard Johnson. The second letter is dated October 21, 2009 from the current USFS District Ranger Chris Fischer confirming that the letter from the USFS on September 20, 2004 is still the position of the USFS.

At this time, Placer County, acting as Lead Agency, does not believe that there currently exist any violations associated with the approved current Reclamation Plan or any provisions of the Surface Mining and Reclamation Act. We would request your concurrence, based on the information presented here, with that finding.

If you have any questions on this information, please contact Ted Rel at (530) 745-7542.

Sincerely,

Wesley K. Zicker, P.E., Director,
Engineering and Surveying Department

3091 County Center Drive, Suite 120 / Auburn, California 95603 / (530) 745-3110 / Fax (530) 745-7569 / email: ENG_SURV@placer.ca.gov
565 West Lake Boulevard / P.O. Box 1909 / Tahoe City, California 96145 / (530) 581-6227 / Fax (530) 581-6228

cc: Michael Johnson, CDRA Director
Robert Sandman, County Counsel
Ted Rel, ESD
Richard Sykora, ~~Mine Operator~~ MANAGER
Jeff Huggins, RWQCB
Rick Weaver, USFS
Mike Luksic, OMR

Attch: Oct 21, 2009 Letter from USFS to Placer County
May 11, 2005 Letter from USFS to Mr. Sykora
Sept 20, 2004 Letter from USFS to Mr. Sykora
June 26, 2009 FACE
2008 MRRC-2 Annual report for Mine ID 91-31-0020
2009 MRRC-2 Annual report for Mine ID 31-31-0020

EXHIBIT T

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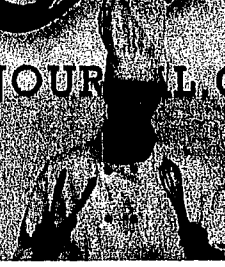


Local gourmets cook for community

Get wise to a franchise

Pair nabbed in gold-dust grand theft

Vial of precious metal discovered in Foresthill

BY GUS THOMSON
JOURNAL STAFF WRITER

Two men were behind bars Tuesday accused of stealing gold dust from a Placer County mining claim.

The Placer County Sheriff's Office reported the two were arrested while leaving the Red Ink Maid gold mine near Foresthill and a vial of gold dust was discovered during a search.

A deputy patrolling the area Monday afternoon had spotted a truck parked on a turnout in an area that had been a frequent target for people digging for gold, sheriff's spokesman Dena Erwin said.

Most of the illegal digging at the Red Ink Maid mine site off Mosquito Ridge Road had taken place at night but two deputies approached the property and spotted two men roaming with metal detectors in late afternoon before sunset, the sheriff's report said.

A vehicle was stopped as it was leaving the area around 5:30 p.m. and two men inside turned over a vial with gold-colored flakes, a rock containing more gold flakes, and a .45 caliber automatic pistol.

The two were booked into

• SEE GOLD PAGE A5

Kenneth A. Lewis, 25, of Foresthill

Justin J. Santapole, 24, of Auburn

GOLD: Mine, owned by a Nevada company, has experienced thievery over past nine months

continued from A1

Placer County Jail in North Auburn later that night on a felony charge of grand theft of gold dust. The charge is applied to anyone caught stealing, attempting to take, or carrying away gold dust from any mining claim, tunnel or sluice.

Also confiscated were two metal detectors and tools, Erwin said.

Charged with gold theft were Kenneth A. Lewis, 25, of Foresthill, and Justin J. Santapole, 24, of Auburn. Bail was set at $10,000 for Lewis and $20,000 for Santapole. Lewis was also charged with possession of a concealed weapon.

Placer County's high country is filled with mines and above-ground claims dating back to the Gold Rush of 1848. The Red Ink Maid mine dates back to 1910, manager Richard Sykora of Foresthill said.

The mine, owned by a Nevada company, has been experiencing thievery over the past nine months, Sykora said. Waste material at the surface has been dug over and reclaimed areas with tree and grass plantings have been disturbed, he said.

"There has been lots of damage," Sykora said. "Underground, three tunnels have been broken into."

Don Drysdale, spokesman for the state Department of Conservation, said that his department is constantly concerned about people exploring or gold-seeking in below-surface mines.

"Stay out, stay alive is our motto," Drysdale said. "Depending on how old they are, there are plenty of dangers, from rattlers to fall hazards to rotting timbers."

With the price of gold rising from $300 an ounce a decade ago to more than $1,700 Tuesday, Drysdale said the risks of entering abandoned or working mines are still not worth it.

"There are easier ways to make a buck," Drysdale said.

EXHIBIT u

WASTEROCK STABILITY EVALUATION AND INITIAL CHARACTERIZATION
for
BIG SEAM AND RED INK MAID MINING CLAIM
Placer County, California

Prepared for:
Mr. Richard Sykora
P.O. Box 622
Foresthill, California 95631

Prepared by:
Holdrege & Kull
792 Searls Avenue
Nevada City, California 95959

Project No. 2890-01
November 1, 2006

that is suitable for the end use. The existing native slopes exceed 2:1 (on the order of 1.7:1, H:V), making it impossible to comply with the 2:1 slope requirement. Wasterock removal would be difficult to achieve without significant grading to provide access for heavy equipment. A new access road from Mosquito Ridge Road (crossing currently undisturbed portions of the property) would likely be necessary and several new road cuts would be required to provide adequate access to the lower reaches of each wasterock site. Our opinion is that the grading required to remove wasterock at the site would result in significant worker safety issues, additional erosion control concerns, and increased potential for slope failure.

- Our opinion is that the existing wasterock sites substantially comply with CCR Section 3704 (e) in that the mine waste dumps do "generally conform with the surrounding topography." In addition, the wasterock slope gradients appear similar to fill slopes for Mosquito Ridge Road which provides access to the site.

- We recommend regrading as necessary at the top of wasterock stockpile 4 to ensure that surface water drainage is not directed into the wasterock stockpile. We anticipate that surface water, if present above the stockpile, could be directed away from the stockpile toward the native slopes to the east. Redirection of surface water can typically be performed by the placement of soil berms or the excavation of shallow v-ditches above the wasterock stockpiles. Surface water onsite must not be directed toward or over the wasterock slope faces.

- We do not recommend disturbing the existing wasterock sites. Excavating into the existing wasterock may cause localized oversteepening of the wasterock, resulting in shallow failures and possible small volume debris flows. Excavating or otherwise disturbing the existing wasterock could result in a safety hazard to the personnel performing the work. In addition, the existing topographic irregularities present in stockpile 4, for example, may facilitate eventual soil accumulation and revegetation.

- Our opinion is that the stability conditions at stockpiles 1 through 4 do not warrant the placement of additional wasterock at these locations. We

HOLDREGE & KULL
CONSULTING ENGINEERS • GEOLOGISTS

December 7, 2005

Richard Sykora
P.O. Box 622
Foresthill, California 95631

Reference: ***Big Seam and Red Ink Maid Mining Claims***
Foresthill, California

Subject: ***Stability of Waste Rock Sites #1 - #5***

Mr. Sykora,

As requested, we have completed our review of available information and have made two recent visits to the above referenced site. Our conclusions regarding our review are summarized below.

Scope of Services

Our scope of services included the following:

- Review of the following documents:
  - US Forest Service (September 20, 2004). *Conditions of Approval for "Plan of Operations", Appendix A.*
  - Department of Conservation, Office of Mine Reclamation (September 14, 2005). *Review of Proposed Reclamation Plan for the Red Ink Maid Mine (01-31-0020) - Summary Table.*
  - Watters, Robert J., Ph.D., P.E. (June 26, 1990). *Stability Assessment and Appraisal for Mine Waste Dumps.*
  - Voss, Jim (January 30, 1997). *Waste Rock Dump Slump at Red Ink Maid Mine.*
- Two site visits on November 3 and November 30, 2005.
- Preparation of this letter report.

EXHIBIT E

(530) 478-1305 • FAX (530) 478-1019 • E-mail: handk@HandK.net • 792 Searls Avenue • Nevada City, CA 95959 • A California Corporation

Site Observations

On November 3 and November 30, 2005, we observed waste rock dump sites 1 through 4 and proposed waste rock dump site 5. Following are our observations:

- Waste Rock Site #1 is located just south of the existing mine portal. The gradient of the existing south to southwest facing slope is approximately 60%. This site was used from approximately 1987 to 1989. We understand that fine grained, oxidized waste rock material was broadcast over the larger waste rock in this area. This practice resulted in good vegetative growth over the waste rock. We understand that the eastern portion of Waste Rock Site #1, directly adjacent to Waste Rock Site #2, had an erosion failure in 1990 as a result of a concentrated surface water flow which emanated from the access road at the top of the waste rock. Robert Watters, Ph.D., P.E., assessed the stability of this site in June 1990. His June 26, 1990 report recommended drainage improvements to prevent surface water from discharging over the slope face. Following that breach, a berm was constructed between the access road and top of the waste rock slope. Surface water is collected in a low area and discharged downslope of the waste rock in a PVC pipe. The drainage system appeared to be functioning adequately at the time of our site visit.

- Waste Rock Site #2 is located just east of Waste Rock Site #1. The gradient of the existing south to southeast facing slope is approximately 55%. This site and Waste Rock Site #3 were used from approximately 1990 to 1993. A failure occurred near the toe of the waste rock during the heavy rains of late 1996/early 1997. Jim Voss, a Forest Service geologist, investigated the failure on January 13, 1997 and determined in his above referenced report dated January 30, 1997 that the failure occurred in the colluvium underlying the waste rock. The failure was exacerbated by the failure of a surface water drainage pipe which extended through Waste Rock Site #3, located just upslope of Waste Rock Site #2. The drainage pipe has been sealed since the failure. We observed no evidence of recent movement of either Waste Rock Site #2 or Waste Rock Site #3. The lateral extents of both sites are beginning to revegetate, although this process will likely be slow due to the size of the waste rock fragments exposed at the surface.

- Waste Rock Site #4 is located east of Waste Rock Sites #2 and #3. The gradient of the existing south to southeast facing slope is approximately 55 to 60%. This site was used from approximately 1994 to 2003, when mining operations ceased. This site appeared to be stable in its present condition. We observed no evidence of recent or past movement of the waste rock mass. The

top of the slope is beginning to revegetate; however, the majority of the waste rock is relatively large (on the order of 8 to 18 inch fragments) with a relatively small percentage of fine grained material. We anticipate revegetation of this area will take a significant amount of time.

- Waste Rock Site #5 is proposed to be used once mining operations start up again. The gradient of the base of the proposed site is much flatter than the surrounding areas, on the order of 20 to 25%. The proposed site is located within an historic hydraulicked area. The slope gradient immediately downslope of the hydraulicked area increases dramatically, on the order of 80 to 100%. No waste rock disposal is proposed in this steep area. While the base of the hydraulicked area supports moderate vegetation (mostly manzanita and other brush and small trees), colluvial development is minor to non-existent. The proposed construction of the access road to the site and the waste dump design is outlined in Appendix A of the above referenced 2004 Forest Service document.

Conclusions and Recommendations

The following conclusions and recommendations are our professional opinions based on our two site visits:

- Waste Rock Sites #1 through #4 appear to be stable in their present state. We recommend regrading the areas at the top of Waste Rock Sites #2 and #4 so that ponding of surface water does not occur. Accumulated drainage water should be discharged downslope of the toe of the waste rock piles as was previously performed at Waste Rock Site #1. An alternative would be to discharge surface water to the east of the waste rock piles. Surface water must not be allowed to flow over the face of the waste rock slopes.

- We do not recommend disturbing the existing waste rock sites. Excavating into the existing waste rock may cause localized oversteepening of the waste rock, resulting in failures. Excavating or otherwise disturbing the existing waste rock could result in a safety hazard to the personnel performing the work.

- Our opinion is that Waste Rock Site #5 is the best location on the property to dispose of future waste rock. The base of the formerly hydraulicked area should be cleared of significant vegetation prior to placement of waste rock. Vegetation in areas to receive less than 3 feet of waste rock may remain in place.

- We take no exception to the proposed design of Waste Rock Site #5 as outlined in Appendix A of the Plan of Operations. If a gabion wall is to be constructed at the toe of Waste Rock Site #5, the wall should be designed by a registered engineer; construction of the wall should be observed by representatives of the engineer that designs the wall.

Please contact us if you need any additional information or clarification.

Sincerely,

HOLDREGE & KULL

Tom Holdrege, C.E. 54208, C.E.G. 1809
Principal Engineer

F:\1 Projects\Red Ink Maid Mine.wpd

HOLDREGE & KULL
CONSULTING ENGINEERS • GEOLOGISTS

Project No. 2890-01
January 26, 2007

Richard Sykora
P.O. Box 622
Foresthill, California 95631

Reference: ***Big Seam and Red Ink Maid Mining Claims***
Foresthill, California

Subject: ***Proposed Stockpile 5 Plan Sheets and Stability Review***

Dear Mr. Sykora,

At your request, we have prepared the enclosed plan sheets which depict two alternate wasterock configurations for proposed Stockpile 5. The plans are intended to facilitate the review and permitting process associated with the existing mine operation onsite. The enclosed plan sheets, as well as the corresponding stability analysis results, will be provided to the Placer County Planning Department for distribution to associated reviewing agencies.

Our plan sheets depict anticipated finished wasterock stockpile configurations based on the existing topography at the proposed stockpile location as well as the recommended maximum finished slope gradient. The finished dimensions of the stockpile are expected to vary, depending on the actual slope gradient used, the optional construction of a gabion basket retaining structure at the toe of the slope, and the variation of the natural topography. We anticipate that, during wasterock placement, temporary slope gradients approaching the friction angle of the material will occur, particularly at the location of dumping. However, it is critical that the finished slope gradient at the end of wasterock placement not exceed the recommended slope gradient of 33 degrees unless further stability analysis and site review is performed to confirm stability.

Site preparation, wasterock placement and eventual reclamation of the stockpile should incorporate the recommendations presented by the USDA Forest Service in their recommended Mitigation Measures for this project. We can provide additional site specific erosion control and reclamation recommendations for the project, if requested.

One concern associated with the placement of wasterock on steeply sloping sites is the increased likelihood of wasterock and fine grained sediments being transported from the

stockpile locations to downgradient streams. Please note that the plan sheets depict redundant debris or sediment barriers to be constructed at locations downslope from the proposed toe of the wasterock stockpile. These barriers are intended to be installed prior to wasterock placement, and will need to be maintained and functional during the course of wasterock placement. Following wasterock placement, we anticipate that course rock fragments will be located on the lower portions of the stockpile surface, serving as slope armor and reducing the need for the sediment and debris barriers. The need for continued maintenance of the barriers should be evaluated following wasterock placement.

Summary of Stability Analysis for Stockpile 5

We performed a computer-assisted slope stability analysis to evaluate the existing stockpile configurations. The slope models used were based on the proposed finished wasterock slope gradient of 33 degrees (equivalent to a 1½:1, horizontal to vertical slope). Our stability analysis used the laboratory test results obtained during our previous geotechnical review of the existing stockpiles onsite, as described in our November 1, 2006 report entitled *Wasterock Stability Evaluation and Initial Characterization*. Our analysis was performed using Stabl6™ software utilizing the Janbu and Bishop's simplified methods of slices.

The stability of a slope is evaluated by calculating its "factor of safety". The factor of safety is a ratio obtained by dividing the resisting forces (i.e., the shear strength of the material comprising the slope) by the driving forces (resulting from the slope gradient, the weight of the material, groundwater, and surcharge loading). If the factor of safety is greater than 1, the slope is theoretically stable. A factor of safety equal to or less than 1 means the slope is theoretically unstable.

Required factors of safety are selected in an effort to address uncertainties in the conditions as well as the anticipated consequences of slope instability. Higher design factors of safety are often appropriate where slope instability would threaten a critical facility or create a hazard to health and safety. In some cases a more thorough investigation of subsurface conditions, including extensive laboratory testing to reliably establish lower bound shear strength and accurately identify material properties, allows the use of lower factors of safety. In general, we use minimum required factors of safety of 1.5 to account for variability in groundwater, subsurface soil and rock conditions, and laboratory test results when analyzing slopes associated with critical facilities, inhabited structures, and other locations where the consequences of a slope failure would be high. Factors of safety as low as 1.2 are often employed for slopes of relatively low risk and where conditions can be readily observed and confirmed by

laboratory testing such as cut slopes for driveways and rural roads. In addition, the use of lower factors of safety may be justified for existing slopes where information regarding past performance is available. One reason for this is that the degree of uncertainty regarding shear strength and piezometric levels can be reduced through back analysis.

Furthermore, reduced factors of safety are often used when the stability analysis considers short term seismic loading, rapid change in groundwater elevation, or other events of relatively short duration or infrequent occurrence.

Our slope stability analysis was based on a wide variety of assumptions and variables including:

1. Strength data variables - The strength data used in our analysis was based on laboratory test results performed on the sand and finer portions of samples collected from the wasterock onsite. We used the lower internal friction angle and apparent cohesion values obtained during two direct shear tests performed on loose specimens. Based on our laboratory testing, the wasterock was modeled as possessing an internal friction angle of 43.1 degrees and having an apparent cohesion of 110 pounds per square foot. The model also assumed a saturated, approximate 3-foot thick native soil/colluvium layer below the wasterock. The strength properties of the underlying colluvium was estimated with consideration of the native slope gradients, our experience with soil and rock conditions in the area, and the results of back calculations of the past slope instability in wasterock stockpile 4. No direct shear testing was performed on the colluvium and underlying weathered rock onsite.

2. We considered seismic loading (modeled as a horizontal acceleration of 0.2g) in our analysis of the proposed stockpile configuration.

Based on our analysis, we calculate a factor of safety of 1.5 for the proposed wasterock stockpile configuration. The calculated factor of safety is extremely sensitive to the horizontal acceleration due to seismic loading. The use of an acceleration of 0.2g, assumed to occur precisely in the out of slope direction, is considered to be conservative. The apparent cohesion present in the stockpile materials, as well as the effect of slope armoring due to the accumulation of course material on the lower slope surface, will likely cause the factor of safety for the configuration to vary. However, even without the presence of apparent cohesion in the stockpile material, we estimate that the factor of safety considering dynamic analysis is greater than 1.3.

In addition to our stability analysis, we considered the likelihood of rock fall during wasterock placement which would result in individual boulders traveling beyond the toe of the wasterock stockpile and rolling into the steeply sloping canyon below. To evaluate the likelihood of rock fall, we used the Colorado Rockfall Simulation Program (CRSP) distributed by the Colorado Department of Transportation. CRSP models rock fall considering user selected slope and rock properties. Empirically derived functions correlating slope geometry, friction, and rock properties are used in conjunction with conservation of energy principles to calculate the trajectory of individual rocks. The simulation is repeated for hundreds of rock fall events, allowing statistical analysis of probable rock fall behavior for a given slope. CRSP output includes estimates of probable rock fall velocities, bounce heights, and kinetic energies.

To perform our rock fall evaluation, we considered 12-inch boulders dropped on the finished slope surface during the final stages of wasterock placement. Although blasting and excavation of the rock onsite generates subangular and angular rock fragments, the boulders are conservatively modeled as being spherical. It is also assumed that the rock does not break into smaller fragments during the fall. The stockpile slope was modeled as having a 33 degree slope, and a relatively rough surface similar to a talus slope, armored with course rock fragments. Furthermore, we considered the placement of a smooth-faced gabion basket retaining wall at the toe of the slope, with fill placement to the top of the wall.

Our CRSP analysis indicated that, with the dropping of 1,000 spherical, 12-inch diameter boulders on the 33 degree slope, one boulder may reach the gabion basket wall. No boulders were calculated to pass beyond the debris barriers or approach the steeper canyon slopes below the proposed stockpile location. CRSP output is attached for reference.

Based on our stability analysis, our opinion is that the proposed wasterock stockpile configuration, utilizing a maximum finished slope gradient of 33 degrees, provides an appropriate factor of safety for the intended use. In addition, the rock fall simulation performed indicated that it is unlikely that individual boulder-sized wasterock fragments will travel beyond the toe of the stockpile onto the canyon slopes below.

Limitations

This letter may be considered an addendum to our November 1, 2006 report for the project. The limitations presented in that report apply.

Please contact us if you need any additional information or clarification.

Sincerely,

HOLDREGE & KULL

2/07

Robert Fingerson, G.E. 2699
Senior Engineer

attachments: Sheets 1 and 2 - Site Plan
Stability Analysis Graphical Results Summary
CRSP Rock Fall Simulation Output

copies: 1 to Placer County Planning Department / Attn: Crystal Jacobsen
(6) Sheets 1 and 2

F:\1 Projects\2890 Big Seam-Red Ink Mine\Stockpile5Plans.wpd

HOLDREGE & KULL
CONSULTING ENGINEERS • GEOLOGISTS

Project No. 2890-01
May 12, 2006

5/12/06 SMS
5/12/06 SMS

Richard Sykora
P.O. Box 622
Foresthill, California 95631

Reference: ***Big Seam and Red Ink Maid Mining Claims***
Foresthill, California

Subject: ***Addendum to Report Dated December 7, 2005***

Dear Mr. Sykora,

At your request, we completed this addendum to our report entitled *Stability of Waste Rock Sites #1 - #5* dated December 7,2005 for the above referenced project. Information in this letter is based on our review of a California Department of Conservation, Office of Mine Reclamation (OMR) letter dated January 19, 2006, discussions with Crystal Jacobsen with the Placer County Planning Department, and site visit on March 23, 2006 with personnel from the California Region Water Quality Control Board (RWQCB), OMR, Placer County Planning Department, and the U.S. Forest Service.

Important

During the site visit on March 23, 2006, several ideas were discussed regarding the reclamation of Waste Rock Sites #2 through #4. Descriptions of these waste rock areas were included in our December 7, 2005 report. Our conclusions and recommendations are as follows:

Waste Rock Sites #2 and #3

We obtained additional information during the March 23, 2006 site visit regarding a landslide that occurred in early January 1997, impacting Waste Rock Site #2. We stated in our December 2005 report that the failure impacted both Waste Rock Sites #2 and #3. However, we understand that material in Waste Rock Site #3 (referenced by the mine operators as the "Bridge") was placed under the direction of the Forest Service after the landslide occurred. The material comprising Waste Rock Site # 3 was placed across the failure scar, near the head scarp of the landslide. The mine operators observed that the failure did not extend to bedrock and that colluvium was still present at the base of the failure zone prior to the placement of the Waste Rock Site #3 material.

The placement of the "bridge" resulted in a topographic depression between the waste rock and the head scarp of the landslide. This existing depression was discussed during our March 2006 site visit. One alternative that was discussed would entail removing material immediately downslope of Waste Rock Site #3 and placing the material in the topographic depression to reduce the accumulation of surface water in the depression. In addition, this proposed solution would effectively reduce the volume of material comprising Waste Rock Site #2, immediately downslope of Waste Rock Site #3. We do not recommend this alternative for the following reasons:

- The waste rock that would be used to fill the topographic depression is comprised of cobble- to boulder-sized material. Placement of this material in the depression would not preclude the infiltration of surface water into the depression.

- The mine operators have indicated that they have never observed ponding of water in the depression. We observed during our site visits that the tributary area immediately upslope of the depression is very limited.

- Most importantly, the removal of material from Waste Rock Site #2 to fill the depression would result in a less stable slope configuration. The observations made by the mine operators in 1997 that colluvial material was still present near the base of the slide scar lead us to believe that future movement could occur in the colluvial material. Removal of material from the middle of the slope (i.e., decreasing the resisting forces) and placement of that material higher up on the slope (i.e., increasing the driving forces) would effectively decrease the slope's stability.

We make the following recommendations for reclamation of Waste Rock Site #3:

- Once all reclamation is completed of Waste Rock Sites #2 and #4, deep rip the surface of the "bridge" to a minimum depth of 18 inches and promote revegetation by applying an appropriate seed mix.

Done

- We observed evidence of surface water ponding on the western edge of the "bridge", closest to the mine entrance. We recommend this area be regraded to promote drainage and reduce ponding.

Done

- Construct a water bar immediately east of the "bridge" on the access road between Waste Rock Sites #3 and #4. Currently, runoff is directed down the

access road toward the "bridge". The water bar would direct runoff to the native slope exposed between Waste Rock Sites #3 and #4.

Waste Rock Site #4

_ With w ac. personel

In the OMR letter dated January 19, 2006 and during the March 23, 2006 site visit, a number of ideas were discussed regarding reclamation of the access road to Waste Rock Site #4. In general, the options that were discussed included outsloping the existing road surface by placing material from the berm that is directly downslope from the access road and from the slope directly below the berm and placing it on the access road.

Done

We recommend leaving the access road between Waste Rock Sites #3 and #4 in its present condition (other than possibly seeding it) for the following reasons :

- The road and downslope berm would act as a catchment area for any failures that occur in the historic waste rock pile immediately upslope of Waste Rock Site #4.

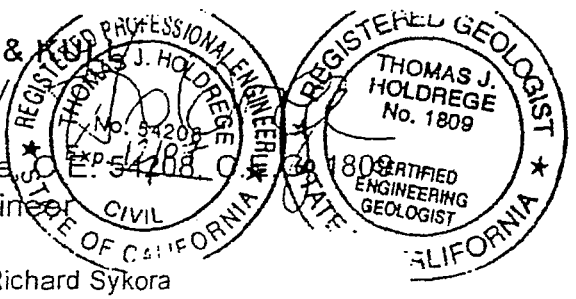
- Vegetation has become established on both the road and berm. Given the rocky nature of the material comprising the road and the berm, bringing heavy equipment into the area to outslope the road would compromise the revegetation process. It would take many years to re-establish vegetation back to its present state.

- The access road is a mid-slope bench that directs surface water (which appears to be minimal) away from the waste rock slope, effectively increasing slope stability.

Please contact us if you need any additional information or clarification.

Sincerely,

HOLDREGE & KULL



Tom Holdrege, C.E. 54208, C.E.G. 1809
Principal Engineer

copies: 3 to Richard Sykora

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HOLDREGE & KULL
CONSULTING ENGINEERS • GEOLOGISTS

Project No. 2890-01
August 18, 2006

8/18/06 SMS
9/21/06 SMS

Richard Sykora
P.O. Box 622
Foresthill, California 95631

Reference: *Big Seam and Red Ink Maid Mining Claims*
Foresthill, California

Subject: *Additional Comments Regarding Site Slopes*

Dear Mr. Sykora,

At your request, we are providing additional comments regarding Waste Rock Sites #1 through #4 located at the above referenced project site. Information in this letter is based on our August 9, 2006 site visit to observe the slope failure at Waste Rock Site #4, our review of a California Department of Conservation, Office of Mine Reclamation (OMR) letter dated June 26, 2006, and our discussions with Crystal Jacobsen of the Placer County Planning Department.

We understand the slope failure at Waste Rock Site #4 occurred in late March 2006 following a month of unusually heavy precipitation. The Foresthill area received on the order of 90 inches of rain during the winter and spring, which was well above average. The failure involved approximately half of the access road, including the soil berm, directly upslope of the waste rock site. The failure resulted in vertical and slight lateral displacement of the soil berm. Slide debris was substantially contained in a relatively flat lying area located just downslope of the waste rock. Debris did not appear to extend beyond the mine property. In general, very little lateral displacement of waste occurred as a result of the slide. Our opinion is that the slide occurred as a direct result of the heavy precipitation in March. Other significant slope failures occurred in the Foresthill area (including Foresthill Road) and throughout the Sierra Nevada foothills as a result of the above average precipitation.

We will be performing a slope stability analysis of the waste rock sites to comply with California Regional Water Quality Control Board (RWQCB) requirements. We will be observing the slide at Waste Rock Site #4 in greater detail as part of that study. Our report will be issued in the next few weeks summarizing the results of our analysis.

With regard to the requirements in the California Code of Regulations (CCR), Sections 3704 (d) and (e), we have the following comments:

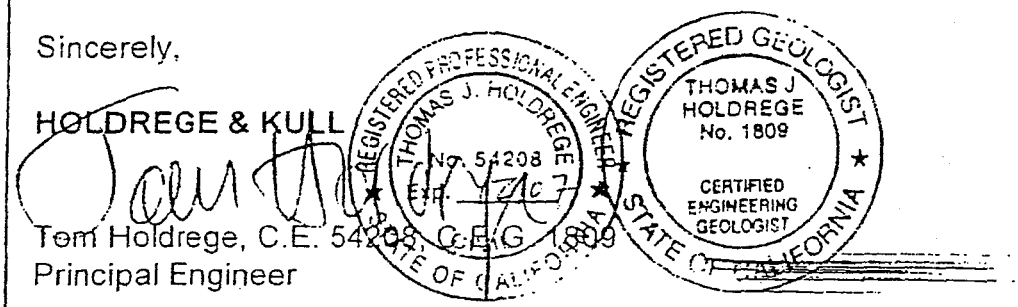
CCR Section 3704 (d) requires that all permanent piles or dumps of mine waste rock and overburden shall not exceed 2:1, horizontal to vertical (H:V). This site is unique in that the existing native slopes exceed 2:1 (on the order of 1.7:1, H:V), making it impossible to comply with this requirement without complete removal of the waste rock at the site. Waste rock removal would be difficult to achieve without significant grading to provide access for heavy equipment. A new access road from Mosquito Ridge Road (crossing currently undisturbed portions of the property) would likely be necessary and several new road cuts would be required to provide adequate access to the lower reaches of each waste rock site. Our opinion is that the grading required to remove waste rock at the site would result in significant worker safety issues, additional erosion control concerns, and increased potential for slope failure.

Our opinion is that the existing waste rock sites substantially comply with CCR Section 3704 (e) in that the mine waste dumps do "generally conform with the surrounding topography."

Please contact us if you need any additional information or clarification.

Sincerely,

HOLDREGE & KULL



Tom Holdrege, C.E. 54208, C.E.G. 1809
Principal Engineer

copies: 3 to Richard Sykora
1 to Placer County Planning Department/ Attn: Crystal Jacobsen

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EXHIBIT V

HK HOLDREGE & KULL
CONSULTING ENGINEERS • GEOLOGISTS

Project No. 2890-01
March 30, 2010

Mr. Richard Sykora
P.O. Box 622
Foresthill, California 95631

Reference: ***Big Seam and Red Ink Maid Mining Claim***
Placer County, California

Subject: ***2008-2009 Storm Water Monitoring Report***

Dear Mr. Sykora,

At your request, we present this storm water monitoring report for the Big Seam and Red Ink Maid mining claim for the 2008-2009 rainy season. This report was prepared in general accordance with the procedures outlined in the water quality monitoring section (2.6) of the September 4, 2007 Storm Water Pollution Prevention Plan (SWPPP) for the site.

Site Observations

Holdrege & Kull (H&K) visited the site on October 4, 2008 to observe the condition of the structural best management practices (BMPs) and implementation of non-structural BMPs at the site.

As mentioned in our November 12, 2008 *Annual Facility Inspection Report*, we observed that the berms along the site roadways and along the top of stockpiles 1, 2, and 3 were in place to restrict storm water from flowing over the roadside slopes and stockpile faces. We also observed that the drainage swales were in proper condition to convey storm water off of roadways toward vegetated areas and/or sedimentation basins, with the following exception: The 2 swales closest to the mine portal on the stockpile 5 haul road were filled with soil and rock. We recommended to you that the swales across the road be re-established to direct storm water off the road surface into adjacent natural drainages. Based on conversations with you and photographs provided, we understand that organic debris and loose soil and rock were removed from the onsite drainage swales on November 3, 2008 to allow for proper water conveyance.

The non-structural BMPs observed during our site visit included a plastic catch basin located beneath a 55-gallon fuel tank and drip pans located beneath a generator and compressor. We also observed a storage locker near the generator that contained absorbent spill clean-up materials.

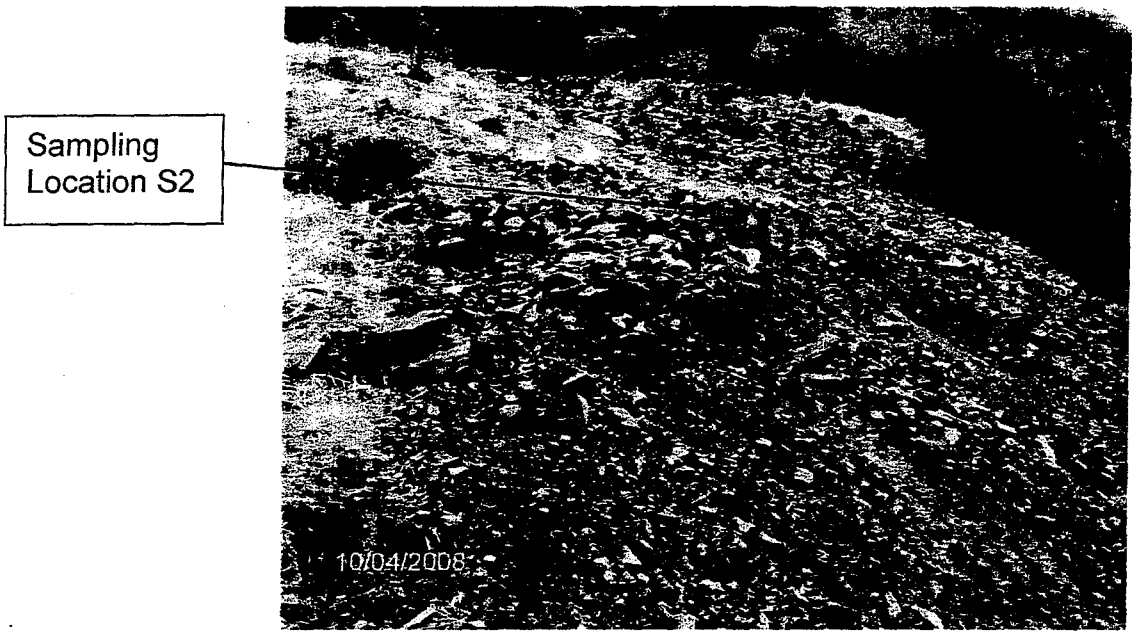
Storm Water Monitoring

October 4, 2008 Site Visit

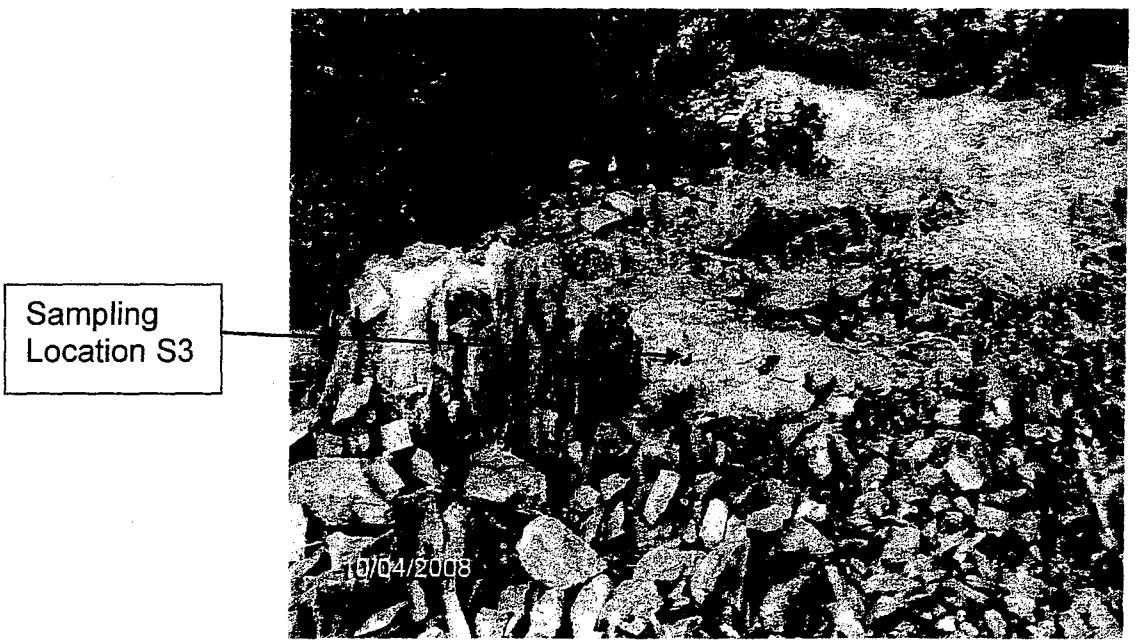
We also performed storm water monitoring during our October 4, 2008 site visit, which coincided with the first significant rainfall event of the season. The weather station at the Foresthill Ranger Station (FRH) reported approximately 1.0 inches of rain during this event.

We arrived at the site at approximately 9:30AM, at which time the rainfall intensity was decreasing and the storm appeared to be passing the site. We attempted to collect storm water samples at sampling location S1, located below the toe of stockpile 5 on a small bedrock outcrop in the base of the drainage channel. At approximately 10:00AM, we were not able to collect samples because there was no surface water flowing over the outcrop (see photo below).

We also attempted to collected storm water samples from location S2. Sampling location S2 is located near the headscarp formed by the past slope failure near the base of stockpile 2 (see Figure 1 and photo below). At approximately 10:30AM, we were not able to collect storm water samples because there was no surface water flowing at sampling location S2.



At approximately 11:15AM we attempted to collect storm water samples at sampling location S3, located at the base of stockpile 4 (see photo below). As with the other sampling locations, we were not able to collect samples because there was no surface water flowing at this sampling location.



During our October 4, 2008 site visit we did not observe surface water on the site roadways or drainage swales. However, we did observe standing water up to 1 inch in depth in the level area adjacent to the mine portal.

March 1, 2009 Site Visit

We returned to the site on March 1, 2009 to perform additional storm water monitoring. We arrived at the site at approximately 2:30PM, at which time relatively high intensity rain was falling. The FRM weather station reported a storm total for this event of approximately 2¾ inches of rainfall.

As with previous attempts, we were not able to collect storm water samples because there was no surface water flowing at the sampling locations. However, we observed a small volume of water flowing in the drainage swales located on the site access road between Mosquito Ridge Road and the mine portal. We also observed a trickle of water in the drainage swales on the new haul road to wasterock stockpile 5 and standing water area adjacent to the mine portal.

Visual Monitoring

Based on our conversations with you, we understand that the mine operator performed visual monitoring during rainfall events at the site. The drainage swale located on the site access road was the only location where surface water runoff was observed during the 2008-2009 rainy season. The location is noted on the attached Figure 1.

Conclusions and Recommendations

Based on our experience and site visits, our opinion is that the infiltration rate for the on-site soil/rock is relatively high and that surface water runoff at the toe of the wasterock stockpiles occurs relatively infrequently. Based on our site observations and monitoring performed during the 2008-2009 rainy season, we do not recommend revisions to the SWPPP.

We appreciate the opportunity to provide you with our services. If you have any questions regarding this letter, please feel free to contact us.

Sincerely,

HOLDREGE & KULL

Prepared by:

Zack Washburn, P.G. 8524
Staff Geologist

Reviewed by:

Robert Fingerson, G.E. 2699
Senior Engineer

attachments: Figure 1 - Site Plan Showing Drainage and Physical Features

copies: 4 to Richard Sykora

F:\1 Projects\2890 Big Seam-Red Ink Mine\SWPPP\Monitoring\2009 monitoring rpt.doc

2008 - 2009

ANNUAL REPORT

SPECIFIC INFORMATION

MONITORING AND REPORTING PROGRAM

D. SAMPLING AND ANALYSIS EXEMPTIONS AND REDUCTIONS

1. For the reporting period, was your facility exempt from collecting and analyzing samples from **two** storm events in accordance with sections B.12 or 15 of the General Permit?

☐ **YES** Go to Item D.2 ☒ **NO** Go to Section E

2. Indicate the reason your facility is exempt from collecting and analyzing samples from **two** storm events. Attach a copy of the first page of the appropriate certification if you check boxes ii, iii, iv, or v.

i. ☐ Participating in an Approved Group Monitoring Plan **Group Name:** _____

ii. ☐ Submitted **No Exposure Certification (NEC)** Date Submitted: _____

Re-evaluation Date: _____

Does facility continue to satisfy NEC conditions? ☐ YES ☐ NO

iii. ☐ Submitted **Sampling Reduction Certification (SRC)** Date Submitted: _____

Re-evaluation Date: _____

Does facility continue to satisfy SRC conditions? ☐ YES ☐ NO

iv. ☐ Received Regional Board Certification Certification Date: _____

v. ☐ Received Local Agency Certification Cetification Date: _____

3. If you checked boxes i or iii above, were you scheduled to sample **one** storm event during the reporting year?

☐ **YES** Go to Section E ☐ **NO** Go to Section F

4. If you checked boxes ii, iv, or v, go to Section F.

E. SAMPLING AND ANALYSIS RESULTS

1. How many storm events did you sample? 0 If less than 2, **attach explanation** (if you checked item D.2.i or iii. above, only attach explanation if you answer "0").

2. Did you collect storm water samples from the first storm of the wet season that produced a discharge during scheduled facility operating hours? (Section B.5 of the General Permit)

☐ **YES** ☒ **NO, attach explanation** **(Please note that if you do not sample the first storm event, you are still required to sample 2 storm events)**

3. How many storm water discharge locations are at your facility? 3

4. For each storm event sampled, did you collect and analyze a sample from each of the facilitys' storm water discharge locations? ☐ YES, go to Item E.6 ☐ NO

5. Was sample collection or analysis reduced in accordance with Section B.7.d of the General Permit? ☐ YES ☐ NO, **attach explanation**

   If "YES", **attach documentation** supporting your determination that two or more drainage areas are substantially identical.

   Date facility's drainage areas were last evaluated _____

6. Were <u>all</u> samples collected during the first hour of discharge? ☐ YES ☐ NO, **attach explanation**

7. Was <u>all</u> storm water sampling preceded by three (3) working days without a storm water discharge? ☐ YES ☐ NO, **attach explanation**

8. Were there any discharges of stormwater that had been temporarily stored or contained? (such as from a pond) ☐ YES ☐ NO, go to Item E.10

9. Did you collect and analyze samples of temporarily stored or contained storm water discharges from two storm events? (or one storm event if you checked item D.2.i or iii. above) ☐ YES ☐ NO, **attach explanation**

10. Section B.5. of the General Permit requires you to analyze storm water samples for pH, Total Suspended Solids (TSS), Specific Conductance (SC), Total Organic Carbon (TOC) or Oil and Grease (O&G), other pollutants likely to be present in storm water discharges in significant quantities, and analytical parameters listed in Table D of the General Permit.

    a. Does Table D contain any additional parameters related to your facility's SIC code(s)? ☐ YES ☒ NO, Go to Item E.11

    b. Did you analyze all storm water samples for the applicable parameters listed in Table D? ☐ YES ☒ NO

    c. If you did not analyze all storm water samples for the applicable Table D parameters, check one of the following reasons:

    _____ In prior sampling years, the parameter(s) have not been detected in significant quantities from two consecutive sampling events. **Attach explanation**

    _____ The parameter(s) is not likely to be present in storm water discharges and authorized non-storm water discharges in significant quantities based upon the facility operator's evaluation. **Attach explanation**

    X Other. **Attach explanation**

11. For each storm event sampled, attach a copy of the laboratory analytical reports and report the sampling and analysis results using **Form 1** or its equivalent. The following must be provided for each sample collected:

- Date and time of sample collection
- Name and title of sampler.
- Parameters tested.
- Name of analytical testing laboratory.
- Discharge location identification.
- Testing results.
- Test methods used.
- Test detection limits.
- Date of testing.
- Copies of the laboratory analytical results.

F. QUARTERLY VISUAL OBSERVATIONS

1. **Authorized Non-Storm Water Discharges**
Section B.3.b of the General Permit requires quarterly visual observations of all authorized non-storm water discharges and their sources.

a. Do authorized non-storm water discharges occur at your facility?

☐ **YES** ☒ **NO** Go to Item F.2

b. Indicate whether you visually observed all authorized non-storm water discharges and their sources during the quarters when they were discharged. **Attach an explanation for any "NO" answers.** Indicate "N/A" for quarters without any authorized non-storm water discharges.

July -September	☐ YES	☐ NO	☒ N/A	October-December	☐ YES	☐ NO	☒ N/A
January-March	☐ YES	☐ NO	☒ N/A	April-June	☐ YES	☐ NO	☒ N/A

c. Use **Form 2** to report quarterly visual observations of authorized non-storm water discharges or provide the following information.

i. name of each authorized non-storm water discharge
ii. date and time of observation
iii. source and location of each authorized non-storm water discharge
iv. characteristics of the discharge at its source and impacted drainage area/discharge location
v. name, title, and signature of observer
vi. **any** new or revised BMPs necessary to reduce or prevent pollutants in authorized non-storm water discharges. Provide new or revised BMP implementation date.

2. **Unauthorized Non-Storm Water Discharges**
Section B.3.a of the General Permit requires quarterly visual observations of all drainage areas to detect the presence of unauthorized non-storm water discharges and their sources.

a. Indicate whether you visually observed all drainage areas to detect the presence of unauthorized non-storm water discharges and their sources. **Attach an explanation for any "NO" answers.**

July -September	☒ YES	☐ NO		October-December	☒ YES	☐ NO	
January-March	☒ YES	☐ NO		April-June	☒ YES	☐ NO	

b. Based upon the quarterly visual observations, were any unauthorized non-storm water discharges detected?

☐ **YES** ☒ **NO** Go to item F.2.d

c. Have each of the unauthorized non-storm water discharges been eliminated or permitted?

☐ **YES** ☐ **NO** **Attach explanation**

d. Use **Form 3** to report quarterly unauthorized non-storm water discharge visual observations or provide the following information.

i. name of each unauthorized non-storm water discharge.
ii. date and time of observation.
iii. source and location of each unauthorized non-storm water discharge.
iv. characteristics of the discharge at its source and impacted drainage area/discharge location.
v. name, title, and signature of observer.
vi. **any** corrective actions necessary to eliminate the source of each unauthorized non-storm water discharge and to clean impacted drainage areas. Provide date unauthorized non-storm water discharge(s) was eliminated or scheduled to be eliminated.

G. MONTHLY WET SEASON VISUAL OBSERVATIONS

Section B.4.a of the General Permit requires you to conduct monthly visual observations of storm water discharges at all storm water discharge locations during the wet season. These observations shall occur during the first hour of discharge or, in the case of temporarily stored or contained storm water, at the time of discharge.

1. Indicate below whether monthly visual observations of storm water discharges occurred at all discharge locations. **Attach an explanation for any "NO" answers.** Include in this explanation whether any eligible storm events occurred during scheduled facility operating hours that did not result in a storm water discharge, and provide the date, time, name and title of the person who observed that there was no storm water discharge.

	YES	NO		YES	NO
October	☒	☐	February	☒	☐
November	☒	☐	March	☒	☐
December	☒	☐	April	☒	☐
January	☒	☐	May	☒	☐

2. Report monthly wet season visual observations using **Form 4** or provide the following information.

   a. date, time, and location of observation
   b. name and title of observer
   c. characteristics of the discharge (i.e., odor, color, etc.) and source of any pollutants observed.
   d. **any** new or revised BMPs necessary to reduce or prevent pollutants in storm water discharges. Provide new or revised BMP implementation date.

ANNUAL COMPREHENSIVE SITE COMPLIANCE EVALUATION (ACSCE)

H. ACSCE CHECKLIST

Section A.9 of the General Permit requires the facility operator to conduct one ACSCE in each reporting period (July 1-June 30). Evaluations must be conducted within 8-16 months of each other. The SWPPP and monitoring program shall be revised and implemented, as necessary, within 90 days of the evaluation. The checklist below includes the minimum steps necessary to complete a ACSCE. Indicate whether you have performed each step below. **Attach an explanation for any "NO" answers.**

1. Have you inspected all potential pollutant sources and industrial activities areas? ☒ YES ☐ NO
   The following areas should be inspected:

   - areas where spills and leaks have occured during the last year.
   - outdoor wash and rinse areas.
   - process/manufacturing areas.
   - loading, unloading, and transfer areas.
   - waste storage/disposal areas.
   - dust/particulate generating areas.
   - erosion areas.
   - building repair, remodeling, and construction
   - material storage areas
   - vehicle/equipment storage areas
   - truck parking and access areas
   - rooftop equipment areas
   - vehicle fueling/maintenance areas
   - non-storm water discharge generating areas

2. Have you reviewed your SWPPP to assure that its BMPs address existing potential pollutant sources and industrial activities areas? ☒ YES ☐ NO

3. Have you inspected the entire facility to verify that the SWPPP's site map, is up-to-date? The following site map items should be verified: ☒ YES ☐ NO

   - facility boundaries
   - outline of all storm water drainage areas
   - areas impacted by run-on
   - storm water discharges locations
   - storm water collection and conveyance system
   - structural control measures such as catch basins, berms, containment areas, oil/water separators, etc.

4. Have you reviewed all General Permit compliance records generated since the last annual evaluation? ☒ YES ☐ NO

The following records should be reviewed:

- quarterly authorized non-storm water discharge visual observations
- monthly storm water discharge visual observation
- records of spills/leaks and associated clean-up/response activities
- quarterly unauthorized non-storm water discharge visual observations
- Sampling and Analysis records
- preventative maintenance inspection and maintenance records

5. Have you reviewed the major elements of the SWPPP to assure compliance with the General Permit? ☒ YES ☐ NO

The following SWPPP items should be reviewed:

- pollution prevention team
- list of significant materials
- description of potential pollutant sources
- assessment of potential pollutant sources
- identification and description of the BMPs to be implemented for each potential pollutant source

6. Have you reviewed your SWPPP to assure that a) the BMPs are adequate in reducing or preventing pollutants in storm water discharges and authorized non-storm water discharges, and b) the BMPs are being implemented? ☒ YES ☐ NO

The following BMP categories should be reviewed:

- good housekeeping practices
- spill response
- employee training
- erosion control
- quality assurance
- preventative maintenance
- material handling and storage practices
- waste handling/storage
- structural BMPs

7. Has all material handling equipment and equipment needed to implement the SWPPP been inspected? ☒ YES ☐ NO

I. ACSCE EVALUATION REPORT

The facility operator is required to provide an evaluation report that includes:

- identification of personnel performing the evaluation
- the date(s) of the evaluation
- necessary SWPPP revisions
- schedule for implementing SWPPP revisions
- any incidents of non-compliance and the corrective actions taken.

Use **Form 5** to report the results of your evaluation or develop an equivalent form.

J. ACSCE CERTIFICATION

The facility operator is required to certify compliance with the Industrial Activities Storm Water General Permit. To certify compliance, both the SWPPP and Monitoring Program must be up to date and be fully implemented.

Based upon your ACSCE, do you certify compliance with the Industrial Activities Storm Water General Permit? ☒ YES ☐ NO

If you answered "NO" **attach an explanation** to the ACSCE Evaluation Report why you are not in compliance with the Industrial Activities Storm Water General Permit.

ATTACHMENT SUMMARY

Answer the questions below to help you determine what should be attached to this annual report. Answer NA (Not Applicable) to questions 2-4 if you are not required to provide those attachments.

1. Have you attached Forms 1,2,3,4, and 5 or their equivalent?	☒ YES (Mandatory) See EXPLANATION		
2. If you conducted sampling and analysis, have you attached the laboratory analytical reports?	☐ YES	☐ NO	☒ NA
3. If you checked box II, III, IV, or V in item D.2 of this Annual Report, have you attached the first page of the appropriate certifications?	☐ YES	☐ NO	☒ NA
4. Have you attached an explanation for each "NO" answer in items E.1, E.2, E.5-E.7, E.9, E.10.c, F.1.b, F.2.a, F.2.c, G.1, H.1-H.7, or J?	☒ YES	☐ NO	☐ NA

ANNUAL REPORT CERTIFICATION

I am duly authorized to sign reports required by the INDUSTRIAL ACTIVITIES STORM WATER GENERAL PERMIT (see Standard Provision C.9) and I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to ensure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those person directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Printed Name: RICHARD SYKORA

Signature: [signature] Date: 1 April 10

Title: MANAGER

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ANNUAL REPORT

SIDE A

FORM 1-SAMPLING & ANALYSIS RESULTS

FIRST STORM EVENT

- If analytical results are less than the detection limit (or non detectable), show the value as less than the numerical value of the detection limit (example: <.05)
- If you did not analyze for a required parameter, do not report "0". Instead, leave the appropriate box blank
- When analysis is done using portable analysis (such as portable pH meters, SC meters, etc.), indicate "PA" in the appropriate test method used box.
- Make additional copies of this form as necessary.

NAME OF PERSON COLLECTING SAMPLE(S): _____ **TITLE:** _____ **SIGNATURE:** _____

DESCRIBE DISCHARGE LOCATION Example: NW Out Fall	DATE/TIME OF SAMPLE COLLECTION	TIME DISCHARGE STARTED	ANALYTICAL RESULTS For First Storm Event									
			BASIC PARAMETERS					OTHER PARAMETERS				
			pH	TSS	SC	O&G	TOC					
	☐ AM ☐ PM	☐ AM ☐ PM		Un-able To Sample		No	Discharge Event					
	☐ AM ☐ PM	☐ AM ☐ PM										
	☐ AM ☐ PM	☐ AM ☐ PM										
	☐ AM ☐ PM	☐ AM ☐ PM										
TEST REPORTING UNITS:			pH Units	mg/l	umho/cm	mg/l	mg/l					
TEST METHOD DETECTION LIMIT:												
TEST METHOD USED:												
ANALYZED BY (SELF/LAB):												

TSS - Total Suspended Solids SC - Specific Conductance O&G - Oil & Grease TOC - Total Organic Carbon

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ANNUAL REPORT

SIDE B

FORM 2-QUARTERLY VISUAL OBSERVATIONS OF AUTHORIZED NON-STORM WATER DISCHARGES (NSWDs)

DATE /TIME OF OBSERVATION	SOURCE AND LOCATION OF AUTHORIZED NSWD EXAMPLE: Air conditioner Units on Building C	NAME OF AUTHORIZED NSWD EXAMPLE: Air conditioner condensate	DESCRIBE AUTHORIZED NSWD CHARACTERISTICS Indicate whether authorized NSWD is clear, cloudy, or discolored, causing staining, contains floating objects or an oil sheen, has odors, etc.		DESCRIBE ANY REVISED OR NEW BMPs AND PROVIDE THEIR IMPLEMENTATION DATE
			At the NSWD Source	At the NSWD Drainage Area and Discharge Location	
_____ ____ ☐ AM ☐ PM					
_____ ____ ☐ AM ☐ PM					
_____ ____ ☐ AM ☐ PM					
_____ ____ ☐ AM ☐ PM					
_____ ____ ☐ AM ☐ PM					

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ANNUAL REPORT

SIDE B

FORM 1-SAMPLING & ANALYSIS RESULTS

SECOND STORM EVENT

- If analytical results are less than the detection limit (or non detectable), show the value as less than the numerical value of the detection limit (example: <.05)
- If you did not analyze for a required parameter, do not report "0". Instead, leave the appropriate box blank
- When analysis is done using portable analysis (such as portable pH meters, SC meters, etc.), indicate "PA" in the appropriate test method used box.
- Make additional copies of this form as necessary.

NAME OF PERSON COLLECTING SAMPLE(S):_____ TITLE: _____ SIGNATURE: _____

DESCRIBE DISCHARGE LOCATION Example: NW Out Fall	DATE/TIME OF SAMPLE COLLECTION	TIME DISCHARGE STARTED	ANALYTICAL RESULTS For First Storm Event									
			BASIC PARAMETERS					OTHER PARAMETERS				
			pH	TSS	SC	O&G	TOC					
	_____ ☐ AM ☐ PM	☐ AM ☐ PM		Unable to Sample		No Discharge Event						
	_____ ☐ AM ☐ PM	☐ AM ☐ PM										
	_____ ☐ AM ☐ PM	☐ AM ☐ PM										
	_____ ☐ AM ☐ PM	☐ AM ☐ PM										
TEST REPORTING UNITS:			pH Units	mg/l	umho/cm	mg/l	mg/l					
TEST METHOD DETECTION LIMIT:												
TEST METHOD USED:												
ANALYZED BY (SELF/LAB):												

TSS - Total Suspended Solids SC - Specific Conductance O&G - Oil & Grease TOC - Total Organic Carbon

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ANNUAL REPORT

SIDE

FORM 2-QUARTERLY VISUAL OBSERVATIONS OF AUTHORIZED NON-STORM WATER DISCHARGES (NSWDs)

- Quarterly dry weather visual observations are required of each authorized NSWD.
- Observe each authorized NSWD source, impacted drainage area, and discharge location.
- Authorized NSWDs must meet the conditions provided in Section D (pages 5-6 of the General Permit.
- Make additional copies of this form as necessary.

QUARTER: **JULY-SEPT.** DATE: _____	**Observers Name:** _____ **Title:** _____ **Signature:** _____	**WERE ANY AUTHORIZED NSWDs DISCHARGED DURING THIS QUARTER?** ☐ YES ☐ NO If **YES**, complete reverse side of this form.
QUARTER: **OCT.-DEC.** DATE: _____	**Observers Name:** _____ **Title:** _____ **Signature:** _____	**WERE ANY AUTHORIZED NSWDs DISCHARGED DURING THIS QUARTER?** ☐ YES ☐ NO If **YES**, complete reverse side of this form.
QUARTER: **JAN.-MARCH** DATE: _____	**Observers Name:** _____ **Title:** _____ **Signature:** _____	**WERE ANY AUTHORIZED NSWDs DISCHARGED DURING THIS QUARTER?** ☐ YES ☐ NO If **YES**, complete reverse side of this form.
QUARTER: **APRIL-JUNE** DATE: _____	**Observers Name:** _____ **Title:** _____ **Signature:** _____	**WERE ANY AUTHORIZED NSWDs DISCHARGED DURING THIS QUARTER?** ☐ YES ☐ NO If **YES**, complete reverse side of this form.

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SIDE B

FORM 2-QUARTERLY VISUAL OBSERVATIONS OF AUTHORIZED NON-STORM WATER DISCHARGES (NSWDs)

DATE /TIME OF OBSERVATION	SOURCE AND LOCATION OF AUTHORIZED NSWD EXAMPLE: Air conditioner Units on Building C	NAME OF AUTHORIZED NSWD EXAMPLE: Air conditioner condensate	DESCRIBE AUTHORIZED NSWD CHARACTERISTICS Indicate whether authorized NSWD is clear, cloudy, or discolored, causing staining, contains floating objects or an oil sheen, has odors, etc.		DESCRIBE ANY REVISED OR NEW BMPs AND PROVIDE THEIR IMPLEMENTATION DATE
			At the NSWD Source	At the NSWD Drainage Area and Discharge Location	
_____ ____ ☐ AM ☐ PM					
_____ ____ ☐ AM ☐ PM					
_____ ____ ☐ AM ☐ PM					
_____ ____ ☐ AM ☐ PM					
_____ ____ ☐ AM ☐ PM					

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ANNUAL REPORT

SIDE A

FORM 3-QUARTERLY VISUAL OBSERVATIONS OF UNAUTHORIZED NON-STORM WATER DISCHARGES (NSWDs)

- Unauthorized NSWDs are discharges (such as wash or rinse waters) that do not meet the conditions provided in Section D (pages 5-6) of the General Permit.
- Quarterly visual observations are required to observe current and detect prior unauthorized NSWDs.
- Quarterly visual observations are required during dry weather and at all facility drainage areas.
- Each unauthorized NSWD source, impacted drainage area, and discharge location must be identified and observed.
- Unauthorized NSWDs that can not be eliminated within 90 days of observation must be reported to the Regional Board in accordance with Section A.10.e of the General Permit.
- Make additional copies of this form as necessary.

QUARTER: **JULY-SEPT.** **DATE/TIME OF OBSERVATIONS** ☐ AM Sept. 12 2:00 ☒ PM 08 P.M	Observers Name: Richard Sykora Title: MANAGER Signature:	**WERE UNAUTHORIZED NSWDs OBSERVED?** ☐ YES ☒ NO **WERE THERE INDICATIONS OF PRIOR UNAUTHORIZED NSWDs?** ☐ YES ☒ NO	If **YES** to either question, complete reverse side.
QUARTER: **OCT.-DEC.** **DATE/TIME OF OBSERVATIONS** ☐ AM Dec. 10 3:00 ☒ PM 08	Observers Name: Title: Signature:	**WERE UNAUTHORIZED NSWDs OBSERVED?** ☐ YES ☒ NO **WERE THERE INDICATIONS OF PRIOR UNAUTHORIZED NSWDs?** ☐ YES ☒ NO	If **YES** to either question, complete reverse side.
QUARTER: **JAN.-MARCH** **DATE/TIME OF OBSERVATIONS** ☐ AM 2-20 2:15 ☒ PM 09	Observers Name: Title: Signature:	**WERE UNAUTHORIZED NSWDs OBSERVED?** ☐ YES ☒ NO **WERE THERE INDICATIONS OF PRIOR UNAUTHORIZED NSWDs?** ☐ YES ☒ NO	If **YES** to either question, complete reverse side.
QUARTER: **APRIL-JUNE** **DATE/TIME OF OBSERVATIONS** ☐ AM 3-16 2:30 ☒ PM 09	Observers Name: Title: Signature:	**WERE UNAUTHORIZED NSWDs OBSERVED?** ☐ YES ☒ NO **WERE THERE INDICATIONS OF PRIOR UNAUTHORIZED NSWDs?** ☐ YES ☒ NO	If **YES** to either question, complete reverse side.

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ANNUAL REPORT

SIDE B

FORM 3 QUARTERLY VISUAL OBSERVATIONS OF UNAUTHORIZED NON-STORM WATER DISCHARGES (NSWDs)

OBSERVATION DATE (FROM REVERSE SIDE)	NAME OF UNAUTHORIZED NSWD	SOURCE AND LOCATION OF UNAUTHORIZED NSWD	DESCRIBE UNAUTHORIZED NSWD CHARACTERISTICS Indicate whether unauthorized NSWD is clear, cloudy, discolored, causing stains; contains floating objects or an oil sheen, has odors, etc.		DESCRIBE CORRECTIVE ACTIONS TO ELIMINATE UNAUTHORIZED NSWD AND TO CLEAN IMPACTED DRAINAGE AREAS. PROVIDE UNAUTHORIZED NSWD ELIMINATION DATE.
			AT THE UNAUTHORIZED NSWD SOURCE	AT THE UNAUTHORIZED NSWD AREA AND DISCHARGE LOCATION	
_____ ____ ☐ AM ☐ PM	EXAMPLE: Vehicle Wash Water	EXAMPLE: NW Corner of Parking Lot			
_____ ____ ☐ AM ☐ PM					
_____ ____ ☐ AM ☐ PM					
_____ ____ ☐ AM ☐ PM					

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FORM 4-MONTHLY VISUAL OBSERVATIONS OF STORM WATER DISCHARGES

SIDE A

- Storm water discharge visual observations are required for at least one storm event per month between October 1 and May 31.
- Visual observations must be conducted during the first hour of discharge at all discharge locations.
- Discharges of temporarily stored or contained storm water must be observed at the time of discharge.
- Indicate "None" in the first column of this form if you did not conduct a monthly visual observation.
- Make additional copies of this form as necessary.
- Until a monthly visual observation is made, record any eligible storm events that do not result in a storm water discharge and note the date, time, name, and title of who observed there was no storm water discharge.

	Drainage Location Description	#1	#2	#3	#4
Observation Date: October 4 2008 Observers Name RICHARD SYKORA Title MANAGER Signature	Drainage Location Description	S-1	S-2	S-3	
	Observation Time	3:30 ☒P.M. ☐A.M.	3:50 ☒P.M. ☐A.M.	2:00 ☒P.M. ☐A.M.	☐P.M. ☐A.M.
	Time Discharge Began	None ☐P.M. ☐A.M.	None ☐P.M. ☐A.M.	None ☐P.M. ☐A.M.	☐P.M. ☐A.M.
	Were Pollutants Observed (If yes, complete reverse side)	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☐
Observation Date: November 6 2008 Observers Name: Same Title Signature:	Drainage Location Description	#1 S-1	#2 S-2	#3 S-3	#4
	Observation Time	1:30 ☒P.M. ☐A.M.	12:55 ☒P.M. ☐A.M.	2:30 ☒P.M. ☐A.M.	☐P.M. ☐A.M.
	Time Discharge Began	None ☐P.M. ☐A.M.	None ☐P.M. ☐A.M.	None ☐P.M. ☐A.M.	☐P.M. ☐A.M.
	Were Pollutants Observed (If yes, complete reverse side)	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☐
Observation Date: December 16 2008 Observers Name Same Title Signature	Drainage Location Description	#1 S-1	#2 S-2	#3 S-3	#4
	Observation Time	4:30 ☒P.M. ☐A.M.	3:30 ☒P.M. ☐A.M.	1:30 ☒P.M. ☐A.M.	☐P.M. ☐A.M.
	Time Discharge Began	None ☐P.M. ☐A.M.	None ☐P.M. ☐A.M.	None ☐P.M. ☐A.M.	☐P.M. ☐A.M.
	Were Pollutants Observed (If yes, complete reverse side)	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☐
Observation Date: January 20 2009 Observers Name Same Title Signature	Drainage Location Description	#1 S-1	#2 S-2	#3 S-3	#4
	Observation Time	10:45 ☐P.M. ☒A.M.	11:40 ☐P.M. ☒A.M.	1:00 ☒P.M. ☐A.M.	☐P.M. ☐A.M.
	Time Discharge Began	None ☐P.M. ☐A.M.	None ☐P.M. ☐A.M.	None ☐P.M. ☐A.M.	☐P.M. ☐A.M.
	Were Pollutants Observed (If yes, complete reverse side)	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☐

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ANNUAL REPORT

SIDE B

FORM 4-MONTHLY VISUAL OBSERVATIONS OF STORM WATER DISCHARGES

DATE/TIME OF OBSERVATION (From Reverse Side)	DRAINAGE AREA DESCRIPTION EXAMPLE: Discharge from material storage Area #2	DESCRIBE STORM WATER DISCHARGE CHARACTERISTICS Indicate whether storm water discharge is clear, cloudy, or discolored; causing staining; containing floating objects or an oil sheen, has odors, etc.	IDENTIFY AND DESCRIBE SOURCE(S) OF POLLUTANTS EXAMPLE: Oil sheen caused by oil dripped by trucks in vehicle maintenance area.	DESCRIBE ANY REVISED OR NEW BMPs AND THEIR DATE OF IMPLEMENTATION
_____ ☐ AM ☐ PM				
_____ ☐ AM ☐ PM				
_____ ☐ AM ☐ PM				
_____ ☐ AM ☐ PM				
_____ ☐ AM ☐ PM				

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ANNUAL REPORT

FORM 4 (Continued)-MONTHLY VISUAL OBSERVATIONS OF STORM WATER DISCHARGES

SIDE A

- Storm water discharge visual observations are required for at least one storm event per month between October 1 and May 31.
- Visual observations must be conducted during the first hour of discharge at all discharge locations.
- Discharges of temporarily stored or contained storm water must be observed at the time of discharge.
- Indicate "None" in the first column of this form if you did not conduct a monthly visual observation.
- Make additional copies of this form as necessary.
- Until a monthly visual observation is made, record any eligible storm events that do not result in a storm water discharge and note the date, time, name, and title of who observed there was no storm water discharge.

		#1	#2	#3	#4
Observation Date: February 10 2009 Observers Name: Richards Sykes Title: Manager Signature: [signature]	Drainage Location Description	S-1	S-2	S-3	
	Observation Time	1:30 ☒P.M. ☐A.M.	2:30 ☒P.M. ☐A.M.	12:00 ☒P.M. ☐A.M.	☐P.M. ☐A.M.
	Time Discharge Began	None ☐P.M. ☐A.M.	None ☐P.M. ☐A.M.	None ☐P.M. ☐A.M.	☐P.M. ☐A.M.
	Were Pollutants Observed (If yes, complete reverse side)	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☐
Observation Date: March 1 2009 Observers Name: Same Title: _____ Signature: _____	Drainage Location Description	#1 S-1	#2 S-2	#3 S-3	#4
	Observation Time	3:00 ☒P.M. ☐A.M.	2:00 ☒P.M. ☐A.M.	3:45 ☒P.M. ☐A.M.	☐P.M. ☐A.M.
	Time Discharge Began	None ☐P.M. ☐A.M.	None ☐P.M. ☐A.M.	None ☐P.M. ☐A.M.	☐P.M. ☐A.M.
	Were Pollutants Observed (If yes, complete reverse side)	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☐
Observation Date: April 7 2009 Observers Name: Same Title: _____ Signature: _____	Drainage Location Description	#1 S-1	#2 S-2	#3 S-3	#4
	Observation Time	2:30 ☒P.M. ☐A.M.	3:30 ☒P.M. ☐A.M.	12:00 ☒P.M. ☐A.M.	☐P.M. ☐A.M.
	Time Discharge Began	None ☐P.M. ☐A.M.	None ☐P.M. ☐A.M.	None ☐P.M. ☐A.M.	☐P.M. ☐A.M.
	Were Pollutants Observed (If yes, complete reverse side)	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☐
Observation Date: May 5 2009 Observers Name: Same Title: _____ Signature: _____	Drainage Location Description	#1 S-1	#2 S-2	#3 S-3	#4
	Observation Time	11:30 ☐P.M. ☒A.M.	~~1:00~~ ☒P.M. ☐A.M.	2:30 ☒P.M. ☐A.M.	☐P.M. ☐A.M.
	Time Discharge Began	None ☐P.M. ☐A.M.	None ☐P.M. ☐A.M.	None ☐P.M. ☐A.M.	☐P.M. ☐A.M.
	Were Pollutants Observed (If yes, complete reverse side)	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☐

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ANNUAL REPORT

SIDE B

FORM 4 (Continued)-MONTHLY VISUAL OBSERVATIONS OF STORM WATER DISCHARGES

DATE/TIME OF OBSERVATION (From Reverse Side)	DRAINAGE AREA DESCRIPTION EXAMPLE: Discharge from material storage Area #2	DESCRIBE STORM WATER DISCHARGE CHARACTERISTICS Indicate whether storm water discharge is clear, cloudy, or discolored; causing staining; containing floating objects or an oil sheen, has odors, etc.	IDENTIFY AND DESCRIBE SOURCE(S) OF POLLUTANTS EXAMPLE: Oil sheen caused by oil dripped by trucks in vehicle maintenance area.	DESCRIBE ANY REVISED OR NEW BMPs AND THEIR DATE OF IMPLEMENTATION
_____ ☐ AM ☐ PM				
_____ ☐ AM ☐ PM				
_____ ☐ AM ☐ PM				
_____ ☐ AM ☐ PM				
_____ ☐ AM ☐ PM				

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ANNUAL REPORT

SIDE A

FORM 5-ANNUAL COMPREHENSIVE SITE COMPLIANCE EVALUATION
POTENTIAL POLLUTANT SOURCE/INDUSTRIAL ACTIVITY BMP STATUS

EVALUATION DATE: 6-12-09 INSPECTOR NAME: Richard Sykora TITLE: Manager SIGNATURE: Richard Sykora

POTENTIAL POLLUTANT SOURCE/INDUSTRIAL ACTIVITY AREA (as identified in your SWPPP)			Describe deficiencies in BMPs or BMP implementation	Describe additional/revised BMPs or corrective actions and their date(s) of implementation
Rock Drainage Swale To Prevent Runoff Water from Waste Dumps	HAVE ANY BMPs NOT BEEN FULLY IMPLEMENTED? ☐YES ☒NO ARE ADDITIONAL/REVISED BMPs NECESSARY? ☐YES ☒NO	If yes, to either question, complete the next two columns of this form		
Plastic Catch Basin under 55 gal. Fuel Tank	HAVE ANY BMPs NOT BEEN FULLY IMPLEMENTED? ☐YES ☒NO ARE ADDITIONAL/REVISED BMPs NECESSARY? ☐YES ☒NO	If yes, to either question, complete the next two columns of this form		
Generator, Compressor inspected frequently for damages hoses and leaking	HAVE ANY BMPs NOT BEEN FULLY IMPLEMENTED? ☐YES ☒NO ARE ADDITIONAL/REVISED BMPs NECESSARY? ☐YES ☒NO	If yes, to either question, complete the next two columns of this form		
Have Adiquate supply of absorbant clean-up Kits on site and off site and, if used will be disposed of Properly	HAVE ANY BMPs NOT BEEN FULLY IMPLEMENTED? ☐YES ☒NO ARE ADDITIONAL/REVISED BMPs NECESSARY? ☐YES ☒NO	If yes, to either question, complete the next two columns of this form		

ANNUAL REPORT

SIDE B

FORM 5 (Continued)-ANNUAL COMPREHENSIVE SITE COMPLIANCE EVALUATION
POTENTIAL POLLUTANT SOURCE/INDUSTRIAL ACTIVITY BMP STATUS

EVALUATION DATE: 6-12-'09 INSPECTOR NAME: Richard Sykora TITLE: Manager SIGNATURE: [signature]

POTENTIAL POLLUTANT SOURCE/INDUSTRIAL ACTIVITY AREA (as identified in your SWPPP)			Describe deficiencies in BMPs or BMP implementation	Describe additional/revised BMPs or corrective actions and their date(s) of implementation
Fuel Tanks shall not be Topped off when fulled.	HAVE ANY BMPs NOT BEEN FULLY IMPLEMENTED? ☐YES ☒NO ARE ADDITIONAL/REVISED BMPs NECESSARY? ☐YES ☒NO	If yes, to either question, complete the next two columns of this form		
POTENTIAL POLLUTANT SOURCE/INDUSTRIAL ACTIVITY AREA (as identified in your SWPPP)			Describe deficiencies in BMPs or BMP implementation	Describe additional/revised BMPs or corrective actions and their date(s) of implementation
Drip Pans are Placed under equiptment when maintenance occurs	HAVE ANY BMPs NOT BEEN FULLY IMPLEMENTED? ☐YES ☒NO ARE ADDITIONAL/REVISED BMPs NECESSARY? ☐YES ☒NO	If yes, to either question, complete the next two columns of this form		
POTENTIAL POLLUTANT SOURCE/INDUSTRIAL ACTIVITY AREA (as identified in your SWPPP)			Describe deficiencies in BMPs or BMP implementation	Describe additional/revised BMPs or corrective actions and their date(s) of implementation
	HAVE ANY BMPs NOT BEEN FULLY IMPLEMENTED? ☐YES ☐NO ARE ADDITIONAL/REVISED BMPs NECESSARY? ☐YES ☐NO	If yes, to either question, complete the next two columns of this form		
POTENTIAL POLLUTANT SOURCE/INDUSTRIAL ACTIVITY AREA (as identified in your SWPPP)			Describe deficiencies in BMPs or BMP implementation	Describe additional/revised BMPs or corrective actions and their date(s) of implementation
	HAVE ANY BMPs NOT BEEN FULLY IMPLEMENTED? ☐YES ☐NO ARE ADDITIONAL/REVISED BMPs NECESSARY? ☐YES ☐NO	If yes, to either question, complete the next two columns of this form		

BMP INSPECTION CHECKLIST

Project Name Big Seam & Red Ink Mesa Project No.: 2890-1
Inspection Date 10-4-2008

Storm Information

Beginning of storm event: 4:Am I Time elapsed since last event: _____
Duration of storm event: 5 hrs.+ Approx. rainfall amount: _____

Description of any inadequate BMPs

None Observed

Observations of all BMPs (if possible)

Complete

Observations of discharge points (if possible)

also viewed S-1, S-2, S-3

Corrective Actions

2 small swales cleaned out

Inspected by: Richard Sykora
Signed: [signature]
Date: Oct. 4, 2008

BMP INSPECTION CHECKLIST

Project Name Big Seam + Red Ink Trail Project No.: 2890-1
Inspection Date Mar. 1, 2009

Storm Information

Beginning of storm event: _____ Time elapsed since last event: _____
Duration of storm event: _____ Approx. rainfall amount: 2 3/4"

Description of any inadequate BMPs

None Observed

Observations of all BMPs (if possible)

Complete

Observations of discharge points (if possible)

Also Viewed S-1, S-2, S-3

Corrective Actions

None Required

Inspected by: Richard Sykora
Signed: Richard Sykora
Date: Mar. 1, 2009

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Explanations

Section E.4-10 and form 1- No discharge from facility site. All water percolates into the ground and does not run off of the site. Since no discharge event occurred (no rain event qualified for discharge). sampling was not possible.

Other Explanations:

US Forest Service HWY 96 has a culvert pipe running underneath it that has water running though it during some rain events. The water runs off of the road into this culvert but has not been identified as being related to this facility (see facility map).

Waste Discharge Monitoring
for years 2008-2009
Waste Dump # 5

1. Quantity Discharged - 80 YDS ± MONTHLY

2. Estimated Quantity Discharged - 800 YDS. ANNUALLY

3. ESTIMATED Remaining Cappacity 4300 YDS ±

EXHIBIT W

Big Seam and Red Ink Maid Mining Claims
Appendix E
Response to Comment

Two comment letters were received including one from the Claimant, Mr. Richard Sykora, and one from James S. Pompy, Manager of Reclamation Unit, California Department of Conservation. Mr. Richard Sykora, submitted comments to the EA on July 8, 2004, 28 days following the end of the opportunity to comment period on the EA. The District Ranger chose to accept Mr. Sykora's comments.

Comment #1: Mr. Pompy identified items the state requires in the reclamation plan,
Response to Comment #1: The Forest Service (USFS), Tahoe National Forest, and the Foresthill Ranger District agree that the development of a single reclamation plan that meets both State and USFS requirements is desirable. However, the mining claimant has informed the Foresthill District Ranger (DR) and authorizing officer, that he is suing the State regarding SMARA applicability to his mining claim. The USFS will still require reclamation of the mining claim, and so takes into consideration the States detailed response in the reclamation plan that is a part of the Plan of Operations.

Comment #2: Mr. Pompy raised the concern of the potential for waste rock to generate acid rock drainage.
Response to Comment #2: The USFS has recognized the potential of acid rock drainage due to the nature of the rock that has been, and is being, removed from the mine that is now exposed to air and moisture. Since it is unknown if there is an acid drainage problem, the Authorizing Officer has decided that the USFS would obtain samples of the rock and runoff and have it tested to determine if there is a problem. Upon results of the testing, if it is determined that there is acid rock drainage that would be a significant disturbance to surface resources, the Plan of Operations Conditions of Approval would be changed or modified under 36CFR228.4 (e).

Comment #3: Mr. Sykora asserts that this is a supplement to his Plan of Operations.
Response to Comment #3: The past and proposed mining activities authorized in the first Plan of Operations approved in 1987 has gone beyond the initial terms, conditions, and requirements authorized at that time. The claimant's most recent Plan of Operations, dated March 27, 2000 has gone beyond the expiration date of July 30, 2000. Thus, there is no authorized plan currently in effect. The claimant submitted a third proposed Plan of Operations on July 2, 2002. The 2002 Plan is evaluated in this EA and authorizes operations on the claim that although taking place at the same general area, include new and different mining activities than previously authorized. The EA, and Decision Notice (DN) and Finding of No Significant Impact (FONSI) will result in a new authorized Plan of Operations, as well as new terms and conditions that include the Appendix A's (BMP's and Mitigation Measures) from the EA. .

Comment #4: Mr. Sykora's comments indicate that his vision was that this EA was prepared to only evaluate Waste Area #5.
Response to Comment #4: This EA is not isolated to waste dump 5 because the claimant proposes the continued use of the existing portal and access road, and will need the new access

EXHIBIT X

February 29, 2008

COPY

Pamela Creedon
Executive Officer
Water Quality Control Board
11020 Sun Center Dr. - Suite 200
Rancho Cordova, CA. 95670

Dear Pamela,

After a conversation with your office's front desk receptionist, please accept this as written formal notification that the mine's operations and any and all liability pertaining to all aspects of the Red Ink Maid and Big Seam mines have been transferred to, and accepted by, Wildcat Mining Enterprises L.L.C. on this date.

Please send all sorrespondence to the Wildcat Mining Enterprises L.L.C.'s main office at 711 So. Carson St. - Suite 4, Carson City, NV, 89701. California's contact person is Richard Sykora, Manager at P.O. Box 622 Foresthill, CA. 95631.

Sincerely,

Richard Sykora

Richard Sykora (Manager)

cc: Wildcat Mining Enterprises, L.L.C.
Red Ink Maid L.L.C.
Red Ink L.L.C.
Jessica Mining Co. L.L.C.

Put in mail
Today Feb 29, 2008
To Pam Creedon

EXHIBIT Y

CAV-Nonpenalty

U.S. Department of Labor
Mine Safety and Health Administration

1. Date	Mo	Da	Yr	2. Event Number
	04	26	12	121456008

3. Served To: Richard Scotten

4. Operator: Wildcat Mining LLC

5. Mine: Big Adam Mine

6. Mine ID: 04-04419 (Contractor)

7. Violation: A. Section of Act: [ ]

B. Part/Section of Title 30 CFR: 57.11001

8. Type of Inspection (activity code): E14

9. Primary or Mill: P

10. Condition

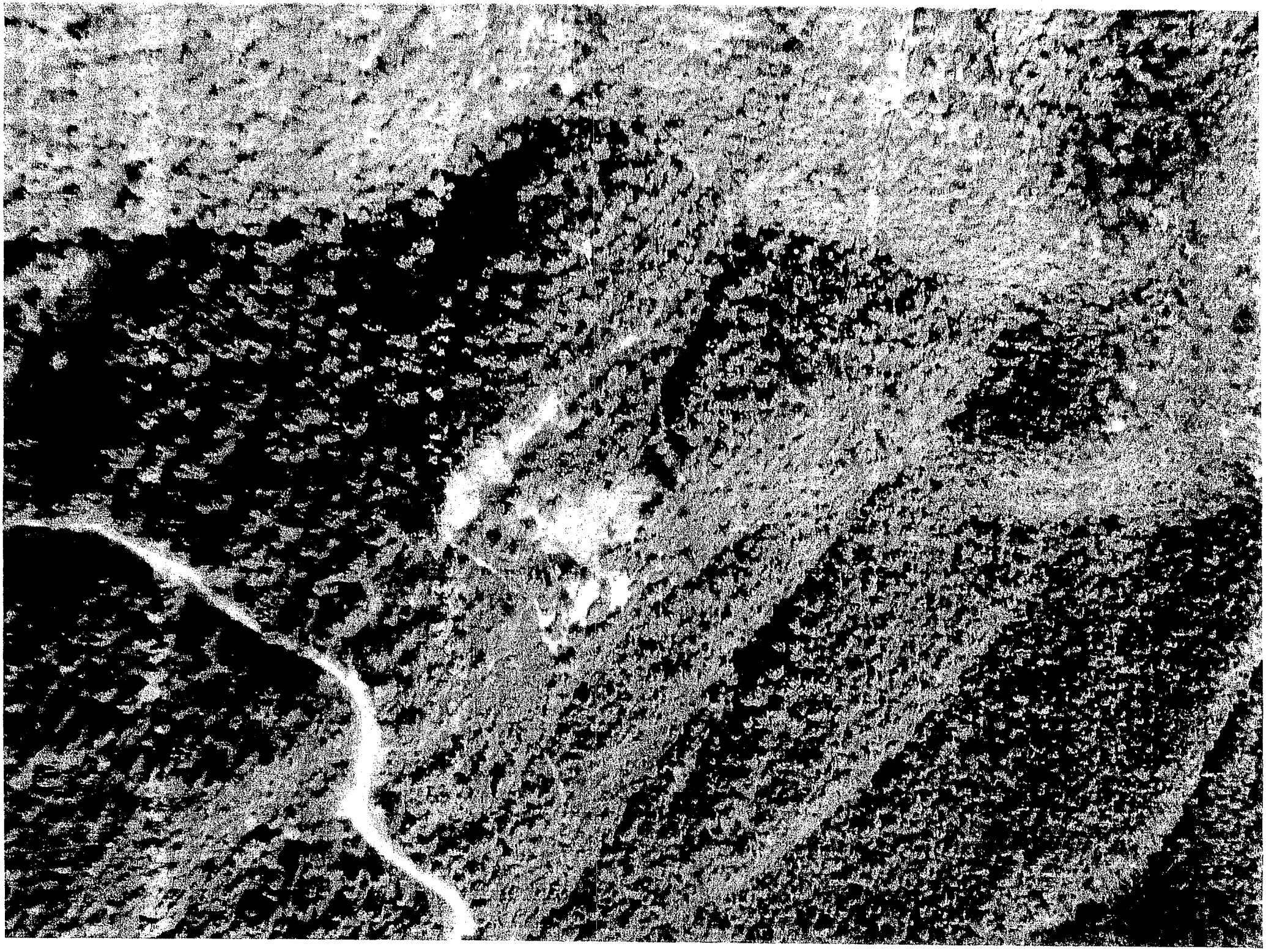
Exit was not a safe means of access to the entire perimeter of dump site One and Two

11. Signature: Linda Cantrell

AR Number: 12611

MSHA Form 4000-51, Nov 85 (Revised)

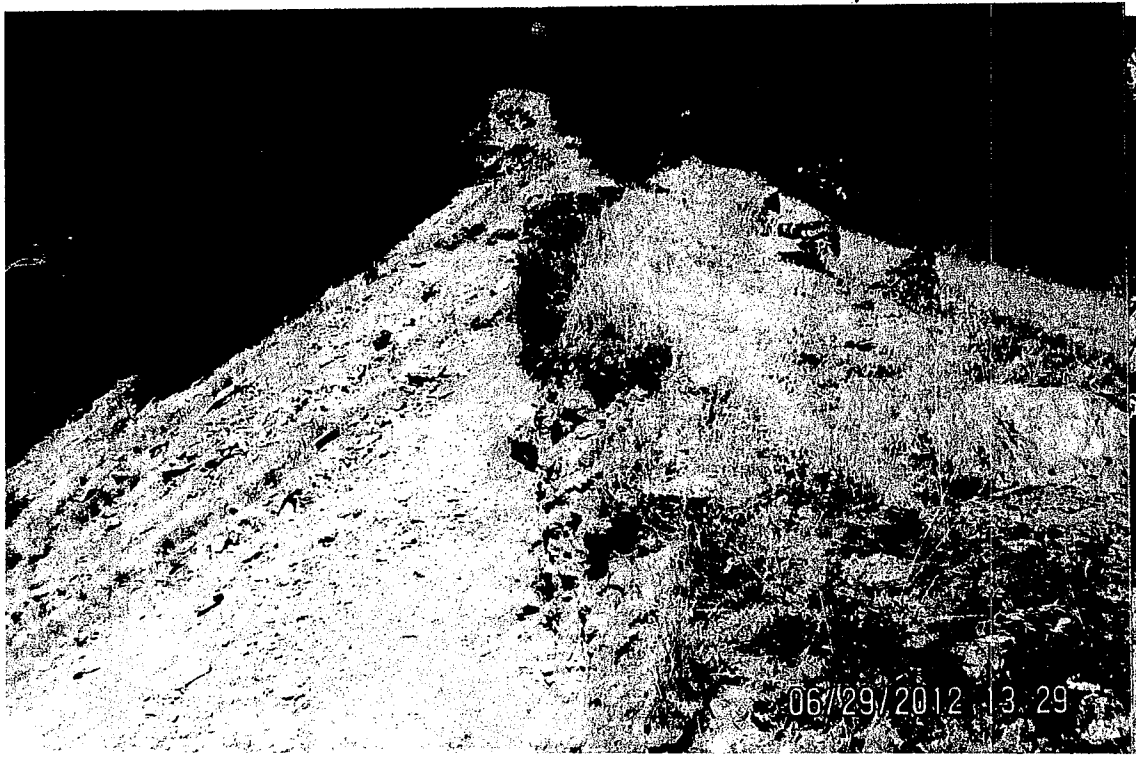
EXHIBIT Z



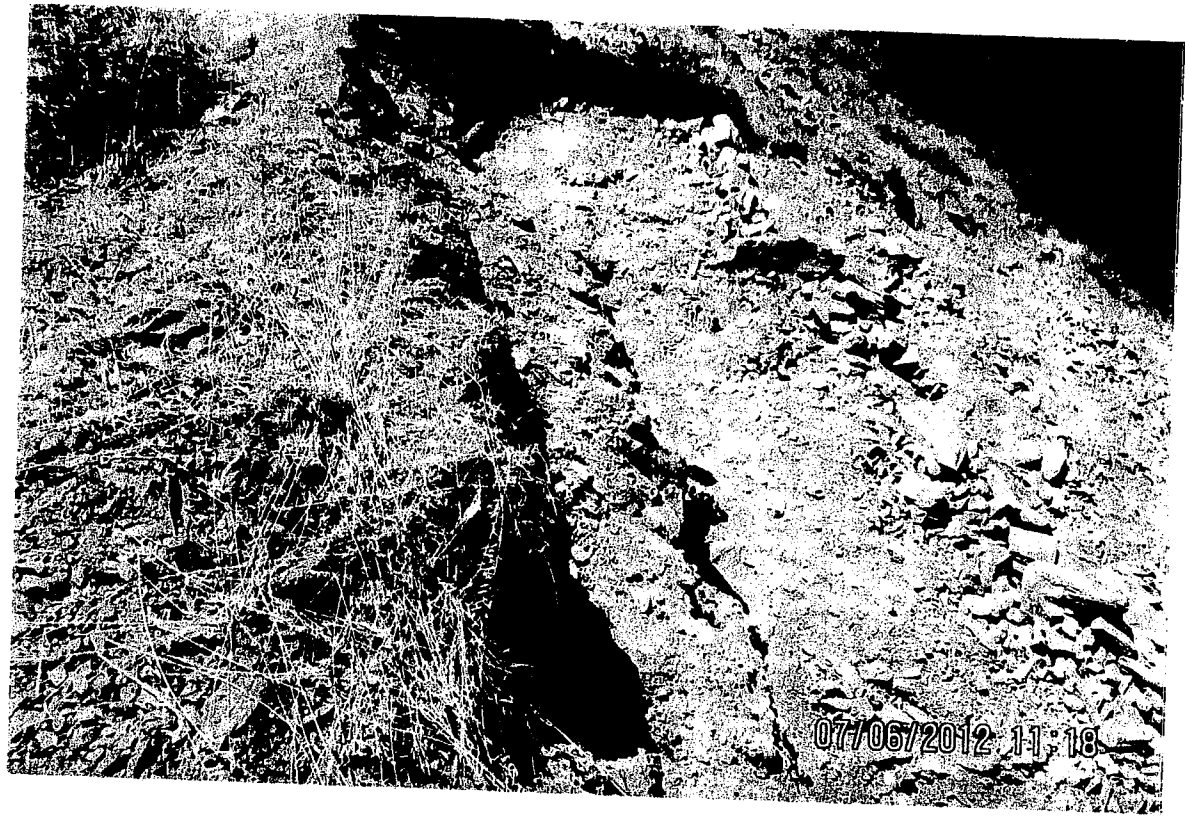
STOCKPILE 1

↙ BEFORE - #1 ↘

↙ NOW - #1 ↓

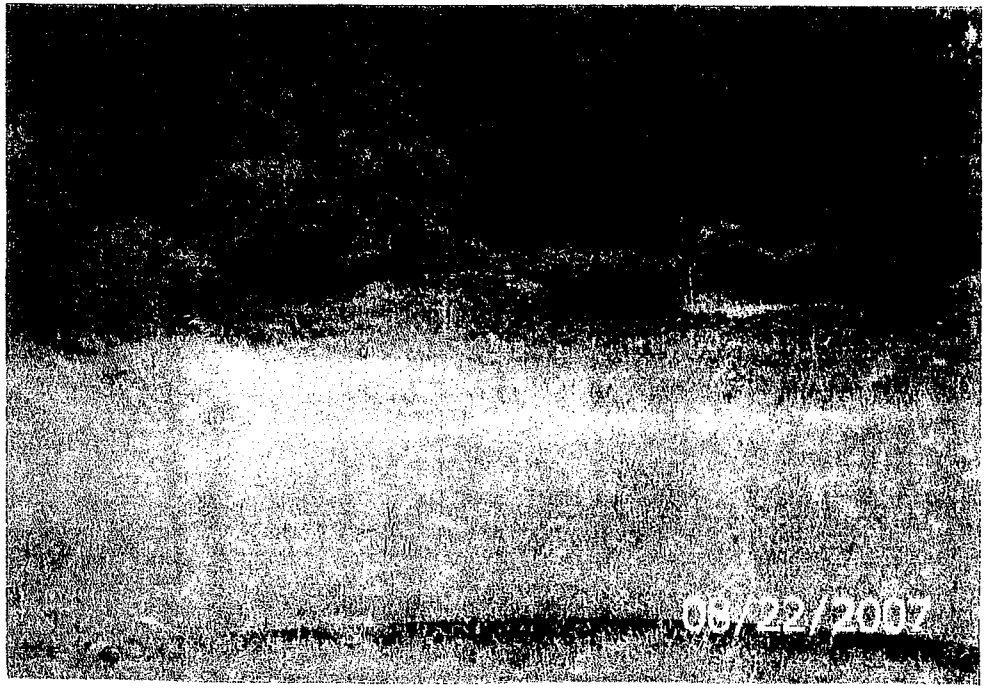


NOW - #1



STOCKPILE 4

↓ Before - #4 →



← NOW - #4 ↓