



ORIGINAL SIXTEEN to ONE MINE, Inc.

"100 Years of Gold"

Post Office Box 909 • Alleghany, California 95910
(530) 287-3223 • www.origsix.com

Mr. Josh Palmer, Senior Engineer
CVRWQCB 11020 Sun Center Drive #200
Rancho Cordova, CA 95670

February 23, 2018

Dear Josh,

Our Company and its miners need you and the water permitting staff to revisit, get involved and rectify some long outstanding errors in the evaluation of the mine and its relationship to Kanaka Creek.

The water that drains through the mountain and exits from the fractured water table occurs naturally-. The source is rain and snow. The continuation of the definition as "untreated mining waste water" is false. In 1998 the Company took the most drastic steps to ease what others speculated is a threat to the beneficial uses of Californians. There is no nor has there ever been any testimony or recognition that fish, aquatic plants, aquatic insets or people have experience harm from this 100 year old flow of water.

When staff members report in writing or in person that the Company has ignored attempts to mitigate this non problem, they misspeak. It probably is not intentional but once a concept hangs around it begins to look like the truth. Not only did Original Sixteen to One Mine, Inc. significantly take a hit on its operation, but it spent a lot of time and money following national suggestions for reducing arsenic. One project did reduce arsenic but increased iron and discolored the outflow. It had to cease, which took a tremendous effort to remove the tons of iron shaving place in the drain tunnel.

Regarding the law and concept of Mandatory Minimum Payment (MMP). If we are reading the proposed changes correctly, we think the staff improved our requirements. Is this correct? Please see page one number one of Amendment Time Schedule Order RS 2015-0035, also Attachment One number one with the language "mining wastewaters to Kanaka Creek". This is not a mining issue and it will be unchanged if the Sixteen to One is forced to close it operation.

Another huge misstatement is the reported volume of discharge. I take partial fault for not pushing it harder is the flow rate. Again, it goes to when the mill was in operation in 1998. The permit states that 0.28 million gallons per day; or 12,000 per hour; or 194 GPM is the flow. This is way out of line. January 15, 2015, Philip Woodward wrote a report of his visit to the mine on January 6, 2014: "I visually estimated it (flow) was discharging 100gpm+/-". Staff had this information before it submitted its report to the Board.

To maintain the water level the pumps run approximately 8 hours a day or for three days and off four days. The impact of the discharge into Kanaka Creek is minimal. The affect downstream to our property line has been zero.

Two tests that were initiated in the 1990's should be removed: dissolve4d oxygen and electrical conductivity. They are unnecessary. Dissolved oxygen is based on surface or stagnate ponds where there is no flowing. Electrical conductivity is required when major concentrations of salts exist. Not so here.

You may know that the Company and I personally appealed for a review of the last treatment we receive. Our major objection is the unlawful behavior of the PROSECUTION TEAM not so much the permitting staff. In the scope of life and detriment to all beneficial users of the great state of California, this discharge has no impact downstream. I attached both appeals for you and your staff.

Issues remaining for discussion are: MMP duplication penalty; MMP threat reduction; discharge volume; threat to beneficial use; recognize reduction efforts by Company; dissolved oxygen; no beneficial hard; electric al conductivity; water definition changes from mining waste; arsenic limits; antimony limits.

I will appreciate all of your comments and assistance to prepare the best presentation possible to the Board. All of us take the water issue with the Central Region seriously. It affects our very livelihood.

Sincerely yours,

Michael M. Miller

President

EMAILED: 02/23/18

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