

INFORMATION SHEET

ORDER NO. R5-2018-00XX

BLUE LEAD GOLD MINING, LLC
BLUE LEAD GOLD MINE
MINING, PROCESSING, AND RECLAMATION
NEVADA COUNTY

Blue Lead Gold Mining, Llc (the Discharger) owns and proposes to construct and operate the Blue Lead Gold Mine (Facility) in Nevada County. The Facility is comprised of three separate parcels, which total 74-acres located near Greenhorn Cteek, tributary to the Bear and Feather Rivers.

The proposed Blue Lead Gold Mine is a surface placer gold mine. The Facility is part of the Red Dog Mining District which was the site of large-scale hydraulic mining from 1855 through the early 1880s. After the 1884 Sawyer decision, which effectively ended hydraulic mining, small scale surface and underground mining activities continued intermittently up through the 1970s. Native, undisturbed gravels still exist on the property and are the focus of the Blue Lead Gold Mine operations.

Topography divides the Facility into two principle drainage areas, north and south. Topography is also the distinction for the two processing areas planned for the Facility. These are the northern processing area (NPA) and the southern processing area (SPA). Mining activities will be conducted in five phases over 20 years. The proposed mining rate is approximately 225,000 cubic yards per year for 20 years. Phases 1 through 3 will take place in the NPA and Phases 4 through 5 will take place in the SPA. After mining is complete in Phases 1 through 3, the processing plant will be disassembled during Phase 4 and moved to the SPA and reassembled. A freshwater pond and settlement basins will also be constructed as part of the SPA.

Two groundwater wells at the Facility will be used to supply water for the project. Water will be pumped through the processing plant at a rate of about 1,200 gallons per minute (gpm), or about 625,000 gallons per 10-hour work day. Most of the water will be recycled using two unlined settling ponds and the discharge of process water off-site is not authorized.

The proposed mining operation includes excavation of the undisturbed tertiary gravels by mobile mining equipment and transportation to the processing plant by haul trucks. Processing of the gold bearing material consists of crushing, washing, screening, and gravity separation. Gold is removed from the concentrates by a physical separation process and the use of chemicals such as cyanide or mercury is not proposed.

Mining waste from the Facility has been classified as Group C in accordance with Title 27 California Code of Regulations. Group C mining wastes are wastes from which any discharge would be in compliance with the applicable water quality control plan, including water quality objectives other than turbidity. Because of the Group C classification, the WDRs consider the Dischargers reclamation plan and related financial assurance as functionally equivalent to the Closure and Post-Closure Maintenance Plan and the Closure and Post-Closure Funding required by Title 27, provided that the Central Valley Water Board approves the financial assurance and is named as an alternate payee for the financial assurance mechanism.

For the treatment, storage, or disposal of group C mining wastes at the Facility, implementation of the monitoring, reporting, and compliance requirements of the State Water Resources Control Board Statewide Permit for Storm Water Discharges Associated with Industrial Activities is consistent with a

waste management strategy that prevents pollution or contamination of the waters of the state and is an alternative to the prescriptive water quality monitoring and response programs for solid waste management units required by Title 27 section 20380.

Elemental mercury was used extensively in historic gold mining operations for the recovery of fine gold. In 2004, the USGS reported that water discharging from a mine drainage tunnel (Starr) in the SPA was heavily contaminated with THg and MeHg. The Starr tunnel inlet location is on the Discharger's property, but the Starr tunnel outlet is on a separate private parcel, unconnected to the proposed Blue Lead Gold Mine.

The Discharger is aware of the potential for mercury to be present within mine drainage tunnels beneath the SPA of the Facility. As discussed in Finding 50 of the WDRs, before initiating any Phase 4 or Phase 5 mining activities in the SPA of the Facility, the Discharger shall first submit to the Central Valley Water Board for review and concurrence, the necessary technical reports to conduct investigations to determine the nature and extent of surface water and surface water discharges from the SPA, and the necessary technical reports describing appropriate cleanup and abatement measures to mitigate the mercury issues.

JSH