



Community Update #6 April 2018

In this issue we address our environmental activities related to air, water and reclamation.

Air Quality:

The Arizona Department of Environmental Quality (ADEQ) is the primary agency responsible for issuing and enforcing permits for state and federal air quality laws and regulations. KMC's responsibilities for monitoring emissions, reporting data and implementing control measures will be detailed in its ADEQ permit.

KMC is engaging an experienced environmental consultant to help define its full range of environmental obligations and begin modeling potential emissions for its formal applications late in 2018. KMC's leadership team and professional consultants are evaluating a variety of potential control measures that can ensure we meet our goal of being a good, and fully-compliant, neighbor. These include:

- Optimizing site layout to minimize haul roads, equipment shuttling, stockpile movement and other ground disturbances;
- Defining water consumption and developing less water-intensive measures for dust control in mining, processing and transport activities;
- Optimizing operating processes to minimize potential emissions points and total operating hours for equipment and power generators;
- Utilizing state-of-the-art equipment for monitoring and measuring emissions to ensure consistent control and rapid response.

Given the KMC project size, we project that the operation will not be a major source of potential emissions. Operating tests conducted under the watch of ADEQ personnel in the fall of 2017 indicate very modest emissions that can be well-controlled with typical, commercially-available technologies.

Water Quality & Supply:

The proposed KMC process requires no chemicals nor water other than that needed for dust control. KMC will be subject to state and federal regulations related to stormwater management, spill prevention and protection of ground water. KMC and its consultants are working on modeling and control measures to ensure continued water quality protection.

Although KMC's water use will represent a very small fraction of that used in the local area, we recognize the need to conserve this precious resource. KMC is providing detailed analysis of aquifers, securing primary and secondary sources, and evaluating methods to control emissions using much less water. As permitting progresses, we are excited about evaluating a variety of water-conscious control measures.

Reclamation

Reclamation, and financial assurance for it, will be governed by the Mining and Reclamation Plan of Operations considered by BLM. KMC intends to ensure a practical plan that includes the most valued potential post-mine land uses and is excited to engage neighbors and stakeholders to develop the best ideas. We encourage early public input during the permitting process to help define options to accomplish the shared objectives of KMC and its neighbors.

We encourage you to check out our website <http://www.kirklandmining.com/>

FOR MORE INFORMATION OR TO SCHEDULE A MINE TOUR:

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