

HERMOSA

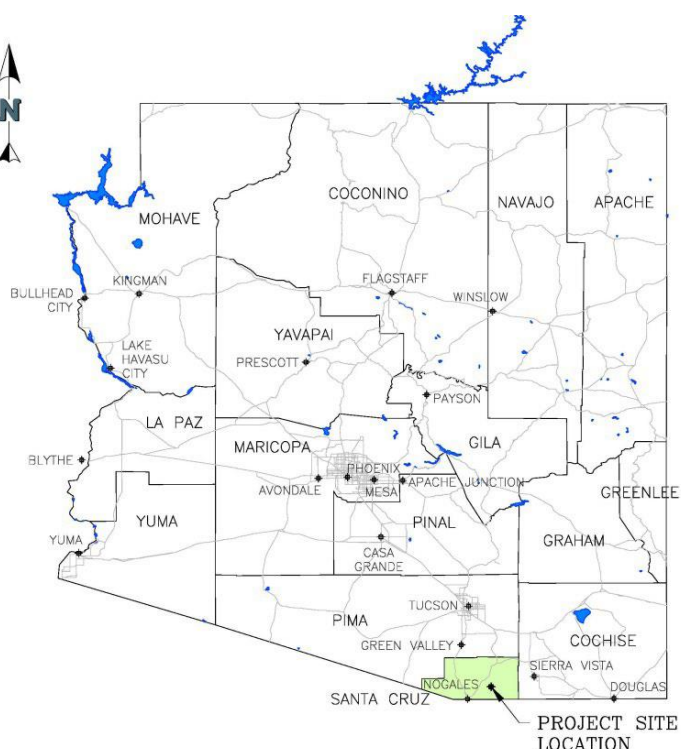
TAILINGS FACILITY INFORMATION

Tailings Storage Facility (TSF) Construction History (GISTM Requirement 15.1 B1 & B5)

The Hermosa Project is located in Santa Cruz County, approximately 50 miles (80 km) southeast of Tucson, Arizona, in the United States. The project is situated in the Patagonia Mountains of southern Arizona. Forest vegetation in this area generally consists of juniper, Mexican pinyon, and mesquite trees with several different species of grasses and shrubs. Area elevations range from approximately 4,800 to 5,300 feet above mean sea level (1,400 to 1,600 meters above mean sea level). The main drainages in the area are Alum Gulch, which flows northwest and Harshaw Creek, which flows northeast. Both drainages empty into Sonoita Creek. Alum Gulch and Harshaw Creek are ephemeral drainages that experience flows during the summer monsoon precipitation events. Patagonia is the nearest town and is located five miles (nine km) by direct line from the Hermosa Project.

The Hermosa Project has one dry stack TSF, which is located within existing Hermosa patented claims. This TSF was constructed as the Tailings and Potentially Acid Generating (PAG) Material Remediation, Placement and Storage Project', and was completed under the state of Arizona Voluntary Remediation Program (VRP). The focus of the VRP project was to construct a TSF for the remediation of four historic tailings piles. The historic tailings piles were remediated using standard earthworks (fill placement) methodology. The end product is a dry stack TSF for containment of material that is placed as an engineered fill within the geomembrane lined facility. Drainage from the TSF is collected in a dedicated, double-lined, Underdrain Collection Pond and then treated in Water Treatment Plant #1 to meet applicable surface and groundwater standards prior to reuse or discharge to the environment. This TSF has been renamed to TSF1. The facility currently stores 1,200,000 cubic yards (900,000 m³) of historic tailings and waste rock.

TSF1



Construction commenced in 2018 and was completed in 2020. Legacy tailings from an old mining operation were moved to the new, lined, TSF, and compacted in one foot lifts as part of the VRP project. The TSF is currently inactive. A summary of the TSF construction follows:



Description	Year	Method	Height (toe to crest)	Reduced Level (RL) Mine Datum
TSF1	2018	Dry stack	88 ft (27 m)	5,108 ft (1,557 m)

Table 1: TSF1 Construction History