

Prepared for:

USDA Forest Service
Cibola National Forest
Mount Taylor Ranger District
1800 Lobo Canyon Road
Grants, New Mexico 87020

PLAN OF OPERATIONS AMENDMENT

La Jara Mesa Project Cibola County, New Mexico

April 2008

Prepared by:

Laramide Resources (USA) Inc.
The Exchange Tower
130 King Street West, Suite 3680
Box 99
Toronto, Ontario, Canada M5X 1B1

April 15, 2008

Mr. John Williams
Acting District Ranger
USDA Forest Service
Cibola National Forest
Mount Taylor Ranger District
1800 Lobo Canyon Road
Grants, New Mexico 87020

**Re: Plan Amendment for Underground Development and Mine Production
La Jara Mesa Project - Cibola County, New Mexico**

Dear Mr. Williams:

As discussed with the Forest Service over the past several months, Laramide Resources (USA) Inc. plans to amend its current La Jara Mesa Project exploration plan of operations to conduct underground development activities to validate the potential for economic underground mining at the property.

This plan amendment has been kindled by our understanding of the historical drilling, previous development efforts (i.e., Forest Service Mining Permits from the 1980's), the findings from our 2007 drilling program, coupled with and the recent upsurge in uranium pricing and markets both internationally and within the United States.

The next logical step to confirm commercial potential for our La Jara Mesa Project is to proceed to a small-scale underground development program to conduct mapping, longhole drilling with gamma probing, and collection of bulk samples for metallurgical and mill compatibility studies. There is no substitute to being able to "touch" the mineralized zone.

If the findings of this development work confirm the positive economic promise of the deposit, Laramide will transition the development work into underground mine production.

We plan to locate a surface portal facility on Forest Service administered lands at the base of the La Jara Mesa in the northeast corner of Section 15, Township 12 North, Range 9 West. Given underground safety and ventilation requirements, we will access the mineralized areas with dual parallel inclines and an escape raise. The portals will be at an elevation of 7,300 feet, while the top of the escape raise will be at an elevation of 8,070 feet..

The attached plan amendment details our proposed development and mine operations programs, in particular highlighting the necessary surface facilities, a reclamation plan, and environmental management and mitigation measures.

We are fortunate that the underground workings will be conducted in a “dry” environment (although this situation will require us to “import” water for underground drilling and dust control).

Our underground development program will take approximately 18 to 24 months. Under existing economic conditions, the project is expected to be feasible and would move into the production phase. Based on our existing knowledge of the La Jara Mesa resource, we expect that underground mining could occur at a production rate of approximately 500 tons per day for 6 to 8 years. Upon permanent cessation of project operations, we will close and reclaim the site according to approved plans, permits and federal and state regulatory guidance.

We look forward to the initiation of our planned development and mine production activities as soon as possible. Your review and prompt approval of our plans would be greatly appreciated. If you have any questions regarding our proposed plans, please contact Mr. Pat Gochmour at 720-851-2900 (lpgochnour@att.net).

Respectfully submitted,

Laramide Resources (USA) Inc.

Marc C. Henderson
President & CEO

SUMMARY – PROJECT OVERVIEW

Laramide Resources (USA) Inc. (Laramide) has prepared this plan of operations amendment to present to the USDA Forest Service (Forest Service) an operational and reclamation plan for a small-scale underground uranium program with two distinct but integrated phases of operations: Phase 1 – Underground Development and Phase 2 – Underground Mine Production

With the promising results from our 2006 - 2007 surface exploration programs and the recent upsurge in uranium pricing and markets, both internationally and within the United States, Laramide wants to begin development of the La Jara Mesa property. Should the results of the first phase of the project show positive results and the economics remain favorable, Laramide will transition from initial development work into full scale underground mining activities.

The La Jara Mesa Project is located approximately 10 miles northeast of the town of Grants in Cibola County, New Mexico. See **Figure 1, General Location Map**, and **Figure 2, Site Access and Surface Ownership**.

BACKGROUND

The area within and surrounding the La Jara Mesa Project site has been subject to considerable historic uranium exploration and mining activity. Surface exploration work has been undertaken on the site since the 1950s by a various firms including United Nuclear Corporation, Gulf Mineral Resources, Power Resources and Homestake Mining Company. Over 700 drill holes have penetrated the various lithologies of the site. The historic disturbance associated with drill pads and access roads has been widespread and extensive. See **Figure 3, Historic Exploration Activity**. There is also evidence of other uses in the area, such as logging, grazing, recreation, etc.

The La Jara Mesa Project is located in the Ambrosia Lake District in the Poison Canyon tongue of the Brushy Basin Member of the Morrison Formation on a grouping of claims controlled by Laramide. See **Figure 4, Claims Map**. The uranium mineralization is located in unnamed sandstone units. See **Figure 5, Site Geology**. In general characteristics and in local stratigraphy, the uranium zone is similar to many other sandstone-hosted uranium deposits in the Grants area. The average depth of the uranium mineralized sandstone zone is about 650 to 700 feet vertically beneath the Mesa surface, but above the planned portal site in elevation. Past and recent exploration work has revealed a lack of ground water in the targeted mineralized area.

Although there has been past exploration work on the site, much of the historic information is dated and is inadequate under today's economic and public disclosure scrutiny by the U.S. and Canadian Security Exchange Commissions. Given the latest rules, Laramide determined that detailed underground development work would be necessary to better define the deposit and that this underground work would eliminate the impacts on the La Jara Mesa itself that would be created by an extensive surface drilling program with its inherent network of closely spaced drill hole pads and interconnecting roads. Because Laramide will employ underground development and mining measures, the type of large-scale disturbances that would be associated with surface or open-pit mining will be avoided.

Laramide plans to locate the surface portal facilities on claims controlled by Laramide on Forest Service administered lands at the base of the La Jara Mesa in the NE¼, Section 15, T12N, R9W. See **Figure 4, Claims Map**. From this portal site at the base of La Jara Mesa at an elevation of 7,300 feet, Laramide will access the mineralized zones located in portions of Sections 1, 2, 11, 12, 13 and 14, Township 12 North, Range 9 West. See **Figure 5, Site Geology**. The only disturbance on the La Jara Mesa itself will be an escape raise located in the NE1/4, Section 11, Township 12 North, Range 9 West.

PHASE 1 – UNDERGROUND DEVELOPMENT

Laramide will develop dual inclines and install or construct surface support facilities, such as a miner change house (dry), an administration office, a maintenance facility, a fuel storage area and explosive storage. An escape raise will also be added when the inclines are completed to further the overall safety of the operations.

A total of approximately 16 acres will be needed for the portal and raise facilities. Once underground in the designated mineralized zone, Laramide will undertake geologic mapping, longhole drilling with gamma probing, test mining, and a collection of bulk samples for metallurgical and mill compatibility studies. No on-site mill or associated tailings facilities are planned for the La Jara Mesa project site.

The planned underground development work will include the collection of bulk samples to further assess the potential commercial viability and value of the property. The development program will characterize the uranium resource in the following areas:

- Geologic data – Information will be obtained on the nature, grade and continuity of the mineralized structures. Direct observation and sampling the mineralized uranium structures in the underground workings, along with underground longhole drilling, are important to accurately define the uranium resource.
- Metallurgical data – Information on the uranium metallurgical characteristics and optimal beneficiation (milling) methods will be determined by off-site testing and studies of the uranium-bearing material collected from a bulk sampling program.
- Mining methods evaluation – Information on rock characteristics will be obtained during the course of underground development work by directly observing exposures of the uranium zones along with the rock types to be encountered within the resource. The information gathered will be used for mine design studies and to finalize an extraction method to maintain employee safety and to validate the expected economics for extracting the mineral resource.

The La Jara Mesa Project will develop dual and parallel inclines for access (given underground uranium ventilation safety requirements), various cross cuts through the mineralized uranium zones, various muck bays, and drill stations. The main incline will have a cross section size of 12 feet wide by 15 feet high; this main incline will be used for haulage purposes. The second incline will be of similar size, but its purpose will be for ventilation (exhaust) and to serve as an emergency secondary escapeway for miner safety. Both inclines will be approximately 5,000 feet in length. Another 4,000 to 6,000 feet of additional drifting will be used to obtain bulk samples and to establish drill stations for underground longhole drilling. Once the inclines are complete, a 700-foot borehole raise (approximately 8 feet in diameter) will be developed to

boost ventilation and to provide another escapeway. An estimated 40,000 to 50,000 tons of uranium-mineralized material will be removed during the development phase for bulk sample testing at remote mills.

The underground project will produce un-mineralized (non-radioactive) underground development waste rock, and uranium mineralized material that will be collected as bulk samples for off-site testing. The waste rock will be hauled to the surface and placed in an area adjacent to the portal. A flat pad area will be constructed on the waste rock stockpile that will be used for placement of surface facilities and temporary storage of the mineralized material bulk samples during the development phase and for ore material during the full production mining phase. The mineralized bulk sample and ore material will be periodically loaded and transported off site, initially for metallurgical testing and mill studies and later as saleable product from an operating mine. Bulk sample and ore material will be stored on a compacted clay liner area on top of the waste rock dump.

PHASE 2 – UNDERGROUND MINE PRODUCTION

The planned mining at the La Jara Mesa Project will involve an underground technique known as room and pillar mining. Targeted ore production will average approximately 500 tons per day, with actual ore production will vary depending on the grade and geometry of the deposit. Laramide will use the same mining techniques as employed during development work, following the sequence of “drill, blast, muck and support.” Ore material will be transported to the surface in trucks and placed on the clay-lined pad, from which ore material will be periodically loaded and transported off-site. At a production rate of 500 tons per day and using 40 ton highway trucks, 12 to 13 truck loads of ore material would hauled from the site on an average daily basis. There are no plans for on-site ore processing (milling) or mill tailings disposal.

ANCILLARY AND SUPPORT FACILITIES

Numerous surface facilities will be needed for the La Jara Mesa Project. See **Figure 6, Site Plan Layout**, and **Figure 7, Raise Layout w/ Escape Hoist**. Infrastructure will include the following:

- Administration office
- Shop, warehouse and storage area
- Employee change facility (dry)
- Shifter and mine safety office
- Compressor facility
- Fuel storage
- Sewage disposal facilities
- Water supply facilities
- Explosives storage
- Escape raise

EMPLOYMENT

The workforce requirements for the underground development activities at the La Jara Mesa Project could reach approximately 60 employees. At full mine production, workforce requirements are projected to be around 110 employees. A rotating crew schedule will be essential to maximize the project's data gathering potential.

PROJECT DURATION

Laramide projects that the La Jara Mesa Project will have a total project life of 8 to 10 years. The initial site construction and surface facility installation work will take approximately two to three months, depending upon when this plan of operations amendment is approved. The underground development work will take up to 2 years, while full mine production will be undertaken for the following 6 to 8 years. Final project closure and reclamation work will require two to three months of activity.

RECLAMATION

As part of initial construction and development activities, Laramide will remove and stockpile available growth medium material and implement interim stabilization and revegetation programs. At the time of final and permanent cessation of project activities, Laramide will implement and undertake a number of reclamation steps:

- Decommissioning and removal of on-site structures and facilities;
- Portal and escape raise closure and sealing (See **Figure 8, Portal and Raise Closure Plans**);
- Recontouring and regrading of disturbed surface area;
- Growth medium material replacement;
- Growth medium material sampling and fertilization;
- Mulching (as required);
- Seeding; and,
- Reclamation management and monitoring.

The final reclaimed topography of the portal site is shown on **Figure 9, Post-Project Topography**.

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1.0 INTRODUCTION

1.1 Project Title and Name of Applicant

The underground development and operational program is identified as the La Jara Mesa Project. Laramide Resources (USA) Inc. (Laramide) is the name of the applicant.

1.2 Project Location and Background

The La Jara Mesa Project is located approximately 10 miles northwest of the town of Grants, in Cibola County, New Mexico. See **Figure 1, General Location Map**. The surface portal facilities will be located on USDA Forest Service (Forest Service) administered lands at the base of the La Jara Mesa at an elevation of 7,300 feet in the NE¼, Section 15, T12N, R9W. The mineralized zones are located in portions of Sections 1, 2, 11, 12, 13 and 14, T12N, R9W. The escape raise will be located on Forest Service administered lands on top of the La Jara Mesa in Section 11, T12N, R9W.

Uranium was discovered in the Grants district of New Mexico in the early 1950s. Exploration and prospecting commenced in the La Jara Mesa Project site during this time, although no mining of the mineralized zones in this area was ever undertaken. Meanwhile, other uranium mining occurred in the region, solely under contracts with the Atomic Energy Commission.

In 1967, the Homestake Mining Company (Homestake) acquired the La Jara Mesa Project area. They drilled 86 drill holes between 1967 and 1971 in a joint venture with the United Nuclear Corporation. At this time, only a few high-grade intersections were made, and the project was abandoned. In 1974, the La Jara Mesa Project area was restaked and sold to Gulf Minerals Resources, who completed 71 drill holes.

Midas International acquired the in 1980, and an exploration program began on behalf of Power Resources, Inc. The discovery hole in Section 12 (T12N, R9W) was drilled in November 1980. Following this, Power Resources, Inc. drilled the site between November 1980 and July 1983. In 1983, Homestake became involved in the venture, and additional holes were drilled to confirm previous drilling.

In early 1984, Homestake completed a mining plan and, through its wholly owned subsidiary, Wind River Mining, filed for a permit to develop the La Jara Mesa deposit with the Forest Service on June 11, 1984. The plan proposed a twin adit design similar that currently proposed by Laramide, and Homestake planned that their portal location would be located at the toe of La Jara Mesa in the same approximate location that has been selected by Laramide. The Homestake plan also included an escape raise to the top of the La Jara Mesa (likewise similar to that proposed by Laramide). Homestake received approval for the plan from the Forest Service on October 30, 1984.

With unsure markets and declining uranium prices, Homestake decided to curtail any plans and activities for development at the La Jara Mesa site and notified the Forest Service that their plans for developing the La Jara Mesa project were suspended. This notice also include a notice to suspend any use activities on an access road to the site, thereby notifying the Forest Service of a suspension of the special use permit that addressed the access road to the site.

However, in early 1988, the La Jara Mesa Mining Company, a wholly owned subsidiary of Homestake, became more optimistic about uranium markets and prices, and decided to move forward with the La Jara Mesa project. Conversations and discussions resumed with the Forest

Service, and, on September 26, 1988, the Forest Service once again approved proposed operations at the La Jara Mesa Project.

In 1989, uranium prices and markets remained stagnant, thus resulting in Homestake's decision to suspend all uranium mining and milling in the Grants District. This suspension led to the cessation of plans and activities for the La Jara Mesa Project.

In mid 2005, with increasing prices for uranium, renewed interest in the district returned. Laramide purchased the La Jara Mesa property from Homestake in 2005. In late 2006 and early 2007, Laramide conducted limited surface drilling (nine coreholes) from the surface above the uranium-mineralized zone of the La Jara Mesa Project. The results from this drilling, combined with 1970s and 1980s drilling information, have spurred renewed interest in the project area.

1.3 Site Access

The site of the proposed La Jara Mesa portal surface facilities area can be currently accessed from State Highway 547 that traverses Grants Canyon (northeast of the community of Grants) and Forest Service Road 450 that connects with State Highway 547 near Lobo Creek. With the initiation of its underground development program, Laramide prefers that the La Jara Mesa portal surface facilities be accessed from the community of Milan, which is west of the town of Grants, New Mexico. See **Figure 2, Site Access and Surface Ownership**.

From Exit #79 off Interstate 40 in Milan, access will be as follows: 0.2 mile east to Business Route #40, turn left and proceed 0.2 mile northwest to State Highway 605, turn right and travel 5.3 miles northeast. At this point, turn right and head east for 3.7 miles on a private road (to be upgraded by Laramide) to its junction with Forest Road #450. Turn left at this junction and proceed northeast for about 2 miles on Forest Road #450, then turn right on an existing un-numbered Forest road (to be upgraded by Laramide) for 0.5 mile to the La Jara Mesa Project portal area.

The existing roads from the turnoff from State Highway 605 (approximately 6.2 miles) will be upgraded and widened to 18 feet, with turnouts spaced on a line-of-sight basis. For the purpose of monitoring Laramide's operation, the Forest Service and the state of New Mexico will be granted access across the private sector of the road. Additional information about the access to the portal area is set forth in Section 6.1, Site Access Road.

1.4 Purpose of the Project

The purpose of Phase 1 of the La Jara Mesa Project is underground development work to attain the following four objectives: (1) assess the geologic and metallurgical characteristics of the uranium mineralized zones previously identified by surface drilling, (2) confirm the economic value of the uranium mineralization, (3) evaluate the technical and economic nature of future underground mining, and (4) clarify the milling process and recoveries.

The purpose of Phase 2 of the La Jara Mesa Project will be the economical recovery and sale of uranium resources to U.S. markets. As America's need for clean energy continues to increase and political pressure mounts to reduce the use of foreign energy sources for national security purposes, uranium is expected to grow in importance as a fuel source for existing and new-generation nuclear electric power generating stations. Uranium mining was historically a vibrant and vital part of the state and local economies of New Mexico.

1.5 Conformance with Forest Plan

The proposed La Jara Mesa Project conforms to provisions in the existing 1985 Cibola National Forest Land and Resource Management Plan (LRMP) as mineral exploration, development and production projects are acceptable land uses in this area. The Forest Service expects to begin the revision and update process for the current LRMP in 2008.

1.6 Regulatory Approvals

A number of federal, state and county permits and approvals may be required for the La Jara Mesa Project. See **Table 1-1, List of Anticipated Permits and Approvals**.

Table 1-1 List of Anticipated Permits and Approvals

FEDERAL GOVERNMENT	
U.S. Forest Service	<ul style="list-style-type: none"> • Plan of Operations • Special Use Permits (Rights-of-Way, etc.)
U.S. Army Corps of Engineers	<ul style="list-style-type: none"> • Temporary Nationwide Permits for Culverts on Arroyos
Environmental Protection Agency	<ul style="list-style-type: none"> • Spill Prevention Control and Countermeasure Plan • Notification of Hazardous Waste Activity
U.S. Fish & Wildlife Service	<ul style="list-style-type: none"> • Threatened and Endangered Species (Section 7 Consultation)
Federal Communications Commission	<ul style="list-style-type: none"> • Radio Authorizations
Treasury Department (Department of Alcohol, Tobacco and Firearms)	<ul style="list-style-type: none"> • Explosives User Permit
Mine Safety and Health Administration	<ul style="list-style-type: none"> • Mine Identification Number • Legal Identity Report • Ground Control Plan • Miner Training Plan
STATE OF NEW MEXICO	
Environmental Department Air Quality Bureau	<ul style="list-style-type: none"> • Air Quality Operating Permit
Energy, Minerals and Natural Resources Department Mining and Minerals Division	<ul style="list-style-type: none"> • Reclamation Permit
Environmental Department Waste Management Bureau	<ul style="list-style-type: none"> • Solid Waste System Permit
State Engineer	<ul style="list-style-type: none"> • Permit to Appropriate Public Waters • Dam Safety
Environmental Department Surface Water Quality Bureau	<ul style="list-style-type: none"> • Stormwater Plan
Environmental Department Drinking Water Bureau	<ul style="list-style-type: none"> • Public Drinking Water Permit (communal water system serving 25 or more people)
Environmental Department Radiation Control Bureau	<ul style="list-style-type: none"> • Radiation Control License for Nuclear Density Gauge
Game & Fish Department	<ul style="list-style-type: none"> • Wildlife Consultation
State Historic Preservation Office	<ul style="list-style-type: none"> • Cultural Clearance
Highway and Transportation Department	<ul style="list-style-type: none"> • Access off State Highway 605
CIBOLA COUNTY	
Building Department	<ul style="list-style-type: none"> • Building Permits • Septic System Approval

1.7 Project Schedule

Laramide would like to initiate construction of the surface facilities for the La Jara Mesa Project, as soon as possible, preferably during 2008. Underground development work is expected to

continue for up to 2 years, followed by mine operations for 6 to 8 years, provided that positive project economics are shown during development work. Upon permanent cessation of project activities, the portals and escape raise will be closed and sealed, and the entire site reclaimed. Reclamation of the work proposed in this plan of operations amendment is expected to take two to three months to complete.

2.0 APPLICANT INFORMATION

2.1 Applicant

Laramide Resources (USA) Inc.
The Exchange Tower
130 King Street West, Suite 3680
Box 99
Toronto, Ontario, Canada M5X 1B1
Telephone: (416) 599-7363
Fax: (416) 599-4959

2.2 Applicant Contact Information

Lee "Pat" Gochnour
P.O. Box 4430
Parker, Colorado 80134
Telephone: (720) 851-2900
Fax: (303) 840-9054
lpgochnour@att.net

John Cook
The Exchange Tower
130 King Street West, Suite 3680
Box 99
Toronto, Ontario, Canada M5X 1B1
Fax: (416) 599-4959
johncook@laramide.com

2.3 Applicant Agent

During the permitting process, Lee "Pat" Gochnour (see Section 2.2, Applicant Contact Information) will serve as the agent for Laramide. As the project moves toward on-the-ground activity, Laramide will hire a general manager for the project, and this individual will assume the role as Laramide's agent. The Forest Service will be notified when an on-site general manager is retained.

2.4 Surface and Mineral Ownership

The portal and escape raise surface facilities and the underground activities are located on lands administered by the Forest Service. See **Figure 2, Site Access and Surface Ownership**.

The surface portal facilities are accessible by Forest Road 450. In the future access will be from the west. Laramide is currently negotiating rights of way to cross this ground. See **Figure 2, Site Access and Surface Ownership**, and Section 2.5, Right-of-Entry Information.

Laramide controls unpatented mining claims on lands administered by the Forest Service. These claims are graphically shown on **Figure 4, Claims Maps**. Also see **Appendix 1, La Jara Mesa Mineral Claim Information**.

2.5 Right-of-Entry Information

A portion of the site access road and powerline will be located on property owned by Homestake and Elkins Ranch. See **Figure 2, Site Access and Surface Ownership**. Laramide is negotiating easement agreements for these rights-of-way, along with approval for a well and pump station.

3.0 GEOLOGY AND MINERALIZATION

3.1 Geologic Setting

The Grants Mineral Belt, located in northwest New Mexico, extends from several miles east of the town of Laguna to the north of the city of Gallup, a length of approximately 100 miles with a width of about 25 miles. This region includes the Laguna, Ambrosia Lake, Crownpoint and Church Rock districts. The Grants Mineral Belt contains nearly all of New Mexico's reported uranium ore reserves. The La Jara Mesa property lies in the eastern part of the Ambrosia Lake district, west of Mount Taylor. The surface geology within and surrounding the La Jara Mesa Project is shown on **Figure 5, Site Geology**.

3.2 Stratigraphy and Structure

The surface elevation of the La Jara Mesa ranges from 8,000 to 8,300 feet. The surface is mostly covered by basalt flows related to volcanism from Mount Taylor, which is east of the Mesa. A bluff ranging from 500 to 800 feet high bounds the southern and western limits of the La Jara Mesa, with gentle slopes down the regional dip of two to five degrees to the north. On the east edge of the mesa, the slope rises rapidly toward Mount Taylor. See **Figure 5, Site Geology**.

The Poison Canyon member of the Morrison Formation contains from one to four sandstone units separated by thin but distinct shale layers. Each of these relatively flat-lying sandstones may host uranium mineralization. Sandstones trend east and southeasterly.

3.3 Mineralization

Uranium occurs in the La Jara Mesa Project site as coffinite $[U(SiO_4)_{1-x}(OH)_{4x}]$ in tabular deposits. Mineralization formed in stream channel bottoms and margins in straight channels and feeder channels, meanders and over flow (swamp) areas. Generally, mineralization is associated with carbon and indistinct organic matter, locally known as humates. Humates are presumed to have formed from the breakdown and dissolving of vegetal matter and redeposited in mineralized zones. Pyrite and jordisite, which is a soft black molybdenum material (MoS_2), are frequently found as associated minerals in the arkosic sandstone host rock. The mineralization is found as coating on the sand grains and as fillings in the interstices between grades. The interstices are also filled with very fine kaolin. The humates and jordisite, when present, give the mineralized rock a dark to black color.

4.0 PHASE 1 - UNDERGROUND DEVELOPMENT ACTIVITIES

The proposed underground development program described in this plan amendment is the logical initial step to prepare for future mine production and to characterize the mineralized zones in the following areas:

- Geologic data: Nature, grade and continuity of mineralized structures;
- Metallurgical data: Information on the optimal beneficiation methods by metallurgical studies and off-site testing of bulk samples; and,
- Mining methods evaluation: Information on rock characteristics and extraction techniques for use in a mine design and feasibility study.

Information gained during development work about geology, metallurgy and mining will be used to refine Laramide's understanding of the deposit's characteristics. The results will be used to evaluate the operational parameters and to finalize operational and feasibility plans for a commercially viable underground mining project.

If the results of the development work and subsequent economic evaluations reveal that the transition to a commercial mining operation is not feasible, Laramide will cease the development work, and the disturbances associated with the project will be reclaimed as described in Section 11.0, Reclamation Plan.

The underground development techniques to be utilized at the La Jara Mesa Project are described in the following sections.

4.1 Portal Face-up and Excavation

The "face-up" for the portal and the incline access driven to the uranium-mineralized zone will be in (non-radioactive) sandstone rock. The initial portal openings on the surface will be established by conventional drill and blast methods, advanced in short rounds, applicable to ground conditions. The rock will be supported as determined appropriate, with any combination of rock bolts, wire mesh, and/or shotcrete.

Typical drill and blast operations will include the use of a drill jumbo (underground drilling machine) to drill a series of small diameter horizontal holes around the perimeter of the planned portal opening on 12 to 18 inch spacing to create a smooth perimeter after blasting. The areas inside the portal perimeter will be drilled with the drill jumbo to a pattern suitable to break the rock and minimize damage to the perimeter of the incline outline. The perimeter holes will be loaded and blasted with a small diameter explosive to minimize over break outside the planned portal perimeter. Removal of broken rock will be accomplished using diesel powered rubber-tired loaders.

During the initial portal excavation work, when there is a potential for fly rock on the surface, precautions applicable to surface blasting operations will be followed. Once below ground, subsurface blasting procedures will be followed.

Two portals will be established thus allowing parallel inclines into the uranium-mineralized zones. Mine Safety and Health Administration (MSHA) mandates strict requirements for ventilation in underground uranium operations. Laramide will be unable to attain such ventilation using a single incline. Likewise, MSHA requires that underground operations have secondary

escapeways. Maintaining parallel inclines into the mineralized zone will not only provide for proper ventilation underground but also allow for secondary escape should a problem develop.

4.2 Incline Excavation

Incline excavation will be based on known geologic conditions and expected rock mechanics behavior of the sandstone into which the inclines will be driven. The inclines will be used for access to the mineralized zones by workers, equipment, supplies and ventilation. The surface portal area will be located as shown on **Figure 6, Site Plan Layout**.

The following standard underground techniques will advance the inclines:

- Drilling
- Blasting
- Mucking (removal of the rock) and haulage
- Ground support (as necessary)

The drill jumbo will be utilized to drill a pattern of blast holes on the incline face. The cross-sectional size of the inclines will be 12 feet wide by 15 feet high. Drill holes in the incline will be 8 to 12 feet deep. Each 8 to 12 foot advance is known to miners as a “round.”

Once the face has been drilled, the holes will be loaded with explosives and blasted. Blasting will be conducted when a round is loaded with explosives and the area is secured. Various types of explosives will be used, with charges being detonated by either fused or non-electric initiation. Explosive handling and storage are discussed in Section 6.12, Explosive Storage.

The broken rock will be loaded by underground front-end loaders onto trucks, which will deliver the rock material to the surface for construction of the surface pad. It is expected that the loaders will have a bucket capacity of approximately six cubic yards, while the underground trucks will contain approximately 15 to 20 tons of rock material each.

Any mechanical support necessary for rock stability will be installed prior to initiating the next round of drilling activities. Ground control or support will involve a variety of techniques including rock bolting, steel sets, and/or shotcrete.

At intervals of approximately every 500 feet, cross cuts will be driven between the two inclines. These cross cuts will allow for proper ventilation and could be used as escape routes should a problem occur in one of the inclines. The cross cuts will be driven perpendicular between the two inclines. The inclines will be separated by approximately 50 to 75 feet.

4.3 Escape Raise

To further underground safety (i.e., both ventilation and secondary escape), Laramide will install an escape raise on the north side of the “Dena Rich” mineralized zone. See **Figure 2, Site Access and Surface Ownership**.

This escape raise will be vertical, approximately 700 feet in length (from the underground workings to the surface) with a diameter of approximately eight feet.

This raise will be constructed utilizing a raise boring machine. A small diameter drill hole will be drilled from the surface to the selected area underground. Once established, a drilling raise bore

will be “pulled” back to the surface, allowing underground rock to fall into the underground workings. From there, it will be removed, hauled to the portal and placed in the waste rock dump.

Installation of the escape raise will generate only a very small amount of waste rock, estimated at 5,200 bank cubic yards. This volume compares to the two inclines where over 70,000 bank cubic yards will be excavated. There will be sufficient room in the surface waste rock stockpile for rock material excavated from the raise.

The dimensions of the surface area to be used for escape raise facilities will be approximately 50 by 100 feet, or approximately 0.1 acre. See **Figure 2, Site Access and Surface Ownership**, for location of raise. Also see **Figure 7, Raise Layout with Escape Hoist**.

4.4 Ground Support Methods

Ground control or support for underground openings will involve a variety of techniques including rock bolting, steel sets, and/or shotcrete. Based on empirical data from existing geology and surface drilling, Laramide believes conditions should range between fair and good. The site-specific conditions will govern the rock reinforcement strategy for any opening in order to provide good stability and employee safety.

4.5 Underground Support Services

One of the principal objectives of the underground development work will be to collect information about the uranium mineralization from gamma probes that are inserted into longhole drill holes. Underground drilling will be conducted from drill stations located in laterals beneath the expected mineralized zones. The program will be comprised of between 75 and 100 individual underground drill holes. The holes will be drilled at various angles and drilled to lengths ranging from 250 to 500 feet. None of the drill holes will breach the topographic surface above.

Laramide will use two drill rigs for the underground longhole drilling. Each rig will be supplied with compressed air, fresh or recycled water, drain line, and electricity. It is anticipated that underground drilling will be performed on two 10-hour shifts per day, following a 10-day on, four day off schedule. Drilling is expected to begin shortly after reaching the first drill station, with drilling through the proposed project life.

A drilling contractor will provide the underground drilling equipment and personnel. Holes will be drilled using water for drill hole lubrication and conditioning as necessary. Any used oils, trash or other residue of the drilling operation will be disposed of in a permitted off-site facility.

Selected cuttings will be removed from underground for geologic logging and laboratory studies. This will include mineralized zone petrography, metallurgical studies, environmental testing and assaying.

4.6 Bulk Sample Program

Bulk samples of mineralized uranium material for testing and study will be collected from cross cuts and laterals into the mineralized zone. Part of this work will be to analyze potential mining methods for future mining. Other work will include surveying, geologic mapping, chip sampling, and geotechnical studies.

Bulk samples for metallurgical and milling tests will be collected and removed to the surface. It is estimated that approximately 40,000 to 50,000 tons of uranium-mineralized material will be removed for bulk sample testing at a mill. This sample size is required to gain an accurate portrayal of milling at an existing mill.

The bulk sample will be stored on the surface on a compacted clay liner on the waste rock dump. The bulk sample will be trucked off site for metallurgical and milling testing. Haulage of material to off site testing facilities will occur periodically to eliminate the need for a large stockpile.

5.0 PHASE 2 – UNDERGROUND MINE PRODUCTION

The planned mining at the La Jara Mesa Project will involve an underground technique known as room and pillar mining. Targeted ore production will average around approximately 500 tons per day. Actual ore production will vary depending on the grade and geometry of the deposit. Based on preliminary resource projections, mining can be conducted at the La Jara Mesa Project for an estimated six to eight years; however, underground exploration and development activities will continue at the site with a goal to identify additional ore reserves.

Laramide will use the same mining techniques as employed during development work, following the sequence of “drill, blast, muck and support.” See Section 4.0, Phase 1 – Underground Development Activities. Ore material will be transported to the surface in trucks and placed on the clay-lined pad. Mined-out areas will be backfilled with waste rock (uneconomic) material to minimize the amount of waste rock hauled to the surface.

Throughout mine production, development drifts will be constructed beneath the ore zones with ramps driven upwards from these drifts to access ore zones. By utilizing this technique of mining, Laramide will be able to systematically extract ore in a logical sequence, backfill these mined out areas with waste rock, and then seal the mined-out areas from the main flow of ventilation, thus being able to provide targeted ventilation to the actual areas being mined.

The La Jara Mesa Mine will use the same or similar type equipment that is utilized for the underground development work outlined for Phase 1. See Section 9.0, Equipment. Laramide does not anticipate the need to add any different type equipment as the operation transitions to mining. However, certain equipment will be added or replaced during the life of the mine as the older equipment reaches its useful life, and the equipment may be modified during the mine life depending on site specific conditions and needs.

6.0 UNDERGROUND DEVELOPMENT WASTE ROCK HANDLING AND STORAGE

In development activities and mining operations, waste rock is synonymous to “non-mineralized” and “valueless” rock that must be removed to gain access to “mineralized” or “ore” material. Waste rock is distinct from the uranium mineralized material.

During development work, waste rock will be transported to the surface for use in constructing the portal facility pad area as shown on **Figure 6, Site Plan Layout**. This pad area will be used for surface facilities and for the temporary storage of bulk samples removed as part of the underground development program.

During mining, it will be possible for the waste rock encountered during production to be placed or backfilled directly into areas that have been mined-out . With this direct backfilling opportunity, Laramide will be able to limit the amount of waste rock that must be hauled to the surface from the underground workings, thus saving transportation time and expense.

Following permanent cessation of operations, Laramide will regrade the surface waste rock dump to establish 3H:1V final slopes and drainage. The final graded surface facility pad will blend into the surrounding natural landscape. See **Figure 9, Post Project Topography**, and Section 11.0, Reclamation Plan, for additional information on planned site closure and reclamation work.

7.0 SURFACE FACILITIES

The La Jara Mesa Project will require surface infrastructure to support the underground development and mining. This section describes and provides information on the proposed support services and infrastructure. Such surface facilities are shown on **Figure 6, Site Plan Layout**.

Over the life of the project, approximately 16 acres will be disturbed by the construction and operational activities. See **Table 7-1, Surface Area Disturbance**. This disturbance will be located on unpatented mining claims located on federal lands administered by the Forest Service. Concurrent reclamation will decrease the amount of disturbance after construction is complete.

7.1 Site Access Road

Access to the La Jara Mesa Project is shown on **Figure 2, Site Access and Surface Ownership**, and will involve both new road construction and upgrade of existing roads.

Currently, access to the site is via Forest Service Road 450. Future access will be from State Highway 605 to the west across private surface, where a gate and signage can be used to restrict the general public access to the site.

Laramide plans to reestablish approximately 3.7 miles of road across private property owned by Homestake and Elkins Ranch. This roadway was originally used by Homestake to gain access to the old F-33 Mine, but it was also under consideration for use as access to the La Jara Mesa site had the Homestake Mining Company development occurred. The roadway has been allowed to naturally revegetate over the past 25 years.

Laramide will upgrade Forest Road 450 from its junction with the aforementioned upgraded road across private property to the turn to the planned portal area (approximately 2 miles of Forest Road 450). Final access to the surface facility area will be an upgrade of approximately one-half mile of an existing two-track unnamed Forest Service road.

Table 7-1 Surface Area Disturbance

Facility	Area (acres)
Portal Area (ventilation fan and compressor) ^{1,2}	0.8
Safety/Shifter Trailer with Parking	0.4
Shop Facility with Laydown Storage	3.1
Fuel Storage Area	0.4
Office and Dry Trailers with Parking	2.7
Waste Rock Dump ³	5.4
Explosives Storage Area	0.5
Sewage Treatment (septic tank with leach field)	0.5
Stormwater Control Structures (diversion ditch and basin)	1.5
Growth Medium Material Stockpile	1.0
Escape Raise Surface Area ⁴	0.1
TOTAL	16.4
Notes: 1. The portal area will be accessed by approximately 6.2 miles of existing roads (3.7 miles on private property, 2 miles on Forest Road 450 and 0.5 miles on un-numbered Forest road). Laramide will upgrade these roads to 18 foot wide running surface. 2. Electric service will be brought to the portal area via a 2.5 mile powerline that will parallel the site access road. 3. The pad created by waste rock will be used to store the mineralized material ("ore") prior to off-site shipment. 4. The escape raise surface area will be accessed by Forest Road 544. Laramide does not plan any upgrades to this road.	

Road upgrades will involve widening to an 18-foot width, construction of periodic (line-of-sight) turnouts, placement of sub-base material and gravel, cattle guards, and new culverts. Laramide will be responsible for ongoing road maintenance, including snow removal, to assure safe and efficient year-round access to the La Jara Mesa surface portal facilities area.

7.2 Administrative Office and Shifter Facilities

Trailers or modular buildings will be used as temporary office space for Laramide employees and contractor personnel. These trailers will be used by management, engineering, safety, and environmental personnel. There will also be space available for a lunch room and safety training.

Project administration offices will be housed in a double-wide trailer or a modular building. A separate trailer will be used for the shifters' and safety manager offices. As appropriate during development work, followed by actual mining operations, Laramide will use other storage trailers or structures to store mine safety and rescue equipment and gear. As development work transitions to mining operations, there is ample room at the site to expand office facilities as necessary to house additional administrative and management personnel.

7.3 Employee and Visitor Parking

During development work, there will be parking room for the 20 to 25 vehicles expected to transport workers to the site. As the project transitions from development to mining operations, parking space will be available for 75 to 80 vehicles. Parking will be adjacent to the administration and shifter offices for employees, contractors, and visitors.

7.4 Dry Facility (Miners' Change Trailer)

Separate trailers or modular buildings will be installed for use as the men's and women's change facilities (dry). These trailers will include lockers, lavatories and showers. As development activities transition to mining operations, Laramide will expand the dry facilities to accommodate the additional workforce. See Section 8.0, Workforce Requirements.

7.5 Surface Maintenance Shop with Equipment Parking and Storage Area

Underground and surface equipment will require periodic maintenance. Therefore, a maintenance shop will be installed. For initial development work, Laramide plans to utilize a prefabricated fabric-covered "tent" structure, approximately 40 feet wide and 70 feet long, with adjoining containers for warehouse storage for small parts and tool storage. A concrete pad will be poured to serve as a floor for the shop. Sufficient space surrounding the maintenance facility will be left for equipment parking and supply storage. As development transitions to mining, Laramide will expand the existing maintenance structure or will install a more permanent maintenance building.

7.6 Bulk Sample Storage Area and Scale

No uranium processing will occur at the La Jara Mesa Project site as part of planned development and mining activities.

Mineralized uranium material (bulk samples) removed during underground development work will be stockpiled on a flattened, clay-lined surface next to the portal, then re-loaded onto highway trucks for haulage to the designated mill for test milling. The stockpile area will have capacity to store 10,000 to 15,000 tons of uranium mineralized material with maneuvering and loading room for the front-end loader and transport trucks. As the operation transitions into mining, the clay-lined stockpile area will be expanded to allow a storage capacity of 20,000 to 25,000 tons of ore material.

Trucks hauling ore will be weighed upon entry to the site and after being loaded. A truck scale will be located adjacent to the administration office.

7.7 Ventilation Facilities

Ventilation is a vital aspect of the health and safety program for underground uranium operations, and Laramide will install ventilation fans to ensure proper airflow to working faces and spaces where underground contractors and employees will be working. The air volumes will be sufficient to comply with MSHA ventilation requirements for underground uranium operations. Air exhausted from the mine will comply with State and Federal air permit standards and requirements.

7.8 Power Supply

Initial portal site and underground development work will be powered by portable diesel generators. Such early construction work will require minimal electric power.

Continental Divide Electric Cooperative Inc. will supply electric service to the site. Electric power will be supplied to the La Jara Mesa site via a 2.5 mile long existing transmission line that lies south of the proposed access road as shown on **Figure 2, Site Access and Surface Ownership**. An on-site transformer will reduce the transmission voltage for distribution to the underground workings, the maintenance shop, office and dry trailers, and other surface facilities.

Although electric service will provide primary power to the site, Laramide will maintain diesel generators on site as backup electric power for times of interrupted or reduced power supply.

7.9 Compressor Facility

Air compressors will be installed near the portal to supply compressed air for certain underground equipment, such as drills. The compressor will be sheltered from the weather in a “pole-barn” structure and enclosed with siding to muffle sound.

7.10 Fuel Storage

Laramide plans to use above-ground tanks for storage of gasoline, diesel fuel and propane. The liquid fuel storage tanks will be of double-walled construction or placed in lined containment. The estimated volumes of gasoline, diesel fuel and propane to be stored at the La Jara Mesa Project will be as follows:

- Gasoline – 500 gallons
- Diesel Fuel – 10,000 to 20,000 gallons
- Propane – 2,000 to 3,000 gallons

Diesel fuel will be delivered to the site on a periodic basis. Mobile underground mining and surface support equipment will use diesel fuel. The diesel storage tanks will be situated on a synthetically-lined (40-60 mil HDPE) floor and surrounded by a compacted soil containment berm. The berm is designed to contain the full volume of the tanks with a six-inch freeboard. Piping will extend from the diesel tanks to a fueling station adjacent to the tanks.

The gasoline storage tank will have full containment similar to the diesel storage tanks. Gasoline will power certain mobile (primarily non-highway licensed) vehicles used solely at the operation site. Typically, company and contractor pickup and delivery vehicles will be fueled in town. Other than that, gasoline is used for on-site mobile equipment, and only for emergency use for the company and contractor vehicles.

Propane will be used to provide heat and hot water for the site’s facilities, including the men’s and women’s change house trailers.

The gasoline, diesel fuel and propane tanks will be located near the maintenance shop. Laramide will contract with local or regional suppliers to deliver the required fuel. See Section 10.0, Materials and Supplies, for amount projected to be used and stored at the site.

7.11 Communications

Laramide will contract with the local service to install telephone and Internet communications to the site. Underground communications will be provided by phone lines from both the shifter and main administration offices to various points in the underground workings. Underground phones

will be strategically located throughout the underground workings in conformance with MSHA standards.

7.12 Explosives Storage

Explosives will be used in the underground mining process. See Section 10.0, Materials and Supplies, for amount projected to be used and stored at the site.

Surface explosives magazines will be located at a separate, remote and fenced (locked) site away from the main surface facility site. Explosive magazines will be sized and designed to meet the requirements of Title 27 CFR 181, Subpart J, Storage of Explosives. Explosives used underground will be handled and used in accordance with MSHA regulations by trained and certified personnel. MSHA regulates underground explosives storage, transport and use in 30 CFR, Part 57, Safety and Health Standards – Underground Metal and Nonmetal Mines, Subpart E, Explosives. Explosives will be transported to the site by contract transporters approved by the U.S. Department of Transportation.

7.13 Water Management

Water use and management will be an important component for the La Jara Mesa Project. Because no groundwater is expected to be encountered during underground development and operations, Laramide must install the necessary infrastructure to provide water to the site.

7.13.1 Water Use

Water will be utilized at the following areas and/or purposes:

- Underground Operation;
- Change Facility (Dry), Shop and Office Trailers; and,
- Surface Dust Control

Laramide plans to drill a water well and establish a pump station on the Elkins Ranch property. See **Figure 2, Site Access and Surface Ownership**. Water will be pumped to a storage tank above the portal area. The pipeline to deliver water to the portal area will be buried on or immediately adjacent to the site access road. Anticipated water use requirements for the La Jara Mesa Project are set forth in **Table 7-2, Projected Water Use Requirements**.

Table 7-2 Projected Water Use Requirements

Activity/Facility	Estimated Use ¹ Development Activities (gallons per minute)	Estimated Use ¹ Mine Production Operations (gallons per minute)
Underground Operation (development and drilling)	5 ²	10 ²
Surface Facilities – Dry and Office Trailers (sinks, showers and lavatory facilities)	2 ³	7 ³
Surface Dust Control (seasonal basis)	15 ⁴	15 ⁴
Contingency (approximately 10%)	23	3
TOTAL	25	35
Notes:		
<ol style="list-style-type: none"> 1. Usage projections are best estimates using available knowledge. Operational experience will result in usage modification and optimization. 2. Underground usage mainly for dust control, removal of drill cuttings and cooling the drill bits. 3. A rate of use of 100 gallons of water per person per day; it is assumed that 25 employees will be at the project site on a daily basis during development. During mine operations, it is assumed that up to a 100 people could be at the project site on a daily basis. 4. Assume 3,000-gallon capacity water truck, applying full water load each hour for 5-8 hours per day during dry periods of the year. 		

Underground Operation. Underground operations and drilling will require water for dust control, removal of drill cuttings and cooling of drill bits.

Change House (Dry), Shop and Office Trailers. Water will be necessary for showers and sanitary use in the change facility (dry) trailers. A small amount of water will be used in the office trailers and the shop facility.

Some type of filtration system such as a “Greensand Filter” will be employed at the site, but the water may not be acceptable for drinking purposes although it would be suitable for showers and lavatory purposes. In this situation, “*Do Not Drink the Water*” warning signs will be posted at the temporary dry facilities, and bottled water will be provided at the site for drinking purposes.

Surface Dust Control. During drier seasons of the year, Laramide will use water to control dust, mainly on the site access road. Laramide is also considering the use of a chemical dust suppressant on roads to minimize and conserve the use of water.

Contingency. Given seasonal variations and day-to-day fluctuations in the various La Jara Mesa facilities, an additional 10% contingency has been factored into the system. See **Table 7-2, Projected Water Use Requirements**.

7.13.2 Water Supply and Facilities

Water for the La Jara Mesa Project will be obtained from a well to be drilled on the Elkins Ranch property adjacent to the site access road. See **Figure 2, Site Access and Surface Ownership**. Water will be delivered via pipeline parallel to the access road. A 10,000-gallon water tank will be located adjacent to the water well, and a second 10,000-gallon water storage tank will be located above the surface portal facilities. As development work transitions to production and water use at the site increases, an additional 10,000 gallon water storage tank may be added adjacent to the existing tank above the surface portal facilities to allow for increased water storage capacity at the mine site.

The first tank (at the well site) will serve as storage for a water truck that will be used for road dust control while the other tanks (at the portal area) will serve as storage for water used underground for drilling and dust suppression, as well as for sinks, showers and lavatories in the surface facilities.

7.14 Sewage Disposal

Laramide plans to dispose of sewage waste through a septic tank and leach field system. The waste disposal system will be connected to the project facility trailers.

Sanitary waste during initial construction work and from the underground operation, will be collected in a system of portable chemical toilets, which will be periodically cleaned and emptied by a contractor. Such sanitary waste will be transported off site for disposal by the contractor.

7.15 Solid Waste Disposal

Trash and garbage will be contained on site in bins and hauled off site for disposal at an approved landfill site. Petroleum waste products will be stored in approved containers on site, separate from other trash and garbage products, and these petroleum waste products will be transported off site for recycling or disposal in an approved waste facility. No hazardous wastes will be generated as part of the underground development or mining programs.

7.16 Stormwater Handling

Laramide will install and maintain stormwater controls for the La Jara Mesa Project. These controls will include diversion ditches, culverts, and a stormwater collection basin. Runoff within the disturbed surface portal area will be directed toward a stormwater basin, where water will be allowed to evaporate or percolate into the ground or used for site dust control.

7.17 First Aid and Safety Related Facilities

The La Jara Mesa Project is located close to the city of Grants where hospital and ambulance service is available in case of medical emergencies. First aid supplies will be located strategically around the site. Some will be located in the office, dry and shifter offices, while other first aid supplies will be located underground.

A training room will be incorporated into the floor plans for the shifter or administrative office. Laramide will have the capability to conduct MSHA-required, new miner and refresher training on site.

7.18 Growth Medium Stockpiles

Growth medium will be removed and stockpiled near areas to be affected by the surface facilities for use and access during reclamation and site closure. Laramide plans to salvage enough growth medium such that an average of six inches of growth medium can be replaced over graded areas after closure of the operation. If there is not sufficient volume available to meet this goal, Laramide will attempt to improve the quality of subsoil by adding mulch and organic matter. Available growth medium material will be stabilized using best management practices (such as seeding, mulch, organic matter, etc.).

Salvaged growth medium material will be stockpiled either in windrows adjacent to the area where it was removed or placed in growth medium stockpiles. Bulldozers, front-end loaders and/or scrapers will be used to remove the growth medium material. Stockpiled growth medium

will be protected from wind and water erosion, and they will be configured to promote temporary revegetation. Although natural revegetation should occur on the growth medium stockpiles given the existing seed source in the material, the stockpiles will be seeded during the first normal planting season following development of the growth medium stockpiles. See Section 11.0, Reclamation Plan.

Areas where it may not be prudent to salvage growth medium due to safety and operational constraints involve steep slopes where diversion ditches, fence lines, power pole structures and other portions of facilities will be placed. Growth medium removal from steep areas is unnecessary due to the limited amount of disturbance, safety constraints to equipment and operators, and general lack of growth medium.

7.19 Security and Fencing

A 4-strand barbed wire perimeter fence will be installed around the La Jara Mesa Project surface portal area. A gate (with a lock) will be installed on the access road off Forest Road 405, and this gate will be locked after normal business hours to prohibit unauthorized entrance. Laramide management, including shift supervisors, will have keys to allow employees access during non-normal business hours. "No-trespassing" signs will be posted at strategic sites to discourage unauthorized access. Keys will be provided to the Forest Service for their access and land management purposes.

The explosives powder magazines will be secured containers that will be locked and kept separate from the main surface portal facilities. The explosive storage area will be enclosed by an eight-foot high chain link security fence with angled barbed wire on top. A gate will be installed to provide access for authorized employees. This gate will be kept locked for security reasons at all times.

The surface area for the escape raise will also be enclosed by an eight-foot high chain link security fence with angled barbed wire on top. A gate will be installed to provide access for authorized employees. This gate will be kept locked for security reasons at all times.

8.0 WORKFORCE REQUIREMENTS

The workforce projections for both underground development work and full production during mine operations are listed in **Table 8-1, Estimated Work Force Requirements**. A rotating crew schedule will be employed for the La Jara Mesa Project. This schedule will accommodate two crews per day, 10 hours per shift, seven days per week. The day shift will likely occur between the hours of 7:00 AM and 5:00 PM, while the swing shift will cover the hours from 5:00 PM to 3:00 AM. Preventative maintenance mechanics will work a 10-hour shift that will span the four-hour downtime not covered by a rotating crew.

Table 8-1 Estimated Work Force Requirements

Type of Worker	Phase 1 – Underground Development			Phase 2 – Underground Mine Production		
	Day Shift	Rotating Crews (per shift/total)	Total Workers	Day Shift	Rotating Crews (per shift/total)	Total Workers
MANAGEMENT						
General Manager	1	-	1	1	-	1
TECHNICAL						
Mine Engineer	1	-	1	1	-	1
Jr. Engineer	-	-	-	1	-	1
Surveyor	1	-	1	1	-	1
Engineer Technician	-	-	-	1	-	1
Environmental Engineer	1	-	1	1	-	1
Environmental Technician	-	-	-	1	-	1
Chief Geologist	1	-	1	1	-	1
Jr. Geologists	-	-	-	1	1/4	4
OFFICE						
Accountant	-	-	-	1	-	1
Payroll Clerk	1	-	1	1	-	1
Clerical	1	-	1	2	-	2
Warehouseman	1	-	1	1	1/4	4
SUPERVISION						
Mine Manager	-	-	-	1	-	1
Shift Supervisor	1	1/4	4	1	1/4	4
Maintenance Superintendent	1	-	1	1	-	1
Electrical Superintendent	-	-	-	1	-	1
Safety Manager	1	-	1	1	-	1
HOURLY						
Jumbo Drill Operators/Miners	1	1/4	4	2	2/4	8
Loader Operators/Miners	1	1/4	4	2	2/4	8
Truck Drivers	3	3/4	12	6	6/4	24
General Miners	-	-	-	2	2/4	8
Shift Mechanic	1	1/4	4	2	2/4	8
Electrician	1	1/4	4	1	1/4	4
PM Mechanics	2	2/4	8	2	2/4	8
Surface Equipment Operators	1	1/4	4	2	2/4	8
LONGHOLE UNDERGROUND DRILLERS						
Drillers	2	-	2	2	-	2
Driller Helpers	2	-	2	2	-	2
TOTAL PERSONNEL						
TOTAL	25	11/4	58	42	22/4	108
Note:						
1. There will be four rotating crews to allow for a two shift per day, seven day per week operation.						

9.0 EQUIPMENT

The major pieces of mobile equipment to be used at the La Jara Mesa Project are set forth in **Table 8-1, Projected Mobile Equipment List**. This equipment list may be modified during the project depending on site-specific conditions and needs.

Table 9-1 Project Mobile Equipment List

UNDERGROUND
Loader – 6 cubic yards
Truck – 15-20 ton capacity
Drill Jumbos
Grader
Personnel Tractor
Rock Bolter
Jackleg Drill (hand-held pneumatic drill)
Longhole Drills
Portable Substations
Fork Lift
Flatbed Truck
Lube Truck
Powder Truck
SURFACE
Backhoe
Dozer*
Motor Grader*
Fork Lift
Front End Loader (7-8 cubic yards)
Water Truck*
Supply Truck (flatbed truck)
Light Vehicles (pickups)
* These vehicles will be contracted and used on an as-needed basis

10.0 MATERIALS AND SUPPLIES

During the La Jara Mesa Project operations, Laramide will use a number of operational materials, chiefly consisting of fuel and explosives. **Listed in Table 10-1, Materials and Supplies**, are the major consumables that will be used.

Table 10-1 Materials and Supplies

Material/Supply	Approximate Daily Use	Approximate Monthly Use	Delivered Form	Maximum Amount Stored	Storage Method
Diesel Fuel	500-1,000 gallons	15-25,000 gallons	Liquid	10-20,000 gallons	Tanks
Gasoline	20-30 gallons	600 gallons	Liquid	500 gallons	Tanks
Propane	100-200 gallons	3-5,000 gallons	Gas	2,-3,000 gallons	Tanks
Oil/Lubricants	20-50 gallons	500-1,500 gallons	Liquid	1,000 gallons	Sealed Drums
Antifreeze	2-5 gallons (variable)	50-100 gallons	Liquid	100 gallons	Individual Containers
Solvents	2-5 gallons	50-100 gallons	Liquid	100 gallons	Individual Containers
Explosives (Emulsion Product)	500 pounds	15,000 pounds	Solid	15,000 pounds	Locked Magazines
Explosives (Blasting Detonators)	100-150	3,000-4,500	Solid	5,000 each	Locked Magazines

The transport, handling and storage for these consumables are discussed below.

- Diesel Fuel – Tanker trucks will deliver diesel fuel to the site where the fuel will be transferred to aboveground storage tanks, which will be placed in secondary containment. Most mobile underground and surface equipment will be powered by diesel fuel.
- Gasoline – Tanker trucks will deliver gasoline to the site where the fuel will be transferred to an aboveground storage tank. This tank will be placed in secondary containment. Certain mobile equipment will use gasoline. Although many of the light and supply vehicles use gasoline, these vehicles will primarily be fueled in town, unless there is an emergency.
- Propane – Propane will be delivered by vendor and stored in certified tanks located near the surface facilities. Propane will be used to heat water for use in the showers at the men and women change facilities (dry).
- Oils/Lubricants – Various oils and lubricants will be required for equipment maintenance. These products will be delivered by vendor and stored in approved containers located within or directly adjacent to the temporary maintenance shop facility. All used petroleum products and solvents will be collected in approved containers, transported off site, and disposed through qualified vendors.
- Antifreeze – Antifreeze (50/50 premix) will be required for use in the equipment. Antifreeze will be delivered by vendor in approved containers that will be stored within or directly adjacent to the temporary maintenance shop facility. Used antifreeze will be collected in approved containers, transported off site and disposed through qualified vendors.
- Solvents – Various types of solvents will be needed for parts cleaning in the maintenance shop. The solvents will be delivered by vendors and stored in approved storage containers within or directly adjacent to the shop.
- Explosives – Explosives will be delivered to the site by vendors and stored in secured and approved magazines. Laramide expects to use bagged ANFO (ammonium nitrate and fuel oil) or an emulsion product, along with detonating cord, cast primers and blasting caps). Transportation, handling, storage and use of explosives are regulated by the U.S. Department of Transportation, the U.S. Treasury Department's Bureau of Alcohol, Tobacco & Firearms, and MSHA.

No chemicals subject to SARA (Superfund Amendments and Reauthorization Act) Title III in amounts greater than 10,000 pounds will be used at the La Jara Mesa Project site. No hazardous substances as defined in 40 CFR 355 above threshold planning quantities will be used. The project will meet all conditions set forth for a "conditionally exempt small quantity generator for hazardous wastes," which is defined as any project generating less than 220 pounds of hazardous wastes per month. The La Jara Mesa Project will generate on average less than 100 pounds per month of hazardous wastes (used oil, solvents, antifreeze, etc.), and, as mentioned above, these substances will be hauled from the site by a qualified contractor and disposed of in an approved disposal facility. Laramide will maintain Material Safety Data Sheets (MSDSs) for chemicals stored on site.

11.0 RECLAMATION PLAN

Laramide considers reclamation to be an integral and important component of the La Jara Mesa Project. The overall purpose of reclamation is to return surface disturbed areas to a stabilized and productive condition and land use that is compatible with surrounding uses, and to protect long-term land, water and air resources in the area.

Reclamation practices, such as those addressed in this section, have been developed and successfully utilized at other mining projects and operations in New Mexico, as well as throughout the western United States.

Laramide understands that reclamation practices and technology are ever evolving and improving. Although reclamation practices have become an integral component of mineral development and mining activities, and existing reclamation measures have proved to be successful at other mineral operations, Laramide will take advantage of future opportunities to explore new reclamation technologies or implement improved reclamation measures.

11.1 Reclamation Goals and Objectives

The current land use at and surrounding the surface portal facility site at the La Jara Mesa Project is primarily as wildlife habitat. The emphasis of this reclamation plan will be to close and seal mine portals (and the escape raise), remove surface facilities and infrastructure, and establish a vegetative community on the disturbed surface areas.

11.2 General Reclamation Procedures and Schedule

Reclamation measures will be an integral part of the La Jara Mesa Project.

The following two types of reclamation are scheduled and will be implemented:

- Construction reclamation; and,
- Final reclamation.

Construction reclamation refers to reclamation efforts on lands disturbed during the course of site development and will include activities (such as growth medium removal, stockpiling and stabilization) that are a prelude to final reclamation. In addition, stormwater and sediment control structures (such as diversion ditches and sediment traps/detention basins) will be constructed to minimize the potential for erosion and sediment loading during operations.

Final reclamation activities will be implemented upon cessation of underground development and mining activities, if such commercial production is commenced. The areas to undergo final reclamation upon project closure will include the mine portals, the escape raise, surface facility areas and the site access road (that are not needed for long-term land use purposes).

In general, reclamation activities (whether construction or final) will be timed to take advantage of optimal climactic conditions. Seeding will occur in late June to take advantage of the region's July and August rainy season (known locally as the "monsoon season").

11.3 Construction and Early Development Reclamation

11.3.1 Growth Medium Removal and Stockpiling

Where possible, growth medium will be removed from areas to be affected by the La Jara Mesa Project surface facilities. This material will be stockpiled for final reclamation.

Stockpile growth medium material will be protected from wind and water to avoid any erosion. During the first normal planting season following development of the growth medium stockpile, the stockpile will be seeded with the seed mixture shown in **Table 10-1, Seed Mixture**.

Table 11-1 Seed Mixture

Species	Pounds of Pure Live Seed Per Acre
Western wheatgrass	8
Prairie junegrass	3
Sideoats grama	5
Sand dropseed	1
Arizona fescue	4
TOTAL	21

11.3.2 Erosion and Sediment Control (Stormwater Management)

Laramide will maintain a stormwater management plan for the La Jara Mesa Project site. Drainage from undisturbed areas will be routed around the surface facilities. Stormwater on the site will be controlled by proper grading, ditching, dugout basins, and silt fencing.

11.3.3 Invasive and Noxious Weed Control

Undesirable invasive and noxious weeds can assault disturbed areas, both in the short and long term. Necessary control measures including hand pulling, hand digging, biological control and chemical herbicides will be used to prevent and restrict the spread of noxious weeds. Certified noxious weed free mulch and seed mixtures will be used to reclaim disturbed areas and control the spread of invasive and noxious weeds.

11.4 Final Reclamation Practices

The general steps to be used in reclaiming disturbed areas at the La Jara Mesa Project are as follows:

- Decommissioning of facilities;
- Removal of structures and facilities;
- Portal and escape raise closure;
- Recontouring and regarding;
- Growth medium replacement;
- Fertilizing, mulching and seeding; and,
- Fence removal.

11.4.1 Decommissioning of Facilities

Following permanent closure of the operation, salvageable equipment, instrumentation and furniture will be removed from the site. This activity will occur prior to actual removal of structures and facilities.

11.4.2 Removal of Structures and Facilities

Unless ongoing beneficial use is determined based on the development and mining work, at the close of reclamation, project site structures and other facilities will be demolished and/or dismantled and removed from the site at the time of permanent closure. This will include office and maintenance structures, compressor facility, water and fuel storage tanks, the power line, and other temporary trailers, ancillary and storage facilities.

Salvageable equipment and trailers will be moved to another project, sold, or properly disposed of off site. Unsalvageable portions of any facilities, such as a concrete pad used at the temporary maintenance shop, will be broken up and buried on site.

11.4.3 Portal and Escape Raise Closure

The project site portals will be closed and sealed similar to the detail shown on **Figure 8, Portal and Raise Closure Plans**. A concrete, cemented cinder block or similar constructed bulkhead will be installed inside each portal. Each incline will be backfilled with waste rock material, extending from the portal bulkhead to outside the actual portal.

The escape raise will be closed and sealed as shown on **Figure 8, Portal and Raise Closure Plans**. A reinforced concrete slab or steel beams with solid steel plates will be placed over the borehole on firm bedrock and will be anchored into solid bedrock. This concrete or steel structure will be constructed for permanence and to sustain the expected weight of the rock material that will be placed on top of the structure. Approximately four to five feet of rock material will be used to cover the concrete slab or steel structure. An additional 10 to 15 percent volume of material will be placed to allow for possible future settlement. This rock material will then be graded to provide for drainage away from the backfilled opening. Growth material (estimated at 6 inches) will be spread on top of the rock fill, and the site will be seeded with the mixture set forth in **Table 10-1, Seed Mixture**.

11.4.4 Recontouring and Regrading

Areas disturbed by Laramide will be contoured and graded, as necessary, to blend into the surrounding topography and terrain. See **Figure 9, Post-Project Topography**. Final out slopes from the portal pad area will be graded to a 3H:1V slope. Compacted areas such as roads and the top of the portal pad will be ripped or disked or otherwise left in a roughened condition prior to growth medium material replacement.

11.4.5 Growth Medium Replacement

Depths for growth medium (near surface and sub-surface soil) salvage in the project area range from 0 to 12 inches. If there are isolated pockets of thicker growth medium material within the area proposed for portal and escape raise facilities, such material will be salvaged to ensure an adequate source of growth medium material for reclamation. For reclamation purposes, it will be assumed that there is six inches of growth material available for salvage and replacement on the final regraded areas.

11.4.6 Fertilizing, Mulching and Seeding

Chemical and physical changes can occur in stockpiled growth medium material. Following its replacement, growth medium samples will be analyzed for pH, nitrogen, phosphorus and potassium to determine its fertility and nutrient status. Approximately one sample per acre will be taken to determine growth medium fertility. For present planning purposes, it is assumed that an inorganic fertilizer (12% nitrogen, 15% phosphorous, 14% potassium) will be applied to the

reapplied growth medium material. A fertilizer rate of approximately 200 pounds per acre will be used; this application rate will be revised, as appropriate, after the growth medium nutrient sampling and subsequent fertilization recommendations from a qualified soil scientist and/or soils laboratory.

Straw mulch will be applied to the growth medium material to reduce erosion, promote stabilization, and enhance seed germination. For present planning purposes, approximately two tons per acre of certified weed free straw mulch per acre will be applied.

Regraded areas will be broadcast seeded from species approved by the Forest Service. The seed mixture used as part of the reclamation bond calculation is set forth in **Table 11-1, Seed Mixture**. The ultimate species selection will be based on a Forest Service listing of reclamation plants, seed availability and cost.

Fertilizing and seeding will be conducted in June to take advantage of the July and August rainy season (known locally as the “monsoon season”) moisture.

11.4.7 Fence Removal

The chain link security fencing around the explosives storage area will be dismantled and removed from the site once the explosives and storage magazines are removed.

Similarly, the chain link security fencing around the escape raise will be removed once the raise is closed and reclaimed.

The 4-strand barbed wire fence installed around the perimeter of the surface portal area will remain in place for three years after site closure to ensure that revegetation is successful. This fencing will preclude any unwanted livestock grazing at the site. Unless there is some long-term benefit for this site fencing, the fencing will be removed in the third year after site closure.

11.5 Post-Project Land Use and Topography

The post-project land use will be for wildlife use, the same use that currently exists.

11.6 Reclamation Success Criteria and Monitoring

The reclamation goals for the disturbance at the La Jara Mesa Project are as follows:

- Stabilize the site; and,
- Establish a vegetative community for future wildlife use.

Laramide will monitor reclamation success for three years following site decommissioning and final reclamation according to Forest Service and New Mexico permit requirements. Reclaimed areas will be monitored for soil erosion and revegetation success.

Laramide will evaluate vegetative cover and species composition during the first and third year after final reclamation. Adjacent undisturbed vegetation communities and vegetation reference areas will be established to serve as a means of comparing project revegetation with natural vegetation. The reference area will be selected from representative undisturbed plant communities adjacent to the disturbed areas.

Vegetation cover will be estimated using a foliar and basal cover measured by the line intercept method. In addition, as part of the determination for successful revegetation of disturbed areas, the following guidelines will be considered:

- Successful establishment of the desired species;
- Evidence of vegetative reproduction processes;
- Evidence of overall site stability; and,
- Indication that revegetation cover of reclaimed sites is trending toward and/or matching the vegetation cover found in the adjacent reference area.

The success of reclamation will be monitored during the first and third year, after final reclamation, to ensure that erosion is minimized and that species re-establishment is occurring. Maintenance will be conducted on site as necessary to ensure establishment of species.

12.0 ENVIRONMENTAL MANAGEMENT AND MITIGATION

Existing federal and state rules and regulations require management and mitigation measures to mitigate environmental consequences associated with mineral development or mining.

Management and mitigation practices are based on federal, state and local laws and regulations, current technology, and best management practices. The objectives of these practices are to reduce or avoid adverse impacts to the environment and to reclaim disturbed areas.

12.1 Air Quality

1. Applicable state and federal air quality standards will be met through the use of best available control technology to control emissions, as required by the New Mexico Environment Department, Air Quality Bureau.
2. Dust control will be implemented for the site access road that will involve periodic watering to control fugitive dust generation and/or chemical treatment. A water truck will run periodically in the drier months, wetting the roads to minimize dust. The access road will be maintained regularly by a motor grader to remove any rock, silt or other debris. Smooth and clean road surfaces are essential for not only minimizing dust but also for allowing efficient, safe and economical use of the road.
3. On-site diesel generators will be operated under air quality limitations required by New Mexico air quality rules and regulations. Generators will be maintained on a regular basis to ensure proper operation and to minimize emissions.

12.2 Cultural and Historic Resources

1. Laramide and its contractors will inform their employees about relevant federal regulations intended to protect cultural resources and about the sensitivity of designated traditional cultural properties in the region.
2. If any cultural resources are unearthed or otherwise encountered during the construction and installation of the surface facilities at the La Jara Mesa portal site, such construction activities will cease in the area of discovery, and the Forest Service will be notified that such cultural resources can be identified and appropriate resource protection measures

developed and implemented per the Forest Service and the New Mexico Historic Preservation Office.

12.3 Erosion and Sediment Control Measures

1. Stormwater management will be implemented for the project area to include the construction and maintenance of diversion channels to route precipitation runoff away from the facilities at the portal site.
2. No dirt moving activities (i.e., upgrade of access road and construction of portal site) will occur when soils are too wet to support heavy equipment. Should heavy rains occur in the area, construction work will be delayed until soil conditions improve.
3. Travel across drainages will be restricted to existing roads.
4. Laramide will maintain a compact operation with implementation of concurrent reclamation activities.
5. The pad area at the surface portal site will be graded to promote surface water runoff. Upon permanent site closure, the pad will be reclaimed to allow for surface runoff and minimal infiltration.

12.4 Health and Safety

1. Any activity associated with an underground operation with associated surface facilities requires that the health and safety aspects be considered as an integral part of the planning aspects and operation at the site. Laramide considers safety to have the highest priority in operation of the La Jara Mesa Project.
2. The project will conform with all health and safety rules and regulations of MSHA. Such MSHA regulations require worker safety training and the maintenance of a ground control plan for underground activities.

12.5 Livestock and Grazing

1. Laramide will implement noxious weed control as part of activities to preclude the spread of such undesirable species into adjacent rangeland.
2. Project activities will be kept as compact as possible to minimize disturbance.
3. Surface facility areas (portal site and vent raise area) will be fenced to preclude livestock access to the site.
4. Reclamation will return disturbed sites to a productive condition following operations.

12.6 Noise

The La Jara Mesa Project is located in a relatively unpopulated, remote area. Most of the activities will occur underground. In addition, there are no occupied residences or potentially sensitive human receptors in the immediate vicinity of the project.

1. Laramide and its contractors will maintain surface equipment in order to minimize noise.
2. An access road speed limit of 35 miles per hour (mph) will also be implemented to minimize noise impacts as a result of traffic on the access road.
3. Laramide will adhere to MSHA requirements governing worker health and safety that includes requiring hearing protection for workers in high noise areas.

12.7 Recreation

1. Only authorized travel would be allowed into the La Jara Mesa surface facilities.
2. Laramide plans to control access to the site by fencing and posting to prohibit unauthorized entry. Laramide plans for site access off State Highway 605 to be on private ground. This would allow Laramide to restrict access to the surface portal facilities site.
3. Laramide will prohibit firearms on the site, as well as prohibiting hunting in the surface facility area.

12.8 Road Construction

1. Laramide plans to upgrade access into the site as explained in Section 6.1, Site Access Road.
2. There are no plans for new road construction; however, existing private and Forest Service roads will be upgraded to provide access into the surface facility site.
3. Existing Forest Service roads can service the escape raise (FS Road 544), so no new road construction is necessary for this facility.

12.9 Soils

1. Growth medium material will be removed from areas that will be affected by the project's surface facilities.
2. Salvaged growth medium material will be stockpiled either in windrows adjacent to areas such as roads or will be maintained in larger stockpiles near the operation.
3. Growth medium stockpiles will be located out of drainage areas to prevent water erosion.
4. Salvaged growth medium material will be used in final reclamation activities upon completion of the project. In the interim, revegetation will be completed on stockpiled material to prevent wind and water erosion.
5. A noxious weed program will be implemented, if necessary, to prevent noxious weeds from colonizing growth medium stockpiles.

12.10 Trash and Other Waste Material

1. Waste bins will be provided on site for trash and refuse. A disposal company will periodically pick up the bins for transport and off-site disposal.
2. There will be no open burning of garbage and refuse at the site.
3. Petroleum waste products will be stored in approved containers separate from other trash products and transported off site for recycling or disposal in an approved waste facility.

12.11 Vegetation

1. Laramide will minimize disturbance by maintaining a compact operation. Vegetation will be cleared only in those areas necessary for surface facilities.
2. Upon permanent cessation of project activities, disturbed areas will be stabilized and seeded in accordance with the reclamation plan set forth in Section 11.0, Reclamation Plan.

3. Laramide will control undesirable and noxious weeds within disturbed areas. Hand pulling, digging, mechanical methods, and/or application of appropriate herbicides will be used for weed control.
4. Certified noxious weed free seed mixtures will be used to reclaim disturbed sites and control noxious weeds.
5. Interim revegetation will be employed where practical to stabilize embankments or structures (i.e., growth medium stockpiles and road cuts and fills), which are expected to remain in place until final reclamation.

12.12 Visual Resources

1. Vegetation and trees will be retained wherever possible to screen facilities and maintain a natural appearance to the extent possible for travelers on State Highway 605.
2. To the extent possible, facilities will be located where they can be screened by topography or vegetation.
3. Design cuts, fills and clearings will blend in with the surrounding topography.
4. Non-reflective earth tone paints will be used on trailers and other structures.
5. Exterior lighting for the project will be kept to a minimum required for safety and security purposes. Lights will be directed down toward the interior of the project site.

12.13 Wildlife

1. Laramide will minimize disturbance to wildlife habitat by maintaining a compact operation. Vegetation will be cleared only in those areas necessary for project activities.
2. Four-strand barbed wire fencing will be constructed and maintained around the surface facilities of the project site to exclude livestock; however, this fencing will allow for deer passage in either direction.
3. During construction, development and mining activities, trash and other miscellaneous inert (non-hazardous) garbage will be contained in on-site containers, then hauled to an off-site landfill for disposal. Special care will be taken with used oils, grease and antifreeze; these chemicals will be handled separately from normal trash and garbage.
4. Laramide will establish a 35 mph speed limit for the site access road. This should reduce the potential for vehicle/wildlife collisions.
5. There will be no hunting or discharge of firearms during construction, development or mining operations within the fenced boundary of the La Jara Mesa Project.
6. Electric power structures to serve the proposed La Jara Mesa facility will be designed and constructed to avoid raptor electrocutions.

13.0 ENVIRONMENTAL MONITORING

Laramide will design and implement environmental monitoring programs that meet the requirements of the Forest Service and New Mexico agencies with regulatory oversight of the project. These programs will be implemented and maintained as part of the development and mining activities.

Monitoring will determine the effects of project activities and the efficiency of mitigation measures. Monitoring will also provide input to government agencies regarding project performance. The information gained during monitoring will be used as the basis for designing additional or altering existing mitigation measures, if necessary.

Laramide will monitor for reclamation success according to the plans set forth in Section 11.6, Reclamation Success Criteria and Monitoring. Areas to be monitored will include growth medium placement, revegetation success, and presence of erosion. Laramide will also monitor disturbed sites for undesirable and noxious weeds.

Figure 1 General Location Map

Figure 2 Site Access and Surface Ownership

Figure 3 Historic Exploration Activity

Figure 4 Claims Map

Figure 5 Site Geology

Figure 6 Site Plan Layout

Figure 7 Raise Layout with Escape Hoist

Figure 8 Portal and Raise Closure Plans

Figure 9 Post Project Topography