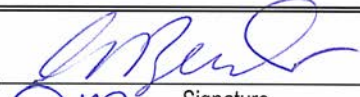



# PLAN OF OPERATIONS FOR MINING ACTIVITIES ON NATIONAL FOREST SYSTEM LANDS

*USE OF THIS FORM IS OPTIONAL!* 1<sup>st</sup> TIME USERS SHOULD DIRECT QUESTIONS REGARDING THIS FORM OR REGULATIONS (36 CFR 228A) TO THE FOREST SERVICE DISTRICT OFFICE NEAREST YOUR AREA OF INTEREST.

Submitted by:		President & CEO	03/21/16
	Signature	Title	Date
		Manager of Administration	03/21/16
	Signature	Title	Date
Plan Received by:	_____	_____	_____
	Signature	Title	Date (mm/dd/yy)

## I. GENERAL INFORMATION

- A. Name of Mine/Project: Apex El Nido
- B. Type of Operation: Hard Rock Exploration & Drilling  
*(lode, placer, mill, exploration, development, production, other)*
- C. Is this a (new/continuing) operation? *(check one)*.  
If continuing a previous operation, this plan (replaces/ modifies/ supplements) a previous plan of operations. *(check one)*
- D. Proposed start-up date (mm/dd/yy) of operation: 05/01/16
- E. Expected total duration of this operation: Approximately 6-8 weeks
- F. If seasonal, expected date (mm/dd/yy) of annual reclamation/stabilization close out: 09/30/16
- G. Expected date (mm/dd/yy) for completion of all required reclamation: 09/30/16

## II. PRINCIPALS

- A. Name, address and phone number of operator:  
Millrock Exploration Corporation Address: PO BOX 200867, Anchorage, AK 99520 Phone: 907-677-7479
- B. Name, address, and phone number of authorized field representative (if other than the operator).  
Attach authorization to act on behalf of operator.  
Same as above
- C. Name, address and phone number of owners of the claims (if different than the operator):  
Millrock Alaska LLC Address: PO Box 200867, Anchorage, AK 99520 (907) 677-7479

*(If more space is needed to fill out a block of information, use additional sheets and attach form)*

**D. Name, address and phone number of any other lessees, assigns, agents, etc., and briefly describe their involvement with the operation, if applicable:**

N/A

**III. PROPERTY OR AREA**

*(Name of claim, if applicable, and the legal land description where the operation will be located.)*

<b>MC#</b>	<b>Name</b>	<b>Section</b>	<b>Township</b>	<b>Range</b>
See attached	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**IV. DESCRIPTION OF THE OPERATION**

**A. Access.** Show on a map (USGS quadrangle map or a National Forest map, for example) the claim boundaries, if applicable, and all access needs such as roads and trails, on and off the claim. Specify which Forest Service roads will be used, where maintenance or reconstruction is proposed, and where new construction is necessary. For new construction, include construction specifications such as widths, grades, etc., location and size of culverts, describe maintenance plans, and the type and size of vehicles and equipment that will use the access routes.

The Apex El Nido Exploration project entails conducting hard rock exploration through diamond core drilling. This will be accomplished by the use of a helicopter-portable diamond drill. It is anticipated a maximum of 10 holes will be drilled in the 2016 season. The purpose of the exploration is to determine the presence, extent and quantity of gold mineralization as well as determining the geology of the area. The project is located within the Tongass National Forest on Chichagoff Island, approximately two miles southwest of Pelican, AK. Millrock owns or has interest in 39 Federal Mining Claims within Sections 13 & 22-27, Township 45S, Range 56E, Copper River Meridian. The project is situated in the Cann Creek Drainage. The waters of Cann Creek are not catalogued as anadromous by the Alaska Dept. of Fish and Game. One diamond drill will be at the exploration site. The diamond drill is moved by helicopter and supported on the ground by timbers. A maximum of 10 holes will be drilled with to a maximum depth of 1500 ft. Up to 2 holes will be drilled at each drill pad location, resulting in a maximum of five drill sites. Specific drill site locations are identified on the enclosed maps. Drill site and surface disturbance/footprint is expected to be minimal, and every effort will be made to site holes which use existing flat topography. The 10 diamond bore holes will result in up to approximately 0.1 acres of disturbance, or 5000 square feet total (1000 square feet per drill site location).

**B. Map, Sketch or Drawing.** Show location and layout of the area of operation. Identify any streams, creeks or springs if known. Show the size and kind of all surface disturbances such as trenches, pits, settling ponds, stream channels and run-off diversions, waste dumps, drill pads, timber disposal or clearance, etc. Include sizes, capacities, acreage, amounts, locations, materials involved, etc.

Please see attached

*(If more space is needed to fill out a block of information, use additional sheets and attach form)*

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**C. Project Description.** Describe all aspects of the operation including mining, milling, and exploration methods, materials, equipment, workforce, construction and operation schedule, power requirements, how clearing will be accomplished, topsoil stockpile, waste rock placement, tailings disposal, proposed number of drillholes and depth, depth of proposed suction dredging, and how gravels will be replaced, etc. Calculate production rates of ore. Include justification and calculations for settling pond capacities, and the size of runoff diversion channels

The activity for the Apex El Nido Exploration project entails conducting hard rock exploration through diamond core drilling. The purpose of the exploration is to determine the presence, extent and quantity of the mineralization of copper, gold and molybdenum. Determining the geology of the area in which the minerals mentioned are located is also a goal of the exploration project.

During the 2016 field season less than 1 acres will be disturbed by a maximum of 10 diamond drill holes via these geological exploration activities.

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**D. Equipment and Vehicles.** Describe that which is proposed for use in your operation (Examples: drill, dozer, wash plant, mill, etc.). Include: sizes, capacity, frequency of use, etc.

One diamond drill will be at the exploration site. The diamond drill is moved by helicopter and supported by timbers. A maximum of 10 holes will be drilled, multiple holes will be drilled from individual drill sites with a diamond bore drill to a maximum depth of 1200ft. Drill sites will be mainly constructed and leveled with 8" x 8" x 12' timbers with only minor amounts of ground disturbed to level the lowest level of the platforms and surface disturbance/footprint is expected to minimal and every effort will be made to site holes which use existing flat topography. The drill holes will result in <1 acres of disturbance, or a maximum of 1000sq ft per drilling location. For drill hole locations on high-angle or rugged terrain, a post and beam will be used for drill pads.

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**E. Structures.** Include information about fixed or portable structures or facilities planned for the operation. Show locations on the map. Include such things as living quarters, storage sheds, mill buildings, thickener tanks, fuel storage, powder magazines, pipelines, water diversions, trailers, sanitation facilities including sewage disposal, etc. Include engineering design and geotechnical information for project facilities, justification and calculations for sizing of tanks, pipelines and water diversions, etc.

Each drill site will have an emergency shelter available (WeatherPort type tent). A bucket and bag system will be used for human waste. The waste will be transported off site for disposal.

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#### V. ENVIRONMENTAL PROTECTION MEASURES (SEE 36 CFR 228.8)

**A. Air Quality.** Describe measures proposed to minimize impacts on air quality such as obtaining a burning permit for slash disposal or dust abatement on roads.

N/A

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*(If more space is needed to fill out a block of information, use additional sheets and attach form)*

**B. Water Quality.** *State how applicable state and federal water quality standards will be met. Describe measures or management practices to be used to minimize water quality impacts and meet applicable standards.*

1. *State whether water is to be used in the operation, and describe the quantity, source, methods and design of diversions, storage, use, disposal, and treatment facilities. Include assumptions for sizing water conveyance or storage facilities.*
2. *Describe methods to control erosion and surface water runoff from all disturbed areas, including waste and tailings dumps.*
3. *Describe proposed surface water and groundwater quality monitoring, if required, to demonstrate compliance with federal or state water quality standards.*
4. *Describe the measures to be used to minimize potential water quality impacts during seasonal closures, or for a temporary cessation of operations.*
5. *If land application is proposed for waste water disposal, the location and operation of the land application system must be described. Also describe how vegetation, soil, and surface and groundwater quality will be protected if land application is used.*

Water for the diamond drilling will be acquired from nearby streams and ponds. Screens will be placed on intake hose prior to pumping from any water body. Water for drilling operations will be supplied via a 5 gallon per minute (gpm) pump through a maximum 5,000ft length of hose. The pump intake is 1.5 inches and will work at a maximum rate of 5 gpm for 24 hours resulting in a maximum withdrawal rate of 7,200 gallons per day (gpd). Drilling is expected to take approximately six to eight weeks and will occur on or around May 1, 2016 through early-August on the exploration project site. It is anticipated that 10 holes will be drilled during the 2016 field season.

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**G. Solid Wastes.** *Describe the quantity and the physical and chemical characteristics of solid waste produced by the operation. Describe how the wastes will be disposed of including location and design of facilities, or treated so as to minimize adverse impacts.*

A bucket and bag system will be used for human waste. The waste will be transported off site for disposal.

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**D. Scenic Values.** *Describe protection of scenic values such as screening, slash disposal, or timely reclamation.*

N/A

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**E. Fish and Wildlife.** *Describe measures to maintain and protect fisheries and wildlife, and their habitat (includes threatened, endangered, and sensitive species) affected by the operations.*

All water pumps will have screens and all diamond bore holes will not be drilled within 100ft of anadromous streams. In addition, no borehole drilling water will be allowed to enter streams or wetlands directly. Drills will be placed at least 1000 feet away from bear dens.

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**F. Cultural Resources.** *Describe measures for protecting known historic and archeological values, or new sites in the project area.*

Proposed exploration areas will be surveyed for cultural resources prior to work and those cultural resource surveys will be performed when the ground is not frozen and free of snow. Previously undiscovered cultural, archaeological or paleontological sites will be identified and appropriate agencies notified, but the sites will be avoided by relocating the exploration drill site.

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**G. Hazardous Substances.** *1. Identify the type and volume of all hazardous materials and toxic substances which will be used or generated in the operations including cyanide, solvents, petroleum products, mill, process and laboratory reagents.*

No more than 5000 gallons of fuel will be stored on the exploration project site. More typically the maximum fuel storage will be 500 gallons or less per drill site. The drill rig will be equipped with a Hydrocyclone, a centrifugal system designed to dewater and separate drill cuttings from the drilling water and muds. To the extent possible, drill water and muds will be reused and recirculated into the borehole in order to limit the total amount of water and drill additives used during the program. Drill water and mud will be recirculated in pits or tanks on the drill pad or drill pad platform.

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*1. For each material or substance, describe the methods, volume, and frequency of transport (include type of containers and vehicles), procedures for use of materials or substances, methods, volume, and containers for disposal of materials and substances, security (fencing), identification (signing/labeling), or other special operations requirements necessary to conduct the proposed operations.*

Fuel will be transported to the project area via helicopter in double-wall portable tanks. No more than 5,000 gallons of fuel will be stored on the exploration project site. More typically the maximum fuel storage will be 500 gallons or less per drill site. Fuel stored at the exploration site staging area will be kept in double-wall tanks inside lined fuel storage areas. Liners will have 110% capacity of the largest fuel tank stored in containment. Fuel storage areas at the drill sites will be a minimum of 100 feet away from any body of water and provide secondary containment for portable tanks or barrels temporarily stored at the sites.

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*2. Describe the measures to be taken for release of a reportable quantity of a hazardous material or the release of a toxic substance. This includes plans for spill prevention, containment, notification, and cleanup.*

Emergency spill kits and absorbent materials will be kept at each drill site.

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- H. **Reclamation.** Describe the annual and final reclamation standards based on the anticipated schedule for construction, operations, and project closure. Include such items as the removal of structures and facilities including bridges and culverts, a revegetation plan, permanent containment of mine tailings, waste, or sludges which pose a threat of a release into the environment, closing ponds and eliminating standing water, a final surface shaping plan, and post operations monitoring and maintenance plans.

All drill holes will be reclaimed concurrently with exploration. Diamond drill holes will be plugged with Volcay grout, a bentonite clay grout, or equivalent from bottom to top. Any bore hole making artesian water will be plugged according to Alaska Division of Mining, Land & Water requirements. No drilling mud or aqueous drilling solutions from the diamond bore holes shall be allowed to enter streams or wetlands. Drill hole cutting will be buried in sump pits (typically 10 ft x 4 ft in area). Topsoil and overburden will be separated and stockpiled for future use. The disturbed surface will be re-contoured with surrounding physiography using the stockpiled overburden to promote natural plant growth and reseeded to protect from any further erosion. No exploration roads will be constructed and drill pad disturbance will be kept to a minimum through the use of temporary timber pads. Structures and pads will be dismantled and removed at the completion of exploration. Trash will be removed from the site on a daily basis.

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## VI. FOREST SERVICE EVALUATION OF PLAN OF OPERATIONS

- A. **Required changes/modifications/special mitigation for plan of operations:**

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- B. **Bond.** Reclamation of all disturbances connected with this plan of operations is covered by Reclamation Performance Bond No. \_\_\_\_\_, dated (mm/dd/yy) \_\_\_\_\_, signed by \_\_\_\_\_ (Principal) and \_\_\_\_\_ (Surety), for the penal sum of \_\_\_\_\_. This Reclamation Performance Bond is a guarantee of faithful performance with the terms and conditions listed below, and with the reclamation requirements agreed upon in the plan of operations. This Reclamation Performance Bond also extends to and includes any unauthorized activities conducted in connection with this operation.

*The bond amount for this Reclamation Performance Bond was based on a bond calculation worksheet. The bond amount may be adjusted during the term of this proposed plan of operations in response to changes in the operations or to changes in the economy. Both the Reclamation Performance Bond and the bond calculation worksheet are attached to and made part of this plan of operations. Acceptable bond securities (subject to change) include:*

1. *Negotiable Treasury bills and notes which are unconditionally guaranteed as to both principle and interest in an amount equal at their par value to the penal sum of the bond; or*
  2. *Certified or cashier's check, bank draft, Post Office money order, cash, assigned certificate of deposit, assigned savings account, blanket bond, or an irrevocable letter of credit equal to the penal sum of the bond.*
- 

*(If more space is needed to fill out a block of information, use additional sheets and attach form)*

VII. TERMS AND CONDITIONS

- A. If a bond is required, it must be furnished before approval of the plan of operations.
B. Information provided with this plan marked confidential will be treated in accordance with the agency's laws, rules, and regulations.
C. Approval of this plan does not constitute certification of ownership to any person named herein and/or recognition of the validity of any mining claim named herein.
D. Approval of this plan does not relieve me of my responsibility to comply with other applicable state or federal laws, rules, or regulations.
E. If previously undiscovered cultural resources (historic or prehistoric objects, artifacts, or sites) are exposed as a result of operations, those operations will not proceed until notification is received from the Authorized Officer that provisions for mitigating unforeseen impacts as required by 36 CFR 228.4(e) and 36 CFR 800 have been complied with.
F. This plan of operations has been approved for a period of or until (mm/dd/yy). A new or revised plan must be submitted in accordance with 36 CFR part 228, subpart A, if operations are to be continued after that time period.

VIII. OPERATING PLAN ACCEPTANCE

[ ]/[ ] We have reviewed and agreed to comply with all conditions in this plan of operations including the required changes, modifications, special mitigation, and reclamation requirements.

[ ]/[ ] We understand that the bond will not be released until the Authorized Officer in charge gives written approval.

Signature of [ ] Operator (or Authorized Representative) (Date) (mm/dd/yy)

IX. OPERATING PLAN APPROVAL

(Name) (Title)

Signature of (Authorized Officer) (Date) (mm/dd/yy)

Burden and Non-Discrimination Statement

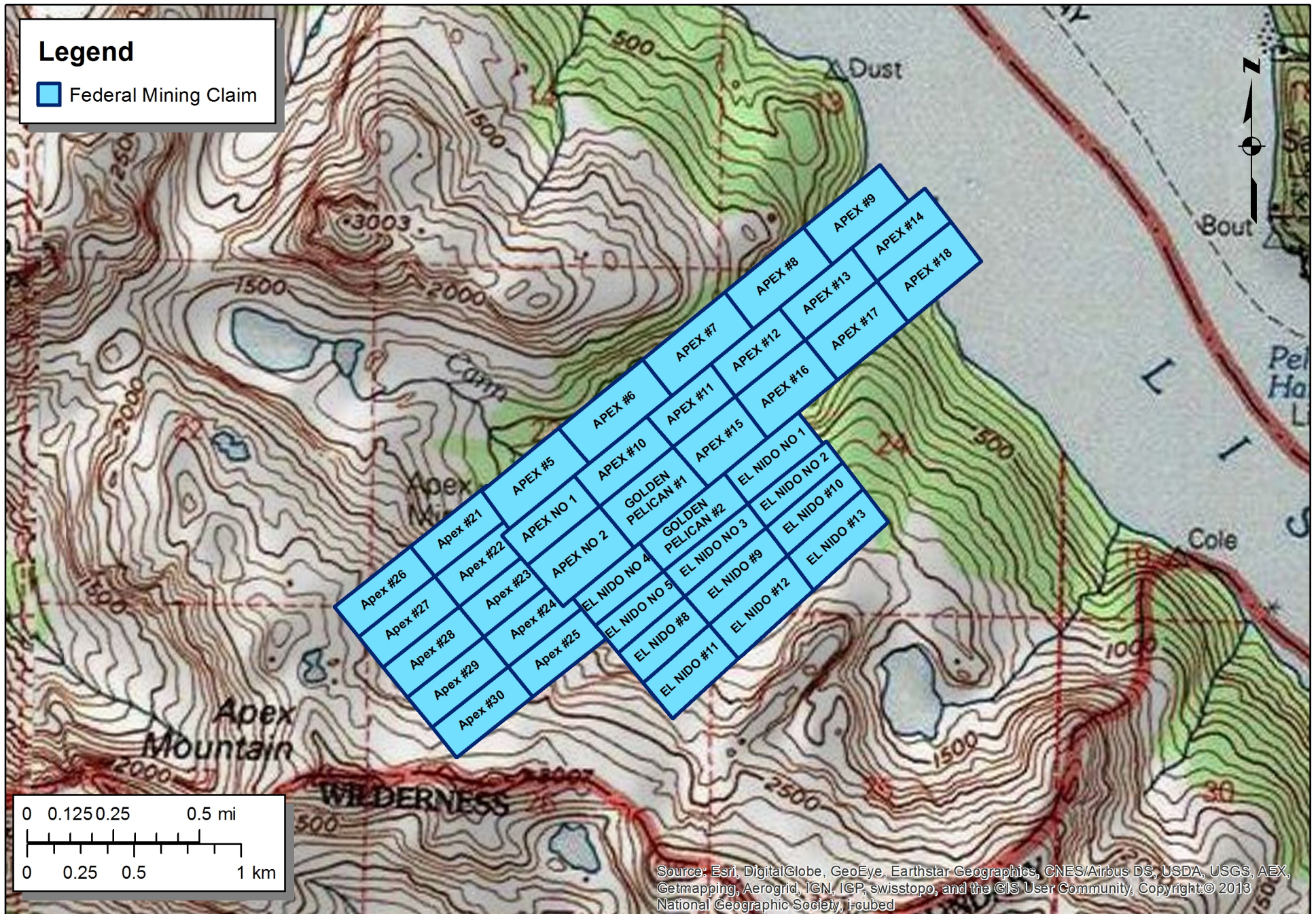
According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0022. The time required to complete this information collection is estimated to average 12 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.

(If more space is needed to fill out a block of information, use additional sheets and attach form)

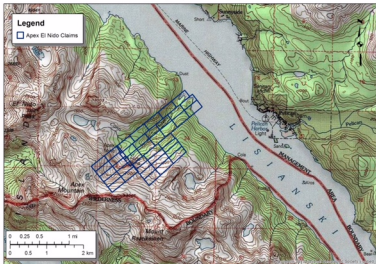
# Claim Map - Apex El Nido Property



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community, Copyright © 2013 National Geographic Society, i-cubed



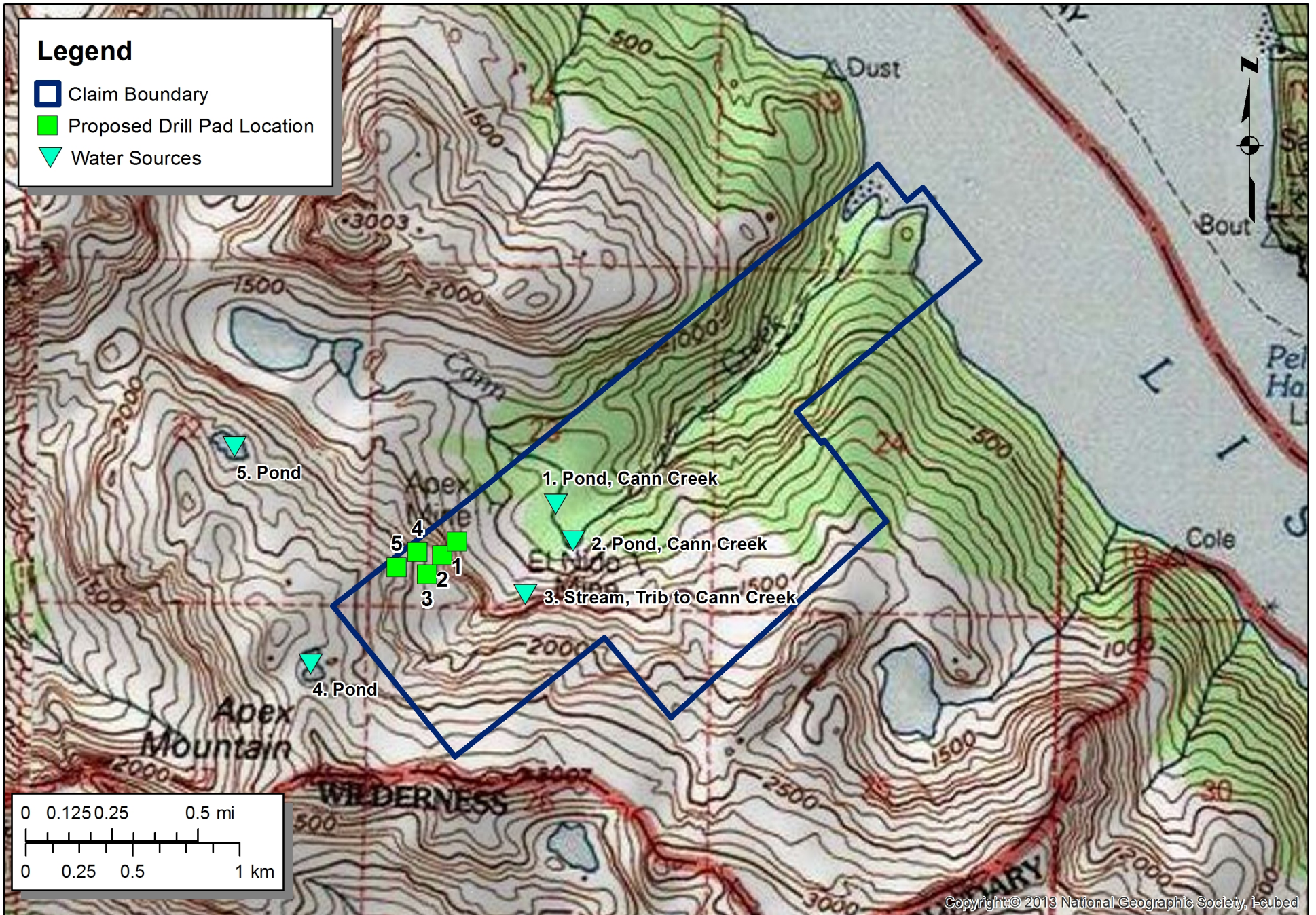
### Location Map - Apex El Nido Property



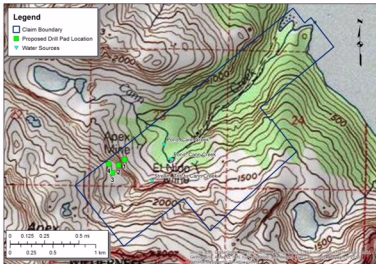
### III. PROPERTY OR AREA

Claim Number	Claim Name	MTRS	Status	Rec Date
AKAA 031380	EL NIDO NO 1	C 45S 56E 13	RECORDED	2/25/2015
AKAA 031381	EL NIDO NO 2	C 45S 56E 13	RECORDED	2/25/2015
AKAA 031387	GOLDEN PELICAN #1	C 45S 56E 26	RECORDED	2/25/2015
AKAA 031388	GOLDEN PELICAN #2	C 45S 56E 24	RECORDED	2/25/2015
AKAA 031382	EL NIDO NO 3	C 45S 56E 24	RECORDED	2/25/2015
AKAA 031373	APEX NO 1	C 45S 56E 3	RECORDED	2/25/2015
AKAA 031374	APEX NO 2	C 45S 56E 3	RECORDED	2/25/2015
AKAA 031383	EL NIDO NO 4	C 45S 56E 24	RECORDED	2/25/2015
AKAA 031384	EL NIDO NO 5	C 45S 56E 23	RECORDED	2/25/2015
AKAA 057460	APEX #7	C 45S 56E 23 NE	RECORDED	2/25/2015
AKAA 057459	APEX #6	C 45S 56E 23 SE	RECORDED	2/25/2015
AKAA 057458	APEX #5	C 45S 56E 23 SW	RECORDED	2/25/2015
AKAA 057462	APEX #9	C 45S 56E 13 SW	RECORDED	2/25/2015
AKAA 057467	APEX #14	C 45S 56E 13 SW	RECORDED	2/25/2015
AKAA 057471	APEX #18	C 45S 56E 24 NW	RECORDED	2/25/2015
AKAA 057461	APEX #8	C 45S 56E 24 NW	RECORDED	2/25/2015
AKAA 057466	APEX #13	C 45S 56E 24 NW	RECORDED	2/25/2015
AKAA 057470	APEX #17	C 45S 56E 24 NW	RECORDED	2/25/2015
AKAA 057465	APEX #12	C 45S 56E 24 NW	RECORDED	2/25/2015
AKAA 057469	APEX #16	C 45S 56E 24 NW	RECORDED	2/25/2015
AKAA 057464	APEX #11	C 45S 56E 24 NW	RECORDED	2/25/2015
AKAA 057468	APEX #15	C 45S 56E 24 NW	RECORDED	2/25/2015
AKAA 057475	EL NIDO #10	C 45S 56E 24 SW	RECORDED	2/25/2015
AKAA 057463	APEX #10	C 45S 56E 23 SE	RECORDED	2/25/2015
AKAA 057474	EL NIDO #9	C 45S 56E 26 NE	RECORDED	2/25/2015
AKAA 057477	EL NIDO #12	C 45S 56E 26 NE	RECORDED	2/25/2015
AKAA 057473	EL NIDO #8	C 45S 56E 26 NE	RECORDED	2/25/2015
AKAA 057476	EL NIDO #11	C 45S 56E 26 NE	RECORDED	2/25/2015
AKAA 057478	EL NIDO #13	C 45S 56E 24 SW	RECORDED	2/25/2015
Pending	Apex 21	C 45S 56E 23 SE	PENDING	-
Pending	Apex 22	C 45S 56E 23 SE	PENDING	-
Pending	Apex 23	C 45S 56E 23 SE	PENDING	-
Pending	Apex 24	C 45S 56E 23 SE	PENDING	-
Pending	Apex 25	C 45S 56E 23 SE	PENDING	-
Pending	Apex 26	C 45S 56E 26 NW	PENDING	-
Pending	Apex 27	C 45S 56E 26 NW	PENDING	-
Pending	Apex 28	C 45S 56E 26 NW	PENDING	-
Pending	Apex 29	C 45S 56E 26 NW	PENDING	-
Pending	Apex 30	C 45S 56E 26 NW	PENDING	-

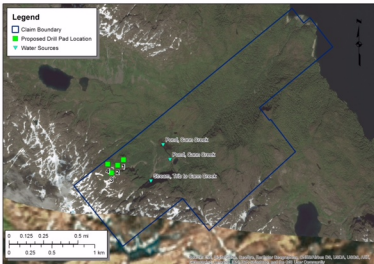
# Water Source Map - Apex El Nido Property



### Location Map - Apex El Nido Property



## Location Map - Apex El Nido Property



# Daily Drill Inspection Form

Drill Rig: \_\_\_\_\_ Inspector: \_\_\_\_\_

Drillers Name: \_\_\_\_\_ Date and Time: \_\_\_\_\_

Drillers Names: \_\_\_\_\_ Status and Depth(m): \_\_\_\_\_

All PPE is Worn: hardhat, safety glasses, ear protections, gloves, high vis and steeltoe boots.		Appropriate Guards are Being Used on Drill and Pump		Garbage has been Removed Daily	
Fire Extinguishers are Accessable/Charged		Safety Fence is in Placed Around Sump		No Litter Around Drill Site	
Radio is Working and Sat Phone is on Site		Firearms are in the Correct Place and Ready For Emergency		Garbage Bin has a Lid	
Tripping Hazards		Bear Spray and Air Horns are in the Correct Place and Ready		Water Pump area is Clean	
Slipping Hazards		No Oil/Fuel Leaks at Drill Site		No Oil/Fuel Leaks at Pump Site	
First Aid Kit Accessible		Spill Gear is Accessible		Safety Tent is in Good Order	
First Aid Kit Stocked		Eye Wash Stocked		Bear Fence is iin Good Order	

Comments:

Inspector signature

# Daily Drill Inspection Form

Drill Rig: \_\_\_\_\_ Inspector: \_\_\_\_\_

Drillers Name: \_\_\_\_\_ Date and Time: \_\_\_\_\_

Drillers Names: \_\_\_\_\_ Status and Depth(m): \_\_\_\_\_

All PPE is Worn: hardhat, safety glasses, ear protections, gloves, high vis and steeltoe boots.		Appropriate Guards are Being Used on Drill and Pump		Garbage has been Removed Daily	
Fire Extinguishers are Accessable/Charged		Safety Fence is in Placed Around Sump		No Litter Around Drill Site	
Radio is Working and Sat Phone is on Site		Firearms are in the Correct Place and Ready For Emergency		Garbage Bin has a Lid	
Tripping Hazards		Bear Spray and Air Horns are in the Correct Place and Ready		Water Pump area is Clean	
Slipping Hazards		No Oil/Fuel Leaks at Drill Site		No Oil/Fuel Leaks at Pump Site	
First Aid Kit Accessible		Spill Gear is Accessible		Safety Tent is in Good Order	
First Aid Kit Stocked		Eye Wash Stocked		Bear Fence is iin Good Order	

Comments:

Inspector signature

# Typical drill pad design and setup

