
September 27, 2016

Mr. Mark Sando
Globe Ranger District
Tonto National Forest
7680 South Six Shooter Canyon Road
Globe, Arizona 85501

**Response to Plan of Operations Completeness Review Comments
Pinto Valley Mine, Miami, Arizona**

Dear Mr. Sando:

Thank you for your letter dated August 11, 2016 where you identified a change to the pending Plan of Operations (Plan) for Pinto Valley Mine that was necessary before the Plan would be deemed complete. A preliminary response was provided on August 15, 2016 and subsequently discussed with representatives of the Tonto National Forest on September 14, 2016. Attached please find revised pages to the May 13, 2016 Plan which addressing your comments about continued access to Pinto Valley Mine via FR287. For convenience, a Revision Log has been created to track these and any subsequent revisions to the Plan text as the Plan works its way through the NEPA process.

Please do not hesitate to contact me at your convenience if you have any questions or require additional detail.

Respectfully,
Pinto Valley Mining Corp.



Timothy Ralston
Sr. Environmental Supervisor

cc: Alex Mankin, TNF District Geologist
Colleen Roche, PVMC HSEC Manager
Judd Sampson, TNF Forest Geologist

that the 2009 Plan be revised to incorporate “as-built” mapping and more detail about proposed reclamation activities on NFS lands.

Since acquisition of the Pinto Valley Mine in 2013, PVMC has planned further facility development, including additional activities on NFS lands. Based on the 2009 Plan and incorporating planned new uses of NFS lands, PVMC submitted a revised Plan to the USFS in October 2014. Further refinements to the Plan were made in March 2015, pursuant to the USFS’s comments from their completeness review of the October 2014 version. Additional comments were received from the USFS in September 2015 and have been addressed in this Plan, which also includes the “as-built” information in **Appendix E**. This “final draft” version of the Plan will be revised as needed at the conclusion of the USFS’s National Environmental Policy Act (NEPA) evaluation of the Plan to become the final, approved Plan of Operations.

Each of the past, present, and proposed future uses of NFS lands, summarized in **Table 1-1**, is addressed in this Plan. Disturbance areas and the associated area of affected claims (see **Section 1.4**) are provided in measured acres for large (non-linear) facilities and, for temporary access roads (TARs), length and calculated acres (based on average road width). The total length of Forest Roads (FRs) used by PVMC to access mine facilities is provided but not included in the calculation of disturbance area because the FRs were developed by the USFS, not PVMC. For other linear utility infrastructure (water pipelines and electrical power lines), lengths are provided but because most these facilities follow FRs or TARs, there is no additional disturbance area. In summary, at the end of the current planned life of mine PVMC will use 649.25 acres of NFS lands, plus 26.96 miles of FRs to access mine facilities and/or as alignments for linear utility infrastructure.

I.4 LAND OWNERSHIP

The Pinto Valley Mine is owned and operated by PVMC, a wholly owned indirect subsidiary of Capstone Mining Corp. (Capstone). Contact information for PVMC is provided below.

Pinto Valley Mining Corp.
P.O. Box 100
2911 N. Forest Road 287
Miami, Arizona 85539
(928) 473-6400

Adjacent NFS lands surrounding nearly the entire private PVMC property are administrated by the USFS as the Tonto National Forest, Globe Range District (**Figures 1-3**). Additional private land adjoining the southwestern corner of the private PVMC property is the Carlota Mine, owned by Carlota Copper Company. BLM-administrated lands lie nearby, but do not abut the private PVMC property.

Table I-I Summary of PVMC Uses of NFS Lands at End of Mine Life

Facility	Disturbance Area (acres) or Length (miles)	Area of Affected Claims (acres)	Description
Mining Activities			
Open Pit	28.9 acres	75.7 acres	Pit and related infrastructure (excluding perimeter road, which is included in the TARs)
19 Dump	75.8 acres	101.3 acres	Waste rock dump
Milling and Processing			
Cottonwood Tailings Impoundment	278.5 acres	462.0 acres	Embankment and tailings impoundment, and related infrastructure (excluding Cottonwood Reservoir, which is included in the Ponds & Reservoirs)
Tailings Storage Facility No. 3 (TSF3)	25.8 acres	36.4 acres	Tailings impoundment, sediment trap and adjoining disturbance
Tailings Storage Facility No. 4 (TSF4)	171.0 acres	408.1 acres	Embankment, tailings impoundment, stockpiles (excluding perimeter road, which is included in the TARs)
Transportation			
Forest Roads (FRs)	26.96 miles	N/A	Used by PVMC employees and contractors to access the Pinto Valley Mine and related facilities on NFS lands
Temporary Access Roads (TARs)	30.4 acres	N/A	15.49 miles of 20-foot wide (average) unimproved (dirt) roads with berms, culverts, and erosion bars equals a calculated disturbance area 30.4 acres
Utilities			
Electrical Power Lines	10.9 miles	N/A	13.8-kV aerial lines or lower voltage ground cables, poles, transformers, and control boxes; the infrastructure lies within FR or TAR alignments and is not included as additional disturbance area.
Water Use & Treatment			
Peak Well 37	0.02 acre	N/A	Domestic water supply well
Water Pipelines	17.9 miles	N/A	High-density polyethylene (HDPE) and steel pipelines that lie within FR or TAR alignments and are therefore not included as additional disturbance area
Ponds & Reservoirs	38.62 acres	66.0 acres	Cottonwood Reservoir, Mine Reservoir, Upper Tule Pond, Pennell Pond, evaporation ponds southwest of Cottonwood Tailings Impoundment
Water Storage Tanks	0.2 acre	N/A	Potable water tank and fire/service water tank
Support Facilities			
“Pinto Valley Mine” Sign	0.01 acre	N/A	Property identification sign
Total Area			
Total of PVMC Uses of NFS Lands	649.25 acres 26.96 miles	1,149.5 acres	Linear utility infrastructure lies within FR or TAR alignments and are therefore not included as additional disturbance area. Mileage is length of FRs used by PVMC, some of which includes linear utility infrastructure (power lines and pipelines).

NFS lands. A predecessor owner installed a berm at this location to control public access to the Open Pit and prevent theft from the abandoned Castle Dome Mine facilities.

FR 287 has a unique role. FR 287 extends north 3.2 miles from US Highway 60 to the Pinto Valley Mine property as a paved two-lane road, then passes through the Pinto Valley Mine as an unimproved (dirt) road, and continues within the Tonto National Forest west and north of the mine. The paved segment was constructed in the mid-1970s around the Cottonwood Tailings Impoundment (see **Appendix D-5**) and is also known as Pinto Valley Mine Road.

3.3.1.2. Current Use of Forest Roads by PVMC

PVMC's current use of FRs is consistent with the historical use described above. All PVMC employees and contractors use FR 287 from US Highway 60 to access the mine. PVMC is in the process of negotiating with the USFS to secure a Road Rights-of-Way and Construction and Use Agreement in accordance with the Federal Roads and Trails Act (pursuant to implementing regulations at 36 CFR 212.9(d), Forest Service Manual 5400 Chapter 5467, and Forest Service Handbook 5409.17 Chapter 60) for use and maintenance of this segment of FR 287 to Maintenance Level 5, High Degree of User Comfort. Within the mine property, FR 287 is used by PVMC to access various mine facilities; while the public uses FR 287 to pass through PVMC property and, as mentioned above, access Pinto Creek and Haunted Canyon. The total length of FR 287 within the private PVMC property is currently 3.65 miles. The route through the private PVMC property is periodically altered to accommodate mine development, thus changing the length of this segment. PVMC maintains this segment and therefore it is part of this Plan of Operations. PVMC also uses the segments of FR 287 that continue west and north of the mine on federal land to access their facilities on patented and unpatented claims on NFS lands.

The measured total length of FRs currently used by PVMC (including the segment of FR 287 from US Highway 60 to the mine entrance) is 26.96 miles. PVMC intends to use the FRs through the duration of the current planned life of the mine (i.e., 2039).

3.3.1.3. Future Use of Forest Roads by PVMC

PVMC will continue to use the FRs to access mine facilities. The alignment of FR 287 through the private PVMC property may be altered periodically to accommodate mine development. No other changes to FRs used by PVMC are anticipated.

3.3.2. Temporary Access Roads

The Temporary Access Roads (TARs) were constructed by PVMC's predecessors to directly access mine facilities (earthwork structures, infrastructure, and environmental controls) both on private PVMC property and surrounding unpatented claims, principally for maintaining and monitoring the facilities. Most of the TARs extend from FRs to access nearby facilities. A typical TAR is shown in **Appendix F, Photograph 9**.

TSF4 is fully reclaimed. Seepage will be captured in one or more impoundments on private PVMC property throughout the post-closure period.

6.4.6. Transportation

PVMC will use some FRs to access closed facilities during the post-closure monitoring period. The segment of FR 287 passing through the private PVMC property will be managed in accordance with a Road Rights-of-Way and Construction and Use Agreement as mentioned in **Section 3.3.1.2**.

At the conclusion of active mining operations approximately 15.49 miles of TARs will be located on NFS lands. A portion of these roads will be used during closure and post-closure activities; the specific roads necessary for closure and post-closure will be determined at that time. The TARs that will not be used for closure and post-closure will be regraded to restore the underlying ground slope, (which varies between 0 and 60 percent), to the extent practical. Local material will be used to restore the slopes. Any road safety berms or culverts will be removed as part of the regrading process. After regrading, the restored surface will be ripped, seeded, fertilized, and mulched.

6.4.7. Utilities and Power Distribution

Approximately 10.9 miles of electrical power lines and 186 poles will be on NFS lands at the conclusion of the active mining operations. Some of the electrical infrastructure may be necessary to support post-closure activities on either private PVMC property or NFS lands; this infrastructure will remain in place as long as necessary. All other aerial lines or surface cables on NFS lands will be deactivated and removed, and recycled or sold for reuse if possible. The poles will also be removed and disposed of or sold for reuse if possible.

All transformers on NFS lands, whether pole- or ground-mounted will be removed and salvaged or disposed of properly. PVMC uses only transformers free of polychlorinated biphenyls (PCBs). The concrete foundation for the single ground-mounted transformer at Cottonwood Reservoir will be broken up and disposed of properly; the pad will be reclaimed along with the adjacent TAR.

6.4.8. Cottonwood Reservoir

Cottonwood Reservoir is distinct from the adjacent Cottonwood Tailings Impoundment and will be closed using a different reclamation approach. At the end of the active mining operations, water pipelines system will be deactivated, and Cottonwood Reservoir will no longer be used to store water from the Burch pipeline or other sources. The water remaining in the reservoir will be pumped out, either for use in other closure activities (e.g., hydromulching), stored in other facilities (potentially including the Open Pit), or allowed to evaporate.

Because Cottonwood Reservoir is unlined, the sediments in the bottom of the reservoir will be tested to determine the chemical characteristics of the sediment and develop an appropriate closure plan. Composite samples will be used to determine the quality of sediment that will need to be excavated