

1 pregnant solution. Under Gryphons direction, residual carbon fines that were in the solution
2 were removed in the carbon press, then bagged and sent to an off-site refractory furnace to
3 recover the residual loaded gold.

4 5. Most of my early work at the mine was laying drip line on newly crushed ore
5 on top of the pad. We had considerable supplies and Waterton did not want us to do our
6 maximum effort for covering the top of the pad with leach lines. It seemed that they were
7 trying to limit the mine's effort to produce gold as quickly as possible.

8 6. Waterton took operational control over the Mine around January 2013. In
9 about August 2013, Mine management decided to stop using the carbon press because they
10 said they could not fix it. The solution would then be diverted with the carbon fines to the
11 pregnant pond as it was easier. There was a moveable 3 inch blue and/or green hose, similar
12 in size to a fire hose that was installed in August 2013 that connected the carbon fines outflow
13 in the ADR plant to the pregnant pond. Gold and silver bearing carbon fines and coarse
14 carbon that floated off the columns was pumped into the pond. The hose was moveable
15 because Mine management required it to be hidden whenever inspections occurred. When the
16 hose was installed, Glen Kile reported to management that carbon was being pumped into the
17 pregnant pond. He was told not to worry about it, as it was "money in the bank". I also heard
18 Randy Hassen, current mine manager say this in my presence many times.

19 7. One time around August 2014, I helped Glen Kile drain the preg pond of
20 solution in order to measure the thickness and obtain samples of the carbon from the pregnant
21 pond. The carbon in the pregnant pond was concentrated enough that Kile was able to walk
22 across the top of it at least 30 feet out from the edge of the drainage ditch. The carbon layer
23 was estimated to be from 3 to 6 feet thick near the drainage ditch where the blue hose
24 discharged its solutions. The amount of carbon decreased away from the area that had solid
25 carbon near the drainage ditch, but remained in high concentration as a sludge that is about 2
26 feet thick. The carbon is still in the pond and has not been removed.

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1 8. I understand from Randy Hassen, a Waterton manager, that the assays from the
2 carbon in the pregnant pond returned real good values. He said to not worry about putting
3 gold bearing carbon in the pond as it was like putting money in a bank. Basically, the carbon
4 in the pond would continue to collect gold as there were still gold bearing solutions from the
5 leach pad being diverted into the pond.

6 9. Waterton began a plan of shipping used carbon to Borealis for processing. One
7 of these sources was from the Esmeralda mine, which they sold to Klondex, and the other was
8 from the Ruby Hill mine. At least 12 bags of carbon were transported to Borealis for
9 processing. Furthermore, twelve super sacks of loaded carbon are brought down from the
10 Ruby Hill mine every 6 to 8 weeks. I help acid wash, strip the gold, dry it, electro-win the
11 gold and pour gold bars. This is the very same process that is used for the Borealis loaded
12 carbon. The material from Esmeralda and Ruby Hill would also produce fine carbon and it
13 would be delivered to the pond too. After the "new" carbon material is bagged, it is stored and
14 shipped out during the next round trip to Ruby Hill.

15 10. Around early May 2017, Waterton started being very secretive. They kept
16 information away from the operators. They also installed cameras in the file/HR office, and
17 two that pointed to the gate and parking lot. A fourth was supposed to go in the ADR plant,
18 and is not working yet. I have asked management about our future here at the mine and he
19 cannot give any of us an answer.

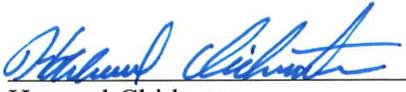
20 11. I have also asked about what they are going to do with the carbon in the pond.
21 Randy Hassan said he wants to pull the carbon out of the pond this summer using a large
22 suction pump.
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24 12. I am told by Mine management that I had to sign termination papers when I
25 was laid off in December 2015. I had no advance warning of being terminated. After I signed
26 a piece of paper, I was told to leave the Mine. I have no recollection of its content and Mine
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1 management did not provide me with a copy of what I signed. I do not remember if they
2 provided a confidentiality agreement for me to sign.

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4 13. Solution that has been run through the electro win cell produces precipitate
5 that is composed of gold and silver. This material is sometimes lost to the preg or barren
6 tanks. The plant operators recover this material for retort and kiln producing gold and silver
7 bars. The operators keep the Borealis reruns separate from Ruby Hill on the log books.
8 However, they give the Borealis gold bars to Ruby Hill. Currently, there are approximately
9 120 pounds of gold silver dore bars sitting in the safe at the mine at this time.

10 I swear under penalty of perjury that the foregoing statements in this affidavit are true.
11 DATED this 14 day of June, 2017.

12 By: 
13 Howard Chidester

14 Subscribed and sworn to before me
15 this 14th day of June, 2017.

16 
17 Notary Public

