Frequently Asked Questions

Fall2025

LA PLATA PROJECT

Metallic Minerals US Inc.

Visit us at www.laplataproject.com

We Welcome...

questions, comments, and feedback at all times. From our series of open house meetings, small group, and one-on-one engagements with community members, regulators, Tribal leaders and members, and other key stakeholders, we have noted the most frequently asked questions.

This FAQ document is dynamic and will be updated periodically as our project progresses and as we receive additional questions from the community. Our goal with this list is to represent what is most important to the community and address the key items we hear most frequently. We've organized the questions by topic area to make information easier to find. These topics represent key priorities from the community as follows; Water, Environment, Community, Project Details, Infrastructure, Tribal Relations, and Accountability.

We encourage you to check back regularly for the most current information. Should you like more information, please contact us at info@laplataproject.com.

Community Priorities

01 Water Resources and Protection

We see the watersheds in our region as vital to our way of life. We recognize the importance of the La Plata River and Mancos River systems to local communities, agriculture, and ecosystems.

We have ongoing engagement with neighbors, Tribes, national, regional, and local NGOs, and other stakeholders to understand their priorities and concerns and include their input to develop water management approaches.

1.1 How will your exploration activities affect water quality?

We design our exploration activities - core drilling, soil sampling, rock sampling, and geophysics - to carefully protect water resources.

Our water protection measures include:

- Using non-toxic drilling materials approved for water well drilling
- Implementing storm water control systems at drill sites
- Following strict spill prevention protocols for all equipment and materials
- Conducting reclamation of disturbed areas using native seed approved by Colorado Parks and Wildlife and the US Forest Service

These activities are regulated by multiple agencies including the US Forest Service, Colorado Department of Natural Resources, and Colorado Department of Public Health and Environment.

Our water quality monitoring program (described in question 1.3) allows us to track water conditions before, during, and after our exploration activities.

1.2 How could your exploration activities affect our groundwater?

Our process is designed to protect groundwater. For drilling, we use non-toxic materials that are approved for water well drilling. We use bentonite (a natural-occurring clay that expands when wet) to restrict water flow

If we encounter artesian water (groundwater that naturally rises to the surface under pressure) during drilling, we prioritize containment by immediately attempting to plug the inflow., enabling us to continue operations. As a secondary measure, if necessary, we close up the drill hole, first stopping water flow to the surface with secure drill plugs and casing if required, and then fill up the hole with concrete. All drill holes are plugged and sealed with concrete after drilling is completed, per Colorado Division of Reclamation, Mining & Safety regulations.

1.3 How do you monitor water quality?

We began baseline water quality testing the first year we acquired mineral rights (2019). SME Environmental (a local environmental firm) collects the water samples and processes the data. The analysis is performed by Green Analytical Laboratories (certified by the State of Colorado and the United States Environmental Protection Agency for analysis of drinking water contaminates). We collect water samples at each location twice a year in the spring when water is at a high level from snow melt and again in the fall at low flow. Our testing has expanded in scope over time.

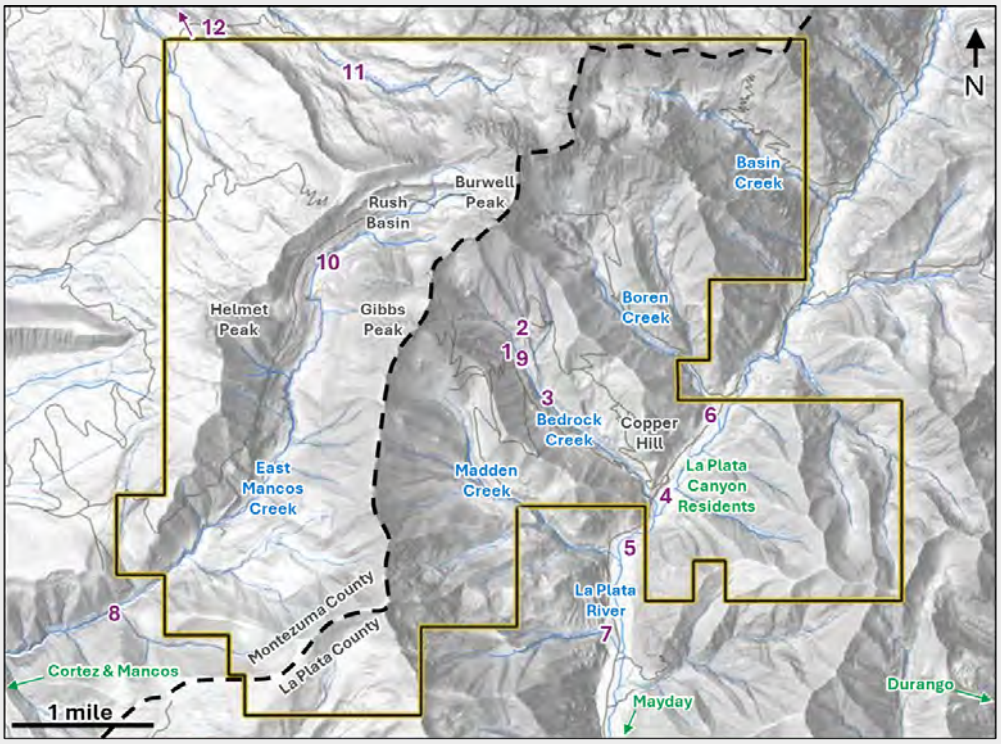
In 2024, SME tested water at 12 locations as follows:

La Plata River drainage

1 Allard adit
2 Upper Bedrock Creek
3 Middle Bedrock Creek
4 Neptune Creek Confluence
5 Madden Creek Confluence
6 Boren Creek Confluence
7 Madden Creek Confluence
9 Bedrock Creek below adit

Mancos River drainage

8 Fall Creek Confluence
10 Upper East Mancos Creek
11 Upper West Mancos River
12 Lower est Mancos River



LEGEND: Communities, Water, Geographic Features, Claim Boundary*, County Line, Water Monitoring Locations

Our water quality testing provides general chemistry information for each location on the following:

- **Major Ions (Calcium, Magnesium, etc.)**
- **Trace Element Metals (Copper, Arsenic, Chromium, Aluminum, etc)**
- **Nutrients (Nitrates, Phosphorus, Ammonium, etc.)**
- **Physical Parameters (pH, Conductivity, Temperature, etc.)**

1.4 What is your participatory water monitoring program?

Our participatory water monitoring program is a community-based initiative we've developed to:

- Increase transparency about water quality around our project area
- Build local capacity for environmental monitoring
- Incorporate community knowledge into our environmental baseline data

We've engaged Mountain Studies Institute (MSI), a local, independent non-profit research organization, to lead this program. MSI will train community member participants in proper water sampling techniques and work alongside volunteers to collect samples from the La Plata and Mancos River drainages.

The samples will be analyzed by Green Analytical Laboratories (certified by the State of Colorado and the US Environmental Protection Agency for drinking water analysis). The resulting data will be publicly available and help establish a more comprehensive understanding of water quality in the area.

While we cover MSI's costs for training, collection, and analysis, the program operates independently and is free for participants. This community-generated data will complement our existing water monitoring program and establish baseline variation in water quality over time.

For information on how to participate, contact us at info@laplataproject.com and request to be included in the water monitoring communications or contact Jewell Coleman with the Mountain Studies Institute via email at jewell@mountainstudies.org.

1.5 What is the status of your Substitute Water Supply Plans (SWSP)?

In order to supply our drilling program with water, we hold Substitute Water Supply Plans (SWSPs) for both the La Plata and East Mancos Rivers, which allow us to intake water for our use provided that we discharge the same amount and same quality of water back into the river. Neither SWSP has been utilized to date. We realize that while these plans were approved by the State of Colorado, we prefer to continue engaging with local water users to seek a collaborative approach.

Key concerns we've heard include:
- Questions about the timing and location of water replacement versus withdrawal
- Questions about untreated water from outside the basin potentially affecting local ecosystems
- Potential impacts on downstream water users

We intend to move forward by:
- Continuing to use hauled water from approved potable water fill stations for our current operations
- Working collaboratively with local stakeholders to develop improved water management approaches
- Exploring options for appropriate in-basin water sources
- Evaluate long-term options such as leases, contracts, or augmentation plans

1.6 Do you hold water rights?

No, we do not hold in-basin water rights. However, as mentioned in question 1.5 we do hold approved Substitute Water Supply Plans with the State of Colorado.

1.7 What materials are used in drilling?

We use three main materials in our drilling process:

- **Water** - for cooling and removing drill cuttings
- **Bentonite** - a natural-occurring clay mineral that swells when wet and helps maintain the integrity of the drill hole
- **Drilling mud** (see 1.10 for further details)

All of these materials are commonly used in drilling water wells for homes and agriculture.

1.8 How much water is used?

We're continuously working to optimize our water efficiency and minimize consumption. In prior drilling programs, we used approximately:

- 250-500 gallons of water per day (roughly one pickup truck bed) per drill rig
- Water used for our drilling to date has been hauled from approved potable water fill stations (see question 1.9)
- Water is managed in a closed-loop recirculation system, which means water is not released into streams or waterways once used
- The only water consumed is through evaporation or down the hole into the formation

1.9 Where does the water come from?

To date, we have exclusively used potable water purchased from the Durango Bulk Water Fill Station (Water Dock) for all our exploration drilling. This approach minimizes potential impact on local water sources while we develop more comprehensive water management solutions for both the East Mancos and La Plata River drainages.

1.10 What is Drilling Mud?

Drilling mud is a specialized fluid used in drilling operations, particularly for water wells and mineral exploration.

Main Components
Common drilling mud components include:
- Bentonite - A natural clay material that helps create the mud's consistency
- PAC (Polyanionic Cellulose) - A thickening agent also used in food products
- Polyacrylamide - A polymer - a combination of molecules - that enhances the mud's properties also commonly found in cosmetics and water treatment
- Polyacrylate copolymers - Alternative polymer additives used in some formulations

Functions and Purpose
While specific functions can vary, drilling mud typically serves to:
- Lubricate and cool the drilling equipment
- Remove rock cuttings from the borehole
- Stabilize the hole walls during drilling control pressure in the well

Safety Standards
We use drilling muds that meet the NSF/ANSI Standard 60, an international standard for components in drinking water.

The National Sanitation Foundation (NSF) was originally founded in 1944 as an organization dedicated to standardizing sanitation and food safety regarding soda fountains and luncheonette equipment. Today, NSF International has grown to become an accredited, independent third-party certification body that tests and certifies a wide range of products to verify they meet certain public health and safety standards. NSF is accredited by the American National Standards Institute (ANSI).

02 Environmental Protection and Wildlife

Our area has unique biodiversity based on its elevation ranges and habitat biomes, contributing to its natural beauty. We aim to contribute to the understanding of the local ecosystems and to design our work using best practices to respect the land and the natural environment.

2.1 Were wildlife studies done before drilling?

Yes, we studied aspects of soil, water, plant, and animal life as part of the biological studies required by the US Forest Service. Our studies have shown that no endangered species have been identified in our project area. We plan to begin additional environmental baseline studies, which will include a comprehensive study of wildlife and the environment. In parallel, we are engaging a local contractor to initiate aquatic biomonitoring.

2.2 What are the impacts of your activities on wildlife?

Most of our exploration activities have minimal impacts on wildlife as they primarily involve walking through the project area collecting soil and rock samples.
We take several steps to protect wildlife:

Timing considerations: We schedule more intensive activities to avoid sensitive wildlife periods like calving or nesting seasons when possible.

Noise management: Some exploration work, such as geophysical surveys (which involve generators) and drilling operations (which involve mechanical equipment), or helicopter operations create noise disturbances. We continue to identify ways to minimize potential impact from this noise.

Wildlife monitoring: We document wildlife observations during our field activities to build a better understanding of species in the area.

Space considerations: We maintain appropriate distances from known wildlife habitats when setting up work areas.

Ground disturbance: When we prepare drill pad areas and create access paths, we may need to clear some vegetation. We follow all regulations and authorizations during this process. We always aim to minimize disturbance and reclaim these areas as soon as we can with approved local native vegetation.

Our wildlife protections are developed in communication with Colorado Parks and Wildlife and the US Forest Service, who provide best practice guidance for the specific species in our project area.

2.3 What environmental permits do you have?

US Forest Service (USFS):
- Categorical Exclusion (Cat EX) – Obtained in 2023 – Active
- Environmental Analysis (EA) – Future Consideration

La Plata County:
- Land Use Codes

Colorado Division of Water Resources (DWR):
- Substitute Water Supply Plan – La Plata River – 2024 – Active
- Substitute Water Supply Plan – East Mancos River – 2024 – Active

Colorado Division of Reclamation, Mining and Safety (CO-DNR DRMS):
- Notice of Intent (NOI) – Allard – 2020 – Active
- Notice of Intent (NOI) – Copper Hill – 2023 – Active
- Modified Notice of Intent (NOI) – Morning Star – Under Review

03 Community Benefits and Local Economy

Our region is home to a diverse and dynamic population. We are committed to understanding local priorities while contributing meaningfully as valued members of the community.

3.1 Will you hire locally?

Yes, hiring locally is a priority for us. We currently:

- Employ local geologists, environmental scientists, and field technicians from La Plata and Montezuma counties when possible
- Contract with local businesses for services including environmental consulting, drilling, road maintenance, and accommodation
- Purchase supplies and equipment from local vendors when available

3.2 What are the potential positive impacts of your exploration activities?

We see several potential positive impacts from our work:

- **Local economic development:** Mineral exploration involves many different technical activities and skilled service businesses from drilling to geophysical and environmental surveys, sample analyses, information processing and computer modeling among others. We strive to utilize local service businesses for this work and to hire locally as much as we can. Most of our geologists, engineers and technicians live in the local communities and many are graduates of Fort Lewis College.

- **Improved infrastructure:** Our exploration activities may lead to improved or expanded access in the area including for recreational activities.

To date we've spent $2.2M with local businesses and contractors. As our exploration activities continue, we anticipate additional opportunities for local employment and business partnerships.

3.3 How could local community members be impacted by your exploration activities?

We acknowledge several potential impacts from our exploration work:

- **Traffic:** During our exploration season, we estimate 2-3 pickup trucks per day will travel to our site, along with a weekly water truck and occasionally other vehicles. We recognize this could affect local traffic patterns.

- **Noise:** Drill rigs, helicopters, and the generators we use for geophysical surveys produce noise during operation. We're exploring ways to minimize this disruption including sound barriers at the drill rig and specific flight operation protocols known to reduce and mitigate noise impacts.

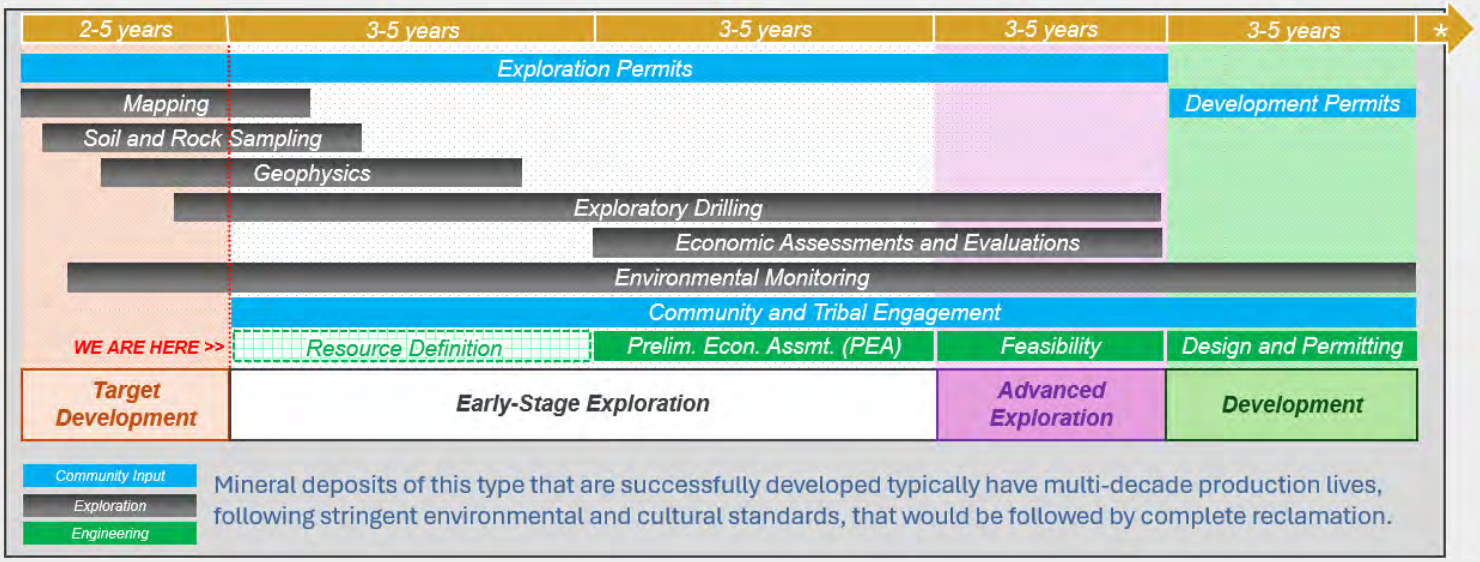
- **Light:** When we operate at night, we light the area around the drill site for safety reasons. We try to direct this lighting to minimize its spread beyond our work area.

04 Project Scope and Timeline

We are conducting early-stage mineral exploration to understand the geology of the La Plata Mountains. This work represents the beginning of what could be a multi-decade process of scientific investigation and community engagement.

4.1 What is mineral exploration?

Mineral exploration is how we systematically evaluate naturally occurring concentrations of minerals that contain elements foundational to modern life. Our exploration techniques include geochemical analysis of surface soil and rock samples, geophysical surveys, exploratory drilling, computer modeling, environmental studies, metallurgical testing, and engineering studies. We use these methods to determine where potentially economic mineral concentrations are located and whether mineral development is economically, technically, and environmentally viable. With continued exploration success, our investment in the La Plata Mountains region could be a multi-decade process.



4.2 Are you building a mine?

No. The mining lifecycle is a multi-decade process. Per the graphic above, after years of understanding the environment, building community relationships, and understanding the geology during this current mineral exploration process, the project could progress to a development stage, and potentially a construction & operation stage. These stages depend on in-depth studies, community engagement, state and federal permits, and investment. Please see the estimated timeline outlining the mineral exploration process on our website www.laplataproject.com for more information.

4.3 What is the current status of your exploration work?

Per the timeline on the previous page, we are in the "Early-Stage Exploration" phase. We are conducting activities to map the land, sample rocks and soil, understand the geophysical properties of the land and rocks, implementing environmental studies to understand the wildlife, air, water, and other aspects, building relationships with neighbors, Tribes, NGOs, regulators, officials, and other key stakeholders, and drilling holes to understand the composition of the rocks.

4.4 What are mineral claims and how did you determine how many to have?

Metallic Minerals has rights on 492 mineral claims in the area, for which the company pays an annual fee to the Bureau of Land Management (BLM). As we build our understanding of the land and geology, we may seek additional claims or relinquish claims back to the government.

05 Infrastructure and Access

Our exploration work requires occasional use of public roads and Forest Service routes. We aim to minimize our impact on existing infrastructure while maintaining safe and responsible access to our exploration areas.

5.1 Which roads do you use to access your exploration activities?

For our 2025 exploration season, we expect 2-3 pickup trucks per day to travel on CR 124 and US 160, and two semi-truck trips per year. A water truck visits the site as well about once a week. We expect impacts to the paved and unpaved roads to be minimal.
We currently use US-160, County Road 124 (La Plata Canyon Road), FSR 792 (Bedrock Creek Rd.), Copper Hill Rd., FSR 794, Echo Basin Road, and Road L/ Red Arrow Road/ FSR 567.

5.2 Are there other roads or on-ground access needed for your exploration?

Our project area includes 18 miles of maintained Forest Service travel road and another 17 miles of historic roads. If our exploration interests occur in areas without existing access, we would potentially use helicopters or other low-impact methods. Other overland travel would require permitting through the US Forest Service, including environmental assessment and public comment.

5.3 Who will maintain the roads during your exploration work?

We actively collaborate with the United States Forest Service to determine road maintenance responsibilities. Together, we evaluate if Road Use Permits and maintenance agreements are needed for our activities.

5.4 Will your exploration work require temporary road closures?

For safety reasons, we occasionally need to temporarily restrict public access to small areas where we're actively working.

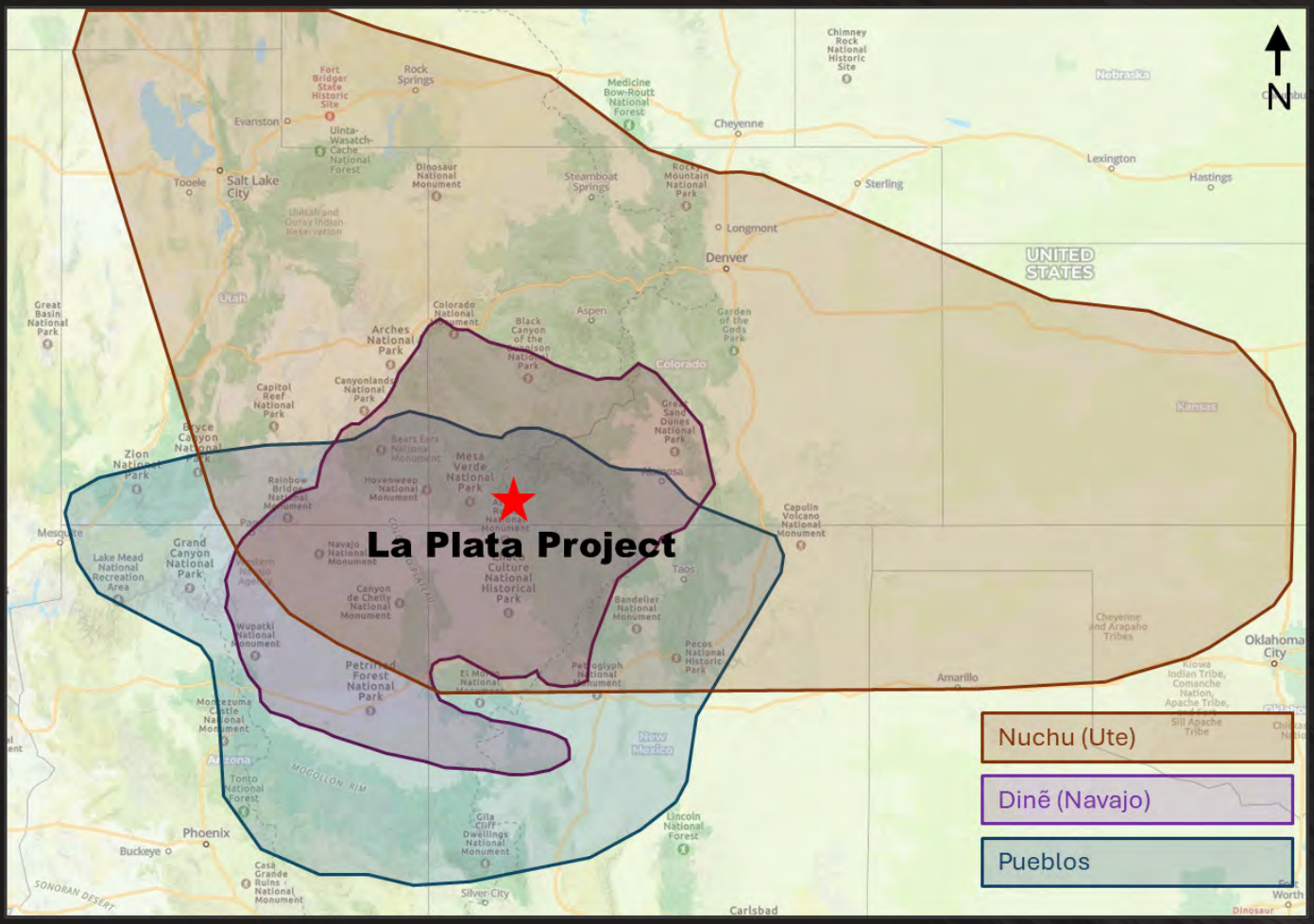
These temporary closures typically involve:
- Areas immediately surrounding active drill sites
- Roads during drill rig transportation or heavy equipment movement
- Areas where geophysical survey equipment is deployed

Any road or trail closures are coordinated with the United States Forest Service as required by our permits. We post notices about planned closures on our website and at trailheads when possible.

If you encounter a closure or have questions about access, please contact us via email at info@laplataproject.com.

06 Tribal Relations

We acknowledge and respect the historical and ongoing connection that Tribal Nations have with these lands. We are committed to meaningful engagement with Tribal communities, honoring their perspectives, and building relationships based on mutual respect and understanding. We recognize the importance of protecting cultural resources and incorporating traditional knowledge into our project planning.



The La Plata Project location amongst ancestral native territories

native-land.ca

6.1 How are you engaging with neighboring Tribes?

Building respectful relationships with Tribal Nations is an essential part of our approach. We are engaging with neighboring Tribes to establish ongoing dialogue:

Ute Mountain Ute Tribe:
- Initial site visits for Tribal representatives
- Initial meetings with Tribal representatives and leadership to discuss project plans and hear their perspectives
- Establishing communication channels with Tribal departments
- Inclusion in our water roundtable discussions

Southern Ute Indian Tribe:
- Initial meetings with Tribal representatives and leadership to discuss project plans and hear their perspectives
- Establishing communication channels with Tribal departments
- Inclusion in our ongoing water roundtable discussions

Navajo Nation and other regional Tribes:
- Outreach initiated with information on the La Plata project

We view Tribal engagement as a continuous process, not a one-time discussion or engagement. We're committed to learning more about the history, cultural practices, and perspectives of each Tribe as we build long-term relationships based on mutual respect and understanding.

6.2 What about other Tribes?

We welcome engagement with all neighboring Tribes and Tribal Nations who have an interest in learning more about our project. We recognize that a number of Tribes may have cultural, historical, or ancestral connections to the La Plata Mountains region, and we are committed to open communication and relationship-building with any Tribal Nation that wishes to engage with us.

07 Communication and Accountability

We believe that transparent communication is essential to building trust with the communities where we work. We welcome ongoing dialogue and are committed to being responsive to questions, concerns, and feedback throughout our exploration process.

7.1 How can we communicate with Metallic Minerals leadership?

Metallic Minerals has an experienced executive team and Board of Directors, who are regularly on-site and at the project office. Additionally, you can provide feedback to them using the info@laplataproject.com email.

7.2 If Metallic Minerals is successful in its exploration activities, who would oversee mining development and who ensures environmental compliance?

We are in the "Early-Stage Exploration" phase. Should the project progress, we would require regulatory oversight from multiple agencies at the federal, state, and local levels.

At the federal level, the U.S. Forest Service would be the lead agency as the project is situated on U.S. Forest Service lands, with the Bureau of Land Management also involved in certain aspects. The Environmental Protection Agency would oversee air and water quality compliance. The U.S. Army Corps of Engineers would address any impacts to wetlands or water bodies. At the state level, the Colorado Division of Reclamation, Mining and Safety would be the primary regulator, requiring a detailed mining permit with comprehensive environmental protections and reclamation plans. The Colorado Department of Public Health and Environment would regulate air and water quality impacts, while Colorado Parks and Wildlife would address wildlife considerations.

Beyond regulatory oversight, potential future development would be progressed by continuing and intensifying community engagement, tribal engagement, and public comment periods. Multiple studies, including an Environmental Impact Statement, and engineering analyses, as well as additional permits would be required. Many factors, including environmental considerations, economic viability, social acceptance, regulatory feasibility, and investment play crucial roles in determining whether a mineral discovery could eventually become a mine.

7.3 Will there be future Open Houses? Where?

Yes! We hope you will be able to join us at future Open Houses, to be held twice a year both before and after the exploration season. Please visit our website www.laplataproject.com for more information on specific dates.

Thank you...

for taking the time to review our Frequently Asked Questions. We understand that mineral exploration raises important questions for our community, and we are committed to providing clear and transparent information.

As our exploration activities progress, we'll continue to engage with stakeholders, address questions, and share what we learn. We encourage ongoing dialogue and welcome additional questions or feedback at any time through our website www.laplataproject.com or by email at info@laplataproject.com.

Our team is dedicated to conducting exploration activities responsibly, with respect for the environment, local communities, and Tribal nations. We look forward to continued conversations as we move forward together.