YUYO PROJECT

IMPLEMENTATION STAGE 1 / 3, HK 3610 TROMMEL START UP AT TAILINGS (No jig)

FROM:FERNANDOFREUDENTHAL,
VICEPRESIDENT.
FROM: MARCO SALINAS,
PROJECT MANAGER.

TO: WILLIAM A. PETTY,
PRESIDENT.

REF: YUYO PROJECT
10-DAY START UP OPERATIONS

FEBRUARY 8TH, 2023

FIELD REPORT

- As per your instructions, Project Manager proceeded to mobilize towards Yuyo Project on January 24th, 2023, and, in parallel our Vice President proceeded to acquire the necessary goods and chattels, in La Paz and El Alto, including the rental of a pickup truck, and others.

- Project Manager spent the 25, 26 and 27th in Guanay, Mapiri and Yuyo to attempt to secure an excavator that would fit our budget and contracting conditions (daily or hourly).

- No options for rentals were found in the region within our proposed budget and conditions. Luckily, our neighbor operator agreed to rent us his Cat 980 of 2.5 cubic meter capacity, which is more than twice the loading capacity of the previous excavators we have used.

- The deal was finally made on an hourly basis for three days, which we managed to expand for another 7 days in total, accumulating 48 hours of work with the machinery. As luck would have it, the heavy rain and bad road conditions impeded the operator from bringing in the rest of his equipment to the mine, thus allowing us more time with the machinery.

EQUIPMENT AND HK 3610

- On January 28th, we proceeded with the transportation of equipment to the working area, using the excavator to move the generator, trommel, accessories (hoses, sluice channels, carpets, etc.), control board and others that were secure at our camp.

- We used the pick-up truck to move the rest of material and personnel in and out from the working area. And to transport assorted materials through the day.

- Once all the necessary items were laid out in the work area, we measured and then constructed the necessary platforms and access roads to continue the labors.

MACHINERY AND HK 3610 TROMMEL PLANT TRANSPORTATION

AREA SETUP

On January 29th, we only started around 8 am, due to the excavator requiring some minor repairs, mainly in one of its tracks. Once it was sorted, we finalized preparations on the working area, by constructing a water channel and a direct access ramp to the generator platform. During these two first days, the excavator also gathered tailings material into a big mound close to the trommel, in order to avoid it from moving long distances.

In the afternoon, we started processing material. It was only around 5 pm that we finally found the correct angles and ratios to let us process between 20 and 25 cubic meters per hour (roughly equal in tons), without having any material or water loss, and attempting to wash as best as possible, by avoiding clogging in the loading tray. We continue processing until day light left us.

On January 30th, after a few minor tweaks, we proceeded with processing throughout the day with a 1-hour lunch break. Around 5 pm we started washing the carpets and padding the resulting concentrate. In this exercise we recovered 1 gram approx.

Team

Gustavo,
Washer

Nico,
Plant Operator

Adolfo, Driver

Cristian,
Excavator Op.

Fernando,
VicePresident

FRANKLIN MINING
1864

Marco,
Project Manager

Timeline

January 24th

Project Manager mobilizes towards Yuyo.

Vice President proceeded to acquire goods and chattels.

January 25th, 26th and 27th

PM spent time in Guanay, Mapiri and Yuyo trying to secure an excavator that would fit our budget and contracting conditions.

January 28th

Relocation and calibration of equipment.

Construction of platforms and access roads.

January 29th

Construction of a water channel and a direct access ramp to generator platform.

Gathering of tailing's material into a big mound.

Material processing.

January 30th

Material processing.

First Carpet Washing Exercise

(1 gr recovered)

Timeline

Repairs on the working area due to persistent rain.

Material processing.

Visit to Petroluis Operation Site.

Stabilization of trommel's legs by reinforcing the pilons and the sluice channel's platform.

Material Processing.

VP and PM left the mine site towards Apolo and La Paz, and Mapiri and Guanay, respectively, to find heavy machinery for rental. No machinery was found.

January 31st | February 1st | February 2nd | February 3rd | February 4th

Pump flooded due to heavy rain, excessive mud and poor visibility.

Headed to Apolo in order to have it repaired. Re stocking of food and fuel.

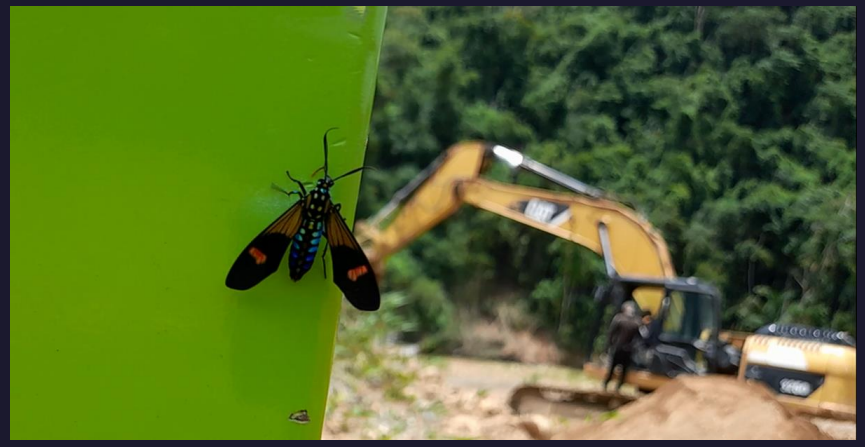
Second Carpet Washing Exercise

(1 gr recovered).

Excavator suffered major damage in one of its tracks.

Another storm hitting with heavy rain, wind and lightning.

THE OPERATION



HK 3610 GREEN TROMMEL OBSERVATIONS CONDITIONS AND CURRENT CAPABILITIES

PUMP AND TRAY SIZE, EXCAVATOR SIZE

- The pump provided by the fabricant is barely sufficient, and it needs to be replaced immediately by a water source in order to work. Even then, water flow is just under par, generating issues with mud clogging at the loading tray and irregular and insufficient washing in the barrel.
- The excavator used, the only one we could find in the area, is larger than the typical 320 or 323 Cat or equivalents. It is an older model, stronger, but a little slower, and has a large 2.5 cubic meter bucket. Therefor loading was a little rougher than it could have been. Despite this, and as stated before, we did manage to increase from 10 tons per hour (as per the last time we processed) to 24 / 25 tons per hour.
- The loading tray and barrel inclination match those recommended by the plant´s fabricant.

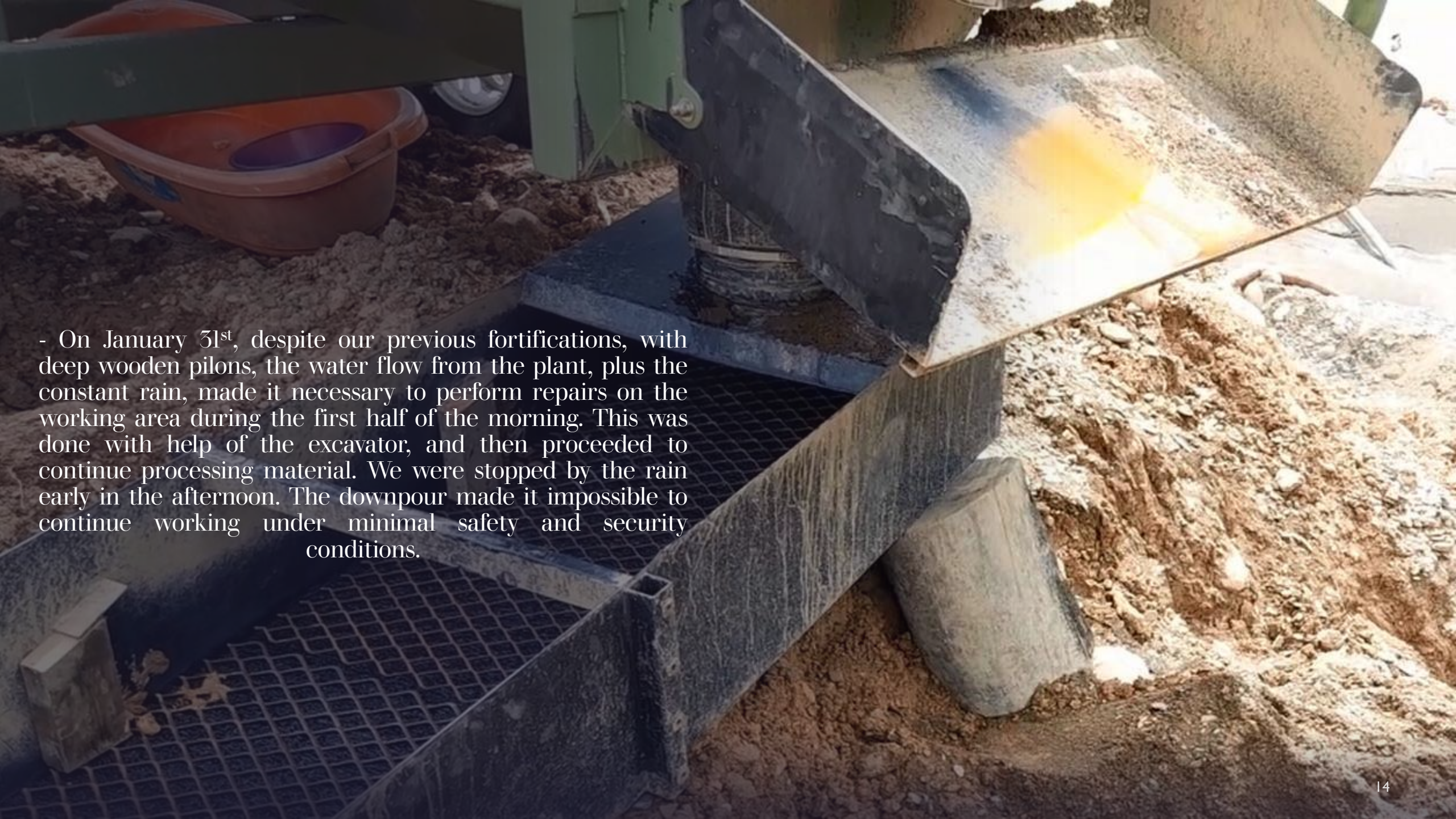
SPEED SETTINGS, TRAY AND BARREL

We tried speed setting for the loading tray and the barrel, first on equal ratios, starting from the slowest position of vibration and rotation, respectively on each of the parts (loading tray and barrel) and went up on increments of 10 Hz attempting to get to the point of achieving no water loss in the back of the plant and no sand loss on the barrel. Once we have achieved a close to perfect solution, we proceeded to zeroing within that range from 30 to 60 Hz in 5Hz increments, and to make variations in loading tray vibration speed and trommel barrel rotation speed. Finally arriving to 35.9 Hz on the loading tray, and 52.9 Hz on the barrel speed. Once the point was set, some minor adjustments were made in the trommel inclination and in better securing its placement.

WATER FLOW AND DUMPS

- We then proceeded to check the water, sand and gravel flow on the sluice channels, making sure at this point that all the material came into contact with the mesh and carpet. This was done manually covering the whole length of the sluice channel. This time the material was flowing correctly through the system.
- The dump expelled by the trommel´s barrel required two personnel constantly shoveling in order to be barely manageable. This being one of the tasks that either a front-end loader or a medium size backhoe is usually assigned to.


Hopper
51.2 Hz
13.7 A
13.4 %
DIR
MENU
STOP
START
BRK- U2 V2 W2
BRAKE
MOTOR
35.2 Hz
3.8 A
19.6 %
DIR
MENU
STOP
START
U1 V1 W1 BRK+ BRK- U2 V2 W2
MAINS
BRAKE
MOTOR



- On January 31st, despite our previous fortifications, with deep wooden pilons, the water flow from the plant, plus the constant rain, made it necessary to perform repairs on the working area during the first half of the morning. This was done with help of the excavator, and then proceeded to continue processing material. We were stopped by the rain early in the afternoon. The downpour made it impossible to continue working under minimal safety and security conditions.

- On February 1st, the rain continued to increase during the night and around 2 am we attempted to reach the labor area, unsuccessfully due to excessive mud and poor visibility. We did go back at 5 30 am to find the pump flooded. We attempted to rescue it, but had to wait until 8 30 am for the pickup to be able to retrieve it. Vice-president sustained a re injury during the pump rescue procedure. With the rain having subsided to a drizzle, we proceeded to attempt heading out to Apolo, in order to have the pump repaired. As luck would have it, the access road to the mine resisted the inclement weather without significant damage. We proceeded to continue assessing the river´s behavior, finding that it had grown to dangerous levels throughout its course. It even flooded an existing yet unmanned operation with two production pools having been completely overtaken by the river in an area immediately adjacent to our cooperative concession.

- The road to Apolo was clearly much more difficult, and upon arrival we proceeded to locate capable mechanic. We left the pumps to be fixed by the end of the afternoon. (we took the small white pump attached to the jig, as it wasn´t in working conditions when it arrived). The mechanic would have the pumps repaired by the next morning. We took the opportunity to stay in Apolo in order to acquire some tools and chattels, for which the necessity was evident via our actual operation of the plant and also did some re stocking of food and fuel.

On February 2nd, as we waited for the pumps the be delivered back to us, we looked for fuel, which was limited. We also looked for possible heavy equipment rental, with no luck. The machinery available belongs to cooperatives and companies and were, in most cases, waiting to get back to work or being repaired. We returned to Yuyo, luckily the sun had come up and the road had dried substantially. Upon our arrival to the mine, our VP proceeded to visit an area nearby our cooperative concession as he was asked to do so by two of the community leaders. This was done while the pumps were being repositioned. Also, and taking the opportunity, we visited our neighbor's operation. This due to the fact that one of the options for the future of the green plant could be to cooperate with them in one of two ways.

I) **TAILING PROCESS.** Proceed to place the HK 3610 Green Trommel near the tailings resulting from their operation once they re- start (the river took out one of their pumps and has made it very dangerous to work where they are set up). The operation would imply the preparation of an area and renting/acquiring a backhoe with a 1 cubic meter front bucket capacity, which would perform the tasks of loading the plant and clearing the dump. The proposed distribution of the product would be 80% for us and 20% for them. **(See OPERATIONAL COSTS & INVESTMENT – ASOC PETROLUIS – OPTION I)**

II) **PRIMARY MATERIAL PROCESS**. In this scenario we join forces with **PetroLuis** to reach an average of 300+ dump truck processed during 20 hours of production, equaling up to 2100 tons per day (two shifts). We provide an excavator, a backhoe, a dump truck, we also set up the trommel plant (this would work assuming we have an operational jig). We could come to an agreement on time of contract, profit sharing and other applicable conditions. **(See OPERATIONAL COSTS & INVESTMENT – ASOC PETROLUIS – OPTION II)**.

The operator in question, has suffered a serious accident just as soon as he had started operating again in his assigned area. His initial and very incipient operation was stopped by inclement weather, fuel shortage and other problems, which we are familiar with. In his initial stage he was getting around 100 – 130 grams per day. That would give us an initial measure of how much is being loaded into their shute, and then based on our *recovery* in the green trommel, we would be able to measure the actual percentage of washing capability in their shute and our own capacity to recover the leftover finds. The main part of the interest that we could generate, lies in the trommel and jig being able to improve recovery.

All the necessary data was recorded in the areas visited, so as to proceed with the generation of work and business plans for the opportunities with **PetroLuis**.

In order to continue with the operation, we needed to stabilize the trommel by means of reinforcing the wooden pilons of the legs, and also reinforce the sluice channels platform, which were damaged due to the heavy rains. The pump was re positioned to its place. Sadly, the small white pump that should work with the jig still doesn´t work. Seems that it came seriously damaged from California.

Once everything was in position, we continue working with the excavator feeding the plant as much as daylight permitted.

- On February 3rd, we proceed to wash the carpets from the sluice channels that had accumulated over the last couple of shifts. The entire process takes around 1.5 hours and at least two experienced personnel (We hired the main washer that worked for the Chinese company which produced the tailings. Two important factors, first, that he has no direct relation with the Coop, and second, he was able to verify that the richest tailings were washed away by the river). In this particular exercise we recovered around 1 gram of gold. We need to acquire bed sheets, as this will assist in the manual recovery of gold.

- During the afternoon, as we were preparing to continue operating, the excavator suffered major damage in one of its tracks, including the cogs on one end, which prevented us from continue working. During the night, another storm arrived with heavy rain, wind and lightning, enlarging the river flow, and also deteriorating the access road between Yuyo and our operation site.

- On February 4th, we left the mine site with the intention to separate, PM towards Mapiri and Guanay, and VP towards Apolo and La Paz to find heavy machinery for rental. In the area, no machinery was found, within a prudent radius.

- On February 5th, VP arrived to La Paz, taking more time than usual, mainly due to the fog and rain. PM arrived the day after due to bad condition of roads and weather.

Thank You