

JIM CROW MINE
PERMIT MODIFICATION 14-1
PERMIT NO. GR065MN

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- b. Reclaim approximately 1,500 feet of existing road that will no longer be utilized for access.
2. Written responses from the Permittee to questions posed by MMD, dated January 19, 2015, about the project. Based on the field inspection conducted by MMD on January 14, 2015, it was learned by MMD that the modification request from the Permittee is to also include construction of a new discharge water infiltration pond south of the Jim Crow Mine. This is addressed in the responses to questions; and
3. A signed "Easement for Use of Property" ("Easement") authorizing the Permittee access to portions of property owned by Micrex Development Company ("Adjacent Landowner"), received by MMD on March 5, 2015 by email; and
4. A \$250.00 check for the modification application fee, received by MMD on January 28, 2015; and
5. A request from the Permittee to modify 14-1 PMP to disregard the Permittee's previous request to construct a new haul road and only perform reclamation of the existing infiltration pond and construct a new infiltration pond and water conveyance pipe. This request was received by MMD via email on June 3, 2015.

Section 3 (14-1). PERMIT AREA

- A. The Permittee is authorized to conduct mining and reclamation operations only on those lands that are specifically designated and authorized within the permitted area ("Permit Area") and within the proposed Design Limit.
- B. The Permit Area is expanded by this modification to include limited portions of the Ruby Quartz, Lime Contact and South Jim Crow Patented Mining Claims situated in Section 23, T17S, R21W of Grant County, NM, as described and approved by Adjacent Landowner in Easement for construction of a new infiltration pond and extension of the water conveyance pipeline.
- C. The mining related disturbance at the site is approximately 1.99 acres, as shown in Figure 1 with this permit modification, and consists of:
 1. The operational area around the headframe, shaft, hoist house, and stockpile area (~1.36 acres);

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2. The second shaft shed area (~0.03 acres);
3. The future location of the water infiltration pond (not to exceed 0.5 acres);
4. The aboveground water conveyance line extension (~0.1 acres);

Section 4 (14-1). FINDINGS OF FACT

The Permit Modification Package

- A. The Permittee has paid the permit modification fee of \$250.00 as required by §19.10.2.201 of the Rules.
- B. The application for permit modification has been reviewed in accordance with §19.10.6.608 of the Rules. The application for permit modification is complete, accurate, and complies with the requirements for permit modifications under §19.10.6.608 of the Rules.
- C. Pursuant to §19.10.6.608.D of the Rules, the proposed change does not require public notice nor the opportunity for public hearing.
- D. Pursuant to §19.10.6.608.D(1) of the Rules, the proposed changes would not have a significant environmental impact.
- E. The Director has provided notice of this application to other government agencies deemed appropriate, in accordance with §19.10.6.608.D(3) NMAC.
- F. An inspection of the Jim Crow mine in support of this modification was conducted on January 14, 2015.
- G. The approximate 1,500 feet of existing access road proposed by Permittee for reclamation is not within the Permit Area. It is excluded from the Permit Area because it is a pre-existing road and is therefore not counted as part of the acreage limitation in accordance with §19.10.3.304.A NMAC.

MMD's Request for Comments to the Agencies

- H. MMD provided the cooperating agencies (the New Mexico Environment Department ("NMED"), the Department of Game & Fish, the State Forestry Division, the State Historic

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Preservation Division, and the Office of the State Engineer) with a copy of 14-1 PMP and requested comments from the agencies. Comments from State Forestry Division, the Office of the State Engineer, State Historic Preservation Division and NMED were received and were forwarded to the Permittee via e-mail on March 16, 2015.

- I. Additional comments from NMED, including a written determination and a letter stating that no discharge permit was required for the infiltration pond at this time, were received by MMD on May 5, 2015 and May 12, 2015.

Right-To-Enter / Property Access Information

- J. The Permittee has satisfactorily demonstrated right-to-enter the expanded Permit Area to construct a new water infiltration pond as demonstrated by the Easement executed by Adjacent Landowner.

Financial Assurance

- K. Financial assurance is not required at this time for this Permit because the Permit Area is less than two (2) acres of total disturbance, as specified in §19.10.3.304.E NMAC.

Section 5 (14-1). COMPLIANCE REQUIREMENTS

- A. The Permittee shall comply with the statutes and regulations referred to in Section 1 of this Permit and Modification 14-1 and with all other applicable state or federal statutory, regulatory or permitting requirements. The issuance of this Permit and Modification 14-1 does not relieve the Permittee from the responsibility of complying with other state and federal requirements and standards. It is Permittee's responsibility to ascertain which permits are required.
- B. Since the Permit Area includes a portion of private land not owned by Permittee, the expiration or termination of Adjacent Landholder authorization to conduct mining activities and/or exploration operations on the property automatically suspends the Permittee's authority to continue mining and exploration operations on the property. Such suspension does not include reclamation operations by the Permit or modification under §19.10.3 NMAC.

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Section 6 (14-1). AGENCY RIGHT OF ENTRY

- A. In the event that Adjacent Landowner revokes, terminates or otherwise prevents or impedes access to the Permit Area by the authorized representatives of the Director, the Director shall notify the Permittee. The Permittee shall immediately cease all mining operations within the Permit Area and shall not resume mining operations until such authorized representatives' access to the Permit Area has been restored.
- B. In the event that the Director's authorized representatives' access to the Permit Area is not restored by the Landholder within 60 days after the Director has given Permittee the notice provided for in subparagraph A of this Section 6, the Permittee shall immediately begin reclamation of the Permit Area.

Section 9 (14-1). COMPLIANCE WITH PERMIT MODIFICATION PACKAGE

- A. The Permittee shall conduct mining and reclamation operations only as described in the approved PAP, the Permit, and any modifications approved by the Director, pursuant to §19.10.6.608 NMAC. The Permittee shall comply with the statues and regulations in Section 1 of this Permit, the applicable regulatory and permitting requirements, and any and all conditions that are incorporated into this Permit.

Section 10 (14-1). GENERAL OBLIGATIONS AND CONDITIONS

Description of Project / Authorized Disturbances

- A. Within the approved Permit Area, the Permittee will stage a conventional underground mining operation. Pursuant to §19.10.3.304.A NMAC, the Permittee shall conduct mining and reclamation activities only within the Permit Area and within the Design Limit.
- B. The Permittee is obligated to complete reclamation of all disturbed areas upon completion of mining. The Permittee shall maintain this Permit until reclamation is complete at the site.
- C. Significant alterations or improvements to the pre-existing road (including but not limited to widening, cut/fill, grading or scraping, decrease of the grade, etc.) are not authorized by Permit or Modification 14-1.
- D. The new water infiltration pond shall not occupy more than 0.5 acres of disturbance, including any construction disturbance surrounding the pond to facilitate construction.

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Reclamation Requirements

- E. The extended water conveyance pipeline and new infiltration pond shall be reclaimed at the completion of mining in support of the grazing post-mining land use.
- F. The existing water infiltration pond shall be allowed to fully drain prior to re-grading and shall be reclaimed by placement of the earthen berm material back into the center of the pond, followed by furrowing and reseeding of the area. The seed mix and application rate outlined in the original permit number GR065MN shall be utilized.
- G. Once reclaimed, the former infiltration pond area shall be fenced, cordoned off or otherwise made inaccessible to future disturbance from on-site mining activities.

Financial Assurance

- H. The Permittee is not required to provide financial assurance at this time, in accordance with §19.10.3.304.E NMAC. The Permittee acknowledges that exceedance of two (2) acres of total disturbance shall require that the Permittee provide financial assurance for reclamation of all disturbed areas, development, support areas, and mine infrastructure and not just the amount of disturbance in excess of two acres.

Section 11 (14-1).

CONCLUSIONS OF LAW

- A. The request for permit modification is complete and accurate and complies with the requirements of the Act and §19.10.3.304 NMAC.

All other provisions and modifications for mining and reclamation contained in the Jim Crow Permit, No. GR065MN, remain unchanged.

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CERTIFICATION

I certify that I have read, understand and will comply with the requirements of the Permit. I further certify that I am not in violation of the Act or 19.10 NMAC. I also agree to comply with the performance and reclamation standards and requirements of the Permit, the Rules, and the Act, and allow the Director to enter the Permit Area without delay for the purpose of conducting inspections during mining and reclamation.

Leslie H. Billingsley
Leslie H. Billingsley
Authorized Representative of the Permittee

MANAGER
Title

JC IMPERIAL
Company

Subscribed and sworn to before me this 13 day of July, 2015

Jimie Jones
Notary Public

My Commission Expires

July 21, 2016



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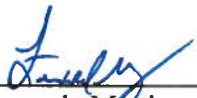
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ORDER

NOW THEREFORE, IT IS HEREBY ORDERED that the Director approves Permit Modification 14-1 to the Jim Crow Mine, Permit No. GR065MN, located in Grant County, New Mexico. The approval allows for reclamation of the existing water infiltration pond and construction of a new water infiltration pond and extension of a water conveyance pipeline.

By Order of the Director, Mining and Minerals Division of the New Mexico Energy, Minerals and Natural Resources Department, of the State of New Mexico.

By:



Fernando Martinez, Director
Mining and Minerals Division
Energy, Minerals and Natural Resources Department

Date:



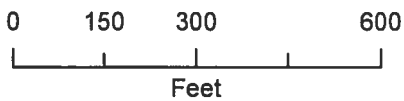
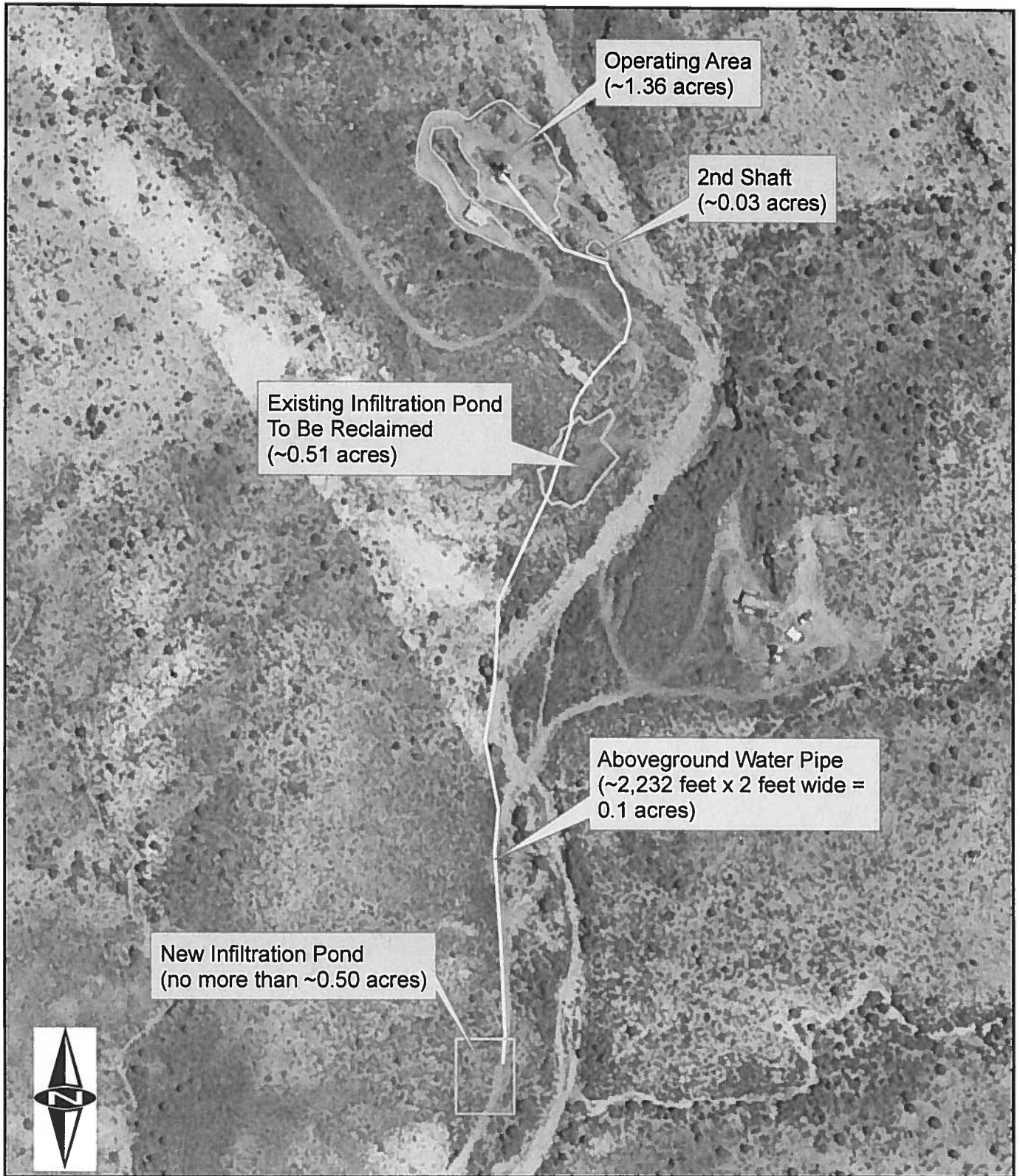


Figure 1
Jim Crow Mine
Modification 14-1, Permit No. GR065MN
Grant County, New Mexico