



May 31, 2019

Via U.S. Mail

Mr. Holland Shepherd
Program Manager, Mining Act Reclamation Program
New Mexico Energy, Minerals and Natural Resources Department
Mining and Minerals Division
1220 South St. Francis Drive
Santa Fe, NM 87505



RE: **Permit Tracking No. LU035MN**
American Magnesium, LLC's
Response to MMD Comments Dated May 3, 2019

Dear Mr. Shepherd:

American Magnesium, LLC (AmMg) has prepared the following responses to technical comments on the amended Plan of Operations (dated April 2019) issued by the Mining and Minerals Division (MMD) on May 3, 2019. MMD's complete comment is provided in italics, followed by AmMg's response in regular text.

- 1. AmMg's Revision 4 states that exploration drill pads will be 100 square feet and that in steep terrain a "bulldozer will be used to blade a road for the drill rig" where needed.*

Please provide:

- a. a map showing the anticipated locations of the drill pads and dimensions*
- b. a map showing expected roads that will be required for drilling rig access*
- c. an estimate of total acreage to be disturbed from resource verification (exploration)*

Figure 1 is a map showing the proposed locations of the 86 exploratory boreholes in the Phase 1 and 2 mining areas. The map also shows the locations of roads that will be constructed to provide access to the exploratory boreholes. The width of the self-contained, track-mounted drill rigs proposed for use averages approximately 8 feet. Therefore, the access roads will be approximately 12 feet wide. It is anticipated that the exploratory boreholes will be drilled in the centers of the access roads and that individual drill pads will fit within the access roads and not require additional disturbance.

It is anticipated that some exploratory borehole locations will be accessed without constructing a road; however, the assumption made in preparing Figure 1 is that each location will require an access road. Based on this assumption, a total of 10,626 linear feet of access road will be constructed. Assuming an average width of 12 feet, the estimated area that will be disturbed is 127,512 square feet (2.93 acres).



2. *Section 3.4.3 of Revision 4 proposes perimeter wall slopes of 1:1 and possibly a 1:2 slope for the eastern wall. All wall slopes will need to be a minimum of 2H:1V in the interim and the final slopes at final reclamation must be a minimum of 3H:1V. This will be a future permit condition.*

AmMg acknowledges that the future permit will include a requirement that all wall slopes be a minimum of 2H:1V in the interim and be a minimum of 3H:1V after final reclamation.

3. *As a future permit condition, MMD will require disturbance created from resource verification (exploration) to be reclaimed within one year of completion of drilling.*

AmMg acknowledges that the future permit will include a requirement that the disturbance created from resource verification (exploration) be reclaimed within one year after drilling is complete.

4. *Cover material, or topdressing, will need to be replaced at a minimum of 12 inches. In MMD's experience, vegetation is hard to establish with just 6 inches of topdressing and the goal of reclamation is to establish a self-sustaining ecosystem. To achieve 12 inches of cover, borrow areas may be required. If so, they must be reclaimed. This will be a future permit condition.*

AmMg acknowledges that the future permit will include a requirement to place a minimum of 12 inches of topdressing to support revegetation efforts. AmMg understands that additional topdressing may need to be imported from off-site.

AmMg looks forward to working with MMD to obtain the required permits to operate a new minimal impact dolomite mine near Deming, New Mexico. Should you have any questions, please contact AmMg's permitting lead, Mr. John Ayarbe, PG with Daniel B. Stephens & Associates, Inc. at 505-822-9400 or by e-mail at jayarbe@geo-logic.com.

Regards,

American Magnesium, LLC

A handwritten signature in black ink, appearing to read 'Carol Ness Brewka'.

Carol Ness Brewka, Managing Member

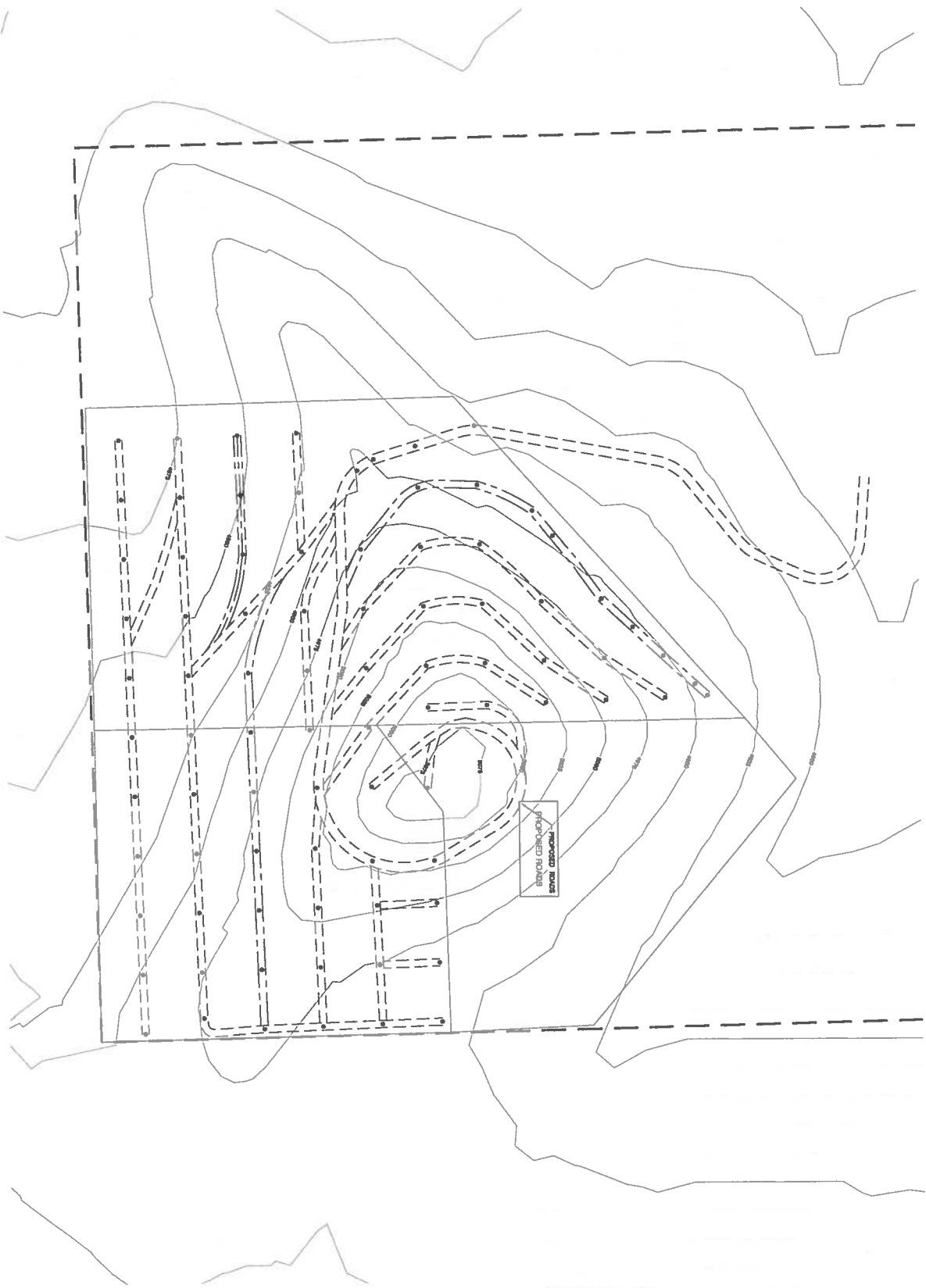


Daniel B. Stephens & Associates, Inc.
04-5-19 DB19.1011

Resource Verification Access Roads

AMERICAN MAGNESIUM

Figure 1



PROPOSED ROADS
PROPOSED ROADS

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GENERAL NOTES: 1. THE DRAWINGS ARE FOR INFORMATION ONLY. THE FIELD CONDITIONS MAY VARY FROM THE INFORMATION SHOWN ON THE DRAWINGS. 2. THE DRAWINGS ARE BASED ON THE INFORMATION PROVIDED BY THE CLIENT. 3. THE DRAWINGS ARE FOR INFORMATION ONLY. THE FIELD CONDITIONS MAY VARY FROM THE INFORMATION SHOWN ON THE DRAWINGS. 4. THE DRAWINGS ARE BASED ON THE INFORMATION PROVIDED BY THE CLIENT. 5. THE DRAWINGS ARE FOR INFORMATION ONLY. THE FIELD CONDITIONS MAY VARY FROM THE INFORMATION SHOWN ON THE DRAWINGS. 6. THE DRAWINGS ARE BASED ON THE INFORMATION PROVIDED BY THE CLIENT. 7. THE DRAWINGS ARE FOR INFORMATION ONLY. THE FIELD CONDITIONS MAY VARY FROM THE INFORMATION SHOWN ON THE DRAWINGS. 8. THE DRAWINGS ARE BASED ON THE INFORMATION PROVIDED BY THE CLIENT. 9. THE DRAWINGS ARE FOR INFORMATION ONLY. THE FIELD CONDITIONS MAY VARY FROM THE INFORMATION SHOWN ON THE DRAWINGS. 10. THE DRAWINGS ARE BASED ON THE INFORMATION PROVIDED BY THE CLIENT.