



Gila Mining, LLC  
P.O. Box 444  
Deming, NM 88031  
October 31, 2020

Ms. Jennifer Johnson  
Reclamation Engineer, E.I.  
New Mexico Energy, Minerals & Natural Resources Department  
Mining and Minerals Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

**RE: Agency Review Comments and Request for Additional Information, Peru Mill Tailings Minimal Impact Exploration Project Modification 20-1 Application, Permit No. LU038EM – Luna County, New Mexico**

Dear Ms. Johnson:

The follow letter is a response to your October 16, 2020 state agencies comments letter to our *Minimum Impact Exploration Operation Permit Modification 20-1 Application Package (PAP)* (Permit No. LU038EM PAP). The purpose for this permit request is to allow Gila Mining, LLC (Gila) extract 999 cubic yards of tailings for an initial bulk sample for processing off-site. Your letter collectively contained the reviewing agency comment letters submitted by the following state agencies: the New Mexico Mining and Mineral Division (MMD), the New Mexico Environment Department (“NMED”) Mining Environmental Compliance Section, Ground Water Quality Bureau (“MECS”), NMED Air Quality Bureau, NMED Surface Water Quality Bureau, the New Mexico Office of the State Engineer (“NMOSE”) and the New Mexico Department of Cultural Affairs - Historic Preservation Division (“NMDCA/HPD”). In addition to the State agencies the White Mountain Apache Tribe and Ysleta del Sur Pueblo commented on our PAP.

Our letter below presents points of clarification and additional information as responses to agencies comments to Peru Mill Tailings Minimal Impact Exploration Project Modification 20-1 Application Permit No. LU038EM PAP. GM’s response follows the same organizational order as your October 15, 2020 comment letter.

The **agencies comments** are presented first in normal font and GM’s responses follow in italicized font:

1. Section 4.C provides dimensions for both the north and south excavations. The volume calculated using these dimensions is 1,806 yd<sup>3</sup> for the north excavation and 20,463 yd<sup>3</sup> for the south excavation. These volumes exceed the allowed 999 yd<sup>3</sup> that can be excavated under this permit. Please clarify the volume of tailings to be excavated from the north and south piles.

*GM fully understands the limit of the permit and has no intention to remove more than the 999 yd<sup>3</sup> as stated in the application and allowed by the permit. Nowhere in the Application Section 4.D does it state or imply that the full 25-foot depth of tailings was planned to be extracted, in fact the Applications Section 7.D GM clearly states only 999 yd<sup>3</sup> will be removed and stockpiled in the building. The permit application Section 4.D presents the requested estimated dimensions of the proposed excavation and not the volume of the tailings that will be removed. Obviously, GM has no plans of removing the full thickness of tailings at either of the proposed locations. Currently GM plans to remove approximately 399 yd<sup>3</sup> from the north stockpile and 600 yds<sup>3</sup> from the south stockpile. See our response Section 7 for GM’s planned method of measuring the volume that will be removed from each excavation.*

2. Section 4.F of the application states the new roads will not be reclaimed. MMD will require all disturbance including new roads to be reclaimed.



Reclaiming the new roads on the property presents a problem because much of the area between west of the building and east of the north pile has been disturbed by the current aggregate mining that is on-going south of the north stockpile. As part of the Application, GM attached to this letter Figure 1 titled "Surface Impact Map" attempted to illustrate current road network. For the record, the aggregate company doing the mining of the sand and gravel are maintaining the main operation road that intersect GM's leased property but short cuts are taken across the area between the north stockpile and the building. As part of GM response to comments, GM has re-examined its planned extraction locations and moved the north stockpile excavation area north of the original Application area as illustrated on the attached Figure 2. The area impacted has been expanded due to issues of a 3:1 slope in the excavation and the request for berms by MECS. Areas to minimize the excavation time and further minimize the impact to the cover and minimize road expansion. Nonetheless this change reduces the additional road impact to the Site. It must be emphasized, for the record, that these road extensions are not on the tailing stockpile and the property surrounding the stockpiles are relatively sparsely vegetated when compared to the vegetation on the stockpile. Once the tailings have been extracted the roads will be graded back to original condition including seeding and mulching. Any spillage from the truck (not expected) will be cleaned up prior to reclamation. Original condition and post excavation will be photographically documented. GM will follow the same reclamation procedures that was completed for the access way to the north stockpile for the original drilling assessment.

3. The acreages for north and south excavations in the Disturb Area Summary table in Section 4.H differ from the acreages calculated based on the dimensions provided in Section 4.C. Please clarify the correct acreage for the surface disturbance for both excavations.

The following is the revised Disturbed Area Table.

**Disturbed Area Estimate**

	<b>Roads (ft)</b>	<b>Excavation (acres)</b>	<b>Cover Staging (acres)</b>	<b>North Door Loading &amp; Staging Area</b>	<b>Trailer Area (ft2)</b>	<b>Totals (acres)</b>
<b>North Stockpile</b>	50' x10' =500 ft2 or 0.011 acres	0.19	0.04	85' by 40' or	40' by 100' or	0.261
<b>South Stockpile</b>	60' x10' =600 ft2 or 0.014 acres	0.21	0.04	0.08	0.1	0.424
<b>Totals (acres)</b>	0.025	0.4	0.08	0.08	0.1	0.685

4. What will be stored in the two 40' shipping containers mentioned in Section 4.E?

Equipment related to operations. The equipment is locked in the containers to hinder vandalism and theft.

5. MMD will require the 100-gallon above ground fuel tank mentioned in Section 5.C to have a secondary containment system.

GM will contract an excavation company to perform the tailing removal under GM's supervision. No fuel, oil, hydraulic fluid, lubricants and other petrochemicals will be stored on GM's permitted area including the building and 40-foot storage containers.



GM, however, will require the excavation company to have appropriate spill clean-up material on-site in their support vehicle for all phases of this excavation project. GM will report any uncontrolled release to NMED following the requirements set by the New Mexico Water Quality Control Commission regulations (20.6.2.1203 NMAC).

6. MMD Section 7.D states “plywood barriers are planned along the walls if the tailings in the building exceed the height of the exterior walls.” Please explain in more detail how plywood barriers would be used and provide either images or diagrams indicating where the plywood would be. MMD’s understanding is the building that is to be used to store tailings has walls that reach the ceilings.

*The building has poured concrete three-foot high foundation wall on the east perimeter of the building and a seven-foot poured concrete wall on the west side of the building as illustrated by Figure 4. The purpose of the plywood is to for additional containment of the tailing within the building. For further understanding of the purpose of the plywood containment please review the explanation in Section 1 of this response letter.*

7. Please provide more explanation on how the volume of tailings removed will be estimated using the building as mentioned in Section 7.D.

*GM is employing a two-pronged approach to measure the volume removed from the stockpiles. The first prong will be to simply count truckloads of tailing from each excavation. GM is planning to remove 19.5 tri-axle truck loads from the north stockpile and 30 tri-axle truck loads from the south stockpile. The general rule of thumb for a tri-axle truck load is 19 to 21 Yd<sup>3</sup> depending on the bed length. GM will accurately measure the three dimensions of the bed of the tri-axle to have a defendable volume being removed. For this discussion response GM assumes the average truck load will be 20 yd<sup>3</sup>; thus 49.5 trucks x 20 yd<sup>3</sup> = 999 yd<sup>3</sup>. The second prong which is a back check, GM will measure accurately the volume of tailings in storage. As indicated in the application the tailings will be stored the on-site building until shipping. The building measures 130 feet x 31 feet = 4030 ft<sup>2</sup> or 448 yd<sup>2</sup>. The tailings will be stacked 6.7 feet or 2.23 yards high in the building if the tailings are stacked as a rectangular block. The west side of the building’s concrete wall is 7 feet high as shown on Figure 4 but the east side the concrete wall is only three feet high. The steel siding on the east sides goes to ground level. In addition, the building’s steel siding is not a tight fit to the concrete walls. To negate the potential of tailings spilling between the siding and the concrete wall, GM will construct a plywood barrier on the inside of the building as illustrated on Figure 4. During the stockpiling in the building GM expects the pile not to be a rectangular block but a mound. To aid in the estimation of the tailings that is being excavated, GM will place strategically located poles in the tailings with visible footage increments. Our goal is to collect precise (within reason), defendable measurements and document (including photographs) to verify the volume removed.*

8. Section 7.D says “tailings will be containerized in the building and shipped off-site for testing and process design.” Please explain how the tailings are being shipped off and where the tailings are going.

*The tailing will be loaded at the north door of the building by Bobcat or conveyor into shipping containers. These contains will be shipped to Canada, China and/or Japan as part of GM’s initial bulk sampling.*

9. MMD will require mulch to be applied after seeding is complete.

*As required mulch will be used as part of the re-seeding activities that will bring the stockpile cover and surface back to original condition.*

10. The lease provided in the application between the City of Deming and Gila Mining was for one year from September 10, 2019. Please provide an updated lease or other document which shows Gila Mining has the right to enter the property pursuant 19.10.3.302.D.1 NMAC.

*See attached the updated lease.*



**NMED Mining Environmental Compliance Section, Ground Water Quality Bureau Comments ("MECS")**

The MECS has the following comments:

1. Section 4 – Exploration Description. Using the dimensions provided for two test pits (one on the South Tailings Pile and the other on the north Tailings Pile) the volume (cubic yards) proposed for excavation exceeds the 1,000 cubic yards allowed under a Minimal Impact Exploration Permit. The proposed cubic yardage of material or the dimensions of the test pits needs to be reevaluated by the applicant.

*Please read GM's response to MMD Section 1. To reiterate clearly GM fully understands the limit of the permit and has no intention to remove more than the 999 yd<sup>3</sup> as stated in the application and allowed by the permit. Nowhere in the Application Section 4.D does it state or imply that the full 25 foot of tailings was planned to be extracted, in fact the Applications Section 7.D GM clearly states only 999 yd<sup>3</sup> will be removed and stockpiled in the building. In addition, please read GM's Section 7 response to MMD and how GM will manage and estimate the correct volume. GM hopes that MECS can understand that GM cannot just cut out the exact volume of tailing by just giving a dimension; it will be measured by truck load to achieve an accurate measurement.*

2. Section 7.B – Reclamation & Operations Plan. The applicant indicates in this section of the application that berms are not considered “necessary or applicable”. At a minimum, berms should be maintained around the crest of the excavation to ensure stormwater will not run off the tailing cover and into the excavation area. Also, the applicant needs to describe Best Management Practices (BMP's) to control offsite tracking of tailing material from truck traffic and construction equipment.

*In GM opinion berms are not necessary because only 999 yd<sup>3</sup> will be excavated from the two stockpiles. GM expects the tailing excavation will require between five to seven days to complete. Before starting any excavation event(s), GM will consult weather forecasting so there will be a minimum of a five-day window of no precipitation predicted. As GM is sure that NMED is aware that the highest precipitation events occur during New Mexico's summer “monsoons” while the remaining months (November through May) average less than 0.5 inches per month in southern New Mexico. Furthermore, NMED needs to understand that the tailings being shipped for this bulk sampling event must be as dry as possible for weight and processing reasons so it also serves GM's interest to be operating in dry weather. With the above stated for the record, GM will install berms around the crest of each excavation as illustrated on Figures 2 and 3. Also for the record, the berms will require additional impact to the stockpiles cover and require additional area for operation.*

*Visually impacted surfaces soils (i.e. spilled of tailings from truck which is unlikely) will be removed following the excavation event(s) from construction equipment at the stockpile excavation using compress air. Road trucks will not drive over any tailings area and will be limited to the maintained roads between the site entrance/exit and the container trailer hook-up area so no contamination will take place on the road trucks*

3. The modification application does not discuss the purpose of the request to modify the permit. Based on discussions with the applicant, bench scale testing is needed to develop a comprehensive mine plan. The applicant submitted a Sampling and Analysis Plan (SAP) to NMED on September 24, 2020. NMED is preparing a response to the SAP that will address NMED questions regarding how results from the bench scale testing will be used to create a comprehensive mine plan. It would be helpful for the applicant.

*Although not requested in the Application, the purpose of the exaction is bulk sampling of the tailings requested by potential processing partners and/or potential off takers. There seems to be some confusion by MECS. The bench scale testing that GM is working currently is for the Minimum Operations Permit and not this permit application. GM is still investing substantial resources in designing process system(s) for the elements discovered at the Peru Mill stockpiles. This testing will continue working with SGS labs, Los Alamos National Laboratories, Saskatchewan Research Council, Eriez and other partners to create process systems specific to our mineralogy. As indicated, the SAP will define, if in fact, the tailings are a threat to the confined aquifer*



(*>100 feet below ground surface*) groundwater water quality thus will require the tailings to have special handling. A review of GMs boring results indicated no significant increase in concentration of elements of concern (i.e. Ag, As, Cu, Pb, Th, U, Zn, etc.) with depth in either stockpile. In many of the boring these elements decreased with depth thus indicating the mobility of these elements over the last 80 years (basically an in-situ kinetic acid accounting and metal mobility test) has been minimal at worst and in most cases non-existent. It is GM's opinion as indicated in our response to MECS Section 2 that the tailings represent no more of an environmental threat than the current soils north of the south stockpile represent if NMED VRP soil screening guidance are used as the standard.

4. This property currently is covered under a covenant-not-to-sue that is held by the City of Deming and NMED that is the result of reclamation conducted under the NMED -VRP. The covenant-not-to-sue requires that the tailings piles not be disturbed. Please provide written confirmation from the City of Deming that the property has been approved to be released from the NMED-VRP and the covenant-not-to-sue.

*GM continues to follow up with the City of Deming to ask them to complete the release form from NMED-VRP and the covenant-not-to-sue on what GM hopes will be a timely basis. For the record, GM found it surprising that the covenant-not-to-sue release is delayed by NMED's lack of enforcement with water testing from 10 years ago. It is unfair to punish a private company and delay commercial work for lack of action or enforcement between two government entities.*

#### **NMED Air Quality Bureau Comments:**

*The following are NMED Air Quality Bureau comments.*

The New Mexico Mining Act of 1993 states that "Nothing in the New Mexico Mining Act shall supersede current or future requirements and standards of any other applicable federal or state law." Thus, the applicant is expected to comply with all requirements of federal and state laws pertaining to air quality. Current requirements which may be applicable in this mining project include, but are not limited to the following:

Paragraph (1) of Subsection A of 20.2.72.200 NMAC, Application for Construction, Modification, NSPS, and NESHAP - Permits and Revisions, states that air quality permits must be obtained by:

"Any person constructing a stationary source which has a potential emission rate greater than 10 pounds per hour or 25 tons per year of any regulated air contaminant for which there is a National or New Mexico Ambient Air Quality Standard. If the specified threshold in this subsection is exceeded for any one regulated air contaminant, all regulated air contaminants with National or New Mexico Ambient Air Quality Standards emitted are subject to permit review."

Further, Paragraph (3) of this subsection states that air quality permits must be obtained by:

"Any person constructing or modifying any source or installing any equipment which is subject to 20.2.77 NMAC, New Source Performance Standards, 20.2.78 NMAC, Emission Standards for Hazardous Air Pollutants, or any other New Mexico Air Quality Control Regulation which contains emission limitations for any regulated air contaminant."

Also, Paragraph (1) of Subsection A of 20.2.73.200 NMAC, Notice of Intent, states that:

"Any owner or operator intending to construct a new stationary source which has a potential emission rate greater than 10 tons per year of any regulated air contaminant or 1 ton per year of lead shall file a notice of intent with the department."

In addition, pursuant to Subsection A of 19.10.3.302 NMAC, Minimal Impact Exploration Operations:



"A minimal impact exploration operation will not exceed 999 cubic yards of excavation per permit. Disturbances for constructed roads, drill pads and mud pits shall be no more than 5 acres total and will not be counted in the excavated materials. The type of road construction, the number and type of drill pads, and other disturbances when considered with site specific conditions will be major factors in determining eligibility for minimal impact status which is in the discretion of the director."

*GM's responses to the above follow.*

*As the PAP indicates no permanent and/or stationary structures/ equipment will be placed on the tailings pile or in the building. The calculated impact to the surface of the tailings stockpile and surrounding area is less than 1 acre. Approximately 999 cubic yard of tailings will be removed from both stockpiles as described in this response for MMD Section 1 through 9.*

### **Fugitive Dust**

Fugitive dust is a common problem at mining sites and this project will temporarily impact air quality as a result of these emissions. However, with the appropriate dust control measures in place, the increased levels should be minimal. Disturbed surface areas, within and adjacent to the project area, should be reclaimed to avoid long-term problems with erosion and fugitive dust. EPA's Compilation of Air Pollutant Emission Factors, AP-42, "Miscellaneous Sources" lists a variety of control strategies that can be included in a comprehensive facility dust control plan. A few possible control strategies are listed below: Unpaved haul roads and traffic areas: paving of permanent and semi-permanent roads, application of surfactant, watering, and traffic controls, such as speed limits and traffic volume restrictions.

*Fugitive dust is expected to be minimal, thus not a significant issue during this very short-term excavation event. From our drilling work, GM discovered the tailings has an approximate moisture content of  $8\% \pm 4\%$ . Dust is not expected to be an issue due to the in-situ moisture content and the very limited time period over which the excavation will occur. Also, the haul distance to the building from the north stockpile and south stockpile is approximately 570 feet and 300 feet, respectively. These are short distances and GM will enforce a truck speed limit of 15 mph during the tailing's transportation. If additional dust control measures are found to be necessary, such as watering the haulage road, then appropriate measure will be implemented.*

### **NMED Surface Water Quality Bureau Comments:**

*NMED Surface Water Quality Bureau listed their comments as listed bullets. GM comment responses follow each bulleted comment.*

- Unintentional impacts by heavy equipment or service vehicles to the revegetated cover material on the tailing's impoundment should be reclaimed using appropriate seed mixes or coarse aggregate material to prevent future erosion,

*For the record, the tailings stockpiles are no longer impoundments; there is no water being stored/impounded within the stockpiles. In fact, there has been no water impounded at this location for decades. GM's current excavation plan is to minimize the impact to the cover. Where the excavations occur, that area will be graded to a minimal slope, a new cover will be installed, raked and seeded using a native seed mix as recommended by MMD and proposed in GM's application.*

- Fuel, oil, hydraulic fluid, lubricants, and other petrochemicals must have a secondary containment system to prevent spills.

*Please see GM's response to MMD's Section 5 comment. To further reiterate those statements, fuel, oil, hydraulic fluid, lubricants, and other petrochemicals will not be stored on GM's permitted areas.*

- Excavation should be delayed if the cover material of the impoundment is wet or saturated from precipitation to prevent rutting and potential for future water channeling and erosion.



*If the tailings stockpile receives unexpected, significant precipitation to cause saturated or near saturated conditions on the surface of the tailings stockpile then excavation activities will be delayed until conditions are dry. GM does not plan to excavate tailing from the top of the stockpiles. Excavation activities will be entered from the side of the stockpile so surface damage such as rutting will not occur. If due to unforeseen events where rutting does occur, GM will repair the surface so no future water channeling and erosion occur. In addition, please review GM's Section 2 response to MECS.*

- Appropriate spill clean-up materials such as absorbent pads must be available on-site at all times during road construction, site preparations, drilling and reclamation to address potential spills.

*G GM will require the excavation operator to have the appropriate spill clean-up material on-site in their support vehicle for all phases of this exploration project.*

- Report all spills immediately to the NMED as required by the New Mexico Water Quality Control Commission regulations (20.6.2.1203 NMAC).

*GM will report any uncontrolled release to NMED following the requirements set by the New Mexico Water Quality Control Commission regulations (20.6.2.1203 NMAC).*

#### **NMOSE Comments:**

The NMOSE Hydrology Bureau received your request for the modification of Permit LU038EM, Peru Mill Tailings Exploration. Our previous comments regarding potential hydrologic impacts associated with the Minimal Impact Exploration Permit Application (9/3/2019) also apply to the modified application. We do not have any additional comments at this time.

GM's responses summarize NMOSE concerns and responds accordingly.

*Surface and ground water are not expected to be intersected or impacted during GM's excavation event. If in the very unlikely event perched groundwater is discovered within the tailings stockpile then excavation activities will be terminated. The depth of the perched water will be logged and the excavation will be covered appropriately.*

#### **NMDCA/HPD Comments:**

NMCA/HPD concern was the Site becoming a historical site. GM's response to that concern follows.

*As indicated Peru Mill site is not on the National Register of Historic Places or the State Register of Cultural Properties. There are no known cemetery or (human) burial ground located in the proximity of the Peru Mill Tailings Pile. Three buildings are located adjacent to the tailings pile; City of Deming municipal well pump building, inoperative weigh station building and a steel sided building measuring approximately 130 feet x 31 feet by 40 feet high. The steel sided building was part of the Peru Mill. Currently the steel building is empty with no operating equipment stored inside the building and offers no historic significance. This building will be used for tailings storage; no major modifications will be done to the building. The tailings piles have no historical significance. NMED VPR conducted an environment mitigative action which included the stockpiling, grading and covering of the tailing thus removing any historical artifact or significance. It should be noted that all the historically relevant buildings were demolished by 2009 during NMED VPR mitigative action. Any historical significance and/or artifact was removed during the mitigative action.*

#### **White Mountain Apache Tribe**

The White Mountain Apache Tribe has determined there is no adverse effect on the tribe's cultural heritage resources and/or historic properties.



*It is highly unlikely anything will be found that affect traditional, religious or of culturally significant to the Tribe. If by chance any human remains or artifacts are unearthed, then the State of New Mexico and the Tribe will be immediately informed of this discovery and respectfully handed.*

**Ysleta del Sur Pueblo**

The Pueblo had no concerns but for the record GM states the following.

*It is highly unlikely anything will be found that affect traditional, religious or of culturally significant sites to the Pueblo. If by chance any human remains or artifacts are unearthed, then the State of New Mexico and the Pueblo will be immediately informed of this discovery and respectfully handed.*

**New Mexico Energy, Minerals, and Natural Resources Department**

*The comment excludes the necessity of an archaeological survey.*

If additional comments or concerns arise from this letter's responses then please do not hesitate in reaching out so GM can respond. As stated, GM looks forward to a positive working relationship with the State of New Mexico.

Best regards,

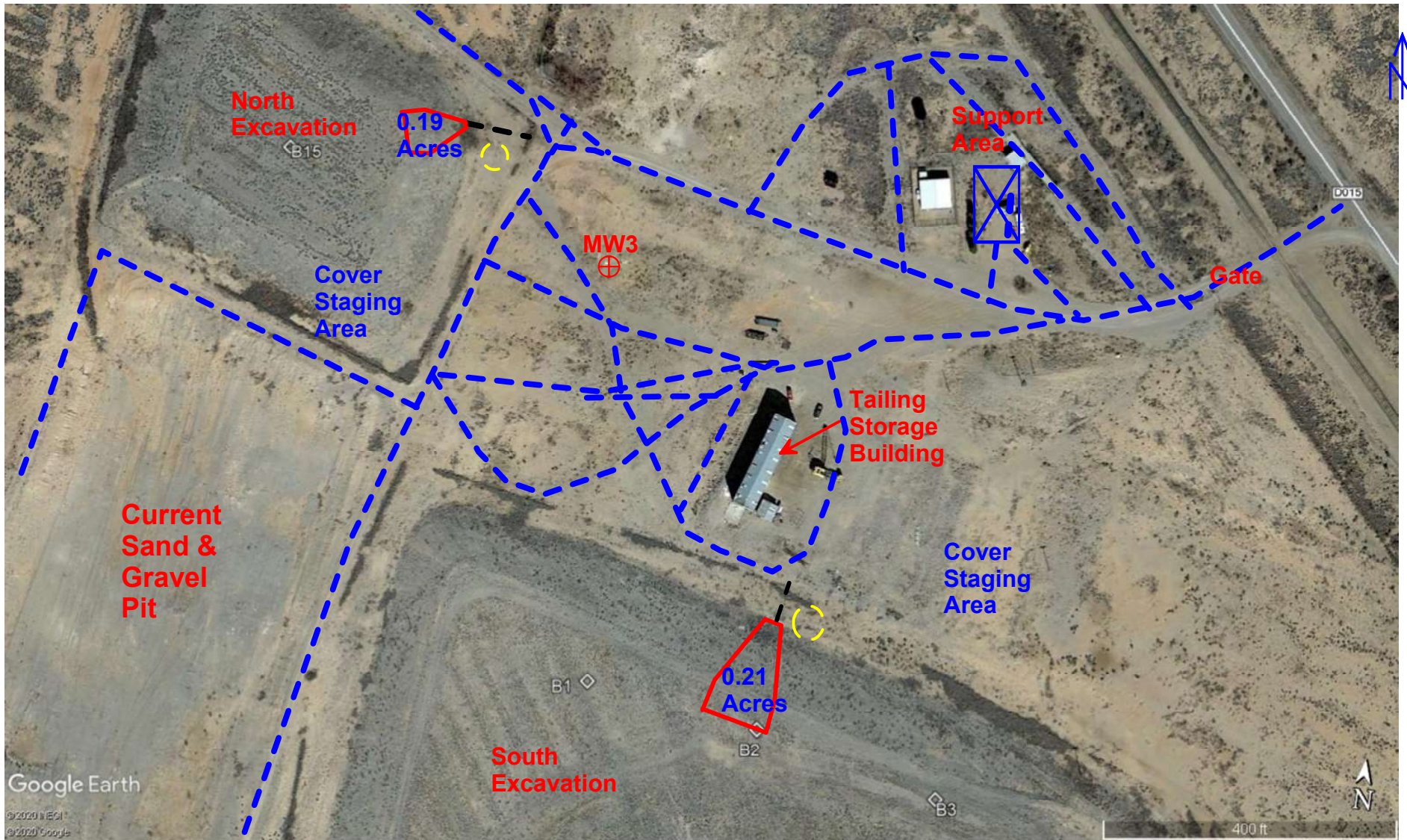
A handwritten signature in black ink that reads "E. Terry Jensen".

E. Terry Jensen  
Chief Operating Officer  
Gila Mining, LLC

Attachments:


- Figure 1: Peru Mill Surface Impact Map
- Figure 2: Peru Mill North Stockpile Excavation
- Figure 3: Peru Mill South Stockpile Excavation
- Figure 4: Peru Mill Building

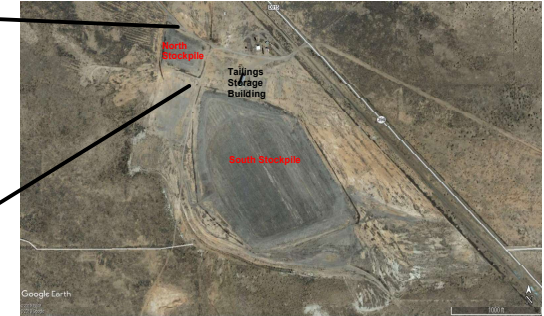
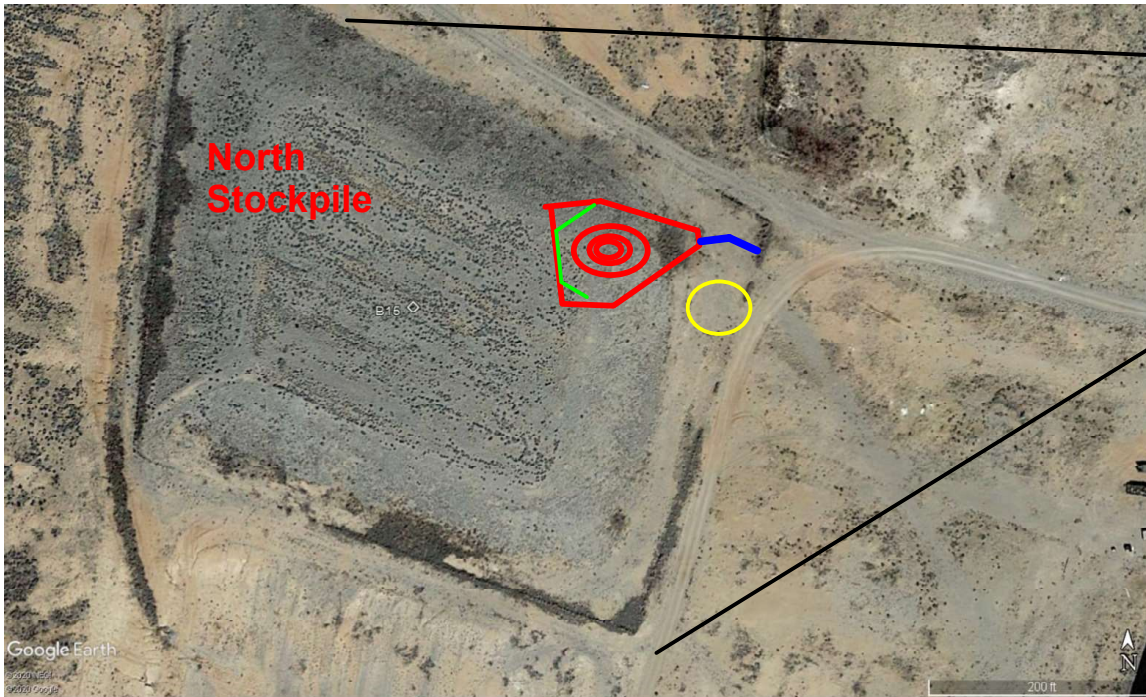









Many objects not to Scale

- - - - - Current Road Network
- - - - - Planned Extensions for Excavation Road
- ▭ Excavation Location
- Cover Staging Area

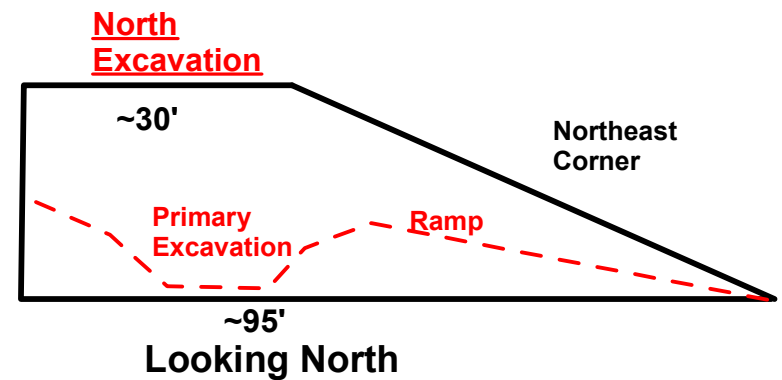
Project No.: 2020-1	Project: Peru Mill Tailings	Drilling Application Amendment Response Comments	Figure 1 Surface Impact Map
Date: October 2020	 <b>Gila Mining, LLC</b>		
Drawn by: ETJ Reviewed by:SPF			




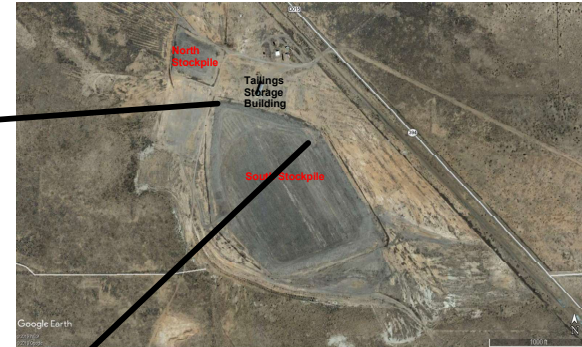
-  - Proposed excavation area
-  - New Road
-  - Deeper excavation
-  - Berm
-  - Cover Staging Area






Excavation Area Estimate:  $(83.3 \times 50) + ((83.3 \times 100)/2) = 8,333.33 \text{ ft}^2$  or 0.19 acre

Road dimension =  $50 \text{ ft} \times 10 \text{ ft} = 50 \text{ ft}^2$  or 0.012



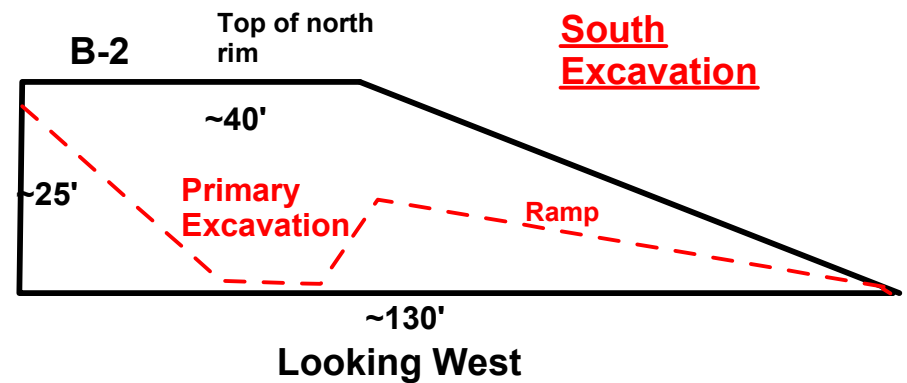
Project No.: 2020-1	Project: Peru Mill Tailings	Drilling Application Amendment Response Comments	Figure 2 North Stockpile Excavation Info
Date: October 2020			
Drawn by: ETJ Reviewed by:SPF	 <b>Gila Mining, LLC</b>		




-  - Proposed excavation area
-  - New Road
-  - Deeper excavation
-  - Cover Staging Area
-  - Berm

Excavation Area Estimate:  $(45 \times 95) + ((95 \times 100)/2) = 9025 \text{ ft}^2$  or 0.20.7 acre

Road dimension =  $60 \text{ ft} \times 10 \text{ ft} = 60 \text{ ft}^2$  or 0.014



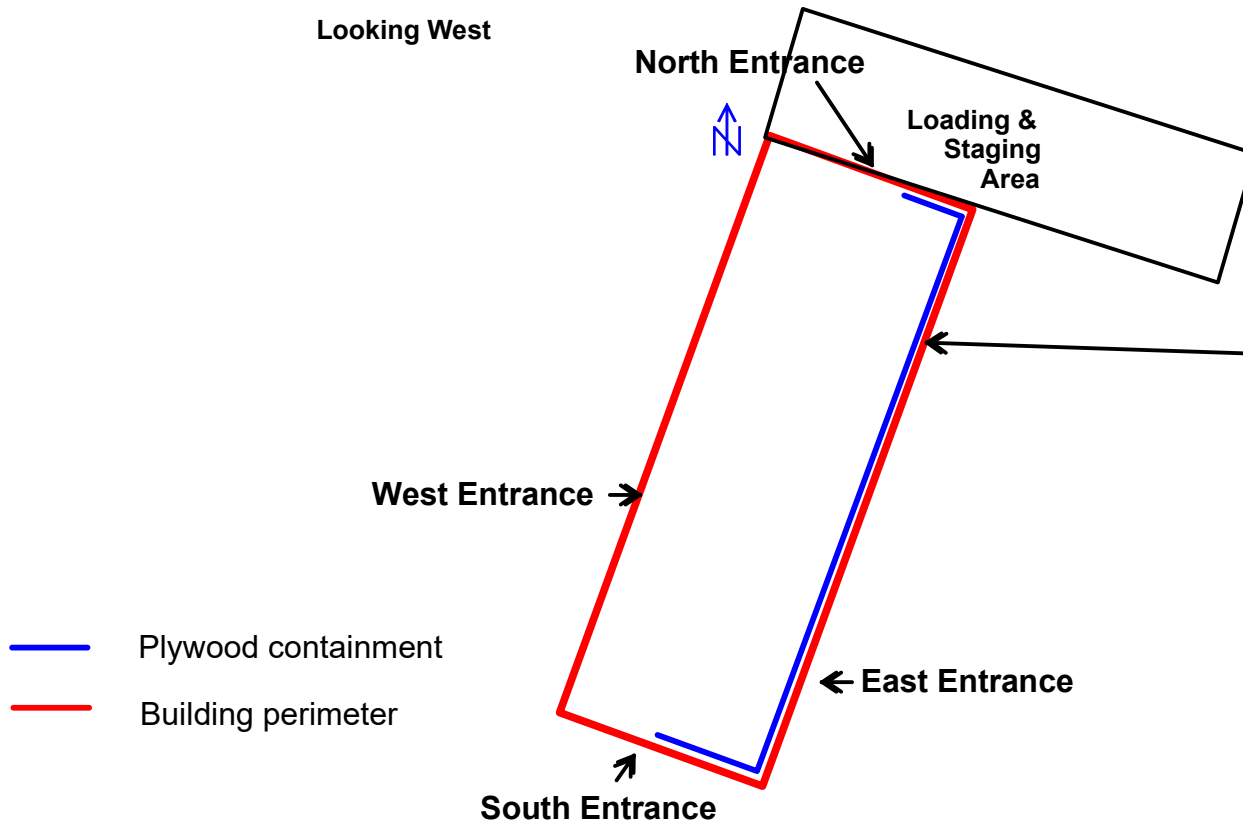
Project No.: 2020-1	Project: Peru Mill Tailings	Drilling Application Amendment Response Comments	Figure 3 Excavation Cross-Section
Date: October 2020			
Drawn by: ETJ Reviewed by:SPF	 <b>Gila Mining, LLC</b>		



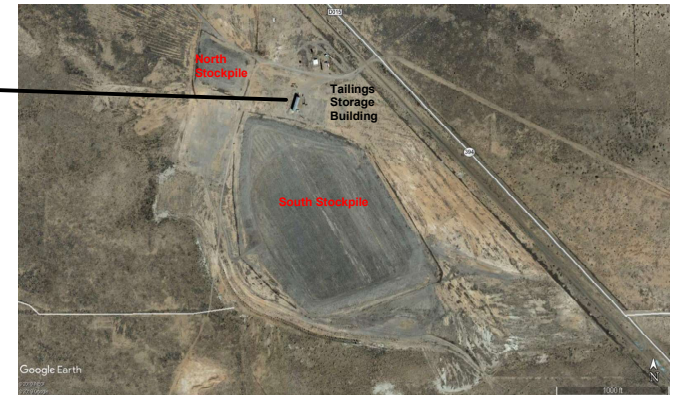
Looking West




Looking East



- Plywood containment
- Building perimeter



Project No.: 2020-1	Project: Peru Mill Tailings	Drilling Application Amendment Response Comments	Figure 4 Peru Mill Building
Date: October 2020			
Drawn by: ETJ Reviewed by:SPF			

**AMENDMENT TO LEASE AGREEMENT  
PERU MILL TAILINGS**

This is an Amendment to the lease agreement dated the 10th day of September 2019, (the "Agreement"), between the City of Deming (the "Lessor"), and Gila Mining, LLC (GM) (the "Lessee") regarding the Peru Mill Tailings.

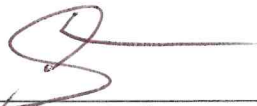
The Lessor and Lessee agree to the following changes to the Agreement:

1. Lease Term shall commence on the 19<sup>th</sup> day of December 2019, for one year.

All other terms and conditions of the lease agreement dated September 10, 2019 shall remain unchanged.

LESSEE: Gila Mining, LLC

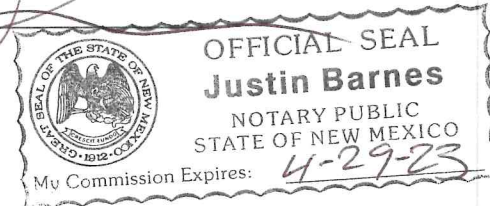
Date: April 17, 2020

By:   
Name: Shawn Findlan  
Title: President

SUBSCRIBED AND SWORN before me on this 17 day of APRIL, 2020 by  
Shawn Findlan, Managing Member of Gila Mining, LLC.


Notary Public

My Commission Expires:



LESSOR: City of Deming,  
a Municipality of the State of New Mexico

Date: April 10, 2020

By:   
Name: Jim Massengill  
Title: Public Works Director

SUBSCRIBED AND SWORN before me on this 10<sup>th</sup> day of April, 2020 by  
Jim Massengill, Public Works Director of the City of Deming.

Notary Public

My Commission Expires: 7/21/23

