

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Mike Tompson, Acting Director
Mining and Minerals Division



CERTIFIED MAIL – RETURN RECEIPT REQUESTED

January 5, 2023

Wade White
WW Mining, LLC
PO Box 315
Mayhill, NM 88339

RE: Transmittal of Documents: Modification 22-1 to Permit No. OT005MN, Orogrande Placer Gold Mine, Otero County, New Mexico

Dear Mr. White:

The New Mexico Mining and Minerals Division (“MMD”) has approved Modification 22-1 to Permit No. OT005MN, for the Orogrande Placer Gold Mine. A copy of the permit document and certificate of deposit is enclosed with this letter. MMD will retain the original of these documents on file.

If you have any questions in this matter, please feel free to contact me at (505) 216-8399 or carmen.rose@emnrd.nm.gov.

Sincerely,

Carmen Rose, Permit Lead
Mining Act Reclamation Program (“MARP”)
Mining and Minerals Division

Enclosures: Modification 22-1 to Permit No. OT005MN
Copy of CD No. 8807852028

cc: Holland Shepherd, Program Manager, MARP
Bob Newcomer, Toltec Mesa Resources LLC

**PERMIT MODIFICATION 22-1 AND TRANSFER OF PERMIT NO. OT005MN
OROGRANDE PLACER GOLD MINE
MINIMAL IMPACT NEW MINING OPERATION**

**MINING AND MINERALS DIVISION
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

This Modification 22-1 and Permit Transfer (“Modification 22-1”) of Permit No. OT005MN (“Permit”) is issued by the Director of the Mining and Minerals Division (“MMD”) of the New Mexico Energy, Minerals and Natural Resources Department to:

WW Mining, LLC
PO Box 315
Mayhill, New Mexico 88339
 (“Transferee” or “Applicant”)

From:

W.W. Mining and Production
PO Box 247
Carlsbad, New Mexico 88220
 (“Transferor”)

The Applicant has applied to MMD to transfer ownership of the Orogrande Placer Gold Mine (located in Sections 11 and 14, Township 22 South, Range 8 East, New Mexico Principal Meridian in Otero County, New Mexico) from W.W. Mining and Production to WW Mining, LLC.

In addition to transferring the Permit, this Modification 22-1:

1. Is a requirement of the Amended Settlement Agreement between MMD and W.W. Mining and Production which replaces the attachment to the Director’s Order, dated December 6, 2021.
2. Delineates the updated permit area and increases the design limit to two (2) acres, not including the 0.65 acre reclaimed area, for the Permit.
3. Describes reclamation activity that has occurred in the permit area and outlines future concurrent mining and reclamation activities.
4. Provides a vegetative reference area and sets a minimum revegetation standard of 1) 70% of the reference area canopy cover and 2) must include at least two warm season grasses, two forbs, and one shrub species.
5. Provides financial assurance in the form of a Certificate of Deposit (“CD”) No. 8807852028 issued on December 16, 2022, in the amount of \$15,702.00.

In order to accomplish the approval contemplated by Modification 22-1, the following subparagraphs are added to Permit No. OT005MN:

Section 1 (22-1). **STATUTES AND REGULATIONS**

- A. Modification 22-1 is issued pursuant to the New Mexico Mining Act, NMSA 1978, §69-36-1, *et seq.* (2014) (“Act”) and New Mexico Mining Act Rules, Title 19, Chapter 10 of the New Mexico Administrative Code (“NMAC” or “Rules” or “Regulations”).
- B. Modification 22-1 is subject to the Act and any amendments to the Act, the Rules, and any other regulations which are now or hereafter in force under the Act; and all such regulations area made a part of this Permit by this reference.

Section 2 (22-1). **PERMIT MODIFICATION PACKAGE**

The permit application package for Modification 22-1 (“22-1 PMP”) consists of:

- A. A written request from the Applicant, dated July 11, 2022 and received July 20, 2022, to modify the Permit by expanding the design limit and delineating the permit area, providing financial assurance as a result of expanding the design limit beyond two (2) acres, establishing a reference area and vegetation standards, and describing reclamation activities that have been and will be implemented as a condition to issuance of this Permit.
- B. An electronic mail (“e-mail”) submittal and attachment dated September 9, 2022, supplementing the 22-1 PMP with the proposed new design limit.
- C. An e-mail submittal and attachment received September 29, 2022, with a response to MMD and other agency comments, including a cost estimate, proof of access, and a proposed reference area location.
- D. An e-mail submittal and attachment dated October 7, 2022, with an updated reference area location to replace the proposed location in the September 29, 2022 correspondence.
- E. An e-mail submittal and attachment received on October 25, 2022, responding to MMD’s request for the Applicant to complete a rare plants survey as a result of the permit area lying within an “Important Plant Area”, as defined by the New Mexico Rare Plant Conservation Strategy. This submittal includes a rare plant survey and updates the proposed permit area.
- F. An e-mail correspondence dated December 8, 2022, requesting to transfer the permit to WW Mining, LLC from W.W. Mining and Production.
- G. An e-mail submittal and attachments dated December 9, 2022 with information supporting the request for a permit transfer, including the warranty deed for the patented claims in the permit area, the current address of the Applicant, a list of environmental

permits held by the Applicant, and the Limited Liability Company Operating Agreement for WW Mining, LLC.

- H. Financial Assurance in the form of a Certificate of Deposit No. 8807852028, dated December 16, 2022, in the amount of \$15,702.00, issued by Wells Fargo Bank, 1109 New York Ave. Alamogordo, NM 88310, was received by MMD on December 19, 2022.

Section 3 (22-1). **PERMIT AREA**

The Applicant is authorized to conduct mining and reclamation operations only on those lands that are specifically designated and authorized as the permit area. The permit area is located in Sections 11 and 14, Township 22 South, Range 8 East, New Mexico Principle Meridian in Otero County, New Mexico as delineated in Appendix A, and are subject to the reclamation standards of §19.10.5.507.A NMAC.

Section 4 (22-1). **FINDINGS OF FACT**

The Permit Application Package

- A. The Applicant has paid the permit modification and transfer fee of \$250.00 as required by §19.10.2.201.G and §19.10.2.201.I NMAC.
- B. The 22-1 PMP provides that the proposed operation meets the standards of a "Minimal impact mining operation," addressed in §19.10.1.7.M(2) NMAC, and in §19.10.3.304 NMAC, and does not fall within the exclusions in §19.10.1.7.M(2) NMAC. MMD and the other agencies, pursuant to §19.10.3.304.H NMAC, reviewed the minimal impact designation.
- C. The 22-1 PMP is complete and demonstrates that the proposed operation will meet the performance and reclamation standards and requirements of §19.10.3.304.(6 through 8) NMAC.
- D. 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 NMAC.
- E. Pursuant to §19.10.6.608.D NMAC, the proposed changes do not require public notice nor the opportunity for a public hearing.
- F. Pursuant to §19.10.6.608.D(1) NMAC, the proposed changes would not have a significant environmental impact.
- G. Pursuant to §19.10.6.608.D(2) NMAC, the application for permit modification was accompanied by sufficient information for the Director to determine whether any of the factors listed in §19.10.6.608 NMAC are present.

- H. The Post Mining Land Use (“PMLU”) is designated as wildlife habitat and grazing.
- I. The proposed operation and reclamation plan, described in the 22-1 PMP and this Permit Modification, will meet the requirements of reclamation, as identified in §19.10.3.302.D(5) and §19.10.1.7.R(1) NMAC. The Permit, the operation, and the reclamation plan described in the 22-1 PMP, along with the conditions set forth in this Permit Modification, demonstrate that the reclamation of the disturbed areas within the Permit Area will result in a condition that allows for the establishment of a self-sustaining ecosystem appropriate for the life zone of the surrounding areas.

Permit Transfer

- J. Pursuant to §19.10.8.802.A(2), the Applicant stated that the mining operations described in the Permit and as modified herein comply with the terms of the mineral lease (*see* paragraph U, below).
- K. Pursuant to §19.10.8.802.B NMAC, there is no public notice requirement for minimal impact permit transfers.
- L. The Applicant has provided financial assurance in the form of a Certificate of Deposit No. 8807852028, dated December 16, 2022, in the amount of \$15,702.00, issued by Wells Fargo Bank, 1109 New York Ave. Alamogordo, NM 88310 as required by §19.10.8.802.D(1) NMAC.
- M. Pursuant to §19.10.8.802.D(2), the Applicant agrees to continue to conduct the operations involved, in full compliance with the New Mexico Mining Act (“Act”), the New Mexico Mining Act Rules (“Rules”), and the terms and conditions of the Permit, as may be revised or modified.
- N. Pursuant to §19.10.8.802.D(3) NMAC, the Applicant would be eligible to receive a permit for new mines in accordance with Section 69-36-12.B(5) of the New Mexico Mining Act.
- O. Pursuant to §19.10.8.802.E NMAC, this permit transfer notifies the current Transferor, the Applicant and the owner of the mineral estate, of the Director’s findings.
- P. Pursuant to §19.10.8.802.F NMAC, the Applicant has provided notice to the Director of the consummation of the transaction transferring the Permit from Transferor to Transferee.

MMD’s Request for Comments to the Agencies and Tribes

- Q. The Director has provided notice of this application to other government agencies deemed appropriate, in accordance with §19.10.6.608.D(3) NMAC.

- R. MMD provided notification of the 22-1 PMP to the following tribal entities: Commanche Nation of Oklahoma, Pueblo of Isleta, Kiowa Tribe of Oklahoma, Mescalero Apache Tribe, White Mountain Apache Tribe, and Ysleta del Sur Pueblo, such tribes being identified on a notification list maintained by the New Mexico Department of Indian Affairs. MMD received a response from White Mountain Apache Tribe on November 7, 2022, indicating that the proposed project plan would have “no adverse effect” on cultural properties.

Agency Comments and Site Inspection

- S. Agency comments on the 22-1 PMP were received by MMD from New Mexico Office of the State Engineer, New Mexico Department of Cultural Affairs, New Mexico Department of Game and Fish, and the New Mexico Environment Department and were provided to the Applicant in an email dated September 27, 2022.
- T. An inspection and evaluation of the permit area was conducted by representatives from MMD, New Mexico Environment Department, and New Mexico Department of Game and Fish personnel along with the Applicant on August 31, 2022.

Right-To-Enter / Property Access Information

- U. The permit area is on private, patented land and the Applicant has demonstrated his right of access pursuant to §19.10.304.D.1 NMAC.
- V. The Permit or Modification 20-1 does not grant or create any property rights. Nor does MMD, by issuing the Permit or this Modification or otherwise, make any comment on the surface or mineral rights that the Applicant may or may not have in the area covered by the Permit; only that the Applicant has provided a statement of basis on which the Applicant has a right to enter the property to conduct mining, exploration and reclamation. The Applicant is solely responsible to take whatever steps are necessary to ensure that Applicant has property rights sufficient to support the activities contemplated by the Permit.
- W. The Permit does not grant or create any water rights. Nor does MMD, by issuing this Permit or otherwise, make any comment on the water rights that the Applicant may or may not have available for use in the area covered by the Permit. The Applicant is solely responsible and obligated to comply with all state and federal laws related to water rights sufficient to support the activities contemplated by the Permit.

Financial Assurance

- X. The Applicant has provided financial assurance to cover the costs of reclamation as required by §19.10.3.304.J(3) NMAC. The financial assurance instrument for the Permit is in the form of a Certificate of Deposit No. 8807852028, dated December 16, 2022, in the amount of \$15,702.00, issued by Wells Fargo Bank, 1109 New York Ave. Alamogordo, NM 88310.

Section 5 (22-1). COMPLIANCE REQUIREMENTS

- A. This Permit Modification 22-1 is issued pursuant to NMSA 1978, Section 69-36-1 *et. seq.* and Title 19, Chapter 10 NMAC. The Applicant may be required to comply with other federal, state, county, or local laws or ordinances before or while undertaking the activity that is the subject of this Permit Modification. MMD does not, by issuing this Permit Modification or otherwise, make any comment on the Applicant's compliance with such other laws. It is Applicant's sole responsibility to investigate and comply with the requirements of such other laws.
- B. Where the 22-1 PMP is ambiguous or in apparent conflict with the provisions outlined in this Permit Modification, the language of this Permit Modification will supersede the 22-1 PMP.

Section 10 (22-1). GENERAL OBLIGATIONS AND CONDITIONS

This Modification 22-1 is subject to the following Conditions:

Reclamation Requirements

- A. All lands to be disturbed by the mining operation will be addressed under the performance reclamation standards and requirements described and referenced in §19.10.3.304 NMAC and in accordance with the reclamation plan provided in the 22-1 PMP and this Permit.
- B. The entire disturbed footprint within the permit area shall be regraded and re-contoured to approximate the contour of the surrounding terrain after mining and processing activities have been completed. All reclaimed slopes shall have a slope angle that is no steeper than 3H:1V.
- C. Any areas where vegetation is disturbed shall be reseeded using a certified weed free seed mix approved in this Permit Modification as Appendix B or alternate, as approved in advance of reseeded by MMD, and monitored in accordance with Appendix B.
- D. Following the re-vegetation and restoration activities, periodic site monitoring shall be conducted by the Applicant to ensure the successful establishment of vegetation and stabilization of the site. Re-vegetated areas that do not exhibit satisfactory vegetative growth by the end of the third growing season will be mitigated by reseeded, mulching, grading, and/or application of best management practices ("BMPs") to prevent erosion and site degradation.
- E. The site shall be considered reclaimed and eligible for release of financial assurance once the following criteria have been met:
 - 1. Canopy cover within the reclaimed area equals at least 70% of live vegetative cover on the reference area identified within the 22-1 PMP;

2. Species diversity within the reclaimed area includes at least two warm season grass species, one shrub species, and two forb species;
 3. Noxious and invasive weed species within the reclaimed area does not exceed 5% of the live vegetative cover; and
 4. No significant erosion is evident on reclaimed areas.
- F. Fencing around reclaimed areas is recommended to protect reclaimed areas from grazing and recreation until plants are well-established or until re-vegetated areas can tolerate managed grazing pressure.
- G. The Applicant shall leave all disturbances in a manner that is stable, both long term and short term, and non-hazardous to humans and wildlife.
- H. The Applicant shall notify MMD at least thirty (30) days prior to initiating any reclamation approved pursuant to this Permit.

Public Health and Safety

- I. The Applicant shall ensure that the permit area does not pose a current or future hazard to public health or safety by posting signage at reasonable intervals and at all access points, warning of potential hazards present.

Best Management Practices

- J. The Applicant will implement best management practices (“BMPs”) in a manner that prevents direct impacts to surface water and ephemeral, intermittent, and perennial water courses. The Applicant will implement erosion control measures that are designed, constructed, and maintained using professionally recognized standards.
- K. The Applicant shall visually inspect reclaimed lands for signs of significant erosion and shall mitigate significant erosion features to prevent further degradation of the site. Erosion control measures that are damaged or ineffective shall be repaired or re-designed as necessary. The Applicant shall notify MMD within seven (7) days of discovering any significant erosion on site and provide a corrective action plan to MMD to address the erosion feature(s) within 30 days of discovery.
- L. The Applicant must contain any water produced from the operation at the site. Discharge of water or any industrial fluids to any watercourse may be a violation of the Clean Water Act. All waste material shall be collected and disposed of properly.
- M. Travel within the Permit Area should be suspended during wet, muddy conditions. Construction or maintenance activities should not be performed during periods when the soil is too wet to adequately support heavy equipment.

- N. Appropriate spill clean-up materials, such as absorbent pads, must be available on-site at all times during mining and reclamation activities to address potential spills. Spills must be reported immediately to NMED as required by the New Mexico Water Quality Control Commission Regulations (§20.6.2.1203 NMAC). For non-emergencies during normal business hours, call (505) 476-6000. For non-emergencies after hours, call (866) 428-6535 or (505) 428-6535 (voice mail, twenty-four hours a day). For emergencies only, call (505) 827-9329 twenty-four hours a day (NM Department of Public Safety).

Cultural and Paleontological Resource Preservation Requirements

- O. The Applicant will maintain a fence along the western and southern perimeter of the permit area to ensure that no disturbance occurs on the identified archaeological site, LA 118296, located on Bureau of Land Management (“BLM”) land. Applicant will maintain a 20-foot buffer of no disturbance between the mining disturbance in the permit area and the fence.
- P. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the Applicant, or any person working on the Applicant's behalf, shall be immediately reported to the Department of Cultural Affairs and the Mining and Minerals Division. The Applicant shall suspend all operations in the immediate area of such discovery until authorization to proceed is issued by the Department of Cultural Affairs. An evaluation of the discovery will be made by the Department of Cultural Affairs to determine appropriate actions to prevent the loss of significant cultural or scientific values. The Applicant shall be responsible for the cost of evaluation, and any decision as to the proper mitigation measures will be made by the Department of Cultural Affairs after consulting with the Applicant.
- Q. The Applicant is obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the Applicant shall immediately halt the disturbance and contact the Department of Cultural Affairs within **24** hours for instructions. The Applicant shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the Department of Cultural Affairs in consultation with Indian Tribes.

Changes, Modifications, or Revisions to the Permit

- R. Any changes, modifications or amendments to the approved Permit must be approved by MMD, in writing, prior to implementation.

Annual Report and Fees

- S. The Applicant shall submit annual reports pursuant to §19.10.6.610 NMAC, and any fees as required by §19.10.2 NMAC. The Applicant shall identify any areas of new disturbance due to exploration activities in each annual report submitted to MMD.

Reclamation Schedule

- T. The Applicant shall commence all primary reclamation activities described in the 22-1 PMP and this Permit Modification, including covering disturbed areas with topsoil, regrading, seeding, and mulching all disturbed areas within the permit area no more than 180 days after mining operations have ceased.
- U. The Applicant shall monitor the site, at least once per year, for the duration of the Permit to assure knowledge of the general site conditions and compliance with the Permit and the approved Permit Area.
- V. The Applicant will maintain the permit until all financial assurance is released under §19.10.12 NMAC. In accordance with §19.10.6.607 NMAC, **this Permit will expire on January 21, 2030**. Permit renewals are allowed under the Rules and shall not exceed 10 years.

Section 11 (22-1). CONCLUSIONS OF LAW

- A. The request for permit modification and transfer is complete and accurate and complies with the requirements of the Act, §19.10.3.303 and §19.10.8 NMAC. The Applicant is authorized pursuant to the New Mexico Mining Act to conduct reclamation operations on the Permit Area upon the condition that the Applicant complies with the requirements and conditions of the Act, the Rules, and this Permit, and upon the submission of such annual reports and fees as may be required under §19.10.6.610 NMAC and §19.10.2 NMAC.
- B. The Director concludes the application meets the requirements of a “Minimal Impact Mining Operation,” addressed in §19.10.1.107.M(2) NMAC. The operation authorized by this Permit is eligible as a minimal impact operation, and the Applicant is authorized to operate a minimal impact mining operation, pursuant to §19.10.1.107.M(2) NMAC and §19.10.3.304 NMAC. The Orogrande Placer Gold Mine will no longer qualify as a Minimal Impact operation if permit authority is exceeded or if any of the characteristics described in §19.10.1.7.M(2) NMAC exist.
- C. The Director has jurisdiction over the Applicant and the subject matter of this Permit Modification and process.
- D. All other provisions, modifications, and revisions for mining and reclamation contained in the Orogrande Placer Gold Mine, Permit No. OT005MN, remain unchanged.

ORDER

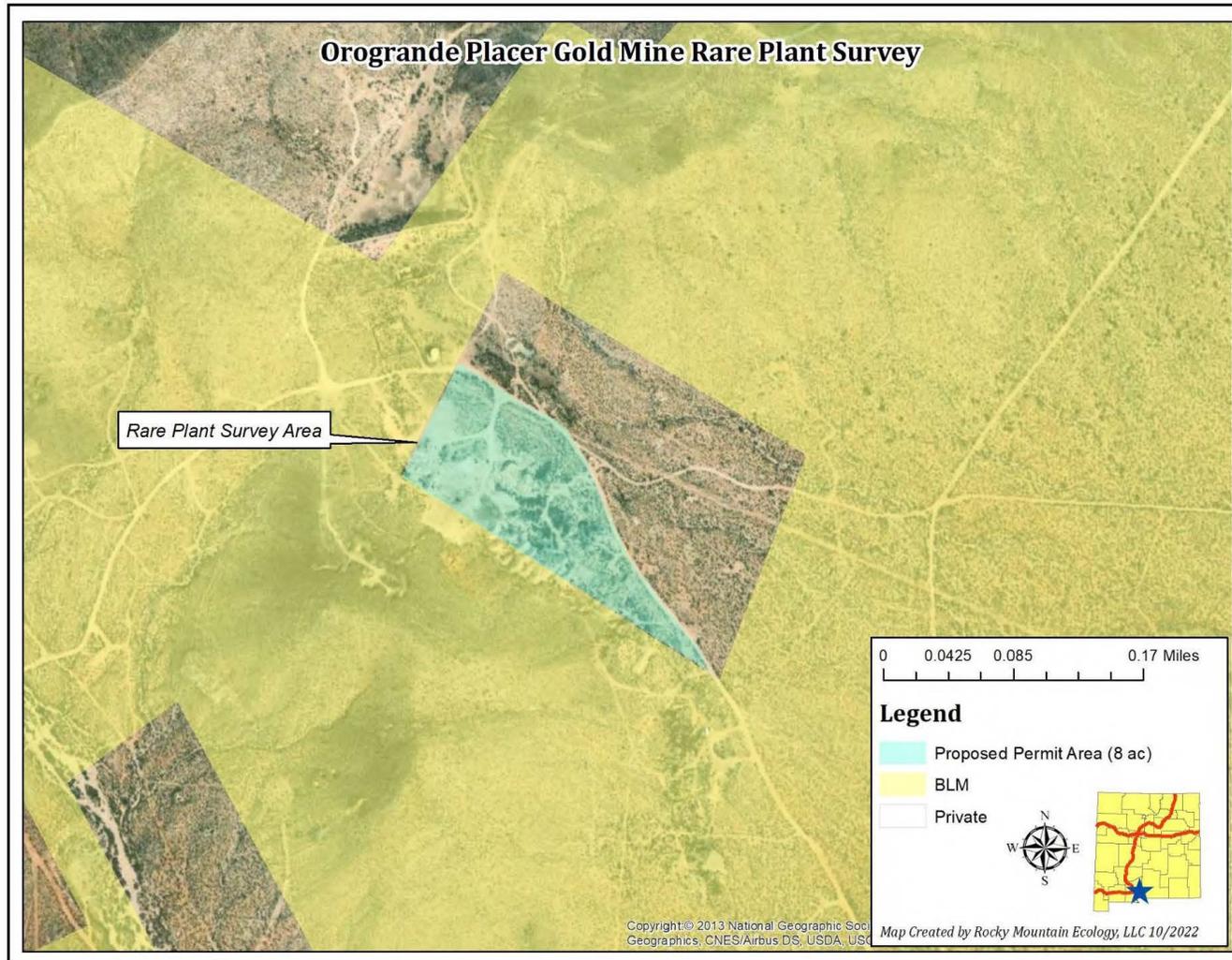
NOW THEREFORE, IT IS HEREBY ORDERED that the Director approves Permit Modification 22-1 and Transfer of the Orogrande Placer Gold Mine, Permit No. OT005MN, located in Otero County, New Mexico. WW Mining, LLC is approved as the Permittee and may engage in reclamation operations in accordance with the Permit.

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

By: Michael W. Tompson
Mike Tompson, Acting Director
Mining and Minerals Division
Energy, Minerals and Natural Resources Department

Date: 1/4/2023

APPENDIX A



APPENDIX B

Recommended MMD Seed Mix & Planting Methodology

Disturbed areas to be reclaimed should remain un-disturbed until mid-June, to reduce wind erosion. At that time, soil in these areas to be reclaimed should be treated to reduce compaction. Even very minimal use of roads greatly increases compaction. Soil structure compaction reduces available soil air and water; this reduction kills soil organisms and decreases success rate of re-vegetation.

Seed-bed preparation needs to be done to provide a hospitable environment for germinating seed by breaking up impermeable soil layers that have formed and increasing void spaces for air and water. Ground should be roughed-up prior to planting, by raking, harrowing or other methods.

Seed should be drill seeded, where possible, or broadcast with a "cyclone" hand seeder or similar broadcast seeder to facilitate an even spread of seed.

After seed is applied, ground shall be raked or dragged, to help bury seed and improve soil contact and provide texture. Next, mulch should be placed to prevent loss of moisture and seed to wind.

Mulching is required on all seeding projects. Mulch shall be free of weeds and weed seed. Mulching shall be done using one of these following methods:

- A. weed-free straw (2 tons/Ac)
- B. wood residues (sawdust, wood chips, bark (2 tons/Ac)
- C. hydro-mulching (1,500 lb./Ac)
- D. composted manure (5 tons/Ac)
- E. excelsior blanket
- F. straw jute

Livestock should be temporarily fenced-out of any seeded area if possible, as they will otherwise greatly reduce the possibility of successful re-vegetation. Probability of successful seeding will be considerably increased if fencing remains until reclamation is stable, and plants have grown well enough to withstand grazing. Stabilization would occur after a minimum of three full summer growing seasons after planting. Mulch should be applied on the surface within one day following seeding. Mulch must be free of noxious weeds and other diseased plant residues. Rotten or molded hay is not acceptable as mulch. The following is the link to certified weed-free mulch providers:

<http://aces.nmsu.edu/ces/seedcert/certified-weed-free-fora.html>

The seed mix below is designed for application prior to the summer rains and the seeding should be completed in early to mid-July. Alternative seed mixtures planned for application

in a specific seeding season shall be submitted to MMD for review and approval prior to seed purchase. **The rates included in Table 1 are broadcast seeding rates.** If drill seeding, reduce the PLS by half.

Table 1. Proposed species list for the seed mix

Common name	Scientific name^a	Plant Form	PLS^{ab} (lb/acre)
Bush muhly	<i>Muhlenbergia porteri</i>	Grass	0.8
Sideoats grama	<i>Bouteloua curtipendula</i>	Grass	1.5
Scarlet globemallow	<i>Sphaeralcea coccinea</i>	Forb	0.8
Sand dropseed	<i>Sporobolus cryptandrus</i>	Grass	0.1
Whitethorn acacia	<i>Vachellia constricta</i>	Shrub	3.0
Winterfat	<i>Krascheninnikovia lanata</i>	Shrub	1.0
Mariola	<i>Parthenium incanum</i>	Shrub	1.0
Cane bluestem	<i>Bothriochloa barbinodis</i>	Grass	0.5
Woolly paperflower	<i>Psilostrophe tagetina</i>	Forb	1.5
Roundleaf buckwheat	<i>Eriogonum rotundifolium</i>	Forb	1.0

^aSeed mix and rates are subject to change based on future investigations.

^bRate is in pounds of pure live seed (PLS) per acre; Substitutions may change seeding rates.

Mine Name Orogrande Placer Mine

Date 12/16/2022

Energy Minerals and Natural Resources Department
Mining and Minerals Division
Mining Act Reclamation Program
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Certificate of Deposit Agreement for Financial Assurance for Orogrande Mine,
MMD Permit No. OT005 MN

Placer

A. Agreement Established

This Agreement between Wells Fargo Bank ("Bank") whose address is 1109 New York Ave. Alamogordo, NM 88310 W/W Mining LLC Mining Company ("Operator"), and the State of New Mexico, Mining and Minerals Division of the Energy, Minerals and Natural Resources Department ("MMD") or its successor agencies establishes financial assurance for the operations and reclamation of the Orogrande Placer Mine W/W Mining LLC Mining Company pursuant to MMD Permit No. OT005 MN according to the New Mexico Mining Act and the New Mexico Mining Act Rules (19.10NMAC). The Operator is incorporated under the laws in the State of New Mexico and its principal place of business is Mayhill, NM.

B. Instruments

The Operator hereby assigns and pledges to MMD the instrument, together with all renewals and extensions thereof and all interest that has accrued or that will accrue thereon, (collectively, the "Instrument" or "Instruments") described below to guarantee the Operator's performance of the requirements of the New Mexico Mining Act, the New Mexico Mining Act Rules, the above referenced permit, the closeout plan, and orders and directives issued by MMD (collectively, the "Obligations"). The Instrument is a Certificate of Deposit issued by the Bank in the principal amount of \$ 15,702.00. It is identified by the Bank as follows:

Certificate of Deposit No. 8807852028, Issued on Dec. 16, 2022
in the amount of \$ 15,702.00

The Instrument (also referred to herein as the "Certificate of Deposit") shall be deposited by the Operator, pledged and assigned to the State of New Mexico, and shall be placed on hold by the Bank and shall be held by the Bank for the benefit of MMD until such time as MMD may consent to release of the Instrument by the Bank. Funds pledged and assigned must be the property of the Operator. MMD shall not accept any third party or multi-party instruments. The Instrument is established by the Bank and the Operator to provide financial assurance to MMD for Operator's Obligations. Other and additional forms of financial assurance may be provided by separate agreement. The funds represented by the Instruments may only be accessed for withdrawal by MMD pursuant to Paragraphs C, D, E and F, below and may not be withdrawn or cancelled except upon the approval of MMD.

C. Terms

The Bank and Operator are legally bound to and agree to the terms of this Agreement, including without limitation, the following:

- 1) The original Certificate of Deposit shall be in the possession of the Bank. The funds identified in paragraph B, above, shall be maintained in federally-insured (FDIC or equivalent) accounts until release or forfeiture of the deposited funds pursuant to Paragraphs D or E, below;
- 2) the Operator shall be responsible for payment of all maintenance fees associated with the Certificate of Deposit;
- 3) the Operator shall be responsible for payment of all federal and state taxes on interest earned by the Certificate of Deposit;
- 4) for the duration of this Agreement and any renewals, the Bank waives all rights of set off and liens or any other claims which it now has or might, in the future, have against the Certificate of Deposit;
- 5) the Bank shall notify the U.S. Internal Revenue Service that Operator is responsible for federal taxes on interest earned by the Certificate of Deposit;
- 6) the Bank shall automatically renew the Certificate of Deposit, at conclusion of all maturity periods, for the same term as that for which originally issued;
- 7) all interest earned by the Certificate of Deposit shall accrue to the Certificate of Deposit and shall be applied by the Bank to regularly increase the face amount of the Certificate of Deposit upon automatic renewals, at conclusion of all maturity periods, and the Bank shall notify MMD in writing of the increased face amount of the Certificate of Deposit upon all renewals;
- 8) the Bank and the Operator shall comply with paragraphs D and E, below;
- 9) the Bank and the Operator authorize MMD to present the original financial assurance agreement and to withdraw any portion or all of the moneys of the Certificate of Deposit from the Bank at any time, if conditions of paragraphs D or E, as appropriate, are met;
- 10) the Bank acknowledges that the Certificate of Deposit is pledged and assigned to the State of New Mexico and may be collected by MMD according to the terms of this Agreement;
- 11) the Bank acknowledges and agrees to act as a custodian of the funds represented by the Certificate of Deposit and as agent for MMD; and
- 12) construction and enforcement of and any dispute arising out of or relating to this Agreement shall be governed by New Mexico law; and any lawsuit relating to the construction and enforcement of and any dispute arising out of or relating to this Agreement shall be brought in the First Judicial District of the State of New Mexico Court; provided that, if jurisdiction fails in that forum, the parties agree that such lawsuit may be brought in the United States District

Court District of New Mexico. Bank hereby consents to personal jurisdiction in the First Judicial District of the State of New Mexico Court and United States District Court District of New Mexico.

D. Conditions for Release

Subject to paragraph E, once the reclamation has been completed and approved by MMD, the period of liability for the financial assurance has expired, and the requirements of 1210.A, 1210.B, 1210.D and 1210.G of the New Mexico Mining Act Rules have been met, MMD will release to the Operator all or part of the financial assurance for the entire permit area, or incremental area, for the mining operations conducted by the Operator under Permit No. OT005 MN with MMD. The Operator shall make a written request to MMD for such release.

E. Conditions for Forfeiture

Pursuant to 1201.C and 1207.C of the New Mexico Mining Act Rules, financial assurance secures the performance of each and all of the Obligations. If the Operator refuses or is unable to perform, conduct or complete any of the Obligations or if the Operator defaults on the conditions under which the financial assurance was accepted or if MMD receives a notice pursuant to paragraph G of this Agreement, MMD has the absolute right, but not the obligation, to demand that the Bank pay to it the value of the Instrument, or any part of such value. The Bank shall pay MMD upon written demand by MMD and presentation of a copy of this Agreement, without further notice to, consent of, or endorsement by the Operator, and MMD shall have the right to such payment. Any delay by MMD in enforcing their rights to the aforesaid Instrument shall not affect MMD's rights to the funds. This Agreement shall terminate upon written release of all aforesaid Instruments by MMD according to paragraph D, above, or upon forfeiture of the Instrument as provided in this paragraph E.

No failure, intentional or otherwise, on the part of MMD to exercise any of its rights under this Agreement or under any law or regulation shall in any way whatsoever act as or be construed as a waiver or any sort of impairment of MMD's rights under this Agreement.

F. Access to Financial Assurance Instruments

The Instruments identified in paragraph B, above, may be accessed by the MMD for: (a) the purpose of releasing all or part of the funds contained therein back to the Operator once the Requirements in Paragraph D, above, have been met, or (b) for the purpose of forfeiting all or part of the funds contained therein to MMD as described in Paragraph E, above. MMD may access the Instruments and funds therein once or multiple times, in MMD's sole discretion.

G. Bank Liability

Pursuant to 1207.E of the New Mexico Mining Act, the Bank shall provide prompt notice to MMD in the case of any action alleging failure of the Bank, and upon such notice, MMD shall have the right to make demand and receive payment as set forth in this Agreement and the Operator shall have the obligation to replace this Agreement and the Instrument with other financial assurance in form, substance and amount that is acceptable to MMD. The Bank will not

be held liable for any dispute between the Operator and MMD. The Bank shall be liable to MMD for any and all losses to the principal amount of the funds caused in any manner whatsoever during the term of this agreement.

Agreement by Bank and Operator:

The foregoing instrument is agreed upon as shown below by signatures of authorized representatives.

[Signature]

Authorized Bank Agent
Wells Fargo Bank

S. Romero
Printed Name, Authorized Bank Agent

[Signature]

Authorized Agent for Operator
Tax I.D. No. 92-1063664

Wade White
Printed Name, Authorized Agent

Acknowledgement of Authorized Agent of the Operator:

On this 16th day of December, 2022, before me appeared Wade White to me personally known, who, being duly sworn, did depose and say that he signed the attached Agreement and acknowledged said Agreement to be a free act and deed.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

STATE OF NEW MEXICO
NOTARY PUBLIC
DERICK PFAENDER
COMMISSION #1113456
COMMISSION EXPIRES 10/20/2023

[Signature]
Notary Public

My Commission Expires: 10/20/23

Acknowledgement of Authorized Bank Agent:

On this 16th day of December, 2022, before me appeared Samantha Romero to me personally known, who, being by me duly sworn, did depose and say that he is a duly authorized official of the Wells Fargo Bank, that the Agreement was signed on behalf of the Bank by the authority of its board of Directors, and acknowledged said Agreement to be a free act and deed of the Bank.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written,

STATE OF NEW MEXICO
NOTARY PUBLIC
DERICK PFAENDER
COMMISSION #1113456
COMMISSION EXPIRES 10/20/2023

[Signature]
Notary Public

My Commission Expires: 10/20/23

Approval by Authorized Representative of Mining and Minerals Division:

The foregoing instrument was approved by me this 4th day of January,
2023

By:

Michael W. Tompson
Director, Mining and Minerals Division

Printed Name:

Michael W. Tompson
Director, Mining and Minerals Division