



LAC

LAC MINERALS (USA) LLC

August 7, 2023

Ms. Carmen Rose, Permit Lead  
Mining Act Reclamation Program (MARF)  
Mining and Minerals Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

**RE: Response to Agency Comments on the Amendment to Application for Revision 20-1 and Proposed Cost Estimate, Closure/Closeout Plan Update, Cunningham Hill Mine, Permit No. SF002RE Revision 01**

Dear Ms. Rose,

LAC Minerals LLC (USA) (LAC) with technical support from John Shoemaker & Associates Inc. (JSAI) provided responses to comments on the Amendment to Application for Revision 20-1 and Proposed Cost Estimate for the Cunningham Hill Mine received from New Mexico Mining and Minerals Division (MMD) and New Mexico Environment Department (NMED) on July 27, 2023. After receiving LAC's responses MMD requested a meeting to discuss the submittal in detail with NMED and LAC, said meeting took place on August 3, 2023.

As a result of the August 3, 2023 meeting discussions LAC offered to submit this revised response to MMD Comments 2 and 3 as well as accordingly updated cost models. LAC responses to other MMD and Agency comments remain unchanged. These revisions result in an additional overall increase of \$43,211 not eligible for NPV making the total new proposed bond for DP-55, SF002RE, and AP-27 \$9,665,161.

MMD comment is shown in bold text below followed by LAC response in standard text.

**2. In the *Waste Rock Dumps* tab of the Permit No. SF002RE SRCE spreadsheet, there are no revegetation costs reported for the waste rock pile. As LAC has not yet demonstrated that the waste rock pile has met MMD revegetation standards pursuant to Permit No. SF002RE, LAC is required to provide financial assurance to address the revegetation costs for the waste rock pile and any other disturbed areas that have not yet been released from the New Mexico Mining Act.**

Financial assurance costing for the revegetation of the outstanding 71.4 acres of the waste rock pile has been added to the cost model for SF002RE. Additionally, the unused information in the Seed Mixture tab of all models has been updated to reference the Closure Close Out Plan for the correct seed mix information to eliminate any potential for confusion.

**3. Please provide a figure depicting the location of the proposed borrow area for the 8 acres of cover as contingency on the waste rock pile. The "Quarries and Borrow Pits" tab in the DP-55 cost estimate accounts for only one acre of disturbance for the borrow area, and a haul distance of 5,100 ft (found under the "Waste Rock Dumps" tab). These numbers seem low. Confirm that the haul distance and borrow area size is correct based on the location of the borrow area and anticipated depth (volume) of borrow material.**

LAC has included costing for the commercial sourcing and transport of borrow material for cover repair from offsite which eliminates the need for an onsite borrow area and associated distance/area/volumetric estimations for inclusion in the cost model for financial assurance. These lines have been updated in the DP-55 cost model accordingly. The \$/yard rate for this material comes from the National Site Materials (NSM) online quotation service

([www.nationalsitematerial.com](http://www.nationalsitematerial.com)). NSM is an aggregate supplier whose business model revolves around facilitating the sourcing and delivery of aggregate materials for an administration fee. As such the delivered material would originate from a local quarry and be delivered through a local sub-contractor based on the best available price at the time an order is made, likely Moriarty. The \$35.30/yard quoted represents a conservative cost estimate as in actual practice LAC would source material directly from a quarry.

Please don't hesitate to contact me with any questions or to arrange a meeting to discuss any points in detail at (775) 934-1766 or [eburch@barrick.com](mailto:eburch@barrick.com).

Regards,

*Eric Burch*

Eric Burch  
Project Manager

Attachments: 20230807 CHMRP–NMED DP-55 Financial Assurance Cost Estimate Model  
20230807 CHMRP-MMD SF002RE Financial Assurance Cost Estimate Model  
20230807 CHMRP-NMED AP-27 Financial Assurance Cost Estimate Model  
20230807 CHMRP-NPV Calculations for AP-27 and DP-55 Financial Assurance

EC: Daniel Lattin  
David Ennis  
Kevin Myers  
Anne Maurer  
Joseph Fox  
Brad Bingham  
Gabriel Wade  
Eric Jantz  
Mara Yarbrough  
Tom Parker  
Ross Lockridge  
Dennis Kurtz  
Jon Indall  
Elizabeth Rudolf  
Steve Finch