



# AMERICAN MAGNESIUM LLC

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February 6, 2024

Mr. Kevin Barnes  
Reclamation Specialist  
Mining and Minerals Division  
Mining Act Reclamation Program  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

RE: Revised Part 3 Minimum Exploration Permit No. LU047EM

Dear Mr. Barnes:

The purpose of this letter is to explain the changes in the overland roads in the permit revision as compared to the original permit application.

As MMD has been made aware, American Magnesium (AM) has encountered issues with their drilling contractor's performance and equipment limitations. As a result, AM has re-examined its drilling and sampling plan, and drilling contractor requirements. AM has determined that using a reverse circulation (RC) percussion hammer drill rig will meet the required drill rate and sample depth necessary. A new drilling contractor has been selected and their proposed drill rig is an RC tracked, all-terrain unit. A photo of the proposed drill rig is shown on Figure 1.

As requested in your email of January 24, 2024, the following information has been included for the permit revision:

- Detailed maps of the routes of the new proposed access and overland roads;
- GPS coordinates for the access roads and drill pad locations;
- Updated road length; and
- Area calculations for all permitted disturbances.

Figure 2 illustrates the proposed routes that will be employed to gain access to drill pads BV1, BV2, BV3, BV4 and BV5. Work has been completed at drill pad BV-1. The proposed RC drill rig has a 45° angle boring limit compared to 60° angle originally planned for some drill holes. As a result, drill pad BV5 has

been added in order to sample the southern flank of Little Mountain. The permit currently allows for five drill pad locations.

Appendix A contains the revised summary tables from the original permit application. These tables are:

- A. Other Supporting Equipment Table
- B. Roads and Overland Travel Tables,
- C. Support Facilities.

There are no changes expected in the length or width of the access road at the base of Little Mountain.

Figure 2 illustrates three temporary overland roads on Little Mountain to access the drill pads. BV2, BV3 and BV4 pads will remain at 40 feet by 60 feet in dimension. BV 1 drill pad was only 30 feet long by 20 feet wide. Overland roads 1 and 2 are eight feet wide respectively.

Overland road 3 is divided into three parts as shown on Figure 2. Overland Roads 3A and 3B will be 10 feet wide, whereas Overland Road 3B will be 12 feet wide to accommodate a safety berm. Table 1 summarizes the disturbed areas. The estimated total disturbed area remains below an acre. Due to the increase in the length and width of the overland roads there is a small incremental increase in the total disturbed area as compared to the original permit estimate (0.71 acres in the permit compared to 0.81 acres in the revision).

As requested, Table 2 contains the GPS points for each drill pad and various points along the overland pathway, while Figure 3 shows each GPS point.

No other changes have been identified in the disturbed areas or other parts of the permit application. Due to the minimal change in disturbed acres, no adjustment of financial assurance is necessary. AM continues to follow MMD's practices for describing road disturbances (new road construction, existing road modification, or overland travel) in the modification application.

Best regards,



Carol Ness  
Managing Member

**Attachments:**

Figure 1: MPD Rotary Drill

Figure 2: Access & Overland Road Map

Figure 3: GPS Location Map

Table 1-Disturbed Acres

Table 2-GPS Locations

Appendix A: Revised Permit Application Tables

A. Other Supporting Equipment

<input checked="" type="checkbox"/> 4x4 Trucks/Vehicles	Quantity: 2
<input checked="" type="checkbox"/> Water Truck	Weight (lbs.): 64000
<input type="checkbox"/> Geophysical Truck	Weight (lbs.): _____
<input type="checkbox"/> Pipe Truck (rig support)	Weight (lbs.): _____
Bulldozer	Type: D6
Backhoe	Type: _____
Trackhoe	Type: 1
Scaper/Grader	Type: _____
Trailers	Quantity/Type: _____
Portable Toilet	Quantity: 1
Other	List: _____

B. Roads and Overland Travel:

List of new roads to be constructed for this exploration project:

Description of <i>NEW</i> Roads	Length (ft.)	Width (ft.)	Total Acres (length x width x 0.0000229)
<p>See attached Figure 2 of new road locations. The new road will service the support area. This road is on relatively flat ground and not on the dolomite. The road and support area will be created by the bulldozer.</p> <p>962ft x 10ft x 0.0000229 = 0.18 acres</p>			
<b>TOTAL ACRES DISTURBED BY NEW ROAD CONSTRUCTION:</b>			<b>0.21</b>

Describe how new roads will be constructed:

A bulldozer will blade and grade an 10-foot-wide path for the drill rig to pass on.

List for extension or widening of existing roads:

Description of Modification to <i>EXISTING</i> Roads	Length (ft.)	Width (ft.)	Total Acres (length x width x 0.0000229)
<p>The modifications on existing roads will be the grading of eroded areas ensure safe travel. The decision of what section of road that will need grading will be made during the mobilization of the drill rig. The 200 feet estimate should be considered a conservative (high) estimate.</p> <p>200ft x 10ft x 0.0000229 = 0.04 acres</p>			
<b>TOTAL ACRES DISTURBED BY ROAD IMPROVEMENTS:</b>			<b>0.04</b>

Describe how existing roads will be extended or widened:

List for routes of overland travel:

Description of <i>OVERLAND TRAVEL</i> Routes	Length (ft.)	Width (ft.)	Total Acres (length x width x 0.0000229)
<p>See attached Figure 2. The overland travel path will be created by the bulldozer which will assist the drill rig to each drilling location on the ridgeline of Little Mountain. The overland travel path will be a one-way path starting at the upper most drilling location and then moving downhill to each of the lower drilling locations.</p> <p>Overland 1-205ft x 10ft x 0.000029 = 0.05 acres                      Overland 2- 280ft x 10ft x 0.000029 = 0.06 acres                      Overland 3a 350ft x 10ft x 0.000029 = 0.08 acres                      Overland 3b 338ft x 13ft x 0.000029 = 0.10 acres                      Overland 3c 140ft x 10ft x 0.000029 = 0.03 acres</p>			
<b>TOTAL ACRES DISTURBED BY OVERLAND TRAVEL:</b>			<b>0.32</b>

C. Support Facilities

Describe (location and size) any support facility disturbances (equipment staging, equipment and material storage and/or lay down areas, vehicle parking, temporary housing and/or trailers) to be created or situated on the site during exploration operations.

Support area will be 60' by 60' equaling 0.08 acres.

See attached Figure 2 which illustrates the support area location south side of Little Mountain. The support area will contain the water truck, support equipment truck (which will contain fuel, oil, hydraulic oil, etc), chemical toilet and core tent.

D. **TOTAL ACREAGE TO BE DISTURBED BY PROJECT =** 0.88

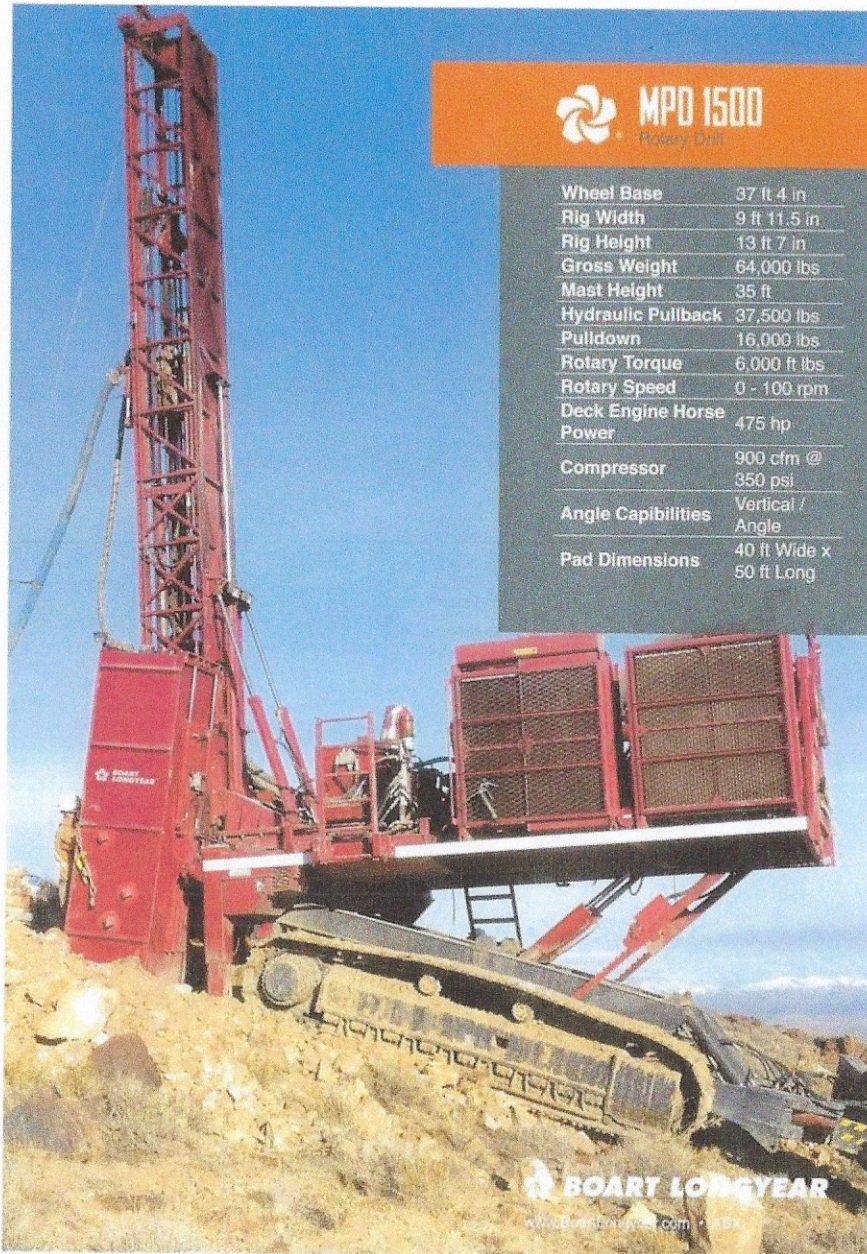
<b>Table 1 - Estimated Disturb Acres</b>				
<b>Disturb Areas*</b>	<b>Distance (Ft.)</b>	<b>Width (Ft.)</b>	<b>Area (Sq. Ft.)</b>	<b>Acres</b>
<b>Overland Road 1</b>	205	8	1640	0.04
<b>Overland Road 2</b>	280	8	2240	0.05
<b>Overland Road 3a</b>	350	10	3500	0.08
<b>Overland Road 3b</b>	338	12	4056	0.09
<b>Overland Road 3c</b>	140	10	1400	0.03
<b>Subtotal</b>	1313			0.29
<b>Project Access Road</b>	962	8	7696	0.17
<b>Grading Existing Road</b>	200	10	2000	0.04
<b>Support Area</b>	60	60	3600	0.08
<b>Drill pads (1)</b>	30	20	600	0.01
<b>Drill pads (4)</b>	60	40	9600	0.21
<b>* See Figure 2 for locations</b>	<b>Total Affected Acres</b>			<b>0.81</b>

(Include all disturbed acreage from drill pads, cuttings disposal pit, new roads, improved roads and overland travel routes)

**Table 2 - Temporary Overland GPS Points-UTM**

<b>GIS Points</b>	<b>BV1</b>			<b>BV3 &amp; BV4</b>
1	249657.69 m E		5	249718.21 m E
	3554043.94 m N			3554039.31 m N
2	249616.81 m E		6	249780.70 m E
	3554107.77 m N			3554083.05 m N
3	<b>BV2</b>		7	249852.54 m E
	249698.32 m E			3554095.02 m N
	3554050.39 m N			
4	249689.42 m E		8	249800.13 m E
	3554160.01 m N			3554134.80 m N
			9	249771.70 m E
				3554177.11 m N
			10	249809.32 m E
				3554202.95 m N





**MPD 1500**  
Rotary Drill

Wheel Base	37 ft 4 in
Rig Width	9 ft 11.5 in
Rig Height	13 ft 7 in
Gross Weight	64,000 lbs
Mast Height	35 ft
Hydraulic Pullback	37,500 lbs
Pulldown	16,000 lbs
Rotary Torque	6,000 ft lbs
Rotary Speed	0 - 100 rpm
Deck Engine Horse Power	475 hp
Compressor	900 cfm @ 350 psi
Angle Capabilities	Vertical / Angle
Pad Dimensions	40 ft Wide x 50 ft Long

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Project No.: 2022-004

Date: January 2024

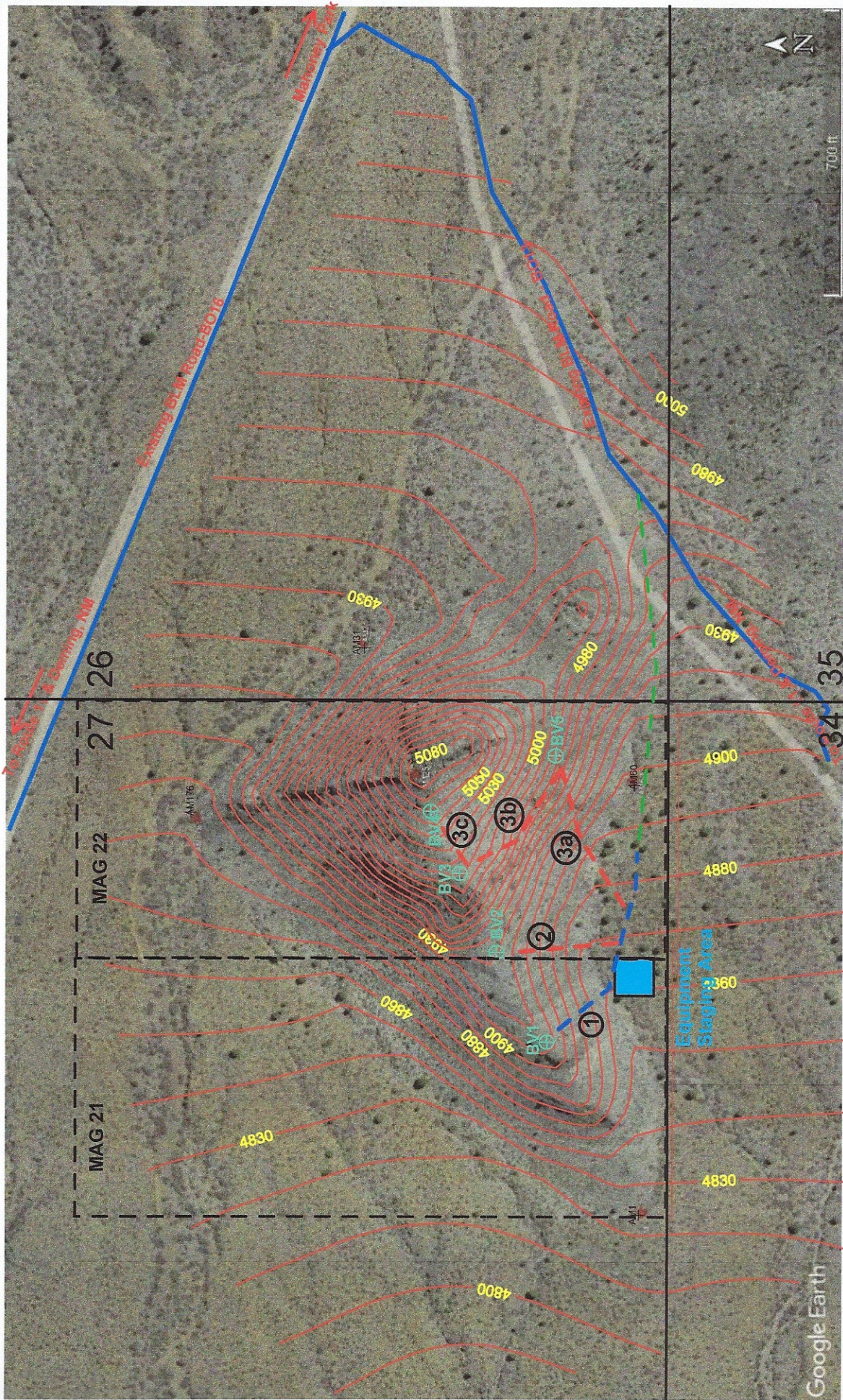
Drawn by: ETJ  
Reviewed by: RSG

Project: American Magnesium  
Phase 1: Little Mountain Drilling

**G3** Gauvreau  
GeoEnvironmental  
Group

Client:  
American  
Magnesium, LLC

**Figure 1**  
MPD 1500  
Rotary Drill



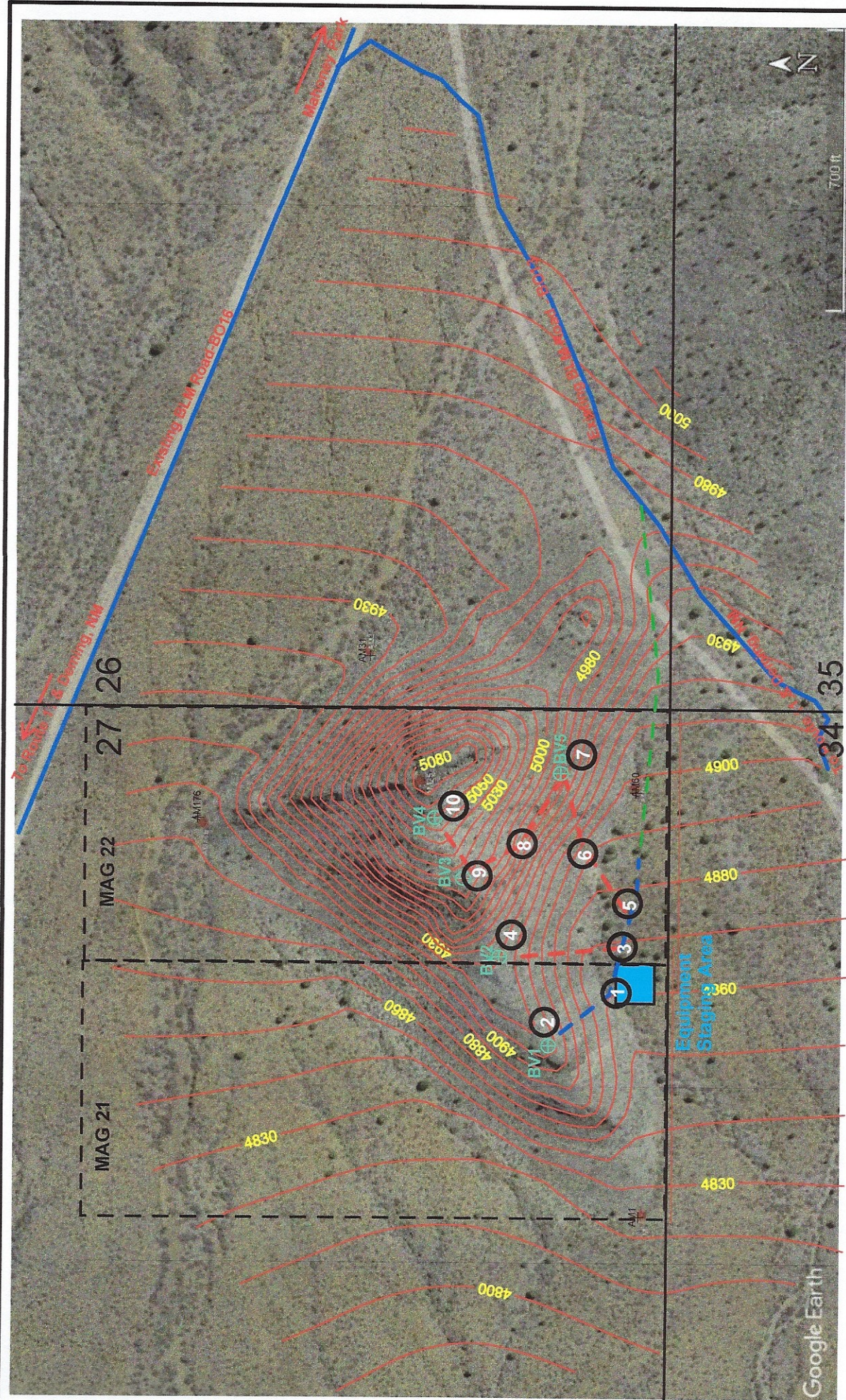
- Topographic latitudes, longitudes & elevation from Google Earth Pro
- 4970 ⊕ Borehole locations
  - Surface Contour Line - 10' intervals
  - - - Contour Line Elevation
  - ① Equipment Staging Area
  - Equipment Staging Area - <60' x <60' area
  - Temp. Overland Road
  - - - Permanent Dirt Road
  - New Access Road
  - - - Revised Temp. Overland Road

27 | 26 Sections

700 ft

N

Project No.: 2022-004	Client: <b>American Magnesium, LLC</b>	<b>Figure 2</b> Little Mountain Access & Overland Road Map
Date: January 2024		
Drawn by: ETJ Reviewed by: RSG	<b>Gauvreau</b> GeoEnvironmental Group	



Topographic latitudes, longitudes & elevation from Google Earth Pro

4970 ⊕ Borehole locations

Surface Contour Line - 10' intervals

Contour Line Elevation

Equipment Staging Area - <60' x <60' area

Temp. Overland Road

Permanent Dirt Road

GIS points-See Table 2

27 | 26 Sections

New Dirt Road

Revised Temp. Overland Road

Project No.: 2022-004	Client:	American Magnesium, LLC	Figure 3 Little Mountain GPS Location Map
Date: August 2022	Project: American Magnesium Phase 1: Little Mountain Drilling		
Drawn by: ETJ Reviewed by: RSG	Gauvreau GeoEnvironmental Group		