State of New Mexico Energy, Minerals and Natural Resources Department

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May 14, 2025

El Capitan Precious Metals, Inc. 5871 Honeysuckle Rd. Prescott, AZ 80305

RE: Compliance Review and Required Permit Modification for Capitan Iron Mine, Permit No. LI005ME, Lincoln County, New Mexico

To Whom It May Concern,

The New Mexico Mining and Minerals Division (MMD), in accordance with NMAC 19.10.3.303 & 19.10.5.504, has recently completed a review of the El Capitan Precious Metals, Inc. (ECPMI) permit for the Capitan Iron Mine, located north of Capitan in Lincoln County, NM. The Capitan Mine is permitted as a Minimal Impact Existing Mining Operation and has remained inactive for an extended period. MMD conducted this review to assess compliance and ensure appropriate financial assurance.

Capitan Iron Mine LI005ME Permit History Summary

March	Last approved Modification (14-1).
2015	
April	Notice of Non-Compliance for USFS road and acreage.
2016	
June 2016	Modification 16-1 initiated
September	MMD Modification processing stalled until USFS road
2016	issue resolved.
March	The last known communication or action regarding the Capitan Iron
2017	Mine was approval of a CD, which resolved the USFS road issue. This
	allowed MMD to continue processing Mod 16-1. MMD then requested
	ECPMI to notify and schedule a site inspection upon completion of the
	necessary work to bring the site into compliance.
	No further actions were seen.

Due to the extended period of inactivity, Modification 16-1 is now considered outdated. Consequently, MMD will now require ECPMI to submit a new application to modify the Permit as the Permit appears to be out of compliance since the incomplete Modification 16-1. As this will be a new modification application, MMD also requires the \$250.00 modification fee payable to the Mining and Minerals Division.

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- Guidance on the permitting process is also available here: Microsoft Word Part 3
 Guidelines October 2011 .docx
- Application for a Minimal Impact Existing Mine can be found here: <u>Application Forms</u> <u>General Permits</u>, <u>Minimal Impact</u>, <u>Regular Exploration</u> <u>Mining and Minerals</u>

MMD is requiring ECPMI to submit this application with an updated Mine Operation and Reclamation Plan within **90 days of receipt of this letter**.

For additional information regarding the New Mexico Mining Act Rules, please visit our Website at: http://www.emnrd.state.nm.us/MMD, or contact me at (505) 216-8945, or via e-mail at: samantha.rynas@emnrd.nm.us, with any questions regarding this permit.

Sincerely,

Samantha Rynas

Permit Lead

Mining and Minerals Division

cc: DJ Ennis, Program Manager, Mining Act Reclamation Program, (MARP)/MMD Clint Chisler, Reclamation Specialist Supervisor, (MARP)/MMD Marcie Kelton, USFS Smokey Bear District Ranger - Mark Fisher, Acting County Manager/Lincoln County Clerk's Office Mine File LI005ME