

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

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Cabinet Secretary

Ben Shelton
Deputy Secretary

Erin Taylor
Deputy Secretary

**Mike Thompson, Acting
Director**
Mining and Minerals Division



July 1, 2025

Mike Thompson Cibola Resources LLC.
18032 County Road G
Cortez, Colorado 81231

**RE: Cebolleta Uranium Exploration Project, Cibola Resources LLC., Permit No. CI018EM-R2,
Renewal Request**

Dear Mr. Thompson:

The New Mexico Mining and Minerals Division (MMD) received a letter on June 17, 2025 from Cibola Resources LLC (Permittee) requesting renewal (R2) of MMD Permit Number CI018EM (Permit) for the Cebolleta Uranium Exploration project located in Cibola County, New Mexico.

The Permittee does not wish to make any changes at this time to the scope of the Permit, and this letter approves the renewal of the Permit. The permit number designated for the renewal is CI018EM-R2. The Permittee is authorized to conduct mineral exploration and reclamation operations only on those lands specifically designated and authorized as the permit area as described in the Permit.

Findings of Fact:

1. MMD has approved the release of the 2.5 acres of disturbance associated with the 2023/2024 exploration activities under Permit CI018EM, however; this Permit is interrelated to the North Cebolleta Exploration (Permit CI019EM). The Permittee has agreed all future disturbance will not exceed a total of 5 acres under permit CI018EM as well as the interrelated project, North Cebolleta Uranium Project (Permit Number CI019EM).
2. The application for renewal is complete and demonstrates that there will be no changes to the scope of work, financial assurance instruments or amount, and will meet the requirements of reclamation, as identified in 19.10.4.405.C of the New Mexico Mining Act Rules (the Rules).
3. The Permittee has paid the permit application fee in the amount of \$500.00, as determined by Part 2 of the Rules.
4. The Permittee has no outstanding violations of the New Mexico Mining Act (the Act) or the Rules.

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5. The Permittee has stated their desire to maintain the provided and approved financial assurance instrument in its entirety, in the amount of \$125,000.00. This instrument remains valid and presently in effect in the required amount. the form of a Certificate of Deposit (CD) No. 5801872762, issued by Vectra Bank Colorado, on July 18, 2023.
6. The Permittee has acknowledged that there has been no change in the amount of proposed disturbance within the proposed permit area or any changes to the amount of disturbance as described in the Permit.
7. The Permittee has provided, as part of the permit application package, a signed statement indicating that Permittee agrees to comply with the reclamation requirements of the permit, Part 3 of the Rules, and the Act and allows the Director to enter the permit area, without delay, for the purpose of conducting inspections during exploration and reclamation.

Conditions and Obligations:

1. The Permittee shall comply with all requirements, obligations and conditions and shall conduct mining and reclamation operations at the Cebolleta Uranium Exploration project only as described within the Permit and renewal.
2. The Permittee has submitted a Reclamation report for all mining and reclamation operations permitted under CI08EM. MMD has approved this reclamation, until a modification is submitted and approved for this Permit there are currently no proposed operations to be conducted under CI08EM-R2.
3. The Permit does not grant or create any property rights. Nor does MMD, by issuing this Permit or otherwise, make any comment on the surface or mineral rights that the Permittee may or may not have in the area covered by the Permit; only that the Permittee has provided a statement of basis on which the Permittee has a right to enter the property to conduct mining and reclamation. Permittee is solely responsible to take whatever steps are necessary to ensure that the Permittee has property rights sufficient to support the activities contemplated by the Permit.
4. The Permit does not grant or create any water rights. Nor does MMD, by issuing the Permit or otherwise, make any comment on the water rights that the Permittee may or may not have available for use in the area covered by the Permit. Permittee 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.
5. Since the permit area is located on private land, the expiration, or termination, of the private landholder's authorization to conduct operations on the property automatically suspends the permittee's authority to continue mining operations on the property, although not necessarily reclamation operations required by the Permit.
6. The Permit is issued pursuant to NMSA 1978, Section 69-36-1 et. seq. and Title 19, Chapter 10 NMAC. Permittee 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 the Permit. MMD does not, by issuing the Permit or otherwise, make any comment on Permittee's compliance with such other

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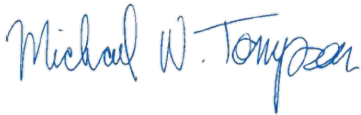
laws. It is Permittee's sole responsibility to investigate and comply with the requirements of such other laws.

7. This permit renewal is valid until July 25, 2026, which is one year from the date of the original expiration of the permit term [19.10.4.405.A(1) NMAC].

At the end of the project, the Permittee shall file a termination report based on the requirements of 19.10.4.407 NMAC. If the Permittee decides to continue exploration activities beyond the expiration date of this Permit renewal, Cibola Resources shall renew the permit at least 30 days before the date of expiration in accordance with 19.10.4.405.C(2) NMAC.

For additional information regarding the New Mexico Mining Act Rules, please contact Samantha Rynas of my staff, at (505) 216-8945, or via e-mail at: samantha.rynas@emnrd.nm.gov, with any questions regarding the Permit and renewal.

By Order of the Director,



Mike Tompson; Acting Director
Mining and Minerals Division

cc: David "DJ" Ennis, Program Manager, MARP/MMD
Clint Chisler, Senior Reclamation Specialist, MARP/MMD
Samantha Rynas, Permit Lead, Reclamation Specialist, MARP/MMD
File No. CI018EM