

**PERMIT NO. GR095ER
EMMA PROJECT
REGULAR EXPLORATION OPERATION**

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

Permit No. GR095ER (Permit) is issued by the Director of the Mining and Minerals Division (MMD) of the New Mexico Energy, Minerals and Natural Resources Department to:

Freeport-McMoRan Tyrone Mining Inc. (Tyrone)
Whose correct address is: P.O. Box 571
Tyrone, NM 88065

(Permittee) for the Emma Project, located approximately 10 miles south of Silver City in Grant County, New Mexico, as described in Section 3 of this Permit document. The Permittee is authorized to drill up to 34 boreholes up to six inches in diameter and up to 2,500 feet deep (each) on Freeport-McMoRan Tyrone Mining Inc. land, utilizing no more than 33 drill pad surface disturbance areas to explore for copper. The drill pad disturbances will be no greater than 80 feet wide by 100 feet long at each site. Drill pad sites will include 34 mud pits for drilling fluids and cuttings. These mud pits will be no larger than 10 feet wide by 20 feet long and 8 feet in depth. In addition to the use of existing roads from the Emma B Minimal Impact Project for a total of 757 feet, the Permittee is authorized to travel on a total of 5,592 feet of newly constructed roads. The associated drill pads, mud pits, and roads for this phase of the project, referred to as Phase 1, is estimated to total approximately 8.2 acres of disturbance. A total of 60 acres of disturbance is covered by financial assurance for future phases and to accommodate additional disturbance required to comply with MMD regulations, guidance and agency and public input regarding control of erosion, protection of wildlife and habitat, minor field adjustments, and reclamation. MMD shall be notified in writing of disturbance that exceeds 50% of the planned phase.

Section 1. **STATUTES AND REGULATIONS**

- A. This Permit is issued pursuant to the New Mexico Mining Act, NMSA 1978, §69-36-1, et seq. (1993, as amended).
- B. This Permit is subject to all applicable regulations of the New Mexico Mining Act (Act), New Mexico Mining Act Rules Parts §19.10.1 through §19.10.14 New Mexico Administrative Code NMAC (Rules) and any other regulations which are now or hereafter enforced under the Act; and all such regulations are made a part of this Permit by this reference.

Section 2. **PERMIT APPLICATION PACKAGE**

The regular exploration Permit Application for GR095ER (Application) was received on July 31, 2024, and deemed Administratively Complete on September 25, 2024. Any correspondence subsequently submitted to MMD, by the Permittee or its representatives, can be found at MMD

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offices within the Division's files, and is titled *Emma Project, GR095ER* or similar.

The Permit Application Package (PAP) comprises the following documents:

- A. Subpart 4 Regular Exploration Permit Application dated July 31, 2024.
- B. *Permit GR095ER – Part 4 Exploration Permit; Proof of Public Notice for Permit Application for the Emma Project* (first notice), dated September 4, 2024.
- C. *Permit GR095ER – Public Notice for Regular Exploration Permit (Part 4) Application for the Emma Project at the Tyrone Mine* (second notice), dated October 2, 2024.
- D. Tyrone Response to MMD and Agency Comments, dated January 21, 2025: Response to Comments on Emma-B Exploration Project Minimal Impact Exploration Application.
- E. Updated Subpart 4 Regular Exploration Permit Application dated January 21, 2025 (2025 Updated Application).
- F. Financial Assurance, in the amount of \$496,541.00 (four hundred ninety-six thousand five hundred forty-one dollars), was received by MMD on August 20, 2025 by Freeport McMoRan Inc. on behalf of Freeport McMoRan Tyrone Inc., as Principal, in the form of a Reclamation Surety Bond No. SU1210624 issued by Arch Insurance Company (Surety).

Section 3. **PERMIT AREA AND DESIGN LIMIT**

- A. The Permittee is authorized to conduct mineral exploration and reclamation operations only on those lands that are specifically designated and authorized within the permitted area (Permit Area) and exploration activities shall be limited to the locations identified in the Application for Phase 1 of this project, which is approximately 8.2 acres. The general location of the Permit Area is approximately ten (10) miles south of Silver City, New Mexico, on lands owned by Tyrone within Sections 25, 26, 35 and 36 of Township 19 South, Range 15 West in Grant County, New Mexico.
- B. The approved Permit Area is a total of three hundred thirty seven (337) acres shown as a polygon on multiple maps labeled as "Proposed Permit Boundary" within the 2025 Updated Application. The Permit Area is also shown in Figure 1 of this Permit.
- C. The approved disturbance, consisting of the drill pad disturbances identified in Table 1, road disturbances identified in Section 2.P and other disturbances described in the of the 2025 Updated Application is 60 total cumulative acres within the Permit Area for the Emma Project per §19.10.4.402 D.(5) and (7) NMAC.

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- D. Permittee shall notify MMD of disturbances over 50% of the planned 8.2 acres as soon as practicable.

Section 4. **FINDINGS OF FACT**

The Permit Application Package

- A. The PAP is complete and demonstrates that the proposed operation will meet the performance and reclamation standards and requirements of Subsections A-L §19.10.4.403 NMAC.
- B. The Permittee has paid the initial permit application fee of \$1,000.00 as required by §19.10.2.201.E NMAC.
- C. The proposed operation and reclamation, as described in the PAP and this Permit, will meet the requirements of reclamation, as identified in §19.10.1.7.R(1) NMAC of the Rules. The reclamation plan, subject to the conditions in the Permit, demonstrates that reclamation will mitigate the disturbance, provide for the stabilization of the Permit Area, minimize future impact to the environment, and protect air and water resources.
- D. The term, issuance, and renewal of the Permit is governed by Subsections A-D of §19.10.4.405 NMAC. The permit term shall be one year from the date of the Director's signature on this Permit.

Right-To-Enter / Property Access Information

- E. 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 the basis on which the Permittee has a right to enter the property to conduct mining, exploration and reclamation. The Permittee is solely responsible for taking whatever steps are necessary to ensure that the Permittee has property rights sufficient to support the activities contemplated by the Permit.

General Information Regarding the Permittee

- F. The Permittee is not in violation of the terms of another permit issued by the Director or in violation of a substantial environmental law or substantive regulation at another mining operation, has not forfeited or had forfeited financial assurance in connection with another mining, reclamation or exploration permit, and has not demonstrated a pattern of willful violations of the Act, the Rules or other New Mexico environmental statutes.

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- G. The Permittee has signed and certified a statement, provided within the Application, that the Permittee agrees to comply with the requirements of this Permit, the Rules, and the Act, and allows the Director to enter the Permit Area for the purpose of conducting inspections.

MMD, Agencies, and Tribal Comments/Consultation

- H. MMD provided the cooperating agencies (the New Mexico Environment Department, the Department of Game & Fish, State Forestry Division, State Historic Preservation Office, and the Office of the State Engineer) with a copy of the Application pursuant to §19.10.4.402.F NMAC and requested comments from the agencies on September 25, 2024.
- I. MMD deemed the application Administratively Complete on September 25, 2025.
- J. MMD provided the first notice of the Application to the following tribal entities and requested consultation: The Isleta Pueblo, the Fort Sill Apache Tribe, the White Mountain Apache Tribe, the Mescalero Apache Tribe, and the Navajo Tribe on September 25, 2024. The second Tribal Notice was mailed out on November 4, 2024. Only responses from the White Mountain Apache Tribe were received. There were no tribal consultation requests received by MMD.
- K. MMD provided the Permittee with comments from MMD and the cooperating agencies on November 27, 2024, via e-mail.
- L. MMD deemed the Application Technically Complete on January 31, 2025.

Public Notice and Hearing

- M. The Permittee sent out and posted the first public notice on August 22, 2025, pursuant to §19.10.9 NMAC.
- N. The Permittee sent out the second public notice on October 2, 2025, pursuant to §19.10.9 NMAC.
- O. Multiple members from the public requested that a public hearing be held in regards to the GR095ER Application. MMD posted notification of the Public Hearing on January 4, 2025.
- P. A public hearing was held on February 10, 2025, in regards to the GR095ER Application.
- Q. A second round of public comments were accepted until February 24, 2025.
- R. The hearing officer's summary report on the public hearing was received by MMD on April 4, 2025.

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Financial Assurance

- S. The Permittee has provided a Reclamation Surety Bond for financial assurance (FA), in accordance with §19.10.4.405 B.(4) and §19.10.12.1201.A NMAC, in the amount of \$496,541.00 (four hundred ninety-six thousand five hundred forty-one dollars) for the reclamation of eight (34) boreholes and 33 associated drill pads and access roads of the exploration project. FA has been provided by the Permittee in the form of Surety Bond No. SU1210624 issued by Arch Insurance Company on August 14, 2025.

Table 2: 2024 Financial Assurance (FA) Cost Estimate for Exploration Drilling				
New Emma PART 4				
Description	Unit	Quantity	Unit Rate (\$/unit)	Total Cost (\$)
Surface Reclamation Costs (1st acre)	acre	1.00	\$ 8,900	\$ 8,900
Drill Road & Pad Reclamation	acre	59.00	\$ 4,900	\$ 289,100
Plug and Abandon Exploration Drill Holes	ft.	10,000	\$ 14	\$ 140,000
Total FA Required for New Permit				\$ 438,000
Temporary Monitor Wells				
Description	Unit	Quantity	Unit Rate (\$/unit)	Total Cost (\$)
Drill Pad Reclamation	acre	1.09	\$ 4,900	\$ 5,341
Plug and Abandon Monitor Wells	ft.	3,800	\$ 14	\$ 53,200
Total FA Required for Well Reclamation				\$ 58,541
Total Existing FA (LOC: HACH6006910S)				\$ 229,922
Total FA Required				\$ 496,541
Adjustment Needed (Increase)				\$ 266,619
<i>Note. As described in the GR083EM Termination report, the FA required for monitor well reclamation is based on the actual depth of wells and surface disturbances that have not been reclaimed. FA required for the PART 4 borehole abandonment is based on 4 holes at a depth of 2500ft.</i>				

Section 5. COMPLIANCE REQUIREMENTS

- A. This 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 this Permit. MMD does not, by issuing this Permit or otherwise, make any comment on Permittee's compliance with such other laws. It is Permittee's sole responsibility to investigate and comply with the requirements of such other laws.
- B. 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 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.

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Section 6. **AGENCY RIGHT OF ENTRY**

- A. The Permittee shall allow the authorized representatives of the Director, without advanced notice, upon presentation of appropriate credentials, and without delay:
- 1) To enter upon, or through, any mineral exploration or reclamation operation at any time, as provided for in §19.10.4.405.B(9) NMAC, for the purpose of conducting inspections during exploration, and reclamation, and to determine if the Permittee is in compliance with the permit requirements and conditions; and
 - 2) At reasonable times, and without delay, have access to and copies of any records associated with permitting and compliance required by the Act, §19.10 NMAC or the Permit.

Section 7. **PERMIT COVERAGE**

- A. This permit shall be binding on any person or persons conducting mining, exploration and reclamation operations under this Permit.

Section 8. **ENVIRONMENTAL COVERAGE**

- A. The Permittee shall take all necessary steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the Permit, the Rules or the Act.

Section 9. **COMPLIANCE WITH THE PERMIT APPLICATION PACKAGE**

- A. The Permittee shall conduct mining, exploration drilling and reclamation operations only as described in the approved PAP and any other modifications approved by the Director, pursuant to §19.10.4.406 NMAC. The Permittee shall comply with any and all conditions that are incorporated in the PAP and this Permit.
- B. Where the PAP is ambiguous or in apparent conflict with the provisions outlined in this Permit, the language of this Permit will supersede the PAP.

Section 10. **GENERAL OBLIGATIONS AND CONDITIONS**

Description of Project/Authorized Disturbances

- A. The Permittee is authorized to drill up to thirty-four (34) boreholes, using a fluid drilling type drill rig, each with a maximum of six (6) inches in nominal outside diameter, each up to 2,500 feet deep. No more than 10,000 feet of boreholes (approximately 4 boreholes) may

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be left unplugged at any one time due to the FA amount associated with borehole plugging and abandonment.

- B. The Permittee is authorized to create no more than thirty-three (33) drill pad surface disturbance areas, each no greater than eighty by one-hundred feet (80' X 100') to accommodate all support equipment, including the drill rig and any ancillary support vehicles, and containing no more than one (1) connected drilling fluids/cuttings pit sumps within each drill pad area. Each drilling fluids/cuttings pit system shall be approximately ten (10) feet wide, up to twenty (20) feet long and up to eight (8) feet deep (approx. 10'L x 20'W x 8'D).
- C. The Permittee is authorized to site the location of each drill pad area and road identified within the PAP and in accordance with UTM coordinates and access routes as shown on the 2025 Emma Proposed Drilling Maps, Attachment A of the Application, and Section 2 (P) within the Application. The Permittee is authorized to disturb up to a total of 757 feet of modified existing roads and 5,592 feet of newly constructed roads, each approximately 15 feet in width as described in the PAP. Field adjustments to modify existing roads or construction of new roads is authorized. MMD shall be notified in writing of field adjustments that result in disturbance that exceeds 50% of the planned phase. The Permittee shall minimize any new surface disturbance (e.g., minimizing drill pad surface leveling and mud pit excavation using mechanized earthwork equipment, such as a backhoe or dozer). To the extent possible, Permittee shall avoid removing or damaging standing live or dead trees and woody vegetation during drill pad set-up and construction, mobilization of equipment into and out of the Permit Area, and reclamation.
- D. Phase I is anticipated to be 8.2 acres. The Permittee is authorized to disturb no more than 60 acres of total cumulative disturbance (approved disturbance) within the Permit Area as defined in §19.10.4.402.D.(5) and (7) NMAC. This amount includes 33 proposed drill pad disturbance areas (approximately 6 acres), and approximately 6,349 feet of new constructed roads and modifying existing roads (approximately 2.2 acres).

Best Management Practices to be Performed

- E. Use of the existing two-track roads and overland travel are not recommended within the Permit Area during wet, muddy conditions. No construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support construction equipment. The Permittee shall use caution when driving hot vehicles over dry vegetated areas to decrease the risk of a grass or brush fire.
- F. As necessary throughout the Permit Area, and during the use of overland travel and site selection, design, and construction of drill pads, drilling fluids/cuttings pits or sumps, and roads, the Permittee shall leave all disturbances in a manner that is stable, both long-term and short-term, and non-hazardous to humans and wildlife. The preliminary reclamation

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plan for the site is generally described in Section 5 of the Application for GR095ER and within this Permit.

- G. The Permittee shall implement erosion-control measures, or Best Management Practices (BMP's), in a manner that prevents direct impacts to surface water and ephemeral watercourses that are designed, constructed and maintained using professionally recognized standards (e.g., Natural Resource Conservation Service Standards, or the BLM *Gold Book*) for surface disturbances during the exploration project and reclamation activities as needed for erosion control, spill prevention and the avoidance or damage to ephemeral watercourses in the area. Placement of water bar structures or other appropriate measures should be taken to reduce head-cutting adjacent to roads and to prevent roadways from channelizing surface flow.
- H. Erosion control measures or any other BMP's that are damaged or ineffective shall be repaired, replaced or redesigned, as necessary, within 24 hours, or as soon as reasonably possible, following discovery of damages. The Permittee shall commit to using a variety of erosion-control measures, as needed, if erosion control problems develop.
- I. Where feasible, a minimum setback of 100 feet away from any watercourse within the Permit Area is recommended. (*Watercourse means any channel having definable beds and banks capable of conducting generally confined runoff from adjacent lands. During floods water may leave the confining beds and banks but under normal flows water is confined within the channel. A watercourse may be perennial, intermittent, or ephemeral.*)
- J. No drilling and no storage of fuels or chemicals shall take place within any watercourse that is in the Permit Area. No excavation or filling shall take place within any watercourse until the required permits or consultations are obtained from the U.S. Army Corps of Engineers. A copy of such approval shall be provided to MMD when obtained.
- K. Appropriate spill clean-up materials, such as absorbent pads, must be available on-site at all times during road construction, site preparations, and drilling activities to address potential spills. A mobile plastic containment basin will be placed and secured under rigs while drilling, in addition to any other immobilized, staged, or temporarily stored equipment parked for durations extending longer than 48 hours, to contain any spill or leakage from the drill rig and any other related equipment.
- L. The Permittee shall report all spills immediately to the New Mexico Environment Department (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) 428-6000. For non-emergencies after hours, call (866) 428-6535 or (505) 428-6535 (voicemail, 24 hrs./day). For emergencies only, call (505) 827-9329 (24 hrs./day) to contact the New Mexico Department of Public Safety.

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- M. Any water, drill cuttings, drilling additives, and/or fluids produced from the exploration boreholes, shall be contained entirely within the excavated drilling fluids/cuttings pits at all times. Drilling fluids/cuttings pits, sumps, or above ground tanks shall be sized to contain the calculated volume of drill cuttings and all drilling fluids and any produced water, while still providing a substantial freeboard or emergency storage capacity.
- N. Any overburden material generated during initial excavation of drilling fluids/cuttings pits will be utilized to create an earthen berm partially surrounding each drilling fluids/cuttings pit or sump area, to prevent any run-on or run-off from precipitation events flooding onto or escaping the mud pits or the drill pad site. The Permittee should utilize BMP's, which may include above-ground tanks, to contain any water produced from the exploration holes at the drill site.
- O. Any drilling locations that are situated directly upon bedrock or otherwise lacking sufficient soil depths necessary for adequate drilling fluids/cuttings pit construction, shall discharge into portable, above-ground tanks that are sized to fully contain all drilling-related fluids. Discharge of this water, or any drilling fluids, to the ground surface or to an ephemeral watercourse (Waters of the U.S.), may be a violation of the Clean Water Act and is prohibited. All drill cores and any excess drill cuttings shall be collected and disposed of properly.
- P. Any drilling fluids/cuttings pits or sumps shall have at least one side constructed at a 3:1 (horizontal: vertical ratio) slope to allow for wildlife egress and shall also be covered with a barrier to exclude wildlife. The drilling fluids/cuttings pits shall be covered with a barrier whenever workers are not present on site or otherwise modified to exclude both flying and terrestrial animals from any materials present within the mud pits, sumps, or any above-ground tanks that are potentially harmful to wildlife. When drilling is completed, the drilling fluids/cuttings pits shall be allowed to dry and then backfilled with native cover.
- Q. Any tarping or netting used for the preclusion of wildlife should be constructed of a sturdy plastic or metal material and adequately supported so that it will not contact the liquid surface if sagging occurs. Monofilament mesh should not be used, as it can entangle birds and reptiles causing mortality. Any plastic or metal netting should be anchored to the ground and maintained taut, and if the mesh size is greater than one inch, it should be wrapped with an additional finer mesh material around the bottom (up to approximately 12 inches) to exclude reptiles and small mammals.
- R. The mud pits should also be adequately fenced to prevent larger animals from walking onto the tarps and potentially becoming entrapped. To exclude mule deer (*Odocoileus hemionus*) and other large animals, the above ground fence height should be a minimum of 8 feet tall. Mesh size for the bottom 12 inches should be 1 square inch or smaller to exclude and protect reptiles and small mammals.

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- S. Any clearing of vegetation should take place from September 1 through March 31, thus minimizing the possibility of nest destruction or abandonment. If it becomes necessary to remove vegetation during the breeding season, a nest survey should be completed, and active nests should be left undisturbed until the young have fledged.
- T. MMD recommends that, to the maximum extent feasible, large mature/legacy trees are left undisturbed by road and drill pad construction activities.
- U. The Permittee must maintain current MSDS documentation for drilling additives, and any other chemicals to be used throughout the duration of the operation including exploration and reclamation activities and made available for review upon request.
- V. All heavy equipment to be used within the Permit Area must be thoroughly pressure-washed and/or steam cleaned prior to introducing any equipment into the Permit area in order to help prevent the introduction of non-native species to the Permit Area. This cleaning shall remove all soil, seed, vegetative matter or other debris that could contain or hold seed or plant parts. Any heavy equipment that subsequently operates outside this Permit Area shall be treated the same as during the initial mobilization onto the Permit Area. Equipment shall be considered free of soil, seed and plant debris when a visual inspection does not detect such material.

Cultural and Paleontological Resource Preservation Requirements

- W. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the Permittee, or by any personnel working on the Permittee's behalf, shall immediately report any such findings to the Department of Cultural Affairs within 24 hours. The Permittee shall suspend all operations in the immediate area of such discovery until authorization to proceed is issued.
- X. The Permittee is obligated to comply with procedures established in NMSA 1978, Section §18-6-11.2 of the Cultural Properties Act and 4.10.11 NMAC 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 Permittee shall immediately halt the disturbance and contact the Office of the Medical Investigator and the local law enforcement agency pursuant to Section 18-6-11.2 of the Cultural Properties Act and the Department of Cultural Affairs within 24 hours for instructions. The Permittee 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.

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Reclamation and Revegetation Requirements

- Y. Where salvageable topsoil is present upon areas to be disturbed, all soil and overburden material will be stripped, stockpiled and protected for later use during reclamation. Salvaged topsoil material that is suitable as a plant growth medium, will be spread over the surface of each drill site, including any other heavily compacted areas, then raked, disked or deep-scarified prior to seeding, to prepare a suitable seedbed for seed germination and root growth. The MMD approved seed mixture in the PAP will be broadcast sown immediately after site re-contouring and seedbed preparation has been completed and while the soil surface is still friable. After the seed mix has been sown, the soil will be dragged with a chain or harrow or raked into the surface using hand tools, to cover the seed. Reclaimed areas not seeded before or during the summer, will be seeded in the fall to maximize the probability of successful revegetation.
- Z. Following the revegetation and reclamation activities, monitoring shall be conducted by the Permittee to assure successful establishment of vegetation and stabilization of the site. Revegetated areas have not become established by the end of the growing season may need to be mitigated by reseeded, mulching, grading, and/or application of waterbars, or other BMP's, to prevent erosion and site degradation.
- AA. The Permittee shall notify MMD at least 30-days prior to initiating any reclamation approved pursuant to this Permit. The site will be considered reclaimed and eligible for release of FA, once the following criteria have been met:
- 1) Reclaimed areas show evidence of vegetative establishment.
 - 2) No significant erosion is evident on reclaimed areas.
 - 3) All drill holes have been plugged and abandoned, as described in this Permit.

Release of FA addressing plugging and abandonment costs may occur before expiration of the permit term, once the criteria above have been met. Final release of FA addressing surface reclamation may occur after the permit term, if all the release criteria have not previously been met.

- BB. All lands to be disturbed shall be addressed under the performance and reclamation standards and requirements of §19.10.4.403 NMAC and in accordance with the reclamation plan provided in the PAP and this Permit. The Permittee is obligated to complete reclamation of all disturbed areas upon completion of exploration activities.

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Because the Permit Area for this exploration project is located within the proposed Permit Area for Revision 21-1 to the Tyrone Mine Permit No. GR010RE (Emma Pit Expansion), surface reclamation may be postponed temporarily under the following conditions:

1. Renewal of Permit No. GR095ER or
2. Mining commences within the Emma Pit Expansion Permit Area.

While surface reclamation remains in a postponed state, MMD will require protection from erosion in those areas with appropriate BMP's such as, but not limited to, reseeding, earthen berms, silt fencing, and straw wattles. These BMP's will be evaluated for viability on a yearly basis at the time of Permit renewal or until mining commences within the Emma Pit Expansion Permit Area.

- CC. Prior to obtaining or excavating any borrow material, or "clean native fill," (if needed) for use as a backfilling material and/or for use in surface reclamation activity, the Permittee must first provide MMD with the source location and estimated quantity of this borrow material, including a reclamation plan for the proposed borrow area, for review and approval prior to its excavation or use during surface reclamation. Any borrow source excavation areas approved by MMD, shall be reclaimed, upon completion of excavation materials within the borrow area, then graded and re-contoured for positive drainage, and reseeded, as prescribed in this Permit.

Borehole, Well Abandonment or Well Construction

As described in Section 5 G. of PAP all boreholes shall be plugged before the drill rig is removed from the site and must satisfy the requirements of the NMOSE and the NMED for proper plugging of such holes.

- 1) If groundwater is encountered, the boreholes shall be considered wells and shall be permitted and sealed pursuant to the NMOSE's *Rules and Regulations Governing Well Driller Licensing, Construction, Repair, and Plugging of Wells*, §19.27.4 NMAC (see §19.27.4.36 NMAC, *Requirements for Mine Drill Holes that Encounter Water*). A NMOSE approved Form WD-08 (Well Plugging Plan of Operations) or approved variance from §19.27.4.30.C NMAC, must be submitted to MMD prior to actually drilling, but after issuance of the MMD permit. The approved sealant shall comply with all applicable specifications of ASTM D5299-99. Because of the anticipated hard water conditions concerning the permit area, the permittee is required to use the proper plugging material appropriate for the hardness of water encountered. The Permittee shall ensure that the correct ratio of solids to water is used during the preparation of the approved sealant. Well plugging records shall be sufficiently detailed to document plugging methodology, the proper constitution of approved sealant, and an adequate volume of sealant was used to meet theoretical volumes of plugged intervals shall be provided to NMOSE and copied to MMD.

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For each phase of borehole reclamation, the Permittee shall submit copies of the drill hole abandonment records (NMOSE Form WD-11) to MMD, to include an affidavit signed by a licensed, bonded driller, engineer, or project geologist, attesting to the fact that the drill holes have been plugged and abandoned according to the requirements of this Permit. The Permittee shall not initiate the next phase of drilling until MMD has acknowledged receipt of plugging records and, at the discretion of MMD, inspected the plugging of drill holes. Once the completed NMOSE Form WD-11 is submitted and acknowledged by MMD the Permittee may continue drilling for the project. NMOSE stamped approval of the WD-11 is not required at this time.

- 2) At the time of termination of the Permit and full FA release, NMOSE forms WD-08 and WD-11 must be submitted to MMD with all applicable NMOSE approvals completed.
- 3) Permittee shall notify MMD in writing of any exploratory boreholes converted to a piezometer or monitoring well (i.e. where casing is installed in a borehole) for purposes including, but not limited to, groundwater quality monitoring, state or federal regulatory compliance, or other data collection. Appropriate NMOSE permitting shall be undertaken by the Permittee to allow borehole conversion and documentation of all applicable NMOSE approvals shall be provided to MMD in the written notification. The written notification shall also include a map showing the location(s) of the borehole(s) converted to monitoring wells.

Changes, Modifications, or Revisions to the Permit

- DD. A permit modification shall be required for exploration in areas or for types of disturbances not identified in this exploration permit pursuant to §19.10.4.406 NMAC.
- EE. The Permittee shall provide a schedule of exploration drilling activities prior to commencing to facilitate effective inspection and monitoring of drilling and reclamation activities.

Financial Assurance

- FF. The Permittee shall maintain FA, after approval of this Permit, in the approved amount of \$496,541.00 (four hundred ninety-six thousand five hundred forty-one dollars) using one or more approved FA instruments, pursuant to Part 12 of the Rules and sufficient to cover third-party costs of sealing, subsurface plugging and surface reclamation of thirty-four (34) boreholes, and thirty-three (33) drill pad areas, and access roads. No un-abandoned boreholes shall be present at any given time.

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Termination Report Requirements

- GG. The Permittee shall submit a termination report, pursuant to §19.10.4.407 NMAC, at the conclusion of the exploration operation. The termination report shall contain, at a minimum:
- 1) A description of the reclamation measures utilized by the Permittee.
 - 2) Evidence of the seed mix (seed tags from bags) and its application rate utilized by the Permittee.
 - 3) Photographs of the reclaimed areas, including any BMP's utilized by the Permittee during exploration.
 - 4) Global positioning system (GPS) coordinates for the drill holes and/or well locations actually drilled under this Permit.
 - 5) Copies of the drill hole abandonment and plugging records and forms that includes an affidavit signed by a certified driller, engineer, or project geologist, attesting to the fact that the holes have been plugged and abandoned according to the requirements of this permit.

Section 11. **CONCLUSIONS OF LAW**

- A. The PAP is complete, accurate and complies with the requirements of the Act and §19.10.4.402 NMAC.
- B. The Director has jurisdiction over the Permittee and the subject matter of this Permit and process.
- C. The Permittee is permitted to conduct exploration and reclamation operations within the Permit Area upon the condition that the Permittee complies with the requirements of the Rules, Act, and this Permit, and upon the submission of such termination reports and fees as may be required under §19.10.4 NMAC and §19.10.2 NMAC.

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CERTIFICATION

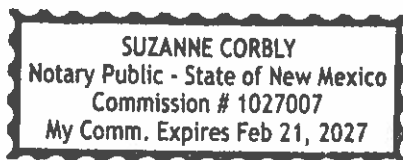
I certify that I have read, understand and will comply with the requirements of the Permit. I further certify that I am not in violation of the Act or §19.10 NMAC. I also agree to comply with the performance and reclamation standards and requirements of the Permit, the Rules, and the Act, and allow the Director to enter the Permit Area without delay for the purpose of conducting inspections during exploration and reclamation.

Randy Ellison
Authorized Representative of the Permittee

General Manager
Title

Freeport-McMoRan Tyrone Mining LLC (Tyrone)
Company Name

Subscribed and sworn to before me this 4th day of September, 2018²⁵



Suzanne Corbly
Notary Public

My Commission Expires


February 21, 2027

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ORDER

NOW THEREFORE, IT IS HEREBY ORDERED that Permit No. GR095ER, for Freeport-McMoRan Tyrone Mining Inc. to conduct exploration drilling and reclamation operations at the Emma Project in Grant County, New Mexico, is approved. The Permit may not be transferred without approval by the Director. The Permit is subject to all conditions set out in the Director's Findings of Fact, Conditions and Conclusions of Law.

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

By: Erin A. McCullough 
Erin McCullough, Director
Mining and Minerals Division
Energy, Minerals and Natural Resources Department

Date: 09/23/2025

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Figure 1: Approved Permit Area (337 acres; red polygon) and approved Phase 1 Design Limit (8.2 acres; magenta drill pads and magenta roads).

