State of New Mexico Energy, Minerals and Natural Resources Department

Michele Lujan Grisham

Governor

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Ben Shelton Deputy Secretary

Erin TaylorDeputy Secretary

April 30, 2025

Mr. David Davidson and Kyle Malone 0701 N. Scottsdale Rd Ste 107-293 Scottsdale, AZ 85255

RE: Closeout Plan Application and Permit requirements, Permit No. OT006MN, Iron Duke Mine, Otero County, New Mexico

Mr. Davidson & Mr. Malone,

During a site inspection in March of 2025, New Mexico Mining and Minerals Division requested Gulf Coast Mining LLC submit a new Closeout Plan to update the Financial Assurance (§19.10.6.607.E NMAC) for the Iron Duke Mine (Permit No. OT006MN). This Closeout Plan application was submitted by Gulf Coast Mining, for its Iron Duke Mine during a virtual meeting on April 14, 2025.

MMD has done an initial review of the application and determined the following components are required before a technical review of the application can begin:

- §19.10.3.304.D.(9) NMAC, "a list of other permits required for the operator and the anticipated schedule for receipt of these..."
 - O As described in the 17-1 Modification, Section 10, a permit, notice or similar approval from BLM is required for use of this road.
- §19.10.3.304.F NMAC, "The application must be accompanied by the permit fee as required by 19.10.2".
 - o 19.10.2.201.I The fee for a Modification is \$250.00
 - Please address checks to the "Mining and Mineral Division"

As discussed in the meeting, MMD encourages the use of a consultant to build out a reclamation plan. An initial comment on review of the plan is that it is lacking in specific details on slope grades, water management, or a 30% design for a Closeout Plan with estimated cost of closure of the mine.

Lastly of note, it was observed in 2019 that a previously installed berm required under Permit Mod 17-1 had been removed from the base of the BLM road, this berm was still not present in the 2023, 2024 or 2025 inspections. As previously referenced, Mod 17-1 has permit conditions requiring approval of use for the road as well as a requirement for the road to be bermed until access has been approved by BLM. MMD is requiring either this berm be re-installed or an agreement from BLM be provided within 30 days of issuance of this letter.

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

Sincerely,

Samantha Rynas

Reclamation Specialist - Permit Lead Mining and Minerals Division

cc: DJ Ennis, Program Manager, Mining Act Reclamation Program, (MARP)/MMD

Clint Chisler, Reclamation Specialist Supervisor, (MARP)/MMD

Corey Durr, BLM-Las Cruces

Mine File OT006MN