MINING AND MINERALS DIVISION ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

This Permit No. SA009MN is reissued under Modification 22-1 ("Permit" or "Modification 22-1") by the Director of the Mining and Minerals Division ("MMD") of the New Mexico Energy, Minerals and Natural Resources Department to:

Rammsco Operations Inc.

("Permittee") for the Eagle Mesa Mine, located in Sandoval County, New Mexico, whose mailing address is:

19416 Park Row Ste 170 Houston, TX 77084

This reissued Permit No. SA009MN/Modification 22-1:

- 1. Renews Permit No. SA009MN until December 22, 2033.
- 2. Approves the expansion of the mine disturbed area by 0.83 acres located on the north side within the Permit Area;
- 3. Approves the partial financial assurance release of 1.03 acres located on the south side within the Permit Area;
- 4. Approves financial assurance ("FA") in the total amount of \$126,041.21 for the indemnification of no more than 22.71 acres of future disturbance and 8.39 acres of reclamation and revegetation;
- 5. Supersedes earlier modifications related to Permit No. SA009MN. To the extent that the provisions and requirements of this Modification 22-1 conflict with the provisions and requirements of the Modifications identified below, the provisions and requirements of this Modification 22-1 shall govern.
 - a. Modification 12-1, renewal of the permit for an additional 10 years until August 15, 2022.
 - b. Modification 16-1, approval of a borehole drilling program and approval of additional mining disturbance and reclamation in one acre of undisturbed land located within the Permit Area.
 - c. Modification 18-1, approval of mine expansion by 9.18 acres located within the Permit Area.

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Section 1 (22-1). STATUTES AND REGULATIONS

- A. This Permit is issued under authority of the New Mexico Mining Act, NMSA 1978, §69-36-1, et seq. (1993, as amended through 2023) ("Act") and the New Mexico Mining Act Rules, Title 19, Chapter 10 of the New Mexico Administrative Code ("NMAC" or "Rules").
- B. This Permit is subject to the Act, the Rules, and any other applicable regulations, which are now or hereafter in force under the Act; and all such regulations are made a part of this Permit by this reference.

Section 2 (22-1). PERMIT APPLICATION PACKAGE

- A. The Permit Application Package for Modification 22-1 ("PAP 22-1") consists of the following:
 - 1. Eagle Mesa Mine Mining and Reclamation Plan, prepared by Rammsco Operations, Inc., dated October 2022
 - 2. A Subpart 3 Minimal Impact New Mining Operations Permit Application for permit renewal, signed on November 3, 2022, and received by MMD on November 4, 2022
 - 3. Eagle Mesa Mine Mining and Reclamation Plan, prepared by Rammsco Operations, Inc., dated November 2023.

Any correspondence subsequently submitted to MMD, by the Permittee or its representatives, can be found at MMD offices within the Division's files, and is entitled *Eagle Mesa Mine* or similar.

Section 3 (22-1). PERMIT AREA AND DESIGN LIMIT

- A. The Permittee is authorized to conduct mining and reclamation operations only on those lands that are specifically designated and authorized within the permitted area ("Permit Area") and within the proposed design limit. The Permit Area encompasses 535 acres located in Sections 8 and 9 of Township 19 North, Range 4 West, in Sandoval County, New Mexico, as shown in *Table 1-1 Clearance Area Legal Description* within *Eagle Mesa Mine Mining and Reclamation Plan*, prepared by Rammsco Operations, Inc., dated October 2022.
 - 1. Section 8, total of 235 acres:

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- a. Southeast 1/4 Section (160 acres)
- b. Southeast 1/4 of Southwest 1/4 Section (40 acres)
- c. South ½ of Southwest ¼ of Southwest ¼ Section (20 acres)
- d. Southeast ¼ of Northeast ¼ of Southwest ¼ Section (10 acres)
- e. Southeast ¼ of Southwest ¼ of Northeast ¼ of Southwest ¼ Section (2.5 acres)
- f. Southeast ¼ of Northeast ¼ of Northeast ¼ of Southwest ¼ Section (2.5 acres)
- 2. Section 9, total of 300 acres:
 - a. South ½ of Northeast ¼ Section (80 acres)
 - b. South ½ of Northwest ¼ Section (80 acres)
 - c. North 1/2 of Southwest 1/4 Section (80 acres)
 - d. North ½ North ½ of Southeast ¼ Section (40 acres)
 - e. South ½ of Northeast ¼ of Northwest ¼ of Section (20 acres)
- B. For this Permit, the approved Design Limit is no more than a total of 22.71 acres of disturbed land at any time. Table 1 included with this modification provides a summary of the financial assurance relative to the Design Limit and reclamation performed to date.

Section 4 (22-1). FINDINGS OF FACT

The Permit Application Package

- A. PAP 22-1 is complete and demonstrates that the proposed operation will meet the performance and reclamation standards and requirements of Subsection D, Paragraphs 6 through 8 of §19.10.3.304 NMAC.
- B. The Permittee has paid the modification application fee of \$250.00, as required by Subsection D of \$19.10.2.201 NMAC.
- C. PAP 22-1 provides that the proposed operation meets the standards of a "Minimal impact mining operation," addressed in §19.10.1.7.M(2) NMAC, and in §19.10.3.304 NMAC, and does not fall within the exclusions in §19.10.1.7.M(2) NMAC. MMD and the other agencies, pursuant to §19.10.3.304.H NMAC, reviewed the minimal impact designation.
- D. The proposed and approved Post Mining Land Use ("PMLU") is designated as grazing and wildlife habitat for the proposed expanded mine disturbed area. The reclamation plan described in PAP 22-1, subject to conditions in this Permit, demonstrates that the work to be done will reclaim disturbed areas within the Permit Area to a condition that allows for the

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establishment of a self-sustaining ecosystem appropriate for the life zone of the surrounding areas.

- E. This Permit Modification 22-1 renews permit SA009MN for 10 years from the date of the Director's signature as allowed by §19.10.6.607 NMAC.
 - a. The new expiration date of permit SA009MN is December 22, 2033.

Right-To-Enter / Property Access Information

- F. 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 Permittee has property rights sufficient to support the activities contemplated by the Permit.
- G. The surface and mineral estate is owned by the U.S. Department of the Interior, Bureau of Land Management ("BLM") Rio Puerco Office. The Permittee has satisfactorily demonstrated its right of access pursuant to §19.10.3.304.D(1) NMAC through the BLM Mining Materials Sales Contract No. 140387.

General Information Regarding the Permittee

- H. Neither the Permittee, entities that are directly controlled by the Permittee, nor entities that directly control the Permittee: (i) are in violation of the terms of another permit issued by the Director or in violation of a substantial environmental law or substantive regulation, as those terms are defined in §19.10.3.304.J(4)(a) NMAC at another mining operation in the United States, (ii) have forfeited or had forfeited financial assurance required for another mining, reclamation or exploration permit in the United States, or (iii) have demonstrated a pattern of willful violations of the Act or other New Mexico environmental statutes.
- I. The Permittee has signed a notarized statement agreeing to comply with the requirements of the Permit, the Rules, and the Act, and allows the Director to enter the Permit Area for the purpose of conducting inspections.

MMD's Request for Comments to the Agencies and Tribes

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- J. MMD provided the agencies (the New Mexico Environment Department ("NMED"), the Department of Game & Fish, the State Forestry Division, the State Historic Preservation Office, and the Office of the State Engineer) with a copy of PAP 22-1 and requested comments from the agencies.
- K. MMD provided PAP 22-1 to the following tribal entities and requested review and comment: Hopi Tribe, Navajo Nation, Pueblo of Laguna, Pueblo of Cochiti, Pueblo of Jemez, Pueblo of Isleta, Ohkay Owingeh Pueblo, Pueblo of San Felipe, Pueblo of San Ildefonso, Pueblo of Sandia, Pueblo of Santa Ana, Pueblo of Santa Clara, Pueblo of Santo Domingo, Pueblo of Tesuque, Pueblo of Zia, Jicarilla Apache Nation, and the Comanche Nation.

Financial Assurance

L. Financial assurance has been provided by the Permittee in the form of: Irrevocable Standby Letter of Credit No. 7219007101 in the amount of \$126,041.21, dated October 23, 2020, and issued by the IN Bank, 200 South 2nd Street, Raton, New Mexico 87740. The table in Appendix 1 of this modification summarizes the FA required and held by MMD for this site.

Section 5 (22-1). COMPLIANCE REQUIREMENTS

- A. The Permittee shall comply with the statutes and regulations referred to in Section 1 of this Permit and with all other applicable state or federal statutory, regulatory or permitting requirements. The issuance of this Permit does not relieve the Permittee from the responsibility of complying with other state and federal requirements and standards.
- B. Since the Permit Area is on private land, the expiration or termination of Landholder authorization to conduct mining operations on the property automatically suspends the Permittee's authority to continue mining operations on the property. Such suspension does not include reclamation operations required by the Permit issued under §19.10.3 NMAC.

Section 6 (22-1). 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 mining or reclamation operation at any time, as provided for in §19.10.3.304.J(5) NMAC and §19.10.11.1101.E(1) NMAC for the

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- purpose of conducting inspections 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 (22-1). PERMIT COVERAGE

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

Section 8 (22-1). 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 non-compliance with any term or condition of the Permit, the Rules or the Act.

Section 9 (22-1). COMPLIANCE WITH THE PERMIT AND PAP 22-1

- A. The Permittee shall conduct mining and reclamation operations only as described in the approved PAP 22-1, this Permit, and any other modifications approved by the Director, pursuant to §19.10.6.608 NMAC. The Permittee shall comply with the statues and regulations in Section 1 of this Permit, the applicable regulatory and permitting requirements, and any and all conditions that are incorporated into this Permit.
- B. Where PAP 22-1 is ambiguous or in apparent conflict with the provisions outlined in this Permit, the language of this Permit will supersede PAP 22-1.

Section 10 (22-1). GENERAL OBLIGATIONS AND CONDITIONS

The Director may approve a closeout plan subject to conditions necessary to meet the requirements of the Mining Act and Mining Act Rules. The Permittee shall reclaim the open pit(s), waste dumps, haul roads, ancillary facilities and stabilize the existing and new disturbed areas to mitigate off-site impacts. The conditions for the updated financial assurance and closeout plan are required to mitigate the disturbances within the mine and provide for the stabilization of the mine that will minimize future impact to the environment and protect air and water resources in accordance with §19.10.1.7.R(1) NMAC. The Permit Area shall be reclaimed to a condition that allows for the re-establishment of a self-sustaining ecosystem as required by §19.10.5.507.A NMAC.

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Description of Mining/Authorized Disturbances

- A. Within the approved Permit Area, Permittee will stage a conventional surface pit humate extraction operation and access road. All mined humate will be hauled by truck off-site to be processed. Overburden and other excavated materials not hauled by truck off-site will be returned to the surface pit.
- B. Pursuant to §19.10.3.304.A of the Rules, the Permittee will conduct mining and reclamation activities within the Design Limit, which is a maximum of 22.71 total acres.
- C. The Permittee is obligated to complete reclamation of all disturbed areas upon completion of mining operations or upon termination or withdrawal of approval to operate by the Landholder.
- D. The Permittee shall maintain this Permit until reclamation is complete at the site.
- E. To date, Permittee has conducted 8.39 acres of reclamation. In accordance with §19.10.3.304.A of the Rules, reclaimed acreage within the Permit Area shall not be counted as part of the Design Limit acreage limitation for the operation.
- F. As of the Permittee submittal in November 2023, Permittee estimates approximately 18.08 acres of current mining disturbance within the Permit Area. This is approximately 4.63 acres less than the current Design Limit of 22.71 acres and is therefore compliant with the conditions of this Permit Modification 22-1.

Stockpiled Materials

G. Prior to conducting humate removal activities, the area to be mined shall be cleared and grubbed and the material stockpiled for future use as mulch. Additionally, the top 6 to 12 inches of topsoil shall be removed and stockpiled. Subsequent removal of overburden below 6 to 12 inches shall be stockpiled separately from the stockpiles of topsoil and grubbed material. All stockpiles shall be segregated. Topsoil stockpiles will be located and protected so that wind and water erosion to this resource are minimized.

Reclamation Requirements

H. Backfilling of the surface pit with overburden and rough grading shall occur concurrently during mining where feasible. When mining is complete, the entire area shall be regraded and recontoured to approximate the contour of the surrounding terrain.

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- I. Overburden pushed or dumped into angle of repose piles shall be brought back up to the top surface as backfill in regrading.
- J. Stockpiled topsoil shall be applied as top dressing over the entire area, and the area shall be scarified and seeded. Scarification shall consist of ripping, furrowing, or discing.
- K. Stockpiles of mulch material (grubbed vegetation) shall be applied to the surface to mitigate erosion. A combination of certified weed-free straw/mulch and grubbed vegetation chipped or ground as mulch from the site shall be applied to the reclaimed areas and shall total a minimum of 2 tons per acre. The mulch shall be crimped in place or otherwise incorporated into the soil.
- L. Any area where vegetation is disturbed shall be reseeded utilizing the following weed free, pure live seed ("PLS") mixture, as described in the mining and reclamation plan:

SPECIES	SEEDING RATE (lbs. PLS/acre)
Western Wheatgrass	5.0
Blue Grama	2.0
James' Galleta	2.0
Indian Ricegrass	4.0
Mountain Brome	4.0
Fourwing Saltbush	3.0
Scarlet Globemallow	0.1
	TOTAL 20.1 lbs. PLS/acre

- M. Following the re-vegetation and restoration activities, periodic site monitoring shall be conducted by the Permittee to ensure the successful establishment of vegetation and stabilization of the site. Re-vegetated areas that do not exhibit satisfactory vegetative growth by the end of the third growing season shall be mitigated by reseeding, mulching, grading, and/or application of best management practices ("BMPs") to prevent erosion and site degradation.
- N. The site will be considered reclaimed and eligible for release once the following criteria have been met:
 - 1. Canopy cover within the reclaimed area equals at least 75% of canopy cover of the within the Vegetation Reference Area identified in the PAP 22-1;
 - 2. Species diversity within the reclaimed area approximates the species diversity withing the Vegetation Reference Area identified in the PAP 22-1;

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- 3. Shrub density within the reclaimed areas equals at least 35% of shrub density within the Vegetation Reference Area identified in the PAP 22-1.
- 4. Noxious weed species percent cover does not exceed that of the reference area;
- 5. No significant erosion is evident on reclaimed areas.
- O. Fencing around the mining and reclamation areas shall be constructed to protect reclaimed areas from grazing until plants are well-established or until re-vegetated areas can tolerate managed grazing pressure.
- P. 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.
- Q. All lands to be disturbed by the mining operation will be addressed under the performance reclamation standards and requirements of 19.10.3.304 NMAC and in accordance with the reclamation plan provided in the PAP 22-1 and this reissued Permit.
- R. The Permittee shall notify MMD at least thirty (30) days prior to initiating any reclamation pursuant to this Permit.

Noxious Weed Management

- S. Noxious weeds and/or competitive vegetation shall be controlled by the Permittee. Noxious weed management shall consist, at a minimum, of the following:
 - 1. Training of on-site personnel to recognize Halogeton, a Class B noxious weed known to occur on disturbed areas within Sandoval County.
 - 2. Completion of two inspections per year (early growing season [May-June] and after the monsoon season [September]), of all disturbed areas such as roads, reclaimed areas, pits, and stockpiles within the Permit Area.
 - 3. Annual spot-treatment of visually identifiable Halogeton plants, or other identified noxious weeds, using an appropriate herbicide, applied in strict accordance with the manufacturer's recommendations, and/or mechanical removal methods within disturbed areas, affected areas, and reclaimed areas within the Permit Area;

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4. Decontamination (i.e., pressure or steam washing) of mining equipment prior to introducing any equipment into the Permit Area in order to help prevent the introduction of non-native species to the Permit Area.

Best Management Practices ("BMPs")

- T. A minimum setback of 100 feet from any defined watercourse within the Permit Area is recommended. 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.
- U. No storage of fuels or chemicals shall take place within any watercourse.
- V. The Permittee shall implement BMPs in a manner that prevents direct impacts to surface water and ephemeral, intermittent, and perennial water courses. The Permittee shall implement erosion control measures that are designed, constructed and maintained using professionally recognized standards.
- W. The Permittee must contain any water produced from the operation at the site. Discharge of water or any industrial fluids to any watercourse may be a violation of the Clean Water Act. All waste material shall be collected and disposed of properly.
- X. Travel should be suspended during wet, muddy conditions. Construction or maintenance activities should not be performed during periods when the soil is too wet to adequately support heavy equipment. If such equipment creates ruts in excess of six inches deep, the soil is considered too wet to adequately support equipment.
- Y. Appropriate spill clean-up materials, such as absorbent pads, must be available on-site at all times during mining activities to address potential spills. Spills must be reported immediately to 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) 476-6000. For non-emergencies after hours, call (866) 428-6535 or (505) 428-6535 (voice mail, twenty-four hours a day). For emergencies only, call (505) 827-9329 twenty-four hours a day (NM Department of Public Safety).

Cultural and Paleontological Resource Preservation Requirements

Z. The Permittee is obligated to comply with procedures established in Section 18-6-11.2 of the Cultural Properties Act, NMSA and §4.10.11 NMAC to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural

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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.

Changes, Modifications, or Revisions to the Permit

AA. Any changes, modifications or amendments to the approved Permit must be approved, in writing, prior to implementation.

Financial Assurance

BB. The Permittee shall maintain adequate financial assurance in accordance with §19.10.3.304.E NMAC.

Annual Report and Fees

CC. The Permittee shall submit annual reports pursuant to §19.10.6.610 NMAC, and any fees as required by §19.10.2 NMAC. The Permittee shall identify any areas of new disturbance in each annual report submitted to MMD.

Additional Obligations

- DD. The Permittee shall maintain this Permit until reclamation is completed at the site.
- EE. The Permittee shall monitor the site, at least once per year, for the duration of the Permit in order to assure knowledge of the general site conditions and compliance with the Permit and the approved Permit Area.

Section 11 (22-1). CONCLUSIONS OF LAW

A. The Director concludes the application meets the requirements of a "Minimal Impact Mining Operation," addressed in §19.10.1.7.M(2) NMAC. The operation authorized by this Permit is eligible as a minimal impact operation, and the Permittee is authorized to operate a minimal impact mining operation, pursuant to §19.10.1.7.M(2) NMAC and

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§19.10.3.304 NMAC. The mine will no longer qualify as a Minimal Impact operation if permit authority is exceeded or if any of the characteristics described in §19.10.1.7.M(2) NMAC exist.

- B. PAP 22-1 is complete and accurate and complies with the requirements of the Act and §19.10.3.304 NMAC.
- C. The Director has jurisdiction over the Permittee and the subject matter of this Permit and process.
- D. The Permittee is permitted to conduct mining and reclamation operations within the Permit Area and within the design limit upon the condition that the Permittee complies with the requirements and conditions of the Act, the Rules, and this Permit, and upon the submission of such annual reports and fees as may be required under §19.10.6.610 NMAC and §19.10.2 NMAC.

Section 11 (22-1). CONCLUSIONS OF LAW

- A. The Director concludes the application meets the requirements of a "Minimal Impact Mining Operation," addressed in §19.10.1.7.M(2) NMAC. The operation authorized by this Permit is eligible as a minimal impact operation, and the Permittee is authorized to operate a minimal impact mining operation, pursuant to §19.10.1.7.M(2) NMAC and §19.10.3.304 NMAC. The mine will no longer qualify as a Minimal Impact operation if permit authority is exceeded or if any of the characteristics described in §19.10.1.7.M(2) NMAC exist.
- B. PAP 22-1 is complete and accurate and complies with the requirements of the Act and §19.10.3.304 NMAC.
- C. The Director has jurisdiction over the Permittee and the subject matter of this Permit and process.
- D. The Permittee is permitted to conduct mining and reclamation operations within the Permit Area and within the design limit upon the condition that the Permittee complies with the requirements and conditions of the Act, the Rules, and this Permit, and upon the submission of such annual reports and fees as may be required under §19.10.6.610 NMAC and §19.10.2 NMAC.

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.

Authorized Representative of the Permittee

Title

Company

Subscribed and sworn to before me this 23 day of December, 20

Alejandra Rico Notary Public Maricopa County, Arizona My Comm. Expires 08-05-28 Commission No. 629670

Notary Public

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ORDER

NOW THEREFORE, IT IS HEREBY ORDERED that this reissued Permit No. SA009MN/Modification 22-1 for the Eagle Mesa Mine is approved. The Permit may not be transferred without approval by the Director.

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

By:

Albert Chang, Director

Mining and Minerals Division

Energy, Minerals and Natural Resources Department

Date: 1/12/2023

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Appendix 1 – Table of Financial Assurance

Surface Disturbance

TOTAL: With five year escalation at 2.5%:	\$122,005.44
Subtotal:	\$107,835.03
Next 21.71 Acres:	\$103,086.68
1 st Acre:	\$4,748.35*
Total Design Limit Acres:	22.71

Revegetation Failure @ 5%/year of \$800 per acre

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Acres	Years	\$ Per Acre	Cost	Notes
1.03	12	\$480	\$494.40	Mod 22-1, release of 1.03 acres
<u>7.36</u>	12	\$480	\$3,532.80	Mod 18-1, release of 7.36 acres
8.39			\$4,027.20	
SUBTOTAL:			\$126,032.00	
SUBTUTAL:			\$1 <i>2</i> 0,032.00	

* Per acre cost from Eagle Mesa Mine Mining and Reclamation Plan (November 2023)