

2022 Annual Report to the New Mexico Mining Commission

Mining Act Reclamation Program



Energy, Minerals and Natural Resources Department

Mining and Minerals Division

Director: Albert Chang

Program Manager: David (DJ) Ennis

Mining Act Reclamation Program (MARPP) Role

- Regulates active hardrock mining activities:
 - Open pit mining: copper, perlite, gold, dolomite, uranium, limestone, humate
 - Underground gold, silver, and molybdenum mining
 - Surface exploration, i.e. trenching
 - Subsurface exploration, i.e. exploratory drilling
 - Regulate in cooperation and coordination with Bureau of Land Management and US Forest Service

Annual Report Requirements

- Part 13 of the New Mexico Mining Act Rules (Rules) requires that an Annual Report be provided to the Mining Commission.
- The Annual Report is to contain:
 - general description of mining operations
 - general description of reclamation practices
 - production figures
 - proposed amendments to 19.10 NMAC, if any
 - any other information the Director considers necessary to be presented to the Commission pertinent to 19.10 NMAC or the Act

Mining Act Reclamation Program (MARPP) Employees

Employee Name & Title	Telephone	E-Mail Address
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Annual Report Content

- Summary of regulated activities by MARP from January to December 2022 (1 calendar year)
 - 2023 data won't be received until April 2024.
- Summary of the types of mining operations that have obtained or submitted a permit under MARP since its inception in 1994.
- Summary of reclamation activities and practices related to specific mines in the State of New Mexico.

Annual Report Content (Continued)

- The report provides production figures by mineral commodity, produced during the 2022 calendar year. This table includes types of mining not regulated by the Mining Act.
- The report provides information on financial assurance, including a list of amounts and instruments.
- Accepted and proposed amendments to the Rules during 2022 are discussed in the report.

Active Mines

Notable Commodities

- Aggregate is common across the state
- Uranium – NW NM
- Perlite – Northern NM
- Humate and coal mining – NW NM
- Potash and salt – SE NM
- Copper – SW NM

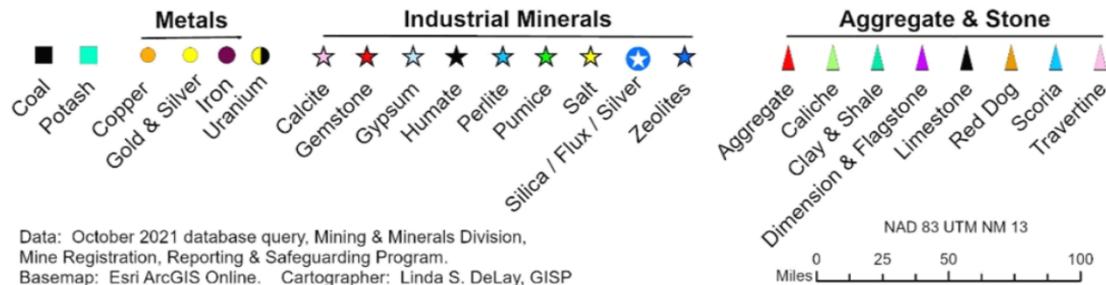
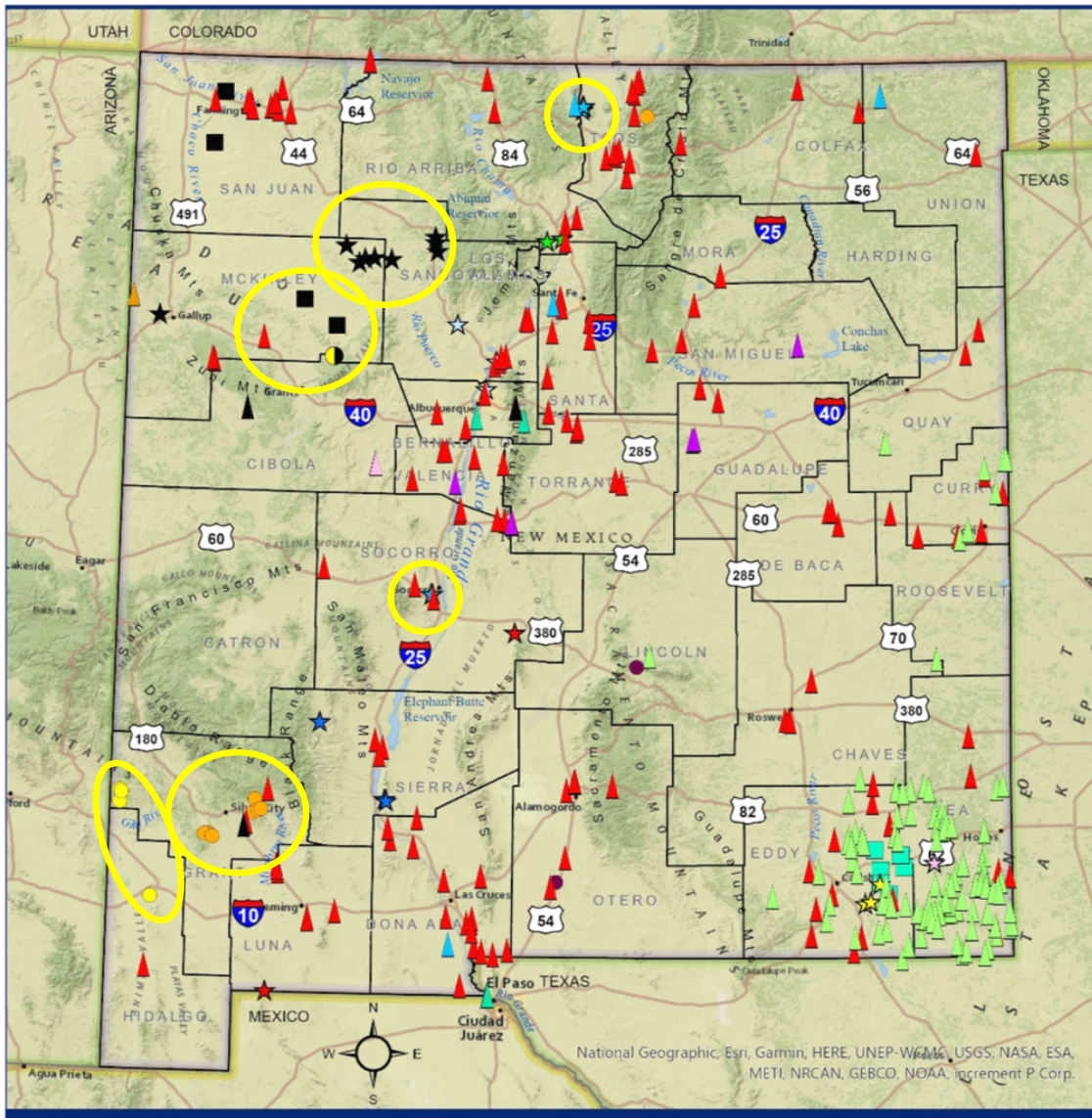


Table 1

New Mexico Mining Operations

Mining Operations Approved Since 1994

Type of Operation	Description	Number of Operations
Regular Existing Mining	> 10 acres of disturbance	31
Regular New Mining	> 10 acres of disturbance	0
Minimal Impact Existing Mining	< 10 or <40 acres of disturbance	24
Minimal Impact New Mining	< 10 or <40 acres of disturbance	38
Regular Exploration	> 5 acres of disturbance	7
Minimal Impact Exploration	< 5 acres of disturbance	175
General (Recreational)	< 200 cubic yards/yr of disturbance	407
Total Mining Operations Permitted		682

Table 2

Permit Application Status 2022

Approved Permit Applications 2022

Type of Operation	Description	<u>Number of Approved Operations</u>
		2022
Regular New Mining	> 10 acres of disturbance	0
Minimal Impact New Mining	< 10 or <40 acres of disturbance	0
Regular Exploration	> 5 acres of disturbance	1
Minimal Impact Exploration	< 5 acres of disturbance	0
General Permits	< 200 cubic yards/yr of disturbance	3
Revisions	Revision to an Existing Permit	0
Modifications	Modification to an Existing Permit	11

On-Going New Mine Projects

Pending New Regular Mine Applications

Project Name	Operator	Surface Ownership	Commodity	Proposed Permit Area (acres)
Copper Flat	New Mexico Copper Corporation	BLM & Private	Copper	2,190
La Jara Mesa	Laramide Resources	US Forest Service	Uranium	17
Roca Honda	Energy Fuels, Inc.	US Forest Service & State Land Office	Uranium	183

- **Copper Flat Mine**
 - Sierra County near Hillsboro, NM
 - Conventional open pit mine / truck and shovel / milling and tailing
 - Water rights verification
- **La Jara Mesa Mine**
 - Cibola County
 - Conventional underground mine / milling off-site at White Mesa Mill, UT
- **Roca Honda Mine**
 - McKinley County near San Mateo, NM
 - Conventional underground mine / milling off-site at White Mesa Mill, UT

Copper Flat Mine Update

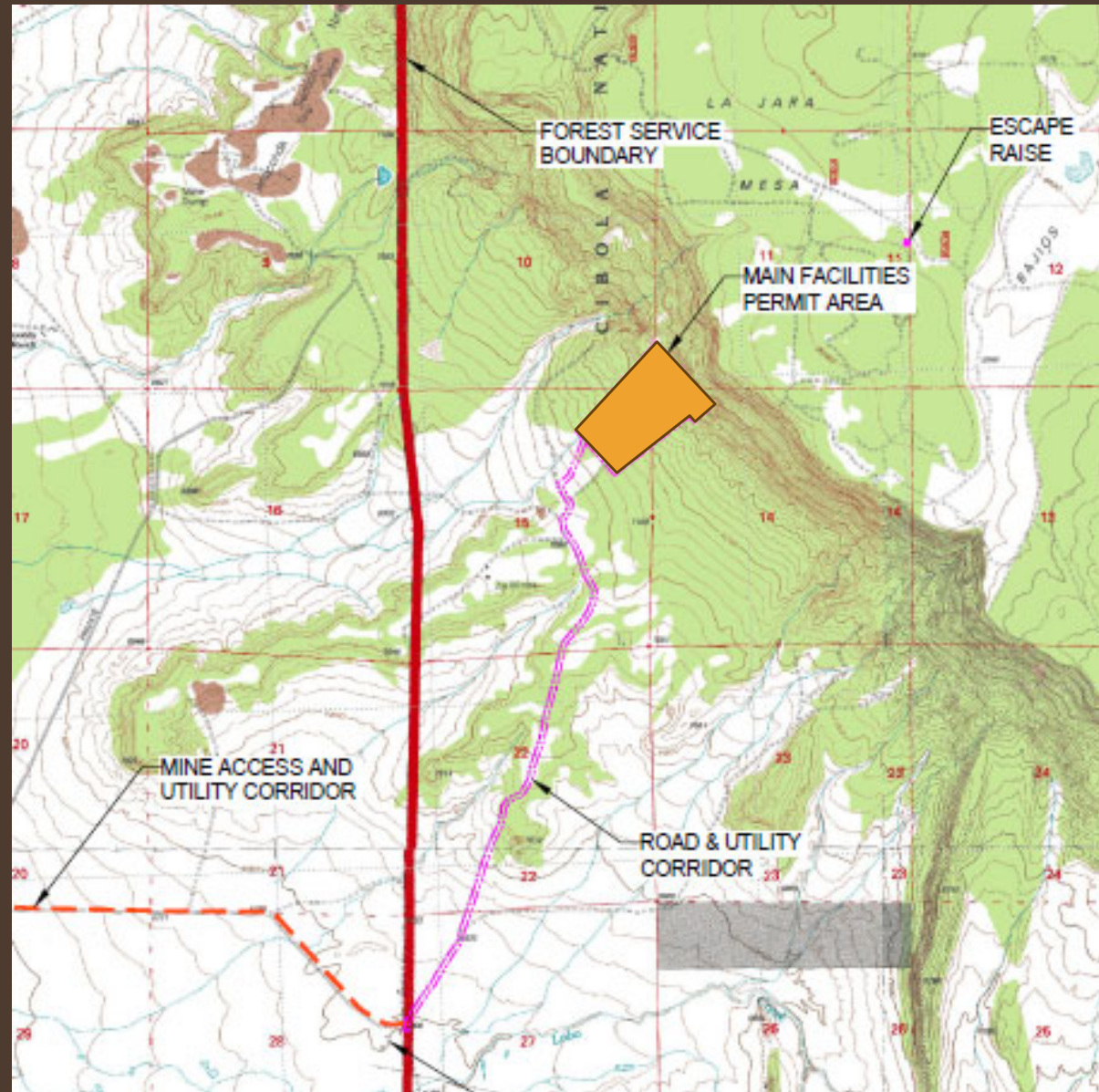


- Record of Decision from BLM – August 2019
- Alternative 2:
 - 1,586 acres of disturbance (745 acres public land, 841 acres private land)
 - 30,000 tons per day, 12-year mine life

- MMD permit decision pending NM Copper Corporation's demonstration of:
 - 6,095 acre-feet/year of water rights to implement Alternative 2; 2,200 acre-feet (total) of water to accomplish reclamation
 - 16,382 acre-feet (total) of estimated diversion from Rio Grande/Caballo system (surface water offsets)
 - Obtained, or is likely to obtain, a dam safety permit from OSE for the tailing storage facility

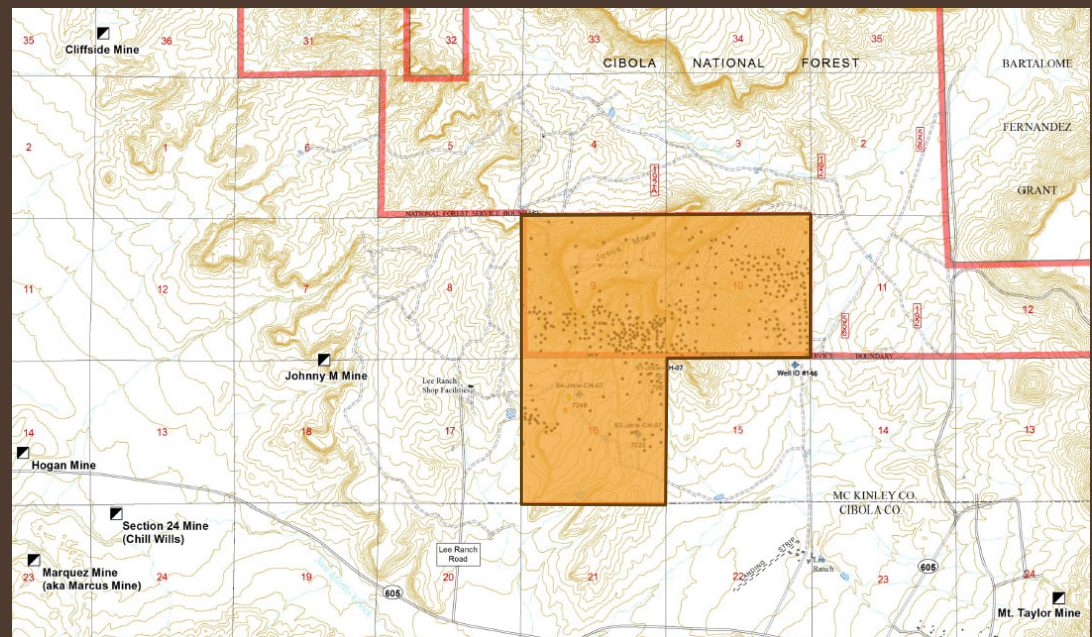
La Jara Mesa Mine Update

- 2022 – Laramide restarts Section 106 Consultation Process with USFS
- Feb –March 2024 tribal consultation and site visit
- For State process, only the Sampling and Analysis Plan has been submitted to date
- Recent conversations with Laramide for next submittals



Roca Honda Mine Update

- Supplemental EIS continues
- Energy Fuels provided updates to Baseline Data Report in 2020 (last contact)
- Dec 2023 press release “...Company plans to advance permitting and development of Roca Honda...”



Project Update – Questa Mine



Questa Mine:

- Monthly inspections in 2022
- Group 1 waste rock reclamation on-going
- Former tailing impoundment reclamation

Project Update – Tronox & Mt. Taylor

Quivira Mine and Section 32/33 Mine:

- 2022 focused on development of reclamation alternatives under EPA Region 9 EE/CAs

Mt. Taylor Mine:

- Announced permanent closure in 2019
- Implementation of Closure/Closeout Plan in 2020
- Monthly inspections in 2022:
 - Partial dismantling of the treated water pipeline
 - excavation and shipment of low-grade ore to White Mesa Mill
 - construction of disposal cell
 - demolition of buildings



Disturbed and Reclaimed Acres 2022

Disturbed and Reclaimed Acreage 2022

Calendar Year	Disturbed Acres to Date	Reclaimed Acres to Date
2022	26,930.8	7,609.3

- Increase of 44 acres of disturbance from 2021
- Increase of 42 acres of reclamation from 2021
- Numbers are reported annually by mine Operators

Financial Assurance

Financial Assurance 2022

Calendar Year	Financial Assurance Amount Held by MMD
2022	\$1,057,349,502

- Increase of \$369,000 from 2021 data.
- 78% (~\$835M) of total FA is for Questa, Chino, Tyrone, Little Rock, Tijeras Mine
- Instruments used: CDs, letters of credit, surety bonds, trusts, collateral, third-party guarantees

General Reclamation Practices



- Highwalls as a reclamation practice
- Demonstrate stability to leave place



Rule Amendments 2022

- No amendments to the rules were taken by the New Mexico Mining Commission during calendar year 2022.

Mineral Production 2022

Mineral	Production ¹	Production Rank ²	Production Value \$	Employment ³	Reclamation Employment	Payroll \$ ⁴	Revenue Generated \$ ⁵	
							State	Federal
Coal	10,284,455	13	\$ 352,625,327	862	121	\$ 77,471,925	\$ 6,602,071	\$ 1,435,608
Copper	189,184,268	6	\$ 758,097,307	1,287	8	\$ 95,995,639	\$ 6,245,933	\$ -
Gold ⁶	7,537,979	-	\$ 13,572,915	-	-	-	\$ 119,946	\$ -
Industrial Minerals ⁷	2,629,253	-	\$ 219,827,774	175	5	\$ 8,249,782	\$ 198,258	\$ 606,240
Aggregates ⁸	13,052,020	-	\$ 142,796,478	1,221	29	\$ 43,249,132	\$ 5,893,905	\$ -
Other Metals	-	-	-	-	-	-	\$ -	\$ -
Molybdenum	-	-	-	-	-	-	\$ -	\$ -
Potash	601,565	1	\$ 412,912,142	652	10	\$ 60,878,186	\$ 3,865,101	\$ 8,705,957
Silver ⁶	148,856	-	\$ 3,244,233	-	-	\$ -	\$ 27,476	\$ -
Uranium ⁹	-	-	\$ -	7	9	\$ 964,653	\$ -	\$ -
TOTAL			\$ 1,903,076,176	4,204	182	\$ 286,809,317	\$ 22,952,690	\$10,747,805

- Increase of \$157M in total production value from 2021
- Increase of 447 jobs in total employment from 2021
- Decrease of 5 jobs in reclamation from 2021



Questions/Comments

Thanks to the NM Mining
Commissioners for your time.