

November 30, 2017



Mr. David Ennis
Reclamation Specialist
New Mexico Energy, Minerals and Natural Resources Department
Mining and Minerals Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: NMMC Response to MMD Additional Technical Comments On:

- Updated Mining Operation and Reclamation Plan, Rev. 1, July 2017;
- Response for Additional Information dated October 13, 2017;

Copper Flat Mine, Sierra County, Permit Tracking No. SI027RN

Dear Mr. Ennis:

The Mining and Minerals Division (MMD) provided New Mexico Copper Corporation (NMCC) with additional technical comments on the Company's proposed Mining Operation and Reclamation Plan in a letter dated November 20, 2017. NMCC has reviewed MMD's comments and a response to each is provided herein.

MMD Comment 1:

NMCC's Item #32 response comment states that rip-rap for reclamation may be sourced from EWRSP-2(A) and EWRSP-2B. NMCC's baseline data report shows that EWRSP-2A and EWRSP-2B can contain high sulfide/low paste pH material, therefore MMD has concerns about the proposal to utilize these piles as a source for rip-rap. A detailed material handling plan describing how clean rip-rap would be tested, identified and segregated from these piles would be required as a future permit condition in order to proceed with this proposal. Alternatively, NMCC may wish to eliminate this proposal from the reclamation plan and source rip-rap from the TSF salvaged material and/or proposed andesite breccia quarry at the WRSP-3 location. Please address.

NMCC Response

NMCC acknowledges MMD's concern and agrees to eliminate EWRSP-2A and EWRSP-2B as sources for rip-rap. NMCC will source rip-rap either from material salvaged during TSF construction or from an andesite breccia quarry located within the footprint of the future WRSP-3.

MMD Comment 2

Plan for reclamation/revegetation of the 4900 expanded catch bench. As proposed, this bench will not be contiguous with other reclaimed areas within the pit. Please address the possibility of

performing some additional reclamation to connect the 4900 expanded catch bench to the haul road reclamation.

NMCC Response

NMCC has considered the potential to connect the 4900 expanded catch bench (expanded bench) with the pit haul road as requested by MMD. NMCC notes that the Copper Flat pit design includes a 38-foot wide safety catch bench left in the final pit wall at the 4900 elevation that will physically connect the expanded bench to the haul road above the re-formed pit lake waterline and that this safety catch bench will allow wildlife movement between the haul road and the expanded catch bench.

Vehicle access from the haul road to the expanded bench would require construction of a land bridge after mining is complete or widening the safety catch bench along the final pit wall. Construction of a land bridge would require importing approximately 200,000 cubic feet of material into the pit after mining is complete. Re-designing the pit wall to provide a safety catch bench with sufficient width for safe access by personnel would result in significant loss of ore. As a result, NMCC concludes that providing enhanced access to the expanded catch bench by either of these two methods beyond that which will exist as a result of the 38-foot safety catch bench is not practical and is unnecessary.

MMD Comment 3 (Reference Appendix E, Section 2.5.2):

- a. *Please identify where the land bridge material will be placed at closure when removed from Grayback arroyo.*

NMCC Response:

Material removed from Grayback Arroyo crossings will be used for reclamation grading in the process area. This material will be suitable to meet reclamation needs such as: backfilling foundation excavations and water impoundments; regrading out slopes in the process area; backfilling the tailings pipeline excavation; and backfilling and regrading at the cyclone plant. Excess material, if generated, will be taken and blended into reclamation grading at a mine waste rock stockpiles or at the TSF.

- b. *The majority of the plant area is proposed to be covered with 6 inches of growth media, however the slopes along the perimeter of the plant area will be graded to a slope of 3.0H1V and covered with 36 inches of growth media. Please explain why the slopes are proposed to be covered with 36 inches of growth media while majority of the regraded plant area will be covered with 6 inches of growth media.*

NMCC Response:

Bullets 6 and 11 of Section 2.5.2 contain inadvertent typographical errors. The material present in the process area out slopes is non-mine waste that does not require additional cover. The depth of cover discussed therein is intended to be 6 inches to match the proposed cover plan for the general plant area.

MMD Comment 4:

In Appendix E, Table E6, please describe or identify on a map the facility identified as "West Pit Buildup" and what this buildup entails. Is this buildup associated with EWRSP-1 reclamation?

NMCC Response:

MMD's observation is correct. The West Pit Buildup is associated with EWRSP-1 reclamation and represents material required to contour and grade the area to promote positive drainage away from the pit crest and direct stormwater to proposed toe channels TC-2 and TC-3 as shown in Figure C-002 of the Reclamation Plan.

MMD Comment 5:

The structure(s) to the south of the proposed tailings impoundment currently utilized as the Copper Flat mine office do not appear to be included in the MORP Rev 1. Please address the final disposition of these buildings at closure.

NMCC Response:

Three structures are located south of the proposed tailings impoundment: a wooden barn; an adobe house; and a concrete block building. All three structures are located on private property owned by NMCC. The barn is currently used by a local rancher to store ranch materials and supplies. The house structure is not occupied. NMCC occupies the concrete block building and is currently using the building as a site office, shop, and warehouse. NMCC intends to continue to use the block building during operations and during reclamation of the site. At closure, the future of these structures will be determined by their suitability for ongoing ranching operations that are expected to continue post mining and according to their significance as cultural properties as determined by actions contemplated in the Programmatic Agreement between constituent agencies and interested parties.

MMD Comment 6:

The New Mexico Department of Game and Fish has provided comments on NMCC's October 13, 2017 submittal, which is attached and shall be addressed by NMCC.

***NMDG&F-a.** The NM Department of Game and Fish (Department) supports the potential habitat value of pit highwalls as part of the post-mining reclamation plan. However, in order for vertical pit highwalls to provide adequate wildlife habitat they need to contain habitat features that attract wildlife species which utilize cliffs for nesting and shelter. Verticality alone does not create adequate cliff habitat for wildlife. The Department recommends that pit highwalls are enhanced by design features that are of value to wildlife. These would include; creating ledges, niches, alcoves, and horizontal holes on the cliff face for nesting raptors and other bird species that utilize ledges and cavities, and by placing rock piles along the toe of the highwall that mimics talus slopes for small mammals and reptiles.*

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NMCC Response:

NMCC acknowledges the Department's expertise with developing wildlife habitat and hereby commits to creating ledges, niches, alcoves, and horizontal holes on the pit wall for nesting raptors and other bird species as suggested in the Department's comment. Furthermore, NMCC commits to further enhance the value to wildlife of the future pit habitat by placing rock piles along the highwall toes to mimic talus slopes for small mammals and reptiles. NMCC believes that many of these desired features will manifest themselves naturally in the course of mine development and operations. Nonetheless, NMCC will take action during mining operations to ensure the features described herein are developed and, as noted in our October 13, 2017 submittal, NMCC will actively pursue the assistance of the NMDG&F to maximize those opportunities.

NMDG&F-b. The Department suggests extending the "Expanded 4900 Catch Bench" as far as it technically feasible, so that it would gently slope into the pit and be submerged after the rapid-fill process is complete. This would create a littoral zone in the pit lake and allow for the establishment and growth of aquatic plants and would further enhance its value as wildlife habitat.

NMCC Response:

Extending the expanded 4900 catch bench would result in significant loss of ore and affect project value and therefore this action is not practical. Additionally, developing a littoral zone around the full perimeter of the expanded catch bench as suggested by the Department would require a significant quantity of material to construct and this action is also not practical. However, as NMCC points out in the October 13 submittal to MMD, reclaiming the expanded catch bench will require construction of an access ramp before rapid fill of the pit. That ramp would be left in place after reclamation activities are complete and therefore would become submerged by the future pit lake, thus creating a section of littoral zone as suggested by the Department.

NMCC appreciates the opportunity to continue to work with the MMD in pursuit of approval of Mining Permit No. SI027RN. Please do not hesitate to contact us if you have any questions or require clarification.

Sincerely,



Jeff Smith
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THEMAC Resources Group/New Mexico Copper Corporation
Telephone: (520) 991-4588

cc: Brad Reid – New Mexico Environment Department