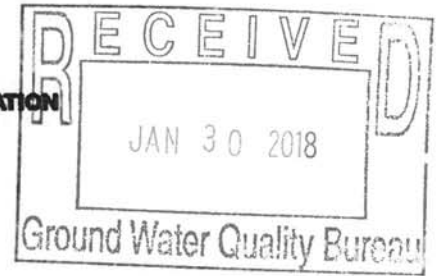




NEW MEXICO COPPER CORPORATION



January 25, 2018

Mr. Bryan Dail  
Surface Water Quality Bureau  
New Mexico Environment Department  
P.O. Box 5469  
Santa Fe, NM 87502

**Re: Private Land Status of Open Pit Lake  
New Mexico Copper Corporation**

Dear Mr. Dail,

This letter provides additional information regarding the location of New Mexico Copper property at Copper Flat.

As you may recall, NMCC identified an error with a property boundary on land status maps being used by State and Federal agencies; specifically maps showing private property lines in Sections 25, 26, 35, and 36, Township 15S, Range 7W, N.M.P.M. As I researched this matter, I learned that the maps in question are based on GIS records maintained by the BLM. As described in my September 27, 2017 letter to Ms. Shelley Lemon, Chief of the Surface Water Quality Bureau, the maps using BLM GIS information for this area erroneously show the NMCC property line crossing the existing pit lake. The correct location of the property line is approximately 300 feet west of the existing pit lake, which places the existing pit lake completely within the NMCC owned property.

This matter was raised with BLM in early 2017 in a meeting at BLM's State Office in Santa Fe, which was attended by representatives from BLM cadastral, land legal, and GIS departments, NMCC's registered land survey consultant, and NMCC. During this meeting, and in subsequent discussions, BLM pointed out that maps sourced through their GIS department are not precise and advised that property owners are responsible to prepare and document surveys to establish correct locations for property boundaries. As further evidence to the possibility for error, the following disclaimer appears when accessing BLM GIS information online:

*"The geographic coordinates and their associated products are NOT legal land survey records. These coordinates can NOT be used as a substitute for a legal land survey."*

Following our discussions with BLM, NMCC completed a boundary plat of NMCC property in the aforementioned area. The field work and plat were prepared according to New Mexico Land Survey Statutes and BLM standards, which require physical location and tagging of section and

**Private Land Status of Open Pit Lake**  
**New Mexico Copper Corporation**  
**January 25, 2018**

property corners by a registered land surveyor. The plat was sealed by a New Mexico registered land surveyor, recorded with Sierra County, and submitted to the BLM Cadastral Survey Department. A copy of the sealed and recorded plat was provided to your office with my September 2017 letter. The plat shows the outline of the current pit water body and shows the existing water body is fully confined to private property owned by NMCC. Figure 1 attached to this letter is page 1 of the boundary plat with NMCC property and the existing pit lake highlighted for clarity.

Figure 2 was developed by Mr. Stephen Beyerlein, a land surveyor in BLM's cadastral survey office in Santa Fe. To create this figure, Mr. Beyerlein overlaid the NMCC property plat onto BLM property maps that are maintained by the BLM cadastral survey department. This figure confirms that the private property boundaries mapped by NMCC align with BLM survey information. Mr. Beyerlein states in his October 12 email (provided with figure 2) that "this [overlay] should be evidence for the State or anyone else that you are in the proper location." On December 12, Mr. Beyerlain further clarified that regarding this figure "it was our (i.e. BLM's) intention to show that the claims are on private land."

Figure 3 shows the future pit design described in our Mine Reclamation and Closure Plan with NMCC property lines. This figure clearly shows the proposed future pit lake is fully contained within the boundaries of private land owned by NMCC.

NMCC believes that this additional information provides further confirmation to demonstrate that the future NMCC pit lake will be located on private land and that the BLM concurs with this conclusion. Please do not hesitate to contact me should you require any additional information.

Sincerely,



Jeff Smith  
Chief Operating Officer  
New Mexico Copper Corporation

cc: Leighandra Keeven, BLM Geologist  
David Henney, Solv, LLC, Project Manager  
Brad Reid, NMED Ground Water Bureau Permit Lead  
David Ennis, MMD Permit Lead







## Jeffrey Smith

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**From:** Beyerlein, Stephen <sbeyerle@blm.gov>  
**Sent:** Tuesday, December 12, 2017 7:46 AM  
**To:** Jeffrey Smith  
**Subject:** Re: Copper Flat Boundary Survey Plat

Good morning Jeff. To clarify, it was our intention to show that the claims were made on BLM land and are now private. Many are surrounded by BLM and are not in conflict with the State lands. Hoop this helps.

Steve

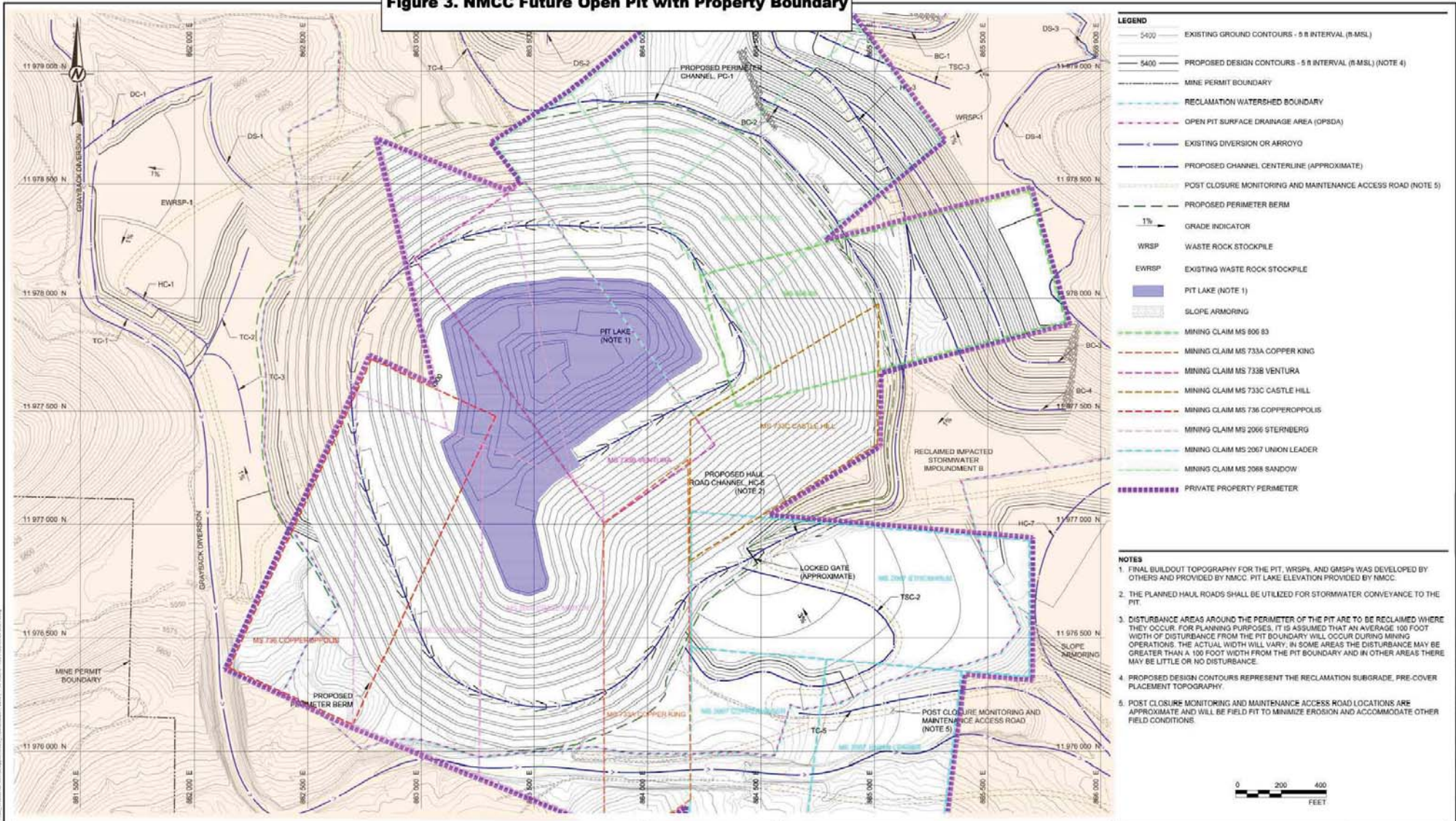
**From:** Beyerlein, Stephen [mailto:[sbeyerle@blm.gov](mailto:sbeyerle@blm.gov)]  
**Sent:** Thursday, October 12, 2017 12:05 PM  
**To:** Jeffrey Smith  
**Subject:** Re: Copper Flat Boundary Survey Plat

Jeff. Attached is our GIS overlay showing our survey, your survey and the land status. It shows your claims are all on BLM lands. This should be evidence for the State or anyone else that you are in the proper location. Let us know if we can be of further help.

Steve



**Figure 3. NMCC Future Open Pit with Property Boundary**



- LEGEND**
- 5420 — EXISTING GROUND CONTOURS - 5 FT INTERVAL (ft-MSL)
  - 5400 — PROPOSED DESIGN CONTOURS - 5 FT INTERVAL (ft-MSL) (NOTE 4)
  - MINE PERMIT BOUNDARY
  - RECLAMATION WATERSHED BOUNDARY
  - OPEN PIT SURFACE DRAINAGE AREA (OPSDA)
  - EXISTING DIVERSION OR ARROYO
  - PROPOSED CHANNEL CENTERLINE (APPROXIMATE)
  - POST CLOSURE MONITORING AND MAINTENANCE ACCESS ROAD (NOTE 5)
  - PROPOSED PERIMETER BERM
  - 1% GRADE INDICATOR
  - WRSP WASTE ROCK STOCKPILE
  - EWRSF EXISTING WASTE ROCK STOCKPILE
  - PIT LAKE (NOTE 1)
  - SLOPE ARMORING
  - MINING CLAIM MS 806 83
  - MINING CLAIM MS 733A COPPER KING
  - MINING CLAIM MS 733B VENTURA
  - MINING CLAIM MS 733C CASTLE HILL
  - MINING CLAIM MS 736 COPPEROPOLIS
  - MINING CLAIM MS 2066 STERNBERG
  - MINING CLAIM MS 2067 UNION LEADER
  - MINING CLAIM MS 2088 SANDOW
  - PRIVATE PROPERTY PERIMETER

- NOTES**
1. FINAL BUILDOUT TOPOGRAPHY FOR THE PIT, WRSPs, AND GMSPs WAS DEVELOPED BY OTHERS AND PROVIDED BY NMCC. PIT LAKE ELEVATION PROVIDED BY NMCC.
  2. THE PLANNED HAUL ROADS SHALL BE UTILIZED FOR STORMWATER CONVEYANCE TO THE PIT.
  3. DISTURBANCE AREAS AROUND THE PERIMETER OF THE PIT ARE TO BE RECLAIMED WHERE THEY OCCUR FOR PLANNING PURPOSES. IT IS ASSUMED THAT AN AVERAGE 100 FOOT WIDTH OF DISTURBANCE FROM THE PIT BOUNDARY WILL OCCUR DURING MINING OPERATIONS. THE ACTUAL WIDTH WILL VARY, IN SOME AREAS THE DISTURBANCE MAY BE GREATER THAN A 100 FOOT WIDTH FROM THE PIT BOUNDARY AND IN OTHER AREAS THERE MAY BE LITTLE OR NO DISTURBANCE.
  4. PROPOSED DESIGN CONTOURS REPRESENT THE RECLAMATION SUBGRADE, PRE-COVER PLACEMENT TOPOGRAPHY.
  5. POST CLOSURE MONITORING AND MAINTENANCE ACCESS ROAD LOCATIONS ARE APPROXIMATE AND WILL BE FIELD FIT TO MINIMIZE EROSION AND ACCOMMODATE OTHER FIELD CONDITIONS.

REV	2017-12-07	ISSUED FOR CLIENT REVIEW	HNL	HNL	TS	TS
DESIGNED	PREPARED	REVIEWED	APPROVED			

PRELIMINARY FOR AGENCY REVIEW

CLIENT: **THEMAC RESOURCES** NEW MEXICO COPPER CORPORATION  
 Environmentally Responsible. Community Minded. Local Opportunities.

CONSULTANT: **Golder Associates**

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PROJECT: **COPPER FLAT PROJECT**  
 MINE RECLAMATION AND CLOSURE PERMIT

TITLE: **NMCC PRIVATE PROPERTY IN MINE PIT AREA (PATENTED MINING CLAIMS)**

PROJECT NO: 1531453  
 REV: A  
 1 of 1  
 FIGURE 1