

JH Mining, LLC
5070 Mark IV Parkway
Fort Worth, Texas 76106

July 23, 2024

Mr. Albert CS Chang, Director
Mining and Minerals Division, EMNRD
1220 South St Francis Drive
Santa Fe, NM 87505-6110

RE: Release of Financial Assurance
Permit No. GR020RE
Georgetown Mine/Mill Site

Dear Mr. Chang,

JH Mining, LLC ("JH Mining"), as successor to Sierra Corporation, is the current owner and holder of the captioned mine site and permit situated in Grant County, New Mexico. JH Mining is asking for full release of financial assurance under the Mining Act for the above referred permit. The Closure Plan for Permit No. GR020RE included the design for the capping of a leach pile containing approximately 16,000 tons of materials from a former cyanide silver leach operation. The leach pile is located approximately 6 miles north of Chino Mine's Santa Rita Pit at the Georgetown mining community from the 1800's and approximately 6 miles west of Highway 22 and the Mimbres River.

The leach pile sits on a HDPE liner with neutralizing solutions applied to destroy residual cyanide within the pile. The approved capping design with cover material has a footprint of approximately 240' X 120' or 0.9 acre. The east and north adjoining ground were designed with channels to direct runoff to the canyon north of the pile and not enter the heap leach pile. This drainage to the canyon included early testing from test pits to analyze soil for potential ground water pollution. The south side of the heap leach pile is constructed with heavy rip-rap to eliminate runoff draining into the pile. The reclamation is designed and has resulted as a self-sustaining ecosystem appropriate for post mining land use. This pile has become a favored grazing area for both livestock and wildlife. The entire area has been cleaned of plastics, pipe and trash associated with the previous leaching activity.

The Georgetown Mill site has been monitored for erosion, water quality and vegetation growth through a minimum of 2 annual inspections each year as required by Permit No. GR020RE, Georgetown Mill Site. The capping design included a drain channel on each side of the pile with drainage to 2 catch ponds below the leach pile. The drainage channel was improved on both sides as an attempt to limited storm drainage not associated with the pile. The south side of the pile required more work as there was a major channel above this area of the pile. As a comparison for water sampling a second set of sampled were taken each year from a large pond approximately 2



miles south and uphill from Georgetown. The comparison pond yielded similar results over the years for metals. As part of our annual report in 2009, a reference from the publication *Ore Deposits in New Mexico 1910* was included indicating heavy metals, iron and lead, having a presence in soils of the Georgetown area. At no time did our sampling show any evidence of cyanide detected from soil or water sampling. Two Vegetation Surveys were conducted in 2022 and 2023 with both demonstrating that the vegetation cover has been met. As indicated as part of the 2023 report a Permit Update was included for the Georgetown Mine stating: "Since the Georgetown Mine has passed the 12-year waiting period they are eligible to be released following two consecutive years of vegetation surveys that demonstrate that the site has met the environmental standards in the permit". Within the inspection narrative 2023 that flattened straw wattles remained on the site and recommended removing. During my visit with MMD in Santa Fe on January 29, 2024 I acknowledged some of the wattles were left as I inquired and informed of the damage caused by pulling the embedded wattles from the earth and causing an approximate 1-foot-wide strip a few inches deep of no vegetation. At that time, I was told to leave the wattles causing such damage. Upon discussing this on January 29 I indicated that after further inspection and discussing a solution we would follow a procedure as outlined for the remaining wattles if necessary.

JH Mining appreciates the cooperation and coordinated afforded Georgetown Mine Close Out over the years and look forward to final required inspection. Please contact the undersigned at 575-543-5648 if you need any further information.

Sincerely,



John Strand

Consultant for Georgetown Mine
1001 Dona Ana Rd SE
Denning, NM 88030

cc: Gerald H. Graham, Agent

JH Mining, LLC

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