

**PERMIT MODIFICATION 14-1 TO PERMIT NO. GR028RE
CENTER MINE
REGULAR EXISTING MINING OPERATION**



**MINING AND MINERALS DIVISION
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

This Modification 14-1 (“Modification 14-1”) to Permit No. GR028RE (“Permit”) is issued by the Director of the Mining and Minerals Division (“MMD”) of the New Mexico Energy, Minerals and Natural Resources Department to:

Royal Minerals, Inc.
P.O. Box 920
Duncan, AZ 85534

Whose correct address is:

(“Permittee”) for the Center Mine, located in Grant County, New Mexico.

This Modification 14-1:

1. Approves the release of \$60,337.80 (60%) of the financial assurance (“FA”) amount for reclamation completed on the waste rock and tailings piles and surface water storage pond area; and
2. Retains a total of \$40,225.20 (40%) of FA for reseeding and vegetation success of the waste rock/tailing pond and surface water storage pond reclamation.

In order to accomplish the approval contemplated by this Modification 14-1, the following subparagraphs are added to Permit No. GR028RE:

Section 1 (14-1). STATUTES AND REGULATIONS

- A. This Permit modification is issued pursuant to the New Mexico Mining Act, NMSA 1978, §69-36-1, et seq. (1993, as amended through 2014) (“Act”) and New Mexico Mining Act Rules, Title 19, Chapter 10 of the New Mexico Administrative Code (“NMAC” or “Rules” or “Regulations”).
- B. This Permit modification is subject to the Act, the Rules, and any other regulations which are now or hereafter in force under the Act; and all such regulations area made a part of this Permit by this reference.

Section 2 (14-1). PERMIT APPLICATION PACKAGE

- A. The permit application package for Modification 14-1 (“14-1 PAP”) consists of:

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1. A written request from the Permittee, dated November 24, 2014, for the partial release of FA for reclamation performed on the waste rock and tailing piles and the surface water storage pond.
2. Documentation of public notice publication in the *Silver City Sun News* of the Permittee's request for partial FA release.

Section 4 (14-1). FINDINGS OF FACT

- A. The Permittee has paid the permit modification fee of \$1,000.00 as required by §19.10.2.201 NMAC.
- B. The application for permit modification has been reviewed in accordance with §19.10.5.505 of the Rules. The application for permit modification is complete, accurate, and complies with the requirements for permit modifications under §19.10.5.505 NMAC.
- C. Pursuant to §19.10.5.505.B NMAC, the proposed changes do not require public notice nor the opportunity for public hearing. However, pursuant to §19.10.12.1210.A(3) of the Rules, public notice is required for FA release at a Regular Existing Mining Operation. The Permittee provided public notice documentation as part of 14-1 PAP.
- D. Pursuant to §19.10.5.505.B(1) NMAC, the proposed changes would not have a significant environmental impact.
- E. The Director has provided notice of this application to other government agencies deemed appropriate, in accordance with §19.10.5.505.B(3) NMAC.
- F. An inspection and evaluation of the acreage requested for partial FA release was conducted by MMD, New Mexico Environment Department, and Gila Resources Information Project personnel on January 14, 2015.
- G. Concurrence from the Bureau of Land Management ("BLM") on the amount of FA to release for reclamation performed to date and the amount to retain for future reclamation success was received by MMD through email on April 9, 2015.
- H. FA in the amount of \$40,225.20 remains in place and has been determined by MMD and BLM to be sufficient to meet the requirements of the Act, Rules, and the Permit.

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Section 10 (14-1). **CONCLUSIONS OF LAW**

- A. The request for permit modification is complete and accurate and complies with the requirements of the Act and §19.10 NMAC.

All other provisions, modifications, and revisions for mining and reclamation contained in the Center Mine, Permit No. GR028RE, remain unchanged.

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CERTIFICATION

I certify that I have read, understand and will comply with the requirements of the Permit, this Permit Modification, the Act and the Rules, including without limitation that I will allow the Director to enter the Permit Area as required by the Permit and/or the Rules and/or as otherwise required by law.

Bill Hansen
Authorized Representative of the Permittee

Title

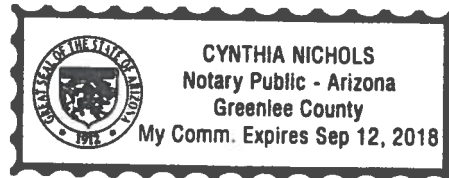
Royal Minerals
Company

Subscribed and sworn to before me this 4th day of May, 2015

Cynthia Nichols
Notary Public

My Commission Expires

Sept. 12, 2018




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ORDER

NOW THEREFORE, IT IS HEREBY ORDERED that the Director approves Permit Modification 14-1 to the Center Mine, Permit No. GR028RE, located in Grant County, New Mexico. The approval releases \$60,337.80 of FA for reclamation performed at the site, and retains \$40,225.20 in FA for future reclamation success.

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: 

Fernando Martinez, Director
Mining and Minerals Division
Energy, Minerals and Natural Resources Department

5/11/2015
Date: _____