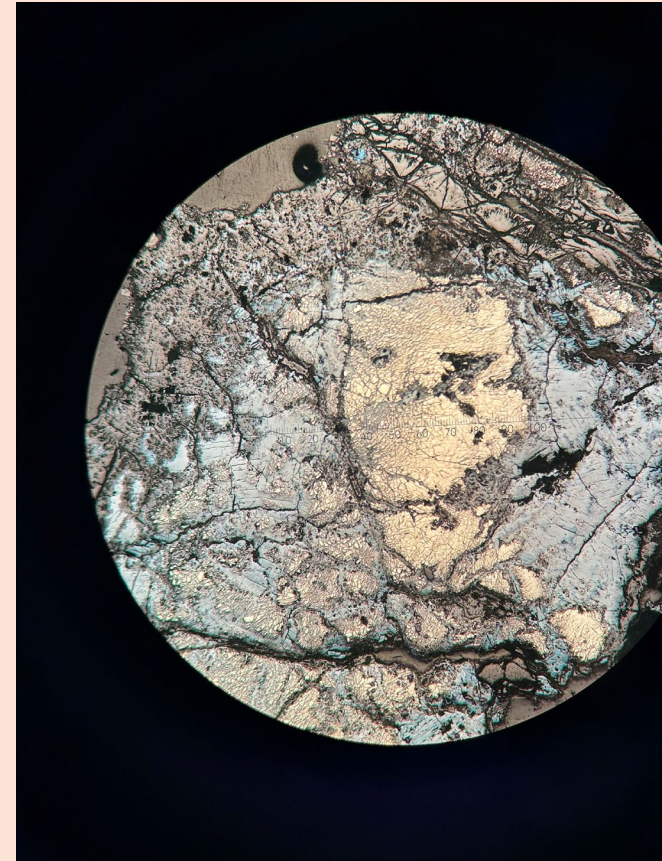


‘From Critical Mineral Discovery to a Mining Operation – Meeting the Regulatory & Social Challenges in New Mexico’

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**Toltec Mesa Resources LLC
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A Critical Mineral Resource Mining/Processing Project – If It is Going to be Part of a Solution to Energy Transition Then....

Must Involve a Multi-Stakeholder Approach to Understand Shared Risks

Must Benefit & Provide Opportunities for the Miners & Investors, Local Communities and Ecosystems




Ranking Business Risks & Opportunities in 2025

Source – Ernst & Young (2024)

• Top 10 List Compared to 2023

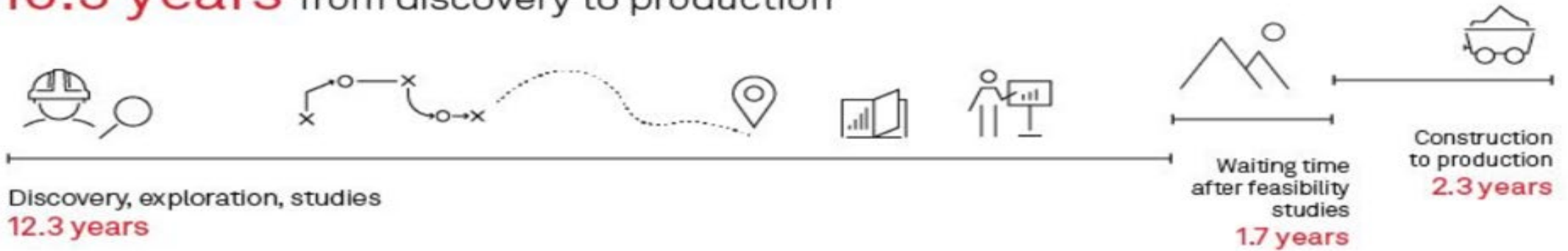
1. **Capital (up from 2023, 8th)**
2. Environmental Stewardship (down from 2023, 1st)
3. Geopolitics (down from 2023, 2nd)
4. **Resource/Reserve Depletion (new to list in 2024)**
5. License to Operate (down from 2023, 4th)
6. Rising Costs and Productivity (same, 5th and 6th in 2023 with Supply Chain)
7. Climate Change (down from 2023, 3rd)
8. **New Projects (new to list in 2024)**
9. Changing Business Models (same as 2023)
10. Innovation (down from 2023, 9th)
11. **Workforce (left the top ten from 2023, 7th)**



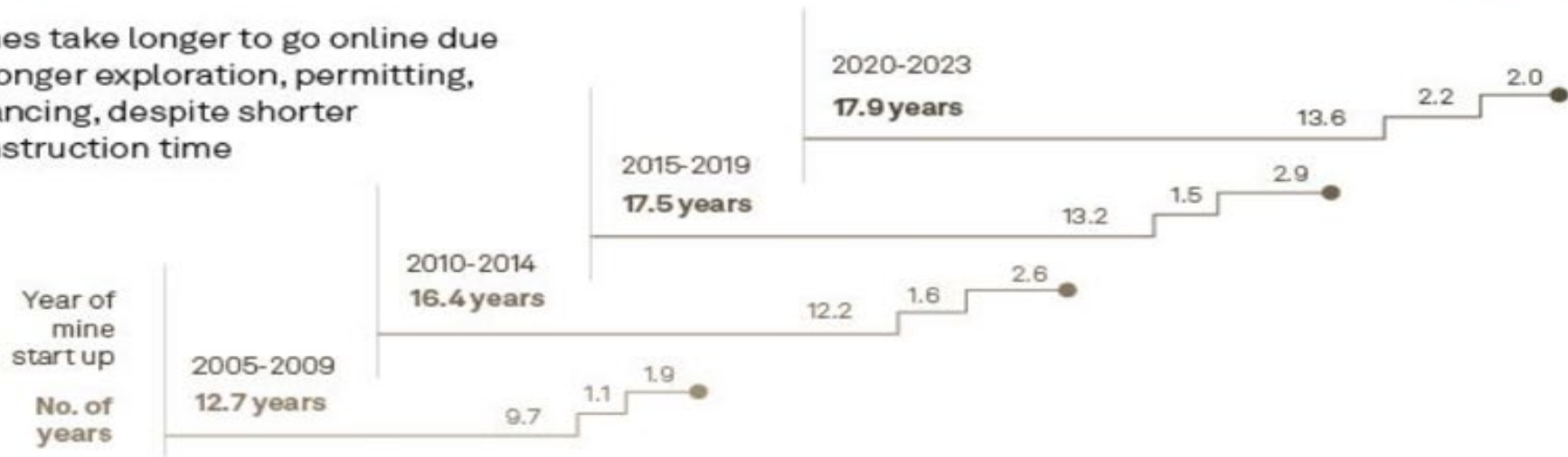
An Arduous and Risky Journey - Miners and Investors

- Investment Capital Throughout
- Exploration, Discovery and Establishing a Land Position
- **Determination of federal nexus**
- **Drilling, Sampling, Analyses**
- Delineation of Resource– Viable Resource?
- Additional Evaluations – Resource to Reserves ‘Ore’
- Sequenced Feasibility Studies - Estimates of ‘All In’ Costs
- **If Feasible, “Detailed” Mine Permitting, Closure Planning & Financial Assurance**
- Capitalize and Build the Mine

Mines take an average of **16.3 years** from discovery to production



Mines take longer to go online due to longer exploration, permitting, financing, despite shorter construction time




Source: S&P Global Market Intelligence

Data compiled March 2024.
 Image credit: Chris Allen Villanueva.
 Source: S&P Commodity Insights.
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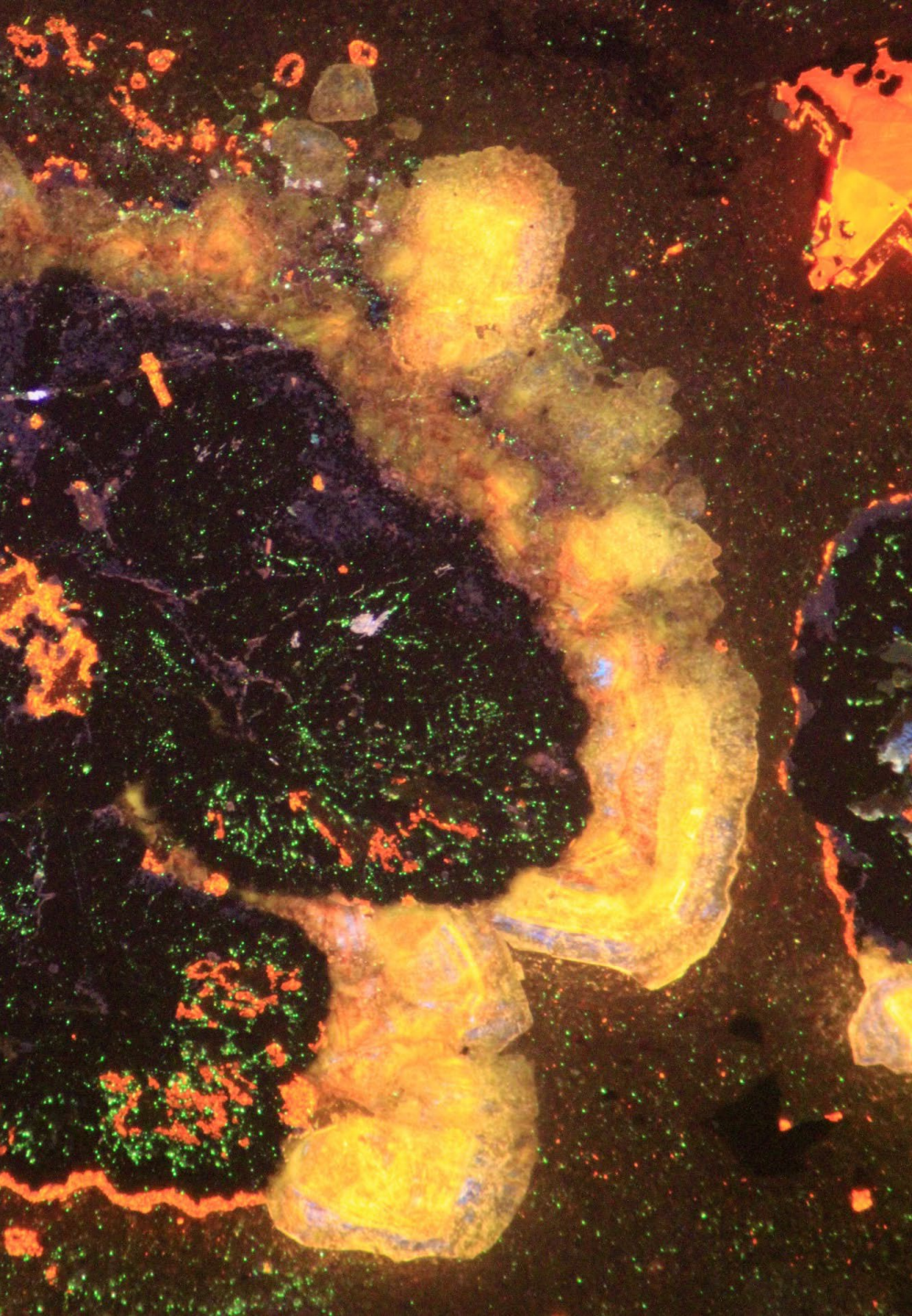
Key Challenges

- Raising Necessary Project Capital
- Addressing Environmental, Social and Governance (ESG) Concerns
- Finding New Deposits: Fewer Near-Surface ‘Large’ Mineral Deposits [Deeper and Under Geologic Cover]
- Finding and/or Developing a Trained and Qualified Workforce
- Capturing Value from Mine Wastes & Their Management



Sustainability Concepts, Putting Them Into Practice – Key Questions

- Can ‘We’ Address Impacts from Legacy Mine Wastes as a Condition of Social License?
- Can A Mine Operate Successfully within a ‘Reduced Carbon Footprint’ Expectation?
- Can A Mine Operate with Reduced Long-Term Impacts to Water Resources?
- Can A Mine Incorporate Longer-Term Perspectives and Value-Added Post-Mining Land Use Considerations in Mine Plans?



Improving on What We're Doing Now....

- Raise Public and Political Awareness
- Take Advantage of Advances with New Technologies
- Streamline Administrative & Permitting Process to Advance Projects