

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

F. David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Fernando Martinez, Director
Mining and Minerals Division



October 27, 2015

Bill Buckovic, President
Geovic Mining Corp.
743 Horizon Court - Suite 300A
Grand Junction, CO 81506

**RE: Exploration Permit Renewal Approval
Cornudas-Wind Mountain Exploration Project, Permit No. OT040EM R-2
Geovic Mining Corp., Otero County, New Mexico**

Dear Mr. Buckovic:

The New Mexico Mining and Minerals Division (“MMD”) received a letter dated October 12, 2015, from you on behalf of Geovic Mining Corp. (hereafter referred to as “GMC” or “Permittee”), requesting renewal of the Cornudas-Wind Mountain Exploration Project, Minimal Impact Exploration Permit No. GR040EM. This letter acknowledges the renewal of the Exploration Permit for the Cornudas-Wind Mountain Exploration Project, Permit No. GR040EM. The permit number designated for the renewal will be GR040EM-R2. GMC is authorized to conduct mineral exploration and reclamation operations only on those lands specifically designated and authorized as the permit area, where GMC proposes to disturb up to 3.437 acres within the permit boundaries proposed for mineral exploration drilling located on Wind Mountain, within the Cornudas Range, approximately 15 miles northwest of the town of Dell City, Texas, on Federal land managed by the Bureau of Land Management (“BLM”) within portions of Sections 14, 15, 22, 23, 26 and 27, Range 14 East, Township 26 South, N.M.P.M., in Otero County, New Mexico.

From your letter, it is our understanding that GMC begun exploration core drilling operations in March of 2015, and successfully completed four (4) core holes, all of which were subsequently plugged and abandoned during site reclamation procedures undertaken later, during September, 2015, as authorized under Permit No. OT040EM where the Permittee is permitted to angle-drill no more than twenty-eight (28) core holes, up to 2.362 inches in diameter, and up to 750 feet deep, utilizing no more than seven (7) drill pad disturbance areas to explore for rare earth elements, zirconium and feldspar. Each drill pad disturbance area will be no greater than fifty feet wide by fifty feet long (50' x 50') at each drill site. In addition to use of existing county roads to access the permit area, the Permittee is also authorized to utilize one (1) equipment

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staging area located along the existing, previously disturbed pullouts/campsites adjacent to the existing county road. A base camp for housing drilling personnel while working onsite will be established on private lands located near the permit area or, alternatively, in an RV to be parked along one of the existing, previously disturbed pullouts/campsites located adjacent to the existing county road. Drill pad sites will be accessed by use of an off-highway vehicle ("OHV" standard four-wheeler) in the place of the currently approved power-barrow cart for the transport of crewmembers and smaller supplies as originally permitted for the barrow-cart and the OHV will only be used on the approved overland trail alongside the existing waterline or a separate overland trail from the staging area to the common central waterline.

Findings of Fact:

1. The application for renewal is complete and demonstrates that there will be no changes to the original permit or financial assurance instruments or amount, and will meet the requirements of reclamation, as identified in Section 19.10.4.405.C of the New Mexico Mining Act Rules (the Rules),
2. The Permittee has paid the permit application fee in the amount of \$500.00, as determined by Part 2 of the Rules, and
3. The Permittee has no outstanding violations of the New Mexico Mining Act or 19.10 NMAC.
4. The Permittee has provided a statement dated October 12, 2015, from its banking institution verifying that a Certificate of Deposit (CD No. 50000724) established by GMC as joint BLM-MMD held financial assurance for the Cornudas-Wind Mountain Exploration Project is valid and presently in effect in the required amount of \$58,826.12.
5. Aside from the replacement of the power-barrow cart with an OHV for use toward future drill pad site access and equipment transport, the Permittee has acknowledged that there has been no change in the amount of proposed disturbance within the proposed permit area or any changes to the drilling plans described in Permit No. OT040EM.
6. The Permittee has provided, as part of the PAP, a signed statement indicating that he agrees to comply with the reclamation requirements of the permit, Part 3 of the Rules, and the New Mexico Mining Act (the Act) and allows the Director to enter the permit area, without delay, for the purpose of conducting inspections during exploration and reclamation.
7. The Permittee shall comply with all requirements, obligations and conditions and shall conduct mining and reclamation operations at the Cornudas-Wind Mountain Exploration Project only as described within approved Permit No. OT040EM, originally approved on November 19, 2013.
8. This Permit does not grant or create any property rights. Nor does MMD, by issuing this Permit or otherwise, make any comment on the surface or mineral rights that the Permittee

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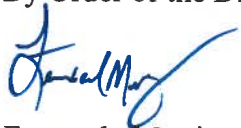
may or may not have in the area covered by the Permit; only that the Permittee has provided a statement of basis on which the Permittee has a right to enter the property to conduct mining and reclamation. Permittee is solely responsible to take whatever steps are necessary to ensure that Permittee has property rights sufficient to support the activities contemplated by the Permit.

9. This Permit does not grant or create any water rights. Nor does MMD, by issuing this Permit or otherwise, make any comment on the water rights that the Permittee may or may not have available for use in the area covered by the Permit. Permittee is solely responsible and obligated to comply with all state and federal laws related to water rights sufficient to support the activities contemplated by the Permit.
10. Since the permit area is on Federal Lands, the expiration, or termination, of the BLM's authorization to conduct operations on the property automatically suspends the permittee's authority to continue mining operations on the property, although not necessarily reclamation operations required by this permit.
11. This Permit is issued pursuant to NMSA 1978, Section 69-36-1 et. seq. and Title 19, Chapter 10 NMAC. Permittee may be required to comply with other federal, State, county or local laws or ordinances before or while undertaking the activity that is the subject of this Permit. MMD does not, by issuing this Permit or otherwise, make any comment on Permittee's compliance with such other laws. It is Permittee's sole responsibility to investigate and comply with the requirements of such other laws.

The original permit expires on November 19, 2015. This permit renewal is valid until November 19, 2016, which is one year from the expiration date of the original permit [19.10.405.4.A (1) NMAC]. In addition, at the end of the project you will need to file a termination report based on the requirements of Section 407 of the Rules. If you decide to continue exploration activities beyond that period, you must renew the permit at least 30 days before the date of expiration [19.10.4.405.C (2) NMAC].

For additional information regarding the New Mexico Mining Act Rules, please visit our Website at: www.NMMines.com, or contact James Hollen, of my staff, at (505) 476-3436, or via e-mail at: james.hollen@state.nm.us, with any questions regarding this permit.

By Order of the Director,



Fernando Martinez
Director
Mining and Minerals Division

cc: Holland Shepherd, Program Manager, MARP/MMD
Joseph Navarro, Division of Multi-Resources, Las Cruces District Office, BLM
Mike Johnson, Chief, Hydrology Bureau, NMOSE
File No. OT040EM

