

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
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Deputy Cabinet Secretary

Jerry Schoeppner, PG, Director
Mining and Minerals Division



Electronic Transmission
August 30, 2021

Joe Kizis
Southern Silver Exploration Corp. (U.S.)
4790 Caughlin Pkway, #207
Reno, NV 89519-0907

RE: Rescission of Technical Approvability, Minimal Impact Exploration Application/Part 4 Application Required, Turquoise Mountain Exploration Project, Permit No. GR087EM, Southern Silver Exploration Corp. (U.S.)

Dear Mr. Kizis:

On July 19, 2021, the New Mexico Mining and Minerals Division (“MMD”) sent Southern Silver Exploration Corp. (U.S) (“Southern Silver”) a letter technically approving the minimal impact exploration application that was submitted on March 5, 2021. Upon additional review, this project no longer qualifies as a Part 3 Minimal Impact Exploration permit therefore MMD is rescinding the notice of technical approvability.

Section 19.10.7.M.2.b states operations that are “located in designated critical habitat areas as determined in accordance with the federal Endangered Species Act of 1973 or in areas determined by the Department of Game and Fish likely to result in adverse impact on an endangered species designated in accordance with the Wildlife Conservation Act, Sections 17-2-37 through 17-2-46 NMSA 1978 or by the State Forestry Division for the Endangered Plants Act, Section 75-6-1 NMSA 1978,” do not qualify as Minimal Impact. During the May 11, 2021 site visit, the NM State Endangered night-blooming cereus (*Peniocereus greggii* var. *greggii*) was found near one of the borehole locations. Since this species is considered an endangered plant by the State of New Mexico, this project no longer qualifies as a Part 3 Minimal Impact Exploration permit.

MMD will require Southern Silver to submit an Endangered Species Survey and Avoidance Plan (“Plan”) for the night-blooming cereus to MMD for review and approval. Once the Plan is approved by MMD, a qualified biologist shall physically conduct the survey in the proposed disturbance areas and submit the findings in a written report to MMD for review. Based on the findings of the survey, Southern Silver may need to modify the exploration application in order to avoid the night-blooming cereus in accordance with the prior commitments set forth in the Plan.

Part 4 Exploration projects also require public notice in accordance with 19.10.9.903 NMAC. MMD will provide Southern Silver with a template public notice form and the list of interested parties in a separate correspondence.

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If you have any questions, please contact me at (505)-490-0967 or holland.shepherd@state.nm.us, or Jennifer Johnson at (505)-470-5354, Jennifere.Johnson@state.nm.us.

Sincerely,

A handwritten signature in blue ink, appearing to read 'H. Shepherd', written over a faint circular stamp or watermark.

Holland Shepherd, Program Manager
Mining Act Reclamation Program ("MARF")
Mining and Minerals Division

cc: Jerry Schoeppner, MMD Director
Elliott Crist
Robert McDonald
Joseph Navarro, BLM
Bryan Victor, SLO
Mine File (GR087EM)