

**Permit No. CA027EM  
Summa Silver Mogollon  
Minimal Impact Exploration Operation**

**Mining and Minerals Division  
Energy, Minerals and Natural Resources Department**

Permit No. CA027EM (“Permit”) is issued by the Director of the Mining and Minerals Division (“MMD”) of the New Mexico Energy, Minerals and Natural Resources Department to:

Summa Silver Corp. (“Permittee”)  
Whose correct address is: 918-1030 West Georgia Street  
Vancouver, BC V6E 2Y3

(“Permittee”) for the Summa Silver Mogollon Project located just west and north of the town of Mogollon, NM.

**Section 1. STATUTES AND REGULATIONS**

- A. This Permit is issued pursuant to the New Mexico Mining Act, NMSA 1978, §69-36-1, et seq. (1993, as amended through 2021).
- B. This Permit is subject to all applicable regulations of the New Mexico Mining Act (“Act”), New Mexico Mining Act Rules (“Rules” (§19.10.1 through §19.10.15 New Mexico Administrative Code (“NMAC”)) and any other regulations which are now or hereafter in force under the Act; and all such regulations are made a part of this Permit by this reference.

**Section 2. PERMIT APPLICATION PACKAGE**

The minimal impact exploration Permit Application Package (“PAP”) for Permit CA027EM was received on March 12, 2021 and deemed administratively complete on March 18, 2021. Any correspondence subsequently submitted to MMD, by the Permittee or its representatives, can be found at MMD offices within the Division’s files, and is titled *Summa Silver Mogollon CA027EM* or similar.

The PAP is comprised of the following documents:

- A. *Subpart 3 Minimal Impact Exploration Permit Application*, dated March 12, 2021 (“Application”);
- B. *Summa Silver Corp.*, Responses to New Mexico State Agency Comments, received on June 29, 2021;
- C. MMD email dated July 2, 2021 deeming the application technically approvable.
- D. Standby Letter of Credit No. BMT0655124OS, issued by Bank of Montreal, 250 Yonge St., 11<sup>th</sup> Floor, Toronto, ON M5B 2L7, on August 13, 2021, in the amount of \$153,800.00.

**Section 3.**                    **PERMIT AREA**

- A. The Permittee is authorized to conduct mineral exploration and reclamation operations only on those lands that are specifically designated and authorized within the permitted area ("Permit Area") and exploration activities shall be limited to the locations identified in the PAP. The Permit Area is located in Township 10 South, Range 19 West, Sections 27 and 28 on private land/patented mining claims.
- B. For this Permit, the Permit Area is defined as:
1. The roadway width of existing roads that do not require any modification or improvement;
  2. 10 feet on either side of existing roads that require modification or improvement;
  3. 10 feet on either side of the approximate centerline for new roads to be constructed for this project;
  4. 19 drill pad locations proposed in Section 3 of the PAP.
- C. The Permittee is authorized to only disturb up to a maximum of 1.35 total acres within the Permit Area, pursuant to §19.10.3.302.A NMAC.

**Section 4.**                    **FINDINGS OF FACT**

*The Permit Application Package*

- A. The PAP is complete and demonstrates that the proposed operation will meet the performance and reclamation standards and requirements of Subsection D, Paragraphs 1-6 of §19.10.3.302 NMAC.
- B. The Director finds that the Permittee and cooperating state agencies have provided sufficient evidence to determine that the proposed operation meets the standards of a "Minimal impact mining operation," addressed in §19.10.1.7.M(2) NMAC, and in §19.10.3.302 NMAC, and does not fall within the exclusions in §19.10.1.7.M(2) NMAC. MMD and the other agencies reviewed the minimal impact designation:
1. The Director finds that the project area is not located in or expected to have a direct surface impact on wetlands, springs, perennial or intermittent streams, lakes, rivers, reservoirs or riparian areas. (§19.10.1.7.M(2)(a) NMAC);
  2. The Director finds that the project area is not located in designated critical habitat areas for the Mexican Spotted Owl or other federal endangered species. The Director finds

Permit No. CA027EM  
Summa Silver Mogollon  
Minimal Impact Exploration Operation  
Page 3 of 15

that the project area is not located in an area determined by the Department of Game and Fish likely to result in an adverse impact on the Mexican Spotted Owl or any other endangered species. The Director finds that the project area is not located in an area with endangered plants. (§19.10.1.M(2)(b) NMAC);

3. The Director finds that the project area is not located in an area with cultural resources listed on either the National Register of Historic Places or the State Register of Cultural Properties. (§19.10.1.7.M(2)(c) NMAC);
  4. The Director finds that the project is not expected to have a direct impact on ground water that has a total dissolved solids concentration of less than 10.000 mg/L (§19.10.1.7.M(2)(d) NMAC);
  5. The Director finds that the project is not using cyanide, mercury amalgam, heap leaching or dump leaching in its operations (§19.10.1.7.M(2)(e) NMAC);
  6. The Director finds that the project is not located in a known cemetery or other burial ground (§19.10.1.7.M(2)(f) NMAC);
  7. The Director finds that the project is not located in an area designated as a Federal Wilderness Area, Wilderness Study Area, Area of Critical Environmental Concern, or an area with the National Wild and Scenic River System (§19.10.1.7.M(2)(g) NMAC);
  8. The Director finds that the project is not expected to result in point or non-point source surface or subsurface releases of acid or other toxic substances from the permit area (§19.10.1.7.M(2)(h) NMAC);
  9. The Director finds that the project does not require a variance from any element of the Rules as part of the permit application (§19.10.1.7.M(2)(i) NMAC);
  10. The Director finds that none of the characteristics set forth in Subsection M, Paragraph 2, Subparagraphs a through d of 19.10.1.7 NMAC are present therefore no waivers of concurrence are necessary (19.10.1.7.M(2)(j) NMAC);
  11. The Director finds that the project is not located in close proximity to another interrelated mining operation (19.10.1.7.M(2)(k) NMAC);
- C. The Permittee has paid the initial permit application fee of \$500 as required by §19.10.2.201.F NMAC.
- D. The proposed operation and reclamation, as described in the PAP and this Permit, will meet the requirements of reclamation, as identified in §19.10.1.7.R(1) NMAC of the Rules. The reclamation plan, subject to the conditions in the Permit, demonstrates that the reclamation of the disturbed areas within the Permit Area will result in a condition that allows for the

Permit No. CA027EM  
Summa Silver Mogollon  
Minimal Impact Exploration Operation  
Page 4 of 15

establishment of a self-sustaining ecosystem within the Permit Area that is appropriate for the life zone of the surrounding areas.

- E. The approved Post Exploration Land Use is designated as wildlife habitat.
- F. The term of the Permit is governed by Subsections A, C and D of §19.10.4.405 NMAC. The permit term shall be one year from the date of the Director's signature on this Permit.

*Right-To-Enter / Property Access Information*

- G. The 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 may or may not have in the area covered by the Permit; only that the Permittee has provided a statement of the basis on which the Permittee has a right to enter the property to conduct mining, exploration 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.
- H. The surface and mineral estate is owned, as stated in the PAP, by John Mack, Jr., Ann Hott and Mary K. Parker, 9A Cherokee Sq., Wilkes Barre, PA 18702 ("Landowner"). Attachment A of the PAP contains a lease agreement for the mine claims.
- I. The Permittee has satisfactorily demonstrated its right to enter pursuant to §19.10.304.D(1) NMAC.

*General Information Regarding the Permittee*

- J. The Permittee is not in violation of the terms of another permit issued by the Director or in violation of a substantial environmental law or substantive regulation at another mining operation, has not forfeited or had forfeited financial assurance in connection with another mining, reclamation or exploration permit, and has not demonstrated a pattern of willful violations of the Act, the Rules or other New Mexico environmental statutes.
- K. The Permittee has signed and certified a statement, provided within the PAP, that the Permittee agrees to comply with the requirements of this Permit, the Rules, and the Act, and allows the Director to enter the Permit Area for the purpose of conducting inspections.

*MMD's Request for Comments to the Agencies and Tribes*

- L. MMD provided the cooperating agencies (New Mexico Environment Department, Department of Game & Fish, State Forestry Division, State Historic Preservation Office, and the Office of the State Engineer) with a copy of the PAP pursuant to §19.10.3.302.G NMAC, and requested comments from the agencies.

Permit No. CA027EM  
Summa Silver Mogollon  
Minimal Impact Exploration Operation  
Page 5 of 15

- M. MMD provided the PAP to the following tribal entities and requested review and comment: Hopi Tribe, Mescalero Apache Tribe, Pueblo of Isleta, Navajo Nation, Pueblo of Laguna, Pueblo of Acoma, White Mountain Apache Tribe, and Fort Sill Apache Tribe. Comments were received from Navajo Nation, White Mountain Apache Tribe, and Hopi Tribe.
- N. MMD provided the Permittee with comments provided by the cooperating agencies and tribal entities on April 28, 2021, via electronic mail.

*Financial Assurance*

- O. The Permittee has provided a MMD reclamation bond for surface and subsurface financial assurance ("FA"), in accordance with §19.10.12.1201.A NMAC, in the amount of \$153,800.00.

**Section 5. COMPLIANCE REQUIREMENTS**

- A. 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.
- B. Since the Permit Area is on private land via mining claims, the expiration or termination of Landowner's authorization to conduct mining and exploration operations on the property automatically suspends the Permittee's authority to continue mining operations on the property. Such suspension does not include reclamation operations by this permit issued under §19.10.3 NMAC.
- C. The 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.

**Section 6. AGENCY RIGHT OF ENTRY**

- A. The Permittee shall allow the authorized representatives of the Director, without advanced notice, upon presentation of appropriate credentials, and without delay:
  - 1. To enter upon, or through, any mineral exploration or reclamation operation at any time, as provided for in §19.10.3.302.I(3) NMAC, for the purpose of conducting inspections during exploration, and reclamation, and to determine if the Permittee is in compliance with the permit requirements and conditions; and

Permit No. CA027EM  
Summa Silver Mogollon  
Minimal Impact Exploration Operation  
Page 6 of 15

2. at reasonable times, and without delay, have access to and copies of any records associated with permitting and compliance required by the Act, §19.10. NMAC or the Permit.
- B. In the event that the Landowner terminates, or otherwise prevents or impedes access to the Permit Area by the authorized representatives of the Director, the Director will notify the Permittee. The Permittee shall immediately cease all mining operations within the Permit Area and shall not resume mining operations until such authorized representatives' access to the Permit Area has been restored.
  - C. In the event that the Director's authorized representatives' access to the Permit Area is not restored by Landowner within 60 days after the Director has given Permittee the notice provided for in subparagraph B of this Section 6, the Permittee shall immediately begin reclamation of the Permit Area.

**Section 7. PERMIT COVERAGE**

- A. This Permit shall be binding on any person or persons conducting mining, exploration and reclamation operations under this Permit.

**Section 8. ENVIRONMENTAL COVERAGE**

- A. The Permittee shall take all necessary steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the Permit, the Rules or the Act.

**Section 9. COMPLIANCE WITH THE PERMIT APPLICATION PACKAGE**

- A. The Permittee shall conduct mining, exploration drilling and reclamation operations only as described in the approved PAP and any other modifications approved by the Director, pursuant to §19.10.4.406 NMAC. The Permittee shall comply with any and all conditions that are incorporated in the PAP and this Permit.
- B. Where the PAP is ambiguous or in apparent conflict with the provisions outlined in this Permit, the language of this Permit will supersede the PAP.

**Section 10. GENERAL OBLIGATIONS AND CONDITIONS**

*Description of Project/Authorized Disturbances*

- A. The Permittee is authorized to drill up to 50 boreholes on 19 drill pads using a mud/fluid rotary drilling method with a closed loop system. Each borehole shall be a maximum of 5 inches in nominal outside diameter and up to 2,000 feet depth each. Reclamation of the

Permit No. CA027EM  
Summa Silver Mogollon  
Minimal Impact Exploration Operation  
Page 7 of 15

disturbed areas shall be initiated as soon as possible and completed in accordance with the schedule in this Permit.

- B. The Permittee is authorized to create no more than 19 drill pad surface disturbance areas, no greater than 50'W X 50'L to accommodate all support equipment, including the drill rig, pipe truck and any ancillary support vehicles. Permittee shall use a closed loop system in accordance with the PAP.
- C. The Permittee is authorized to disturb no more than 1.35 acres of total cumulative disturbance within the Permit Area as defined in §19.10.3.302.A NMAC.

*Bird Surveys to be Performed*

- D. In accordance with New Mexico Department of Game and Fish recommendations in a letter dated April 7, 2021, the project area shall be surveyed for active bird nest sites (with birds or eggs present in the nesting territory), and when occupied, nest disturbance shall be avoided until young have fledged. For active nests, adequate buffer zones shall be established to minimize disturbance to nesting birds. Buffer distances shall be at least 100 feet from songbird and raven nests and 0.25 mile from raptor nests. Active nest sites in trees or shrubs that must be removed shall be mitigated by qualified biologists or wildlife rehabilitators in consultation with New Mexico Department of Game and Fish personnel.

*Mexican Spotted Owl Mitigations to be Performed*

- E. To minimize potential impacts to Mexican Spotted Owl, all drilling and disturbance activities should be performed outside of the breeding and fledgling-dependency period of March 1 through August 31 when possible. If drilling activities cannot be avoided during the breeding and fledgling-dependency period, spotted owl surveying shall be conducted within a 0.5-mile buffer zone prior to any road work, drill pad construction, and drilling. Surveys shall be conducted by qualified biologists using U.S. Fish and Wildlife Service Mexican Spotted Owl Survey Protocol (2012) and in accordance with New Mexico Department of Game and Fish recommendations. If an occupied breeding territory is located within the 0.5-mile buffer zone, drilling activities shall not occur until the young have fully fledged and dispersed from the area.

*Best Management Practices to be Performed*

- F. To the extent possible, Permittee shall avoid removing or damaging standing live or dead trees and woody vegetation during drill pad set-up and construction, as well as during mobilization of equipment into and out of the project area.
- G. Use of the roads and overland travel is prohibited within the Permit Area during wet, muddy conditions. No construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support construction equipment. If

Permit No. CA027EM  
Summa Silver Mogollon  
Minimal Impact Exploration Operation  
Page 8 of 15

such equipment creates ruts in excess of six (6) inches deep, the soil shall be deemed too wet to adequately support construction equipment. Also, permittee shall use caution when driving hot vehicles over dry vegetated areas to prevent the ignition of a grass or brush fire.

- H. Permittee shall leave all disturbances in a manner that is stable, both long-term and short-term, and non-hazardous to humans and wildlife.
- I. The Permittee shall implement erosion-control measures, or Best Management Practices (“BMP’s”), in a manner that prevents direct impacts to surface water and ephemeral watercourses that are designed, constructed and maintained using professionally recognized standards (e.g., Natural Resource Conservation Service Standards, or the BLM *Gold Book*) for surface disturbances during the exploration project and reclamation activities as needed for erosion control, spill prevention and the avoidance or damage to ephemeral watercourses in the area. Placement of water bar structures or other appropriate measures should be taken to reduce head-cutting adjacent to roads and to prevent roadways from channelizing surface flow.
- J. Erosion control measures or any other BMP’s that are damaged or ineffective shall be repaired, replaced or redesigned, as necessary, within 24 hours, or as soon as reasonably possible, following discovery of damages. The Permittee shall commit to using a variety of erosion-control measures, as needed, if erosion control problems develop.
- K. A minimum setback of 100 feet away from any watercourse within the Permit Area is required. (*Watercourse means any channel having definable beds and banks capable of conducting generally confined runoff from adjacent lands. During floods water may leave the confining beds and banks but under normal flows water is confined within the channel. A watercourse may be perennial, intermittent, or ephemeral.*)
- L. No drilling and no storage of fuels or chemicals shall take place within any watercourse that is in the Permit Area. No excavation or filling shall take place within any watercourse until the required permits or consultations are obtained from the U.S. Army Corps of Engineers. A copy of such approval shall be provided to MMD when obtained.
- M. Appropriate spill clean-up materials, such as absorbent pads, shall be available on-site at all times during road construction, site preparations, and drilling activities to address potential spills. Drop cloths or plastic tarps will be placed and secured under rigs while drilling, in addition to any other immobilized, staged, or temporarily stored equipment parked for durations extending longer than 48 hours, to contain any spill or leakage from the drill rig and any other related equipment.
- N. The Permittee shall report all spills immediately to the New Mexico Environment Department (“NMED”) as required by the New Mexico Water Quality Control Commission regulations §20.6.2.1203 NMAC. For non-emergencies during normal business hours, call (505) 428-6000. For non-emergencies after hours, call (866) 428-6535



Permit No. CA027EM  
Summa Silver Mogollon  
Minimal Impact Exploration Operation  
Page 9 of 15

or (505) 428-6535 (voicemail, 24 hrs. /day). For emergencies only, call (505) 827-9329 (24 hrs. /day) to contact the New Mexico Department of Public Safety.

- O. The Permittee shall comply with all requirements of federal and state laws pertaining to air quality requirements pursuant to §20.2.72 NMAC.
- P. Any water, drill cuttings, mud and drilling additives, and/or fluids produced from the exploration borehole shall be contained entirely within the Permit Area at all times. Mud pits, disposal pits, sumps, or above ground tanks shall be sized to contain the calculated volume of drill cuttings and all drilling fluids and any produced water, while still providing a substantial freeboard or emergency storage capacity.
- Q. Any overburden material generated during site grading and site preparation shall be utilized to create an earthen berm partially surrounding each drill pad to prevent any run-on or run-off from precipitation events flooding onto or escaping the drill pad site. The Permittee shall utilize BMP's, including above-ground tanks, to contain any water produced from the exploration holes at the drill sites.
- R. Discharge of any drilling fluids to the ground surface or to an ephemeral watercourse may be a violation of the Clean Water Act and is prohibited. All drilling cores and any excess drill cuttings shall be collected and disposed of properly.
- S. All heavy equipment to be used within the Permit Area shall be thoroughly pressure washed and/or steam cleaned prior to introducing any equipment into the Permit Area in order to help prevent the introduction of non-native species to the Permit Area. This cleaning shall remove all soil, seed, vegetative matter or other debris that could contain or hold seed or plant parts. Any heavy equipment that subsequently operates outside this Permit Area shall be treated the same as during the initial mobilization onto the Permit Area. Equipment shall be considered free of soil, seed and plant debris when a visual inspection does not detect such material.
- T. Any netting used for the preclusion of wildlife shall be constructed of a sturdy plastic or metal material and adequately supported so that it will not contact the liquid surface if sagging occurs. Monofilament mesh shall not be used, as it can entangle birds and reptiles causing mortalities. Any plastic or metal netting shall be anchored to the ground and maintained taut, and if the mesh size is greater than one inch, it shall be wrapped with an additional finer mesh material around the bottom (up to approximately 12 inches) to exclude reptiles and small mammals.
- U. The Permittee shall maintain current MSDS documentation for drilling additives, and any other chemicals to be used throughout the duration of the operation including exploration and reclamation activities and made available for review upon request.

*Cultural and Paleontological Resource Preservation Requirements*

Permit No. CA027EM  
Summa Silver Mogollon  
Minimal Impact Exploration Operation  
Page 10 of 15

- V. The Permittee is obligated to comply with procedures established in Section 18-6-11.2 of the Cultural Properties Act, NMSA and §4.10.11 NMAC to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the Permittee shall immediately halt the disturbance and contact the Office of the Medical Investigator and the local law enforcement agency pursuant to Section 18-6-11.2 of the Cultural Properties Act and the Department of Cultural Affairs within 24 hours for instructions. The Permittee shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the Department of Cultural Affairs in consultation with Indian Tribes.

*Reclamation and Revegetation Requirements*

- W. The seed mix and application rate presented in Section 7 of the PAP shall be implemented and shall be certified as weed-free.
- X. Reclamation of disturbed areas shall occur concurrently, or directly after the completion of drilling operations as weather and field conditions allow. Pursuant to §19.10.3.302.K NMAC, all lands, including overland access routes or terrain damaged in gaining access to or clearing the drill sites, or lands where vegetation is substantially disturbed or whose natural state has been substantially disturbed as a result of the exploration drilling, shall be restored as nearly as possible to their original condition and reseeded and mulched utilizing an appropriately certified weed-free, pure live seed mixture of native cool- and warm-season grasses and shrubs beneficial to livestock and wildlife, as approved by MMD.
- Y. Any salvaged topsoil material that is suitable as a plant growth medium, shall be spread over the surface of the drill site, including any other heavily compacted areas, then raked, disked or deep-scarified prior to seeding, to prepare a suitable seedbed for seed germination and root growth. The seed mixture shall be broadcast sown immediately after site re-contouring and seedbed preparation has been completed and while the soil surface is still friable. After the seed mix has been sown, the soil shall be dragged with a chain or harrow or raked into the surface using hand tools, to cover the seed. Each reclaimed site shall be mulched with certified weed-free straw, or other mulching materials approved by MMD, and then crimped or tacked in place. Reclaimed areas not seeded before or during the summer, shall be seeded in late fall to maximize the probability of successful revegetation. Within any areas prohibitive to ripping or scarification, the seed shall be hand- or broadcast sown immediately after site re-contouring and seedbed preparation at an application rate double that of the rate prescribed, and then raked into the soil and mulched.
- Z. The Permittee shall notify MMD at least 30 days prior to initiating any reclamation approved pursuant to this Permit. The site will be considered reclaimed and eligible for release of FA, once the following criteria have been met:

Permit No. CA027EM  
Summa Silver Mogollon  
Minimal Impact Exploration Operation  
Page 11 of 15

1. The Permittee has re-seeded areas of disturbance;
2. No significant erosion is evident on reclaimed areas;
3. All drill holes have been plugged and abandoned as described in this Permit.

Release of FA addressing plugging and abandonment costs may occur before expiration of the permit term, once the criteria above have been met. Final release of FA addressing surface reclamation may occur after the permit term, if all the release criteria have not previously been met.

- AA. All lands to be disturbed shall be addressed under the performance and reclamation standards and requirements of §19.10.3.302 NMAC and in accordance with the reclamation plan provided in the PAP and this Permit. The Permittee is obligated to complete reclamation of all disturbed areas upon completion of exploration activities.

*Borehole and /or Well Abandonment*

- BB. Pursuant to §19.10.3.302.L NMAC, each dry borehole shall be plugged from total depth with a column of high-density bentonite clay of sufficient composition, density, weight and viscosity to form an impermeable plug, unless another material is approved by the New Mexico Office of the State Engineer (“NMOSE”). The high-density bentonite shall be hydrated according to the manufacturer's requirements, and emplaced from the bottom upwards, to approximately 12 feet of the original ground surface. A 10-foot column of cement shall then be added to within approximately 2 feet of the ground surface. The cement shall be hydrated according to the manufacturer's requirements. The remaining hole shall be backfilled with topdressing from above the cement plug to the original ground surface. The hole shall be permanently plugged and abandoned as soon as is practical after drilling is complete. If a water-bearing stratum is encountered, the borehole shall be plugged before the drill rig is removed from the site and must satisfy the requirements of the NMOSE and the NMED for proper plugging of such holes.

If groundwater is encountered, the boreholes shall be considered wells and shall be permitted and sealed pursuant to the NMOSE's *Rules and Regulations Governing Well Driller Licensing, Construction, Repair, and Plugging of Wells*, §19.27.4 NMAC (see §19.27.4.36, *Requirements for Mine Drill Holes that Encounter Water*). An NMOSE-approved *Well Plugging Plan of Operations* shall be provided to MMD following the approval of this Permit or within 30 days after groundwater was inadvertently or unexpectedly encountered during drilling activities. The approved sealant shall comply with all applicable specifications of *ASTM D5299-99*. Because of the anticipated hard water conditions concerning the permit area, the permittee is required to use the proper plugging material appropriate for the hardness of water encountered. The Permittee shall ensure that the correct ratio of solids to water is used during the preparation of the approved

Permit No. CA027EM  
Summa Silver Mogollon  
Minimal Impact Exploration Operation  
Page 12 of 15

sealant. Well plugging records shall be sufficiently detailed to document plugging methodology, the proper constitution of approved sealant, and an adequate volume of sealant was used to meet theoretical volumes of plugged intervals shall be provided to NMOSE and copied to MMD. Additionally, the Permittee is required to consult with OSE personnel prior to plugging wet boreholes.

All required NMOSE Permits for this project shall be obtained prior to starting the exploration project.

*Changes, Modifications, or Revisions to the Permit*

- CC. Any changes, modifications or amendments to the approved Permit shall be approved prior to implementation pursuant to §19.10.3.302.J and §19.10.4.406 NMAC.

*Financial Assurance*

- DD. The Permittee shall maintain FA, after approval of this Permit, in the approved amount of \$153,800.00, using one or more approved FA instruments and until released, pursuant to Part 12 of the Rules and sufficient to cover third-party costs of sealing, subsurface plugging and surface reclamation of no more than five (5) boreholes at any given time and one drill pad to be completed and reclaimed.

*Project Completion Timeline/Termination Report Requirements*

- EE. Notwithstanding any other provision of this Permit, the Permittee shall close and abandon all exploratory boreholes, including all wells, within one (1) year of date of permit issuance.
- FF. The Permittee shall submit a termination report, pursuant to §19.10.4.407 NMAC, at the conclusion of the exploration operation, unless the Permittee has applied for renewal of the exploration permit or applied for a mining operation permit. The termination report shall contain, at a minimum:
1. A description of the reclamation measures utilized by the Permittee.
  2. Evidence of the seed mix (seed tags from bags) and its application rate utilized by the Permittee.
  3. Photographs of the reclaimed areas, including any BMP's utilized by the Permittee during exploration.
  4. Global positioning system (GPS) coordinates for the drill pads, drill holes and/or well locations drilled under this Permit.

Permit No. CA027EM  
Summa Silver Mogollon  
Minimal Impact Exploration Operation  
Page 13 of 15

5. Copies of the drill hole abandonment and plugging records and forms that includes an affidavit signed by a certified driller, engineer, or the project geologist, attesting to the fact that the holes have been plugged and abandoned according to the requirements of this permit.

**Section 11. CONCLUSIONS OF LAW**

- A. The Director concludes the project meets the requirements of a “Minimal Impact Mining Operation” addressed in §19.10.1.7.M(2) NMAC. The operation authorized by this Permit is eligible as a minimal impact operation, and the Permittee is authorized to operate a minimal impact exploration operation, pursuant to §19.10.1.7.M(2) NMAC and §19.10.3.302.A NMAC.
- B. The PAP is complete, accurate and complies with the requirements of the Act and §19.10.3.302 NMAC.
- C. The Director has jurisdiction over the Permittee and the subject matter of this Permit and process.
- D. The Permittee is permitted to conduct exploration and reclamation operations within the Permit Area upon the condition that the Permittee complies with the requirements of the Rules, Act, and this Permit, and upon the submission of such termination reports and fees as may be required under §19.10.3 NMAC and §19.10.2 NMAC.

**CERTIFICATION**

I certify that I have read, understand and will comply with the requirements of the Permit. I further certify that I am not in violation of the Act or §19.10 NMAC. I also agree to comply with the performance and reclamation standards and requirements of the Permit, the Rules, and the Act, and allow the Director to enter the Permit Area without delay for the purpose of conducting inspections during exploration and reclamation.

Christ York  
Authorized Representative of the Permittee

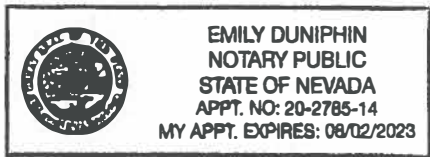
VP Exploration  
Title

Summa Silver  
Company Name

Subscribed and sworn to before me this 1 day of Sept, ~~2019~~ 2021

Emily Duniphin  
Notary Public

My Commission Expires  
0802, 2023




Permit No. CA027EM  
Summa Silver Mogollon  
Minimal Impact Exploration Operation  
Page 15 of 15

**ORDER**

NOW THEREFORE, IT IS HEREBY ORDERED that Permit No. CA027EM is approved. Summa Silver Corp. is authorized to conduct mining, exploration drilling and reclamation operations at the Summa Silver Mogollon project in Catron County, New Mexico. The Permit may not be transferred without approval by the Director. The Permit is subject to all conditions set out in the Director's Findings of Fact, Conditions and Conclusions of Law.

By Order of the Director, Mining and Minerals Division, Energy, Minerals and Natural Resources Department, of the State of New Mexico.

By:   
\_\_\_\_\_  
Jerry Schoepner, Director  
Mining and Minerals Division  
Energy, Minerals and Natural Resources Department

Date: 9/8/2021