

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie A. Kenderdine
Cabinet Secretary

Ben Shelton
Acting Deputy Secretary

Albert Chang, Director
Mining and Minerals Division



February 26, 2025

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

RE: Technically Approvable Determination – Modification 24-1, Turquoise Mountain Exploration Project, Grant County, New Mexico, Permit Tracking No. GR087ER

Dear Mr. Kizis,

The New Mexico Mining and Minerals Division (“MMD”) received an application from Southern Silver Exploration Corp (“Southern Silver”) dated April 4, 2024, for a modification to Permit No. GR087ER. The modification application proposes the addition of 6 drill pads and 1.27 acres of disturbance to the permit.

Based on the application, and subsequent submittals included as part of the permit application package (“PAP”), MMD has determined that Modification 24-1 to Permit No. GR087ER is ‘Technically Approvable’. In accordance with 19.10.12.1208 NMAC, Southern Silver is required to submit a financial assurance mechanism in the total amount of \$111,100.00. This amount is calculated based on an estimated 2.62 acres of disturbance and a rolling total of 2 drill holes with depths up to 3,300 feet each. As MMD jointly holds with the U.S. Bureau of Land Management (“BLM”) the Irrevocable Letter of Credit No. BMT0656339OS issued by Bank of Montreal in the amount of \$86,135.00 currently for this permit, a supplemental financial assurance mechanism in the amount of \$24,465.00 is required.

Please contact me at (505) 470-5354 or kevin.barnes@emrnd.nm.gov if you have any questions.

Sincerely,

Kevin Barnes, Permit Lead
Mining Act Reclamation Program (“MARP”)

Cc: David “DJ” Ennis, Program Manager, MARP/MMD
Corey Durr, BLM – Las Cruces
Mine File (GR087ER)