State of New Mexico
Energy, Minerals and Natural Resources Department

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**Ben Shelton**
Deputy Secretary

**Erin Taylor**
Deputy Secretary

**Erin McCullough, Director**
Mining and Minerals Division

CERTIFIED MAIL

October 8, 2025

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

**RE: Notification of Pending Denial, Modification 24-1, Turquoise Mountain Project, Permit No. GR087ER, Grant County, New Mexico**

Dear Mr. Kizis,

On February 26, 2025, the New Mexico Mining and Minerals Division ("MMD") sent Southern Silver Exploration Corp. ("Southern Silver") the Technically Approvable Determination on Modification 24-1 to Permit No. GR087ER for the Turquoise Mountain Project ("Determination"). As part of the Determination, MMD requested that Southern Silver provide supplemental financial assurance in the amount of $24,465.00 to account for the additional proposed activities. To date, MMD has not received the requested financial assurance.

This letter shall serve to notify Southern Silver that unless the requested supplemental financial assurance is provided within 30 days of the date of this letter, MMD will deny the permit modification application. If denied, Southern Silver will not be able to conduct the proposed exploration activities without submitting a new permit modification application.

Additionally, Permit No. GR087ER ("Permit") is expired as of January 18, 2025, and no exploration activities can be performed at this time. If Modification 24-1 is denied, Southern Silver will be required to submit a request for renewal of the Permit within 30 days of the notice of denial. If this is not received, Southern Silver will be required to immediately reclaim all disturbances related to the Permit and may be subject to enforcement proceedings.

Should you have any questions, comments, would like to schedule a meeting, or require additional information concerning this letter, please contact me at (505) 470-5354, or via email at kevin.barnes@emnrd.nm.gov.

Sincerely,

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

Cc: David "DJ" Ennis, Program Manager, MARP/MMD
Corey Durr, BLM
Mine File (GR087ER)