

JOSEPH ANTHONY KIZIS, JR. – Consulting Geologist

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August 16, 2023

Johnson Ranches, LLC
P.O. Box 510
Columbus, NM 88029

Atten: Joe Johnson

Hello Mr. Johnson,

I received your letter via email this afternoon and I appreciate your concern, as you've expressed previously to me during a conversation by phone. Following up after your original expression of concern I found reference in historic files of a hydrology study funded by FMC Gold Corp, who previously drilled several holes in the same area as Southern Silver intends to drill. I was not able to find a copy of the referenced report either in files provided by FMC, or through the BLM or any of the N.M. State agencies. I did locate the hydrologist, Fred Phillips, a retired professor at New Mexico Tech.

Unfortunately, he does not have a copy of his 1985 report, but he remembers it well and sent me the email that I'm sharing with you below. I have highlighted in yellow a few of his pertinent comments. His conclusion is the drilling is not likely to affect the spring because the aquifer feeding the spring is shallow alluvium and our drill holes will be in bedrock. Our closest hole at site E is 3,000 feet away from Carazalillo Spring with mostly bedrock between. Considering the distance through bedrock and the fact that no toxic materials are utilized during drilling, it is highly unlikely that Southern Silver's drilling program will affect the Spring.

Respectfully,



Joseph Anthony Kizis, Jr. – Consulting Geologist to Southern Silver

Email Response from Professor Phillips to Kizis

From: Fred Phillips <fred.phillips@nmt.edu>

Sent: Thursday, July 27, 2023 4:17 PM

To: Joe Kizis <jkizis@renobravada.com>

Cc: rmacdonald@mnxlt.com

Subject: Re: Corrizalillo Spring, Hermanas NM

Hi Joe,

Sorry to be slow getting back to you. I did check my files and I could not find a copy of the report. As I mentioned, I got rid of nearly all of those old paper files about 2000 and I'm sure that it got tossed then. All I can do is tell you what I remember.

I was contacted by a representative of the mineral company, apparently Mr. Wheatley, although I don't remember the name. As I recollect they wanted to do exploration drilling in the area and the rancher was concerned about it affecting his wells. I traveled down to the Tres Hermanas and we sampled three water sources, all windmills as I recollect. I think only one well was near where drilling was planned. We went with the rancher to do the sampling. I got geologic maps and looked at the geology in the field.

The three windmills were all getting their **water from fairly shallow alluvium**, as I recollect. The water quality was not very great, but there was nothing out-of-line about it except that the well of interest had nitrate over the drinking water limit. That was easily explained: the windmill was connected to a cattle watering trough and there was a corral there, and when I sampled the well, cattle were standing all around and cow shit was everywhere. I recommended that the rancher never use that well as a drinking-water source (for people!).

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I am sure that I measured TDS in the water samples, but I cannot remember the numbers except that it was on the high side (high for drinking water, that is, not saline). I'm not sure that it would be relevant to any water you might encounter in drilling anyway, since it was **alluvial groundwater** and I presume that **you would be encountering water in the bedrock**, which, if there is any, would have had quite a different geochemical history.

Given that the exploration holes were planned to be drilled into the nearby bedrock and that from everything I could see the windmill got its water from infiltration of runoff into shallow alluvium, **I did not think that there was much likelihood that the drilling activity would impact the well, and that's what I said in the report. Of that, I am quite sure.** If a mine were actually to go in, that would require a reevaluation, of course.

This is all that I can dredge up from my mind about that little study almost 40 years ago. I hope it is of some use to you.

With my best wishes,

Fred Phillips

Map of Proposed Drill Sites Relative to Carrizalillo Spring

