

**PERMIT NO. LU038EM  
GILA MINING PERU MILL TAILINGS PROJECT  
MINIMAL IMPACT EXPLORATION OPERATION**

**MINING AND MINERALS DIVISION  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

Permit No. LU038EM (“Permit”) is issued by the Director of the Mining and Minerals Division (“MMD”) of the New Mexico Energy, Minerals and Natural Resources Department to:

Gila Mining, LLC (“Permittee”)  
Terry Jensen, Authorized Company Representative

Whose correct address is: 2619 Wellworth Way  
West Friendship, MD 21794

New Mexico Mailing address:  
P.O. Box 444  
Deming, NM 88031

for the Gila Mining Peru Mill Tailings Project, located approximately 4 miles northwest of Deming, NM in Luna County, New Mexico, as described in Section 3 of this Permit document. The Permittee is authorized to drill up to fifteen (15) holes with a maximum diameter of 10 inches, and up to 65 feet deep on the reclaimed Peru Mill tailings impoundment owned by the City of Deming to explore for marketable commodities.

**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 2020).
- 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 LU038EM was received on August 16, 2019, and deemed administratively complete on August 19, 2019. 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 *Gila Mining Peru Mill Tailings, LU038EM* or similar.

The PAP is comprised of the following documents:

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- A. *Subpart 3 Minimal Impact Exploration Permit Application*, dated August 16, 2019 (“Application”), and received by MMD on August 16, 2019.
- B. *Minimal Impact Exploration Permit Application Determined Administratively Complete Permit Tracking No. LU038EM, MOI Recovery Systems, Peru Mill Tailings in Luna County, NM*, issued by MMD dated August 19, 2019.
- C. *Agency Review Comments and Request for Additional Information, MOI Peru Mill Tailings Minimal Impact Exploration Project, Permit No. LU038EM – Luna County, New Mexico*, issued by MMD dated September 16, 2019.
- D. Permittee response to *Agency Review Comments and Request for Additional Information, MOI Peru Mill Tailings Minimal Impact Exploration Project, Permit No. LU038EM – Luna County, New Mexico*, issued by Gila Mining, LLC, dated September 19, 2019.
- E. *Technically Approvable Minimal Impact Exploration Application, Peru Mill Tailings Exploration Project, Permit No. LU038EM, Gila Mining, LLC*, issued by MMD dated October 1, 2019.
- F. Financial Assurance (“FA”), in the amount of \$22,550.00 (twenty-two thousand five hundred fifty dollars), was received by MMD on March 18, 2020, in the form of a Surety Bond No. 800047580 issued by Atlantic Specialty Insurance Company.

**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”). Exploration activities shall be limited to the locations identified in the PAP. The Permit Area is located approximately 4 miles northwest of Deming, NM in Luna County, NM. The Peru Mill tailings impoundment is located on land owned by the City of Deming within Section 18 of Township 23 S, Range 9 W.
- B. For this Permit, the Permit Area is defined as:
  - 1. the existing private access road that goes west and south from the access gate,
  - 2. overland access path between boreholes,
  - 3. the boring locations proposed in the PAP.
  - 4. Any other areas impacted by this exploration project on the Peru Mill tailings impoundment.

The Permit Area is shown on the map within the PAP titled: *Figure 1 Borehole Location*

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*Map & Affected Area Estimate within Permittee Response to Agency Review Comments and Request for Additional Information, MOI Peru Mill Tailings Minimal Impact Exploration Project, Permit No. LU038EM – Luna County, New Mexico, dated September 19, 2019.*

- C. The Permittee is authorized to only disturb up to a maximum of 0.5 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 PAP provides 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 pursuant to §19.10.3.302.G 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 establishment of a self-sustaining ecosystem within the Permit Area that is appropriate for the life zone of the surrounding areas.
- E. 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*

- F. 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.

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- G. The Permittee has satisfactorily demonstrated its right to access pursuant to §19.10.3.302.D(1) NMAC through a Letter of Intent from the City of Deming.

*General Information Regarding the Permittee*

- H. 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.
- I. 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*

- J. 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 on August 19, 2019.
- K. MMD provided the PAP to the following tribal entities and requested review and comment: White Mountain Apache Tribe, Ysleta del Sur Pueblo, Mescalero Apache Tribe, Fort Sill Apache Tribe, and the Hopi Tribe on August 19, 2019. Tribal comments were received from Ysleta del Sur Pueblo.
- L. MMD provided the Permittee with comments provided by the cooperating agencies and tribal entities on September 16, 2019, via hard copy and electronic mail.
- M. Permittee provided MMD with sufficient responses to all agencies and tribal comments on September 19, 2019, via hard copy.

*Financial Assurance*

- N. The Permittee has provided FA, in accordance with §19.10.12.1201.A NMAC, in the amount of \$ 22,550.00 (twenty-two thousand five hundred fifty dollars). FA has been provided by the Permittee in the form of Surety Bond No. 80047580 issued by Atlantic Specialty Insurance Company on March 13, 2020.

**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

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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.

- C. Since the Permit Area is on land owned by the City of Deming ("Municipal Landowner"), the expiration or termination of the landowner's authorization to conduct mining 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.
- D. 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
  - 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 Municipal 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 the Municipal 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.

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**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 vertically drill up to a maximum of fifteen (15) boreholes, using a hollow stem auger drilling method for each with a maximum of 10 inches in nominal outside diameter, up to a total depth of 65 feet deep. Reclamation of the 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 fifteen (15) borehole disturbance areas, no greater than approximately four feet wide by four feet long (4' W X 4L). A plastic sheet shall be placed at each borehole location to prevent contamination of the topsoil from the drill cuttings. Any excess drill cuttings that are not backfilled into the borehole shall be contained within 30-gallon drums and disposed of offsite following federal, state, and local regulations. Drill cuttings shall be stored on the plastic sheet until they are used to backfill the borehole with the cover material being separated from the tailings. Permittee shall use a hollow stem auger system in accordance with the PAP.
- C.     Access to the borehole locations shall consist of a maximum of 4,220 feet of overland travel up to 5 feet wide. The Permittee shall minimize any new surface disturbance. To the extent possible, Permittee shall avoid removing or damaging standing live or dead trees and woody

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vegetation during drill pad set-up and construction, as well as during mobilization of equipment into and out of the Permit Area.

- D. The Permittee is authorized to disturb no more than 0.5 acres of total cumulative disturbance within the Permit Area as defined in §19.10.3.302.A NMAC.

*Best Management Practices to be Performed*

- E. Use of the roads and overland travel is prohibited within the Permit Area during wet, muddy conditions. No drilling, construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support drilling and construction equipment. If such equipment creates ruts in excess of six (6) inches deep, the soil shall be deemed too wet to adequately support construction equipment. Drilling equipment stationed within the Permit Area prior to the onset of wet, muddy conditions may not be moved until those conditions abate. Also, permittee shall use extreme caution when driving hot vehicles over dry vegetated areas to prevent the ignition of a grass or brush fire.
- F. Permittee shall leave all disturbances in a manner that is stable, both long-term and short-term, and non-hazardous to humans and wildlife. The preliminary reclamation plan for the site is generally described in Section 7 of the PAP for LU038EM and within this Permit.
- G. 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.
- H. 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.
- I. 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.*)
- J. 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

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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.

- K. 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.
- L. 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 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.
- M. The Permittee shall comply with all requirements of federal and state laws pertaining to air quality requirements pursuant to §20.2.72 NMAC.
- N. 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.
- O. 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.
- P. 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*

- Q. 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



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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*

- R. 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 utilizing an appropriately certified weed-free, pure live seed mixture of native cool- and warm-season grasses and shrubs beneficial to wildlife. The seed mixture and application rate are as follows but may be modified subject to MMD approval:

The seeding rate is given for Pure Live Seed (PLS).  
Percent purity X percent germination = Pure Live Seed.

<u>Species</u>	<u>LBS/AC PLS</u>
Blue grama	0.5
Spike dropssed	0.2
Sixweeks threeawn	0.5
Scarlet globemallow	1.0
American vetch	7.0
Fourwing saltbush	4.0
White-thorn acacia	7.0
<b>TOTAL</b>	<b>20.2</b>

- S. Any salvaged topsoil material that is suitable as a plant growth medium, shall be spread over the surface of the drill areas, roads, and other disturbed areas, including any other heavily compacted areas, then raked prior to seeding to prepare a suitable seedbed for seed germination and root growth. The seed mixture shall be broadcast sown immediately after seedbed preparation has been completed and while the soil surface is still friable. After the seed mix has been sown, the soil shall raked into the surface using hand tools to cover the seed. Reclaimed areas not seeded before or during the summer shall be seeded in late fall to maximize the probability of successful revegetation.

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- T. Following the revegetation and reclamation activities, monitoring shall be conducted by the Permittee to assure successful establishment of vegetation and stabilization of the site. Revegetated areas that have not become established by the end of the growing season shall be mitigated by reseeding, mulching, grading, and/or application of waterbars, or other BMP's, to prevent erosion and site degradation.
- U. 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:
- 1) The Permittee has shown that an established a uniform, self-sustaining vegetative cover on disturbed areas, similar in life form to the pre-disturbance vegetation, can be achieved.
  - 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.

- V. 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*

- W. Pursuant to §19.10.3.302.L NMAC, each dry borehole shall be plugged at the bottom with a 2-foot plug of bentonite-cement 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"), to prevent contamination of the native soils from the replaced tailings. Following the 2-foot bentonite-cement plug, the borehole shall be backfilled with drill cuttings mirroring the stratigraphic profile observed during drilling to approximately 2.5 feet of the ground surface. Another 2-foot plug of bentonite-cement with the same criteria as stated above shall be added to within approximately 0.5 feet of the ground surface. The remaining hole shall be backfilled with the original cover material from above the bentonite-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.

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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*. The Permittee shall ensure that the correct ratio of solids to water is used during the preparation of the approved 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*

- X. 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*

- Y. The Permittee shall maintain FA, after approval of this Permit, in the approved amount of \$ 22,550.00 (twenty-two thousand five hundred fifty dollars), 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 fifteen (15) boreholes, overland travel paths and drill areas to be completed and reclaimed.

*Project Completion Timeline/Termination Report Requirements*

- Z. 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.
- AA. 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 the required information in §19.10.4.407 NMAC, and:
  - 1) A description of the reclamation measures utilized by the Permittee.

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- 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 holes and/or well locations drilled under this Permit.
- 5) Copies of the drill hole abandonment and plugging records and forms that includes an affidavit signed by a certified driller attesting to the fact that the holes have been plugged and abandoned according to the requirements of this permit.
- 6) A disposal manifest for the 30-gallon drums containing the excess drill cuttings.

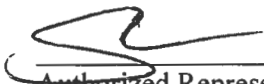
**Section 11.**                    **CONCLUSIONS OF LAW**

- 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.

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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.

  
\_\_\_\_\_  
Authorized Representative of the Permittee

MANAGING MEMBER, CEO  
\_\_\_\_\_  
Title

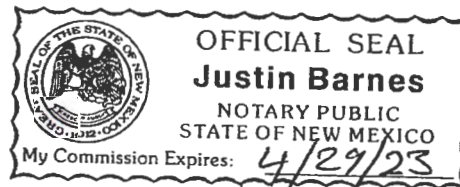
GILA MINING LLC  
\_\_\_\_\_  
Company Name

Subscribed and sworn to before me this 18 day of MARCH, 2020

  
\_\_\_\_\_  
Notary Public

My Commission Expires

4/29, 2023



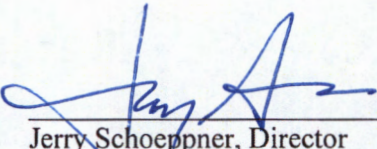
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**ORDER**

NOW THEREFORE, IT IS HEREBY ORDERED that Permit No. LU038EM is approved. Gila Mining, LLC is authorized to conduct mining, exploration drilling and reclamation operations at the Gila Mining Peru Mill Tailings project in Luna 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 Schoeppner, Director  
Mining and Minerals Division  
Energy, Minerals and Natural Resources Department

Date: \_\_\_\_\_

3/20/2020