

State of New Mexico
Energy, Minerals and Natural Resources Department

Michele Lujan Grisham
Governor

Melanie A. Kenderdine
Cabinet Secretary Designate

Ben Shelton
Acting Deputy Secretary

Albert C.S. Chang, Director
Mining and Minerals Division



September 6, 2024

Galen McNamara
Summa Silver Corp.
918-1030 West Georgia Street
Vancouver, BC V6E 2Y3

**RE: Exploration Permit Renewal Approval
Summa Silver Mogollon Exploration Project, Permit No. CA027EM-R3
Summa Silver Corp., Catron County, New Mexico**

Dear Mr. McNamara:

The New Mexico Mining and Minerals Division (“MMD”) received a letter on July 30, 2024, from Summa Silver Corporation (“Permittee”) requesting renewal of MMD Permit Number CA027EM-R2 (“Permit”) for the Summa Silver Mogollon Exploration project located in Catron County, New Mexico, as amended by Modification 23-1, issued November 13, 2023.

Since the Permittee confirms that no changes to the amount of proposed disturbance will occur within the permit area, reaffirms the Permittee’s commitment to perform work in compliance with the Permit, and confirms that the Permittee does not wish to make any changes to the language in the Permit, this letter acknowledges the renewal of the Permit. The permit number designated for the renewal is CA027EM-R3. The Permittee is authorized to conduct mineral exploration and reclamation operations only on those lands specifically designated and authorized as the permit area as described in the Permit and renewal. The maximum authorized disturbance is 2.26 total acres within the permit area.

During the 2024 drilling season, Permittee was found to be utilizing a gravel right-of-way at the junction of State Highway 159 and US Forest Service Road 4056M to periodically park a water truck and pump water to water tanks located at DP-4. The gravel location at Road 4056M is not within the approved permit area defined in CA027EM or Modification 23-1. MMD has revised Section 10.B General Obligations and Conditions, to Modification 23-1 to Permit No. CA027EM within the attached permit renewal to clarify that equipment shall be contained within the permit area.

Sincerely,

Albert Chang, Director
Mining and Minerals Division

cc: File No. CA027EM

**RENEWAL OF PERMIT NUMBER CA027EM-R3
SUMMA SILVER MOGOLLON EXPLORATION PROJECT
MINIMAL IMPACT EXPLORATION OPERATION**

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

Findings of Fact:

1. The application for renewal is complete and demonstrates that there will be no changes to the scope of work or financial assurance instruments or amount, and will meet the requirements of reclamation, as identified in 19.10.4.405.C of the New Mexico Mining Act Rules (“the Rules”).
2. The Permittee has paid the permit application fee in the amount of \$500.00, as determined by Part 2 of the Rules.
3. The Permittee has no outstanding violations of the New Mexico Mining Act (“the Act”) or the Rules.
4. The Permittee has provided an approved financial assurance instrument in the form of a Standby Letter of Credit No. BMT0655124OS, Amendment No. 1, issued by Bank of Montreal, 250 Yonge St., 11th Floor, Toronto, ON M5B 2L7, on November 1, 2023, in the amount of \$158,700.00. This instrument remains valid and presently in effect in the required amount.
5. The Permittee has acknowledged that there has been no change in the amount of proposed disturbance within the proposed permit area or any changes to the amount of disturbance as described in the Permit.
6. The Permittee has provided, as part of the permit application package, a signed statement indicating that Permittee agrees to comply with the reclamation requirements of the permit, Part 3 of the Rules, and the Act and allows the Director to enter the permit area, without delay, for the purpose of conducting inspections during exploration and reclamation.
7. Pursuant to 19.10.3.302.G NMAC, the Director shall consider comments from cooperating agencies in making a determination of eligibility for minimal impact status.
8. Pursuant to the definition of “minimal impact mining operation” in 19.10.1.7.M(2)(b) NMAC, 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.
9. Pursuant to the definition of “minimal impact mining operation” in 19.10.1.7.M(2)(b) NMAC, the Director finds:
 - The permit area is not located in an area determined by Department of Game and Fish likely to result in an adverse impact on the Mexican Spotted Owl (“MSO”) outside of the breeding and fledgling-dependency period from September 1 to February 28.

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SUMMA SILVER MOGOLLON EXPLORATION PROJECT
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Conditions and Obligations:

1. No exploration drilling activities shall occur before September 1, 2024, during the current MSO breeding and fledgling-dependency period.
2. No exploration drilling activities shall be conducted during the 2025 MSO breeding and fledgling-dependency period from March 1, 2025, to August 31, 2025.
3. The Permittee shall comply with all requirements, obligations and conditions and shall conduct mining and reclamation operations at the Summa Silver Mogollon project only as described within the Permit and renewal.
4. 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 basis on which the Permittee has a right to enter the property to conduct mining 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.
5. The Permit does not grant or create any water rights. Nor does MMD, by issuing the 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.
6. Since the permit area is located on private land, the expiration, or termination, of the private landholder's authorization to conduct operations on the property automatically suspends the permittee's authority to continue mining operations on the property, although not necessarily reclamation operations required by the Permit.
7. The 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 the Permit. MMD does not, by issuing the 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.
8. At the end of the project, the Permittee shall file a termination report based on the requirements of 19.10.4.407 NMAC. If the Permittee decides to continue exploration activities beyond the expiration date of this Permit renewal, Permittee shall file the renewal application at least 30 days before the date of expiration in accordance with 19.10.4.405.C(2) NMAC.
9. This permit renewal is valid until September 8, 2025, which is one year from the date of the previous expiration of the permit term [19.10.4.405.A(1) NMAC].
10. Section 10.B. General Obligations and Conditions, to Modification 23-1 to Permit No. CA027EM is hereby replaced with:
 - B. The Permittee is authorized to create no more than 6 additional drill pad surface disturbance areas, no greater than 50'W X 50'L to accommodate all support equipment, including the drill

RENEWAL OF PERMIT NUMBER CA027EM-R3
SUMMA SILVER MOGOLLON EXPLORATION PROJECT
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rig, pipe truck and any ancillary support vehicles. Permittee shall use a closed loop system in accordance with the PAP.

- 1) All drilling related disturbances and drill pad construction related to Drill Pad 9A shall be contained within the already disturbed road prism, as to have no effect on the Fannie Hill Mine (SR 563) and the Fannie Hill Mine and Company Town Historic District (SR 1413)
- 2) The access road to Drill Pad 4 shall be utilized as-is, with no ground-disturbing work to be performed on the road, and no travel outside the existing boundaries of the road within the bounds of site LA 181471.
- 3) Equipment engaged in exploration or facilitating exploration shall be located within the approved permit area.
- 4) Equipment or materials shall be staged within the approved permit area.
- 5) Use of existing roads or disturbances outside of the permit area for mining operations is not authorized except for transport of equipment or vehicles to the permit area (e.g. use of a public highway to transport a drill rig to the permit area).
- 6) The permit area does not include private property or publicly administered lands where the Permittee does not have permission from the property owner for access or utilization of the property.
- 7) Future use of locations outside the permit area that can be reasonably interpreted as exploration activities or activities that facilitate exploration shall be proposed to MMD by the Permittee, in writing, prior to use by the Permittee so that MMD may assess the level of permitting needed, if any.
- 8) The preceding items 3 through 6 apply to the permit area and all disturbed areas permitted under Permit No. CA027EM and Modification 23-1 as a whole.

All other provisions and modifications for exploration and reclamation contained within the Summa Silver Mogollon Permit, Permit Number CA027EM, remain unchanged.

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

By: *Albert Chang*
Albert Chang, Director
Mining and Minerals Division
Energy, Minerals and Natural Resources Department

Date: 9/6/2024