



STATE OF NEVADA
 COMMISSION ON MINERAL RESOURCES
DIVISION OF MINERALS
 400 W. King Street, Suite 106
 Carson City, Nevada 89703
 (775) 684-7040 | Fax (775) 684-7052
<http://minerals.nv.gov>

| | |
|-----------------------|------------------|
| Date Received | <u>3/16/2022</u> |
| County | <u>Esmeralda</u> |
| NDOM Permit Number | <u>W0011</u> |
| FOR DIVISION USE ONLY | |

DISSOLVED MINERAL RESOURCE EXPLORATION WELL PERMIT APPLICATION

Applicant/Operator Name: Pilot Peak LLC (PPL)
 Street Address: 1225 15th Street NW
 City: Washington D.C. State/Prov.: _____
 Country: USA Zip Code: 20005

hereby makes application for a dissolved mineral resource exploration well permit.

(if applicant is a corporation, show state and date of incorporation; if a partnership, list names of partners.)

PPL is a wholly owned subsidiary of Luna Lithium LLC, incorporated in the State of Nevada on December 15, 2020.

Well Name ETW#2

This application is for a: New Exploration Well Borehole to Well Conversion
 Permit Extension (NDOM Permit # _____) (Indicate below any changes to original permit)
 Permit Extension Reason: _____

Applicant is: Land Owner Lease/Claim Holder

Land Status (choose one):

Federal (BLM, USFS, etc...)
 Mining Claim: NMC# Pending
 Project Name: Columbus Basin ETW#2 NVN# Pending

Non Federal
 APN#: _____ Land Owner: _____
 Bond Type: _____ Issued by: _____
 Amount: _____ Number: _____

| | |
|--|--|
| Groundwater Basin Name and Number | Area With Limitations? |
| <u>Columbus Salt Marsh Valley & Basin #118</u> | <input type="checkbox"/> Y <input checked="" type="checkbox"/> N |

(Well proposed to be drilled within areas with limitations may require Blowout Prevention Equipment, per NAC 534B)

Location of Well:

County: Esmeralda

SE 1/4 of the SE 1/4 of 15 Sec., Township 3 N S, Range 36 E

| | |
|--|---------------------|
| UTM East: <u>416,643</u> | or Longitude: _____ |
| UTM North: <u>4,218,475</u> | Latitude: _____ |
| <input checked="" type="checkbox"/> NAD83 <input type="checkbox"/> WGS84 M.D.B. & M. | |

Drilling Contractor (if known): Premier Drilling
Address: 2021 Meadow Ridge Drive
City, State Zip: Elko, NV 89801

Purpose of Well: Dissolved mineral resource exploration
Drill Rig Type: Christensen C140, or equivalent drill setup
Surface Hole Diameter: 9.5" then 4.9" then 3.8" Casing Size/Length: 5.5"-100', 4.5"-1,500'
Expected Total Depth: 2,990 feet Casing Weight/Gauge: Weight: 11.4 lbs/ft
Casing Schedule/Grade: Grade: J-55

Blowout Prevention Equipment Rating: None 2000 psi 3000 psi 5000 psi

Fluid Management Plan (NAC 534B):

Please see specifications included in Attachment 2.

(Describe Here or Attach Additional Pages)

Contamination Prevention/Cementing Plan (NAC 534B):

Please see specifications included in Attachment 2.

(Describe Here or Attach Additional Pages, must include Well Schematic)

Flow Monitoring and Plugging Plan (NAC 534B):

Please see specifications included in Attachment 2.

(Describe Here or Attach Additional Pages)

Drilling will commence approximately on: late March to late June 2022

Signature of Applicant/Agent: _____

Printed Name/Title: Emily Hersh, President and CEO

Date: March 15, 2022

An application submitted without a signature and date will not be considered for approval.

-----Attach \$1,000.00 Application Fee Per NAC 534B -----

----- TO BE COMPLETED BY DIVISION -----

CONDITIONS OF PERMIT

- 1. All permittees must comply with appropriate sections of the Dissolved Mineral Resource Regulations of the Division of Minerals and with applicable rules and regulations of state and federal agencies.
- 2. For a well located on non-federal land, a bond in an amount determined by the Division to be necessary to properly plug the well in accordance with NAC 534B must be included.
- 3. Well Permit Expires two (2) years from date of approval.
- 4. See attached Conditions of Approval.
- 5. Send any required reports to: ndom@minerals.nv.gov
- 6. Additional Conditions/Comments

| | |
|----|---|
| A. | In order to maintain close communication with the Division, a daily report of all drilling and testing activities will be provided to the Division by e-mail communication. |
| B. | Advanced notification to the Division of any pump test of any fluids from the wellbore. |
| C. | Plugging of the well pursuant to NAC 534B.180 is to be completed not less than 60 days after completion of drilling or immediately upon request of the Division if it is determined that vertical migration of formation fluid between discrete zones is occurring. A signed well plugging report must be filed with the Division within 30 days of completion of the work. |


This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal, and local agencies.

PERMIT APPROVAL

Approved 3/17/2022 with the conditions noted above.
Date

Permit Number W0011



 Administrator
 Division of Minerals

Attachment 1
Figure and Figure and
Test Well Schematic

**DISSOLVED MINERAL RESOURCE
EXPLORATION WELL
CONDITIONS OF APPROVAL**

**Operator: Pilot Peak LLC (PPL)
Project Name: Columbus Basin
Well: ETW#2
Permit #: W0011**

Submit forms and correspondence to: Nevada Division of Minerals
400 West King Street
Suite 106
Carson City, NV 89703

Communications with the Division shall be directed to:

Cortney Luxford, Fluid Minerals Program Manager

Office 775-684-7045 Email cluxford@minerals.nv.gov
Cell 775-721-1774
Fax 775-684-7052

Michael Visher, Division Administrator

Office 775-684-7044 Email mvisher@minerals.nv.gov
Cell 775-721-7625
Fax 775-684-7052

Dustin Holcomb, Field Specialist - Geologist

Office 775-684-7046 Email dholcomb@minerals.nv.gov
Cell 775-721-2726
Fax 775-684-7052

Voice mail is available on all cell phones and office phones. Please leave a message if you are unable to speak to someone and we will return your call as quickly as possible.

**YOUR APPLICATION TO DRILL THE ETW #1 EXPLORATION WELL IS
APPROVED SUBJECT TO THE FOLLOWING PERMIT CONDITIONS**

1. These conditions of approval (COA's) and the minimum Blowout Prevention Equipment (BOPE) requirements, if required by the Division or utilized, shall be posted at the well site and read by all company personnel associated with the subject well.
2. The operator shall ensure that blowout prevention equipment is installed on any dissolved mineral resource exploration well where temperatures may exceed 200 degrees Fahrenheit. An operator and well driller shall take all necessary precautions to keep a dissolved mineral resource exploration well under control and operating safely at all times. Well control and wellhead assemblies used in any dissolved mineral resource exploration well must meet the minimum specifications for assemblies prescribed by the American Petroleum Institute, or its successor organization, in Standard 53, "Blowout Prevention Equipment Systems for Drilling Wells," Fourth Edition, which is available by mail from Global Engineering Documents, 15 Inverness Way East, Englewood, Colorado 80112-5776, by telephone at (800) 854-7179 or at the Internet address <http://global.ihs.com>, for the price of \$155, or such specifications as may be prescribed by the Administrator. Blowout prevention equipment capable of shutting in a dissolved mineral resource exploration well during any operation must be installed on the surface casing and be maintained in good operating condition at all times. Such equipment must have a rating for pressure greater than the maximum anticipated pressure at the wellhead. The minimum accepted rating of blowout prevention equipment is 2M, or capable of holding 2,000 psig. Certain drilling conditions may require 3M or 5M blowout prevention equipment.
3. An operator shall:
 - (a) Test the blowout prevention equipment under pressure. The results of each test must be recorded by the well driller in the well log.
 - (b) Submit, on a form designated by the Division, the pressure data and supporting information for the blowout prevention equipment as soon as practicable after the conclusion of the test conducted pursuant to paragraph (a).
 - (c) A 24-hour notification is required prior to testing BOPE. The 24-hour BOPE notification may be made by telephone or email to the Fluid Minerals Program Manager. Please refer to the contacts list on page one of this notice. Operator must have access to email or fax in order to receive the Division's BOPE Test Form that will be sent to the operator within this 24-hour period.
4. When drilling a dissolved mineral resource exploration well, a well driller shall:
 - (a) Isolate zones of varying water quality to prevent the migration of fluids between aquifers;
 - (b) Prevent the contamination or waste of groundwater; and

(c) Minimize damage to the environment, ground and surface waters, property and any known oil, gas or geothermal resources.

5. The following standards apply to the construction of a dissolved mineral resource exploration well:

(a) The top of the casing must be at least 18 inches above the surface of the ground;

(b) The surface casing must:

(1) Provide for the control of formation fluids and protection of groundwater, including, without limitation, setting sufficient casing to reach a depth below all known or reasonably estimated levels of good quality water to protect the aquifer and prevent blowouts or uncontrolled flows; and

(2) Provide a minimum 2-inch annular space;

(c) There must be a minimum 50-foot surface seal using neat cement;

(d) If an intermediate string of casing is used which does not extend to the surface, the top of the liner must overlap the bottom of the surface casing by at least 100 feet; and

(e) If thermoplastic casing is used:

(1) The thermoplastic casing must be clearly marked as well casing.

(2) The thermoplastic casing must comply with the standards adopted by ASTM International, designated as ASTM F480-14 for polyvinyl chloride casing and F2686-14 for glass fiber reinforced casing or the current designation at the time of installation. These publications are hereby adopted by reference. A copy of the standards may be obtained by mail from ASTM International at 100 Barr Harbor Drive, P.O. Box C700, West Conshohocken, Pennsylvania 19428-2959, by telephone at (610) 832-9585 or at the Internet address <http://www.astm.org> for the price of \$67 and \$46, respectively.

(3) The differential pressures and temperatures that may occur during the installation of the casing, the development of the well and the operation of the well must be considered by the well driller and the person responsible for designing the well.

(4) The joint couplings must form a watertight seal.

(5) For polyvinyl chloride casing, in each case, the standard dimension ratio must equal the outside diameter divided by the wall thickness and the wall thickness must:

(I) For nominal diameters that are 6 inches or less, conform to a rating of schedule 40 or heavier; and

(II) For nominal diameters that are more than 6 inches, conform to an ASTM International standard dimension ratio of schedule 21 or heavier.

6. If an artesian condition is encountered in a dissolved mineral resource exploration well, such that water is flowing at the surface, the well driller shall ensure that an unperforated casing extends through the confining strata above the artesian zone. The annular space between the casing and the walls of the well bore must be sealed by placing neat cement, cement grout or bentonite chips by tremie pipe in an upward direction from the top of the artesian zone to the level necessary to prevent the leakage of artesian water above or below the surface.

7. Any flow of artesian water must be stopped completely using any necessary valves, plugs or other appliances to prevent or control the flow of water from the dissolved mineral resource exploration well and prevent the loss of groundwater above or below the ground surface before the drill rig is removed from the drill site.

8. The operator of a dissolved mineral resource exploration well shall:
 - (a) Install a water meter capable of measuring the total withdrawal of water from the dissolved mineral resource exploration well.
 - (b) Maintain an accurate record of meter readings, including the serial number of the meter.
 - (c) Submit to the Division, on a form designated by the Division, a monthly report which includes the serial number of the meter and the meter readings from the dissolved mineral resource exploration well. The monthly report:
 - (1) Is required for each month beginning with the commencement of drilling operations until the later of the expiration of the permit or until the dissolved mineral resource exploration well is plugged; and
 - (2) Must be filed with the Division on or before the last day of the month following the month in which the meter is read.
 - (d) Ensure the total withdrawal of water from the dissolved mineral resource exploration well project does not exceed 5 acre-feet.
 - (e) Comply with the appropriation procedures of chapters 533 and 534 of NRS if water is pumped from the dissolved mineral resource exploration project in excess of 5 acre-feet.

9. The well driller shall:
 - (a) Keep a record of the depth, thickness and character of the different strata penetrated and the location of the water-bearing strata;
 - (b) Keep an accurate record of the work, including, without limitation:
 - (1) A statement of the date that work begins;
 - (2) The date of completion of the dissolved mineral resource exploration well;
 - (3) The name and the type of machine used to drill;
 - (4) The length, size and weight of the casing and how it is placed, including, without limitation, a description of any perforations;
 - (5) The size of the hole that is drilled for the dissolved mineral resource exploration well;
 - (6) Identification of the water-bearing strata;
 - (7) The maximum temperature of the water in the dissolved mineral resource exploration well measured in degrees Fahrenheit; and
 - (8) If a seal was installed, the interval sealed off and the type of seal; and
 - (c) Submit a report of the record of the work to the Administrator on a form designated by the Division. The report must be provided by the well driller to the Administrator for every dissolved mineral resource exploration well that is drilled not later than 30 days after the well is completed.

10. A dissolved mineral resource exploration well must be plugged by:
 - (a) A well driller before the expiration of the permit, unless a waiver or permit is issued by the State Engineer to change the status of the dissolved mineral resource exploration well.
 - (b) Placing neat cement, cement grout or bentonite grout by tremie pipe in an upward direction from the bottom of the well to 100 feet above the uppermost perforated casing or to the surface of the dissolved mineral resource exploration well.
 - (c) Removing the pump and any debris from the well bore with appropriate equipment.
 - (d) Cement plugs must:

- (1) Be placed in the uncased portion of all dissolved mineral resource exploration wells to protect all subsurface resources.
- (2) Extend a minimum of 100 lineal feet above the producing formations and 100 lineal feet below the producing formations or to the total depth drilled, whichever is less.
- (3) Be placed to isolate formations and to protect the fluids in those formations from interzonal migration.

(e) A well driller may use uncontaminated fill from the top of the plug installed in accordance with subsection 1 to within 20 feet of the surface of the dissolved mineral resource exploration well. The well driller shall place a surface plug in the dissolved mineral resource exploration well consisting of neat cement, cement grout or concrete grout from a depth of at least 20 feet to the surface of the dissolved mineral resource exploration well.

(f) All casing strings must be cut off below ground level and the casing stub must be permanently capped.

(g) The surface must be restored as near as practicable to its original condition.

(h) If conditions are encountered which prevent compliance with this section, the operator or well driller must submit an alternative plugging plan to the Division for the approval of the Division.

(i) The operator or well driller shall file a plugging report to the Division on a form designated by the Division and available on the Internet website of the Division. The report must be signed by the well driller documenting proper plugging of the dissolved mineral resource exploration well not later than 30 days after completion of the work.

(j) The owner and lessor of the land on which the dissolved mineral resource exploration well is located, the operator and the well driller are jointly and severally responsible for plugging the dissolved mineral resource exploration well pursuant to this chapter.

11. The operator of a dissolved mineral resource exploration well shall:

(a) Install a water meter capable of measuring the total withdrawal of water from the dissolved mineral resource exploration well.

(b) Maintain an accurate record of meter readings, including the serial number of the meter.

(c) Submit to the Division, on a form designated by the Division, a monthly report which includes the serial number of the meter and the meter readings from the dissolved mineral resource exploration well. The monthly report:

(1) Is required for each month beginning with the commencement of drilling operations until the later of the expiration of the permit or until the dissolved mineral resource exploration well is plugged; and

(2) Must be filed with the Division on or before the last day of the month following the month in which the meter is read.

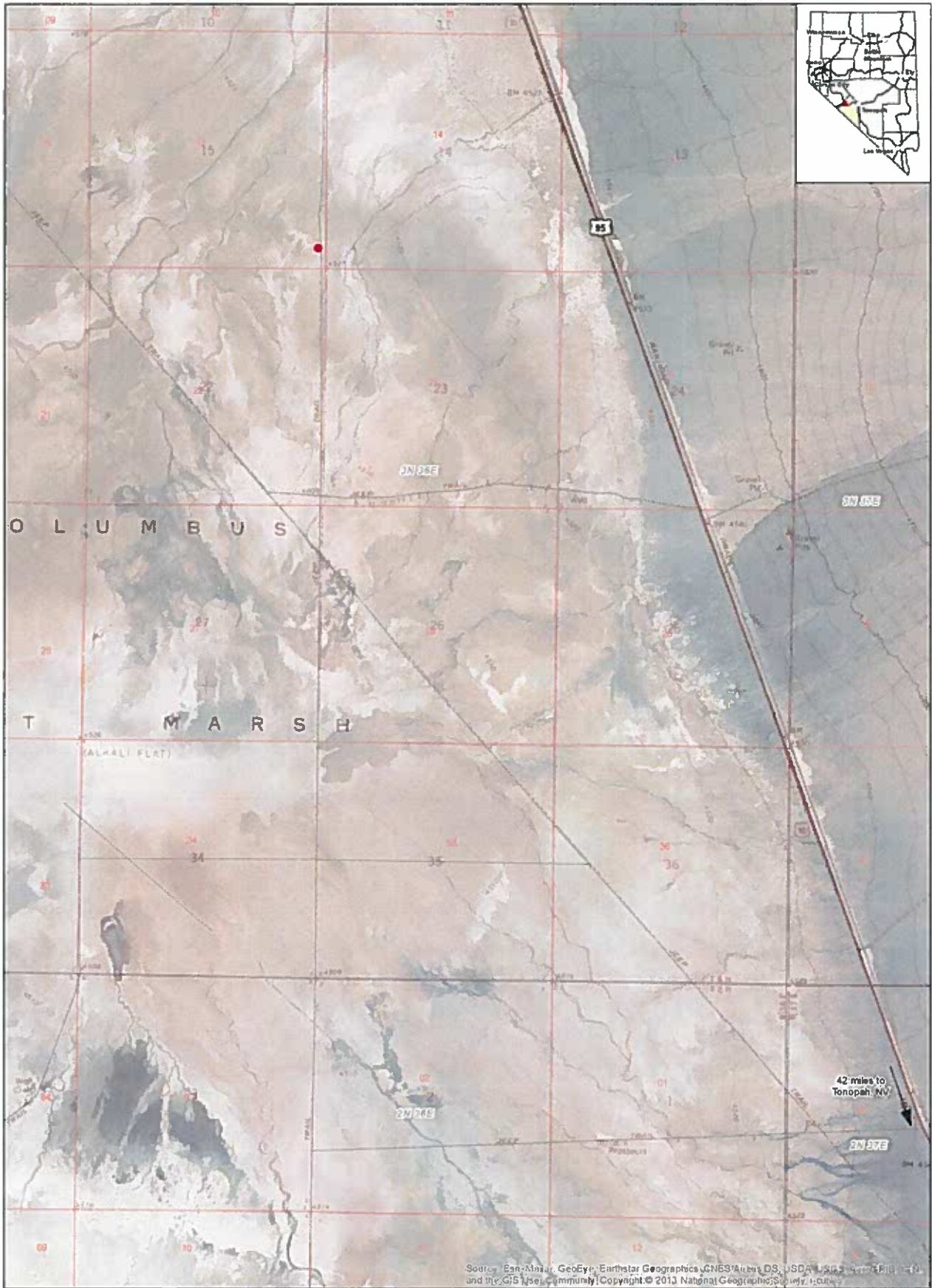
(d) Ensure the total withdrawal of water from the dissolved mineral resource exploration well project does not exceed 5 acre-feet.

(e) Comply with the appropriation procedures of chapters 533 and 534 of NRS if water is pumped from the dissolved mineral resource exploration project in excess of 5 acre-feet.

12. A permit to drill a dissolved mineral resource exploration well may be modified, suspended or revoked in whole or in part for any violation of this chapter and may be grounds for an action for enforcement. Any person who willfully violates any provision of this chapter or an

order of the Division issued pursuant to this chapter is subject to a penalty of not more than \$1,000 for each act or violation and for each day that the violation continues.

13. A permit to drill a dissolved mineral resource exploration well expires 2 years after the date on which it was issued. If requested in writing by the operator, on a form designated by the Division, the permit may be extended once for an additional 2 years by the Administrator if the permit is determined to be in compliance with the provisions of this chapter. An application for an extension must be filed not later than 60 days before the expiration of the permit. A permit to drill a dissolved mineral resource exploration well may be assigned, subject to the conditions of the permit, upon the written approval of the Administrator.



- Explanation**
- Planned Drill Site (1)
 - Existing Road

Land Status: All BLM

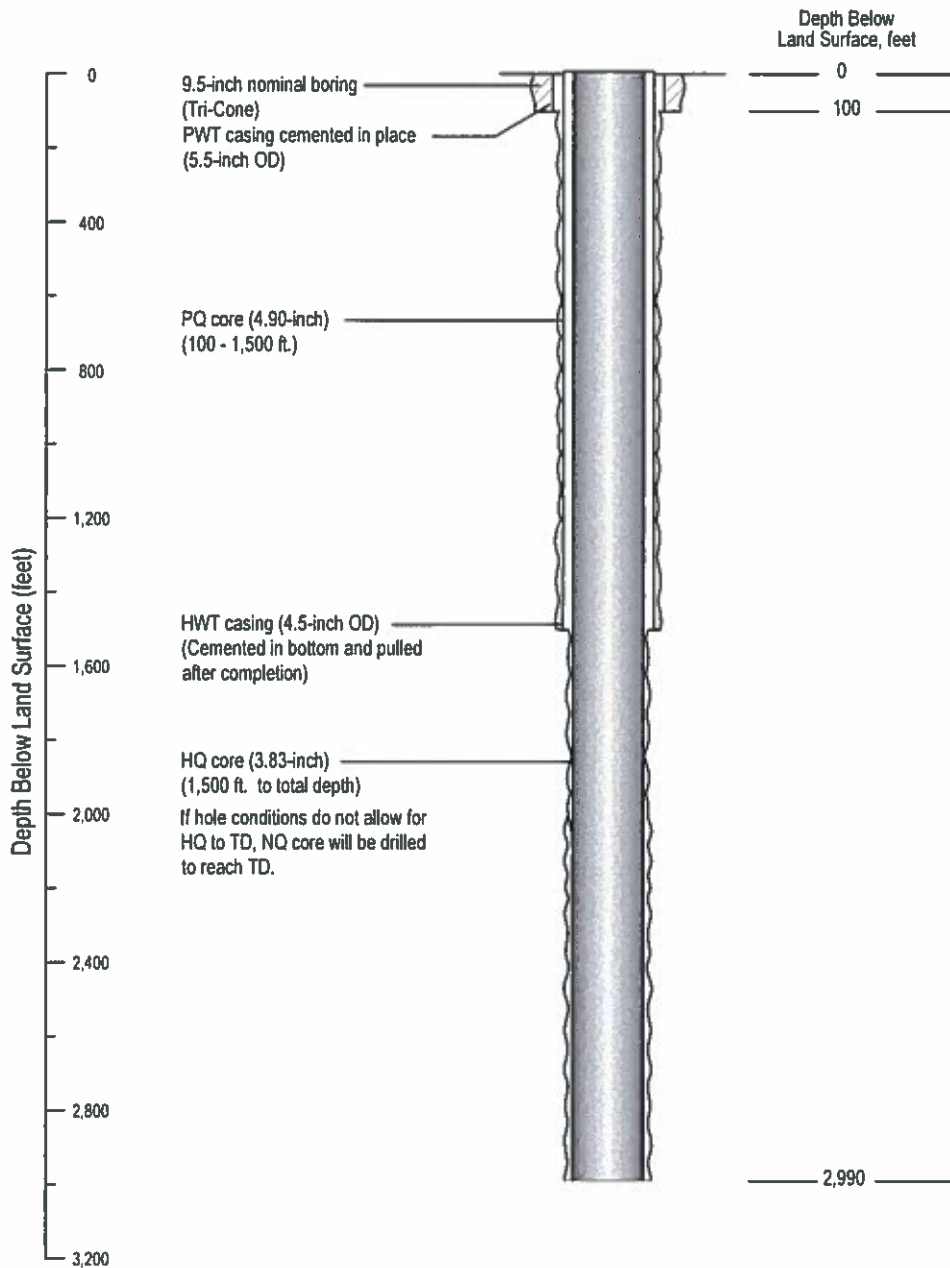
PILOT PEAK LLC

COLUMBUS BASIN EXPLORATION PROJECT

**Project Location, Access,
and Land Status
(Planned Site #2)**



| | |
|---|---------------------|
| Sheet: Figure 1 | Sheet No: 008 |
| Date: 03/11/2013 | Project No: 1448-01 |
| Scale: 1:25,000 | Scale: 1:25,000 |
| File Name: 2013_010_ColumbusBasin_00700.dwg | |



Note: Lithium exploration boring packed and sampled every 100 feet.

Figure xx. Schematic Diagram of Lithium Exploration Boring



Attachment 2
Additional Details for the Drilling of
Pilot Peak, LLC's Columbus Basin
Exploration Project

Additional Details for ETW#2 at Pilot Peak LLC's Columbus Basin Project

Project Description:

Pilot Peak LLC (PPL) is proposing to conduct exploration drilling and groundwater chemistry characterization from the planned aquifer Exploration Test Well #2 (ETW), which will be accessed from an existing network of access routes, as shown on the figure in Attachment 1. The ETW is proposed to be drilled to a Total Depth of 2,990 feet.

Table 1 – Proposed ETW #1 Location

| Site Name | Easting (NAD 83, Zone 11) | Northing (NAD 83, Zone 11) |
|-----------|------------------------------|-------------------------------|
| ETW#2 | 416,643 | 4,218,475 |

Proposed Exploration Disturbance:

Disturbance will include existing access routes, drill site, and sump complexes within the drill site disturbance footprint. The drill site will be constructed with the approximate disturbance dimensions of 133 feet long by 110 feet wide. Up to three sumps will be constructed in sequence with the individual dimensions (including the material piles) of 50 feet long by 20 feet wide with a total sump volume of 150 cubic yards. The sumps will be constructed within the corresponding drill site disturbance footprint to contain drill cuttings and manage drilling fluids. Only existing access roads will be disturbed during the Project. The location of the ETW, existing access, and planned surface disturbance are shown on the figure in Attachment 1.

The Standardized Reclamation Cost Estimator, Version 1.4.1 Build 17b, and including 2021 cost data was used to generate the required reclamation cost estimate (RCE) for ETW abandonment, along with other (total) surface disturbance included in the Notice for the Project, as submitted to the Bureau of Land Management, Tonopah Field Office (BLM).

Description of Planned Operations:

PPL will address the requirements detailed below per (NAC 534B.160 1.(a) through 2.(d) as applicable for the proposed ETW.

Fluid Management Plan (NAC 534B):

Drill cuttings and mud will be maintained within the mud system of the rig. Multiple sumps will be constructed within the drill site disturbance footprint to contain drill cuttings and manage drilling fluids. Best Management Practices (BMPs) for sediment control will be utilized during construction, operation, and reclamation to minimize sedimentation from disturbed areas.

Contamination Prevention/Cementing Plan (NAC 534B.160.):

The first 100 feet of the ETW will be 9.5 inches wide with a 5.5-inch diameter conductor casing set and cemented in place with neat cement to surface. Depth to water in the basin has been measured in existing borings at a depth of approximately ten feet below ground surface. The proposed cased depth of 100 feet was determined from prior experience the drillers have in Columbus Basin and this depth of casing will address following factors of ETW stability: The surface casing will control formation fluids and protect groundwater. This casing plan ensures that casing will be set below all known or reasonably estimated levels of good quality water, protect such fresh-water aquifers and prevent blowouts or uncontrolled flows. The 4.5-inch diameter HWT casing will be installed from 1,500 feet to surface and temporarily cemented from 1,500-1,490 feet bgs to limit washout and allow the casing to be pulled once the hole is completed and ready for abandonment.

From 1,500 feet bgs to the maximum TD of 2,990 feet, the borehole will be drilled to a diameter of 3.83 inches. To isolate zones of varying water quality and prevent migration of formation fluids between disparate aquifers, PPL will take several preventative measures including utilizing bentonite clay-based drilling mud. PPL and its contractors will consistently monitor the flow of fluid to ensure no remedial measures are required after drilling operations have begun to prevent unwanted vertical migration of formation fluid.

PPL will maintain close communication with the Nevada Division of Minerals (NDOM) in real-time, all learnings from drill cutting analysis and wireline logging analysis and will cooperate in the event NDOM recommends any immediate remedial or corrective measures be taken during the drilling process. Finally, PPL is willing to abandon the well pursuant to Nevada Administrative Code (NAC) 534B.180 in an expediated fashion if vertical migration of formation fluid between discrete zones ultimately does not warrant or allow for the boring to be kept open longer than a brief period. PPL is committed to working closely with the relevant regulatory authorities in all respects and will heed the advice of the authorities with respect to any corrective/remedial measures and/or expedited abandonment timelines ultimately required by the authorities before the ETW is drilled.

Flow Monitoring and Plugging Plan (NAC 534B.180):

Water extracted during the drilling process will be managed in the sump; the volume will be estimated and recorded. After completion of the ETW, water volume will be recorded based on the sump volumes. Upon completion of the testing and analysis of dissolved mineral resource potential, the ETW will be promptly abandoned pursuant to NAC 534B.180. All necessary reports and documentation will be provided to the relevant regulatory authorities as soon as practicable and, in all cases, within the permissible timeline.

Surface & Groundwater – Erosion Prevention and Control

PPL will conduct exploration operations in a manner that minimizes soil erosion. Equipment will not be operated when ground conditions are such that excessive resource damage or increased

sediment transport will occur. BMPs for sediment control will be utilized as needed during construction, operation, and reclamation to minimize sedimentation of disturbed areas. Sediment control structures will include, but not be limited to, fabric and/or certified weed-free straw bale filter fences, siltation or filter berms, mud sumps and down gradient drainage channels to prevent unnecessary or undue degradation to the environment. Sediment traps (sumps), constructed within the drill site footprints, will be used to settle and contain drill cuttings, and manage drilling fluids. Weed-free straw bales and silt fences will be placed strategically around sumps and drill site footprint, as necessary to capture sediment.

Surface & Groundwater – Stormwater and Control

Sediment controls such as straw or hay bales, filter fences or other controls will be implemented as necessary. Where straw or hay bales are required, only certified, weed-free product will be used.

While not anticipated due to the environment and generally flat terrain, stormwater controls will be constructed or installed where necessary to prevent or minimize erosion and sedimentation. Drainage structures will consist of, but not be limited to, water bars, borrow ditches, and contour furrows sized to handle maximum seasonal water flows. Disturbed areas will be broadcast-seeded with an approved weed-free seed mix to reduce erosion immediately after construction. Once an area has been revegetated, notices and/or signs may be posted to allow vegetation to establish while reducing or restricting vehicular traffic.

Drilling Effluent Management

Drilling fluid products used during drilling and abandonment operations will be contained and deposited in tanks with overflow to sumps to ensure environmental protection.

Overflow and mud sumps for drill water, fluids, and cuttings will be excavated within the limit of the drill site using a backhoe. Anticipated sump dimensions, including the material piles, will be up to 50 feet long by 20 feet wide with a total sump volume of 150 cubic yards. One end of each sump will be sloped to provide egress for wildlife and/or other animals.

Sumps will be backfilled after completion of drilling. If mud tanks are cleaned at the site, the contents will be contained in the sump and covered with backfilled soil materials.

Drill Hole Abandonment

Drill holes will be plugged in accordance with Nevada State and administering agency standards and will be done consistent with the definitions in NAC 534B.180 for abandonment. The abandonment costs are calculated in the RCE included with the Notice. The active ETW will be abandoned prior to PPL leaving the active drill site.

Solid & Hazardous Substances

Non-hazardous Project-related exploration refuse will be collected in approved trash bins and/or containers and hauled from the site by PPL or their contractors for disposal at an approved landfill on a regular basis. The bins and/or containers will be equipped with lids. Debris that may have a hazardous characteristic, residue, or fluids, will not be disposed of in the trash bins. To minimize impacts during precipitation events, trash bins will be regularly inspected for leaks and the lids will remain closed except when depositing debris. The trash bins will not contain materials that may attract wildlife (food items, etc.) and will be emptied on a regular basis.

Hazardous substances employed for the Project will include diesel fuel, gasoline, hydraulic fluid and lubricating grease. Approximately 300 gallons of diesel fuel and gasoline will be stored in fuel delivery systems on drill rigs and support vehicles. Approximately 50 pounds of lubricating grease and 35 gallons of hydraulic fluid will be stored on each drill rig or transported by drill trucks. Transportation of these materials will be conducted in accordance with applicable regulatory guidelines.

Schedule for the Project and Reclamation

Drilling success will determine the reclamation schedule. Disturbance will be reclaimed at the earliest opportunity unless economically viable resources are identified. PPL estimates that drilling, sampling, and abandonment activities will be completed in approximately one month per site, for a total of approximately three months for all three sites.

Earthwork and revegetation activities are limited by the time of year during which such activities can be effectively implemented. Site conditions and/or yearly climatic variations may require that this schedule be modified to achieve revegetation success. Reclamation activities will be coordinated with the BLM as necessary. Monitoring of revegetation success will be conducted annually for a minimum of three years or until revegetation standards have been met.

Drill Hole Plugging Procedures

The exploration drill hole will be plugged in accordance with Nevada regulations as described in NAC 534B.180, or NAC 534B.170 if artesian conditions are encountered. A drill rig with appropriate support equipment will be used to abandon the drill holes before the drill rig leaves the active drill site.

Resource Logging Plan

During the drilling process, PPL will deploy a suite of wireline logging tools to effectively analyze and record the depth, thickness and character of the different strata penetrated and the location of the water-bearing strata. PPL will submit the results of these analyses to the relevant regulatory authorities in a timely fashion and in accordance with all regulatory requirements.