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DIVISION OF MINERALS

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 12/5/2022
County Esmeralda
NDOM Permit Number W0017
FOR DIVISION USE ONLY

DISSOLVED MINERAL RESOURCE EXPLORATION WELL PERMIT APPLICATION

Applicant/Operator Name: GeoXplor Corp.
Street Address: 8-650 Clyde Avenue
City: West Vancouver State/Prov.: Vancouver
Country: Canada Zip Code: V7T1E2
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.)

GeoXplor is a corporation operating in Vancouver Canada. GeoXplor was incorporated with the Secretary of State of Nevada, on November 9, 2004, Business License Number NV 20041646739. Clive Ashworth is the sole director of GeoXplor Corp.

Well Name TW-1

This application is for a: ☒ New Exploration Well ☒ Borehole to Well Conversion
☐ Permit Extension (NDOM Perm...#_____)(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# 1142552
Project Name: ACME TW-1 NVN# 101026

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

Groundwater Basin Name and Number: Clayton Valley, Basin 143
Area With Limitations? ☐ Y ☒ N
(Well proposed to be drilled within areas with limitations may require Blowout Prevention Equipment, per NAC 534B)

Location of Well:
County: Esmeralda

NW ¼ of the NE ¼ of 6 Sec., Township 2 ☐N ☒S, Range 40 E

UTM East: 446947 or Longitude: -117.579929°
UTM North: 4184008 Latitude: 37.802025°
☒ NAD83 ☒ WGS84 *M.D.B.& M.*

Drilling Contractor (if known): Harris Exploration Drilling #2554

Address: P.O. Box 5579

City, State Zip: Fallon, NV 89407

Purpose of Well: Small scale aquifer testing and dissolved mineral resource evaluations.

Drill Rig Type: Ingersoll Rand RD 10

Surface Hole Diameter: 22"

Expected Total Depth: 2,000 Feet

Casing Size/Length: 16" to 50' and 7" to 2000'

Casing Weight/Gauge: 45lbs/FT and 20lbs/FT, 0.312 Wall

Casing Schedule/Grade: A53B PEB and A53B STC

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

Fluid Management Plan - NAC 534B.140(1)(C):

See Attachment 2

(Describe Here or Attach Additional Pages)

Contamination Prevention/Cementing Plan - NAC 534B.140(1)(D):

See Attachment 2

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

Flow Monitoring and Plugging Plan - NAC 534B.140(1)(E):

See Attachment 2

(Describe Here or Attach Additional Pages)

Drilling will commence approximately on: January 31, 2023

Signature of Applicant/Agent:

Printed Name/Title: Matt Banta, Project Hydrogeologist

Date: 11/28/22

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.	Note that the 5 acre foot limit of pumped water is for the entire project, not just this one well.
B.	Please include the monthly cumulative flow reports, which are reported quarterly, see attached.
C.	

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 12/19/2022 with the conditions noted above.
Date

Permit Number W0017

Administrator
Division of Minerals

DISSOLVED MINERAL RESOURCE
EXPLORATION WELL
CONDITIONS OF APPROVAL

Operator: GeoXplor Corp.
Project Name: ACME
Well: TW-1
Permit# W0017

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:

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

Voicemail 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 **ACME TW-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. If the well is located within a boundary designated by the Division as an "area with limitations" as delineated on the map maintained by the Division and titled, "Oil, Gas, and Geothermal Resources and Groundwater Basins with High Temperature Gradients" must:
   (a) Not be drilled to a depth greater than 3,000 feet without the use of blowout prevention equipment meeting the requirements discussed below;
   (b) Have the temperature of the mud that is returned up the hole monitored continuously by the operator during the drilling of the well whenever temperatures of the drilling fluids at the surface reach 125 degrees Fahrenheit. The temperature of the mud must be recorded by the well driller after each joint of the pipe is drilled; and
   (c) Be designed, drilled and operated so as not to degrade an aquifer, or an oil, gas or geothermal resource.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

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QUARTERLY FLOW REPORT FOR DISSOLVED MINERAL RESOURCE EXPLORATION WELL

Operator Name:_____
Address:_____
City, State/Prov, Country, Zip:_____
Well Name:_____
NDOM Permit Number:_____
Project Name/BLM NVN#:_____
Reporting Quarter/Year (ex. Q3/2018):_____

Monthly flow volume information must be provided to the Division of Minerals on a quarterly basis until the permitted well has been plugged in accordance with Nevada Administrative Code (NAC) 534B. File not later than last day of the month for the preceding quarter (ex. October 31 for quarter ending September 30).

Flow Meter Specifications
Date(s) of Installation:_____
☐ Check if Replacement
Flow Meter Serial No.:_____ Units: ☐ Gallons ☐ Acre-feet
Model:_____
Manufacturer:_____ Diameter:_____

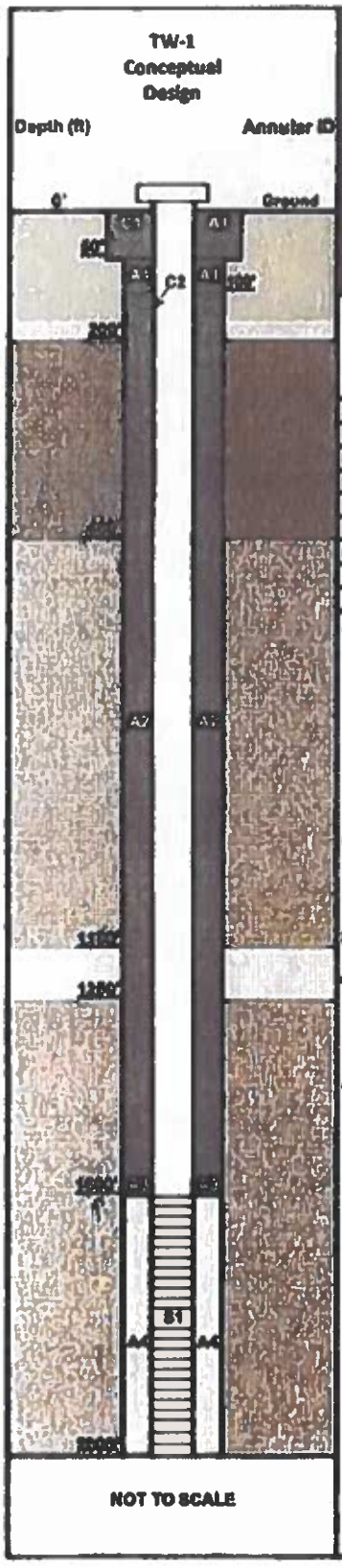
Month	Initial Reading for Month	Final Reading for Month	Monthly Net for Well	Cumulative for Well

In the case that Initial Reading and Final Readings for Month do not equate to Monthly Net provide explanation with supporting data or calculations as attachment

Reporting Operator Representative: _____
Report Date: _____

Attachment 1

Project Location Map, Well Location Map and Well Schematic



GeoXplor Corp

Clayton Valley North Project

Drilling Summary

Total Depth: TBD 2,000 Feet

Static WL: EST 75'

Borehole Nominal Diameters	22" From 0' to 50' 14.75" From 50' to 2000'
Stickup Height	2.5 Feet
Depth of Conductor Casing	50 Feet, HSLA Monument, 16" Dia
Rig	TBD
Bits(s):	Tricone
Drilling Fluid	Polymer and Water
Mud Parameters	NA
Contractor	TBD
Drilling License No.	TBD

Well Details

ID	Depth (ft)
C1	0 to 50'
C2	0 to 1500'
S1	± 1500 to 2000'

Casing Type:

C1 16" Dia. Steel A53B PEB, 0.312 Wall

C2 7" Dia. Steel A53B STC 0.312" Wall

Screen Type: S1 7" Dia. Steel A53B STC 0.312" Wall STC Slotted 12R-2"-6'-.060"

Annular Summary

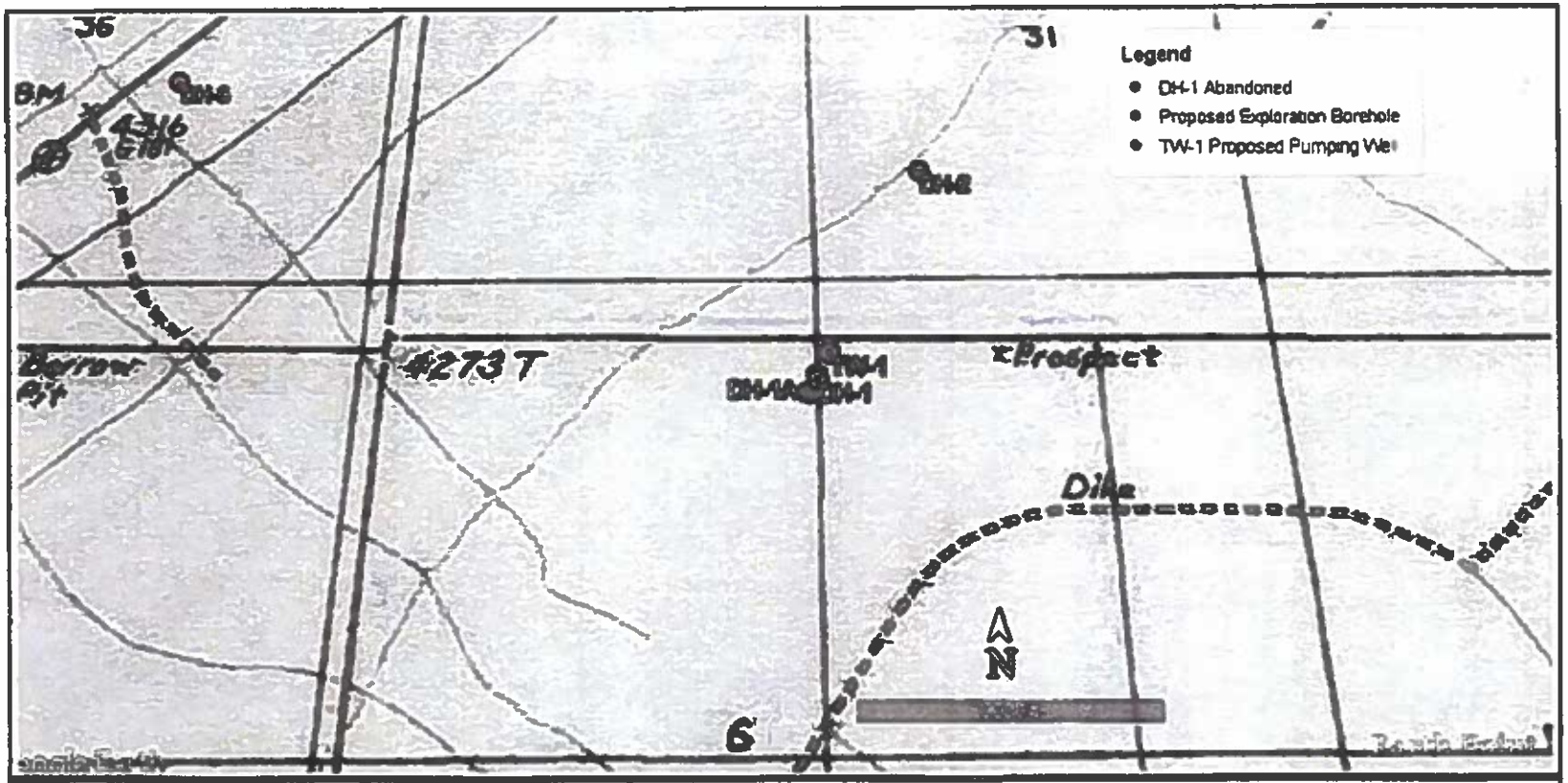
ID	Description	Depth (Ft)
A1	Type II Ready Mix Cement	0-100'
A2	Cement Bentonite Grout	100-1495'
A3	Coated Bentonite Pellets	1495-1500'
A4	Washed #4 Gravel Pack	1500-2000'

Expected Geology Based on DH-1 Corehole

- Paleo Lake Sediments, clay dominated with moderate sand and gravel
- Marginal Basin Fanglomerate; silty sand with gravel and clay
- Lower gravel unit, mixed clay with gravel
- Ash

Notes:

Prepared By: confluence water resources



GeoXpTor Corp.

confluence water resources

Exploration Borehole Location Map

Google Earth Imagery 1" = Feet	Phase 2 DMRE Borehole Application	**Figure 1**

Attachment 2

Additional Details for Drilling and Sampling

Fluid Management Plan - NAC 534B.140(1)(C)

Contamination Prevention/Cementing Plan - NAC 534B.140(1)(D)

Flow Monitoring and Plugging Plan - NAC 534B.140(1)(E)

Additional Details for GeoXplor's ACME Phase 2 - TW-1 Project, Clayton Valley Nevada

1. Project Description and Planned Operation

The Project is in Clayton Valley, Basin 143. The project includes advancement of a 2,000-foot-deep mud rotary borehole, and completion of a 7-inch diameter, steel test well (TW-1). The well will be airlift developed to remove latent drilling fluids. A step rate test and constant rate discharge test i.e., "pumping test" will be completed following well development activities. The data generated from the pumping test will be used to assess the hydraulic parameters of the lithium brine aquifer encountered in GeoXplor's DH-1 exploration hole.

The proposed test well (TW-1) will be in the NW ¼, NE ¼ of Section 6, T.2S, R.40E MDBM, Latitude 37.802025°N, Longitude -117.579929°W, located on unpatented mining claims held by GeoXplor Corp. The GeoXplor project, to include both the test well and subsequent pumping test discharge has been authorized by the Bureau of Land Management (BLM) under an Amended Notice of Intent (NOI) and bond rider acceptance for drill site reclamation and plugging and abandonment of TW-1, refer to BLM case file number NVN-101026, BNV002648. A copy of the approved Amended NOI and bond is enclosed for reference (Attachment 3).

Total discharge from the step test and the pumping test will not exceed 5 Acre Feet per the conditions of the DMRE well permit. Discharge from the pumping test will be managed on unpatented mining claims held by GeoXplor Corp, as approved by the BLM under the Amended NOI. The BLM approved discharge management plan is included in the Amended NOI which is enclosed for reference (Figures A and B of Attachment 4).

The primary objectives of GeoXplor's TW-1 project are as follows:

- Advancement of a 14.75-inch mud rotary borehole to a maximum depth of 2,000 feet below ground surface (bgs).
- Sampling of drill cuttings and chips for mineral assays.
- Completion of open hole wireline logging and geophysical surveys.
- Installation of a 7-inch diameter, steel well casing (see Attachment 1 for proposed well completion details).
- Well development via airlifting and swabbing.
- Installation of submersible test pump, totalizing flow meter, discharge pipe, and control berms to manage discharge.
- Completion of a step rate discharge test to assess well loss, formation loss and optimal pumping rates for a constant rate test.
- Completion of a constant rate pumping test to assess aquifer dynamics and storage coefficients of the lithium enriched brine aquifer.
- The pumping response at TW-1 will be monitored at a grouted in vibrating wire piezometer (DH-1A) to further assess aquifer dynamics.
- Water quality samples will be collected throughout the test to assess concentration of dissolved minerals.

The data generated from the pumping test will be used to assess the potential extent of the dissolved mineral resource deposit encountered at the GeoXplor claims. The results of water quality samples collected will be used to support mineral resource assessments and future Operating and Water Pollution Control Permits.

2. Proposed Exploration Disturbance

Disturbance will include minor modifications to access routes, drill site, and sump complex within the existing DH-1 drill site disturbance footprint. The provisions of the Amended BLM notice, N-101026 includes reclamation of 7,264 linear feet of road disturbance. Roads will be approximately 14 feet wide. The Amended NOI includes modifications to the existing DH-1 drill site footprint to accommodate additional area required for drilling the TW-1 test well. The original DH-1 drill site area will be modified with the approximate dimensions, 150 feet long by 150 feet wide.

The Amended NOI includes provisions for a sump complex located on the drill site with containment volume of 62 cubic yards. The sump will be constructed within the drill site disturbance footprint to contain drill cuttings and manage fluids.

The Amended NOI also includes additional disturbance area for placement of soil berms to manage pumping test discharge on GeoXplor claims, and overland travel area to equivalent 2.2 acres of additional disturbance. Berms will be constructed approximately 3.3 feet high with 2-foot crest widths at a 3:1 side slope angel.

The location of TW-1 is shown in Attachment 1. Existing access and planned surface disturbance are shown in the figures in Attachment 3. The Standardized Reclamation Cost Estimator, Version 1.4.1 Build 017b (Revised May 16, 2019) and the 2022 cost data file were used to generate the required reclamation cost estimate (RCE) for the Amended NOI. The amended bond includes cost for reclamation of TW-1 disturbance area, TW-1 well abandonment, and cost for reclamation of the sediment and drainage control structures, Best Management Practices (BMPs) for the TW-1 pumping test.

TW-1 well abandonment, along with other (total) surface disturbances included in the Amended NOI, as described above, was approved by the Bureau of Land Management, Tonopah Field Office (BLM) on October 27, 2022. The reclamation bond rider for increase in reclamation bond was received and accepted by the BLM on November 15, 2022, refer to BLM NVB002648.

3. Fluid Management Plan: NAC 534B.140(1)(C)

Drilling fluid will be maintained within a self contained mud and shale shaker system which accompanies the rotary drill rig. A sump complex will be constructed within the drill site disturbance footprint to manage drill cuttings and fluids if necessary. The cuttings generated off the shale shaker will be transported and stored in a secure location offsite or buried in the onsite sump during reclamation. BMPs for discharge management, sediment, and drainage control structures will be utilized during construction, operation, and reclamation to minimize sedimentation from disturbed areas as described in Sections 5 and 6.

The step test and a constant rate pumping test will be controlled and managed on GeoXplor claims in accordance with a discharge management plan approved by the BLM under the Amended NOI (Attachments 3 and 4). This plan includes installation of approximately 2,000 linear feet of 4-6-inch

diameter lay flat pipe. The temporary pipe will be installed to convey discharge away from TW-1 and the test area where it can be managed and contained within natural topographical features on GeoXplor claims (discharge management area). Earthen berms will be constructed to further contain the discharge. The pipe network will be outfitted with an in-line valve system to evenly distribute the discharge within the discharge management area and reduce potential for erosion and localized ponding. The pipe network will be inspected twice daily for leaks. The discharge management area will be monitored at higher frequencies to direct distribution of discharge and inspect effectiveness of erosion control structures and containment berms.

A Temporary Discharge Permit (TDP) application will be submitted to the Nevada Division of Environmental Protection – Bureau of Regulation and Reclamation (NDEP-BMRR) upon authorization of a DMRE well permit for TW-1. A copy of the BLM approved discharge management plan will be submitted to NDEP-BMRR for further review and approval as part of the TDP application.

4. Contamination Prevention/Cementing Plan - NAC 534B.140(1)(D)

The proposed operation will include drilling a larger diameter surface conductor borehole to 50 feet below ground surface (bgs) for installation and cementing of surface conductor casing. The conductor borehole will be nominal 22-inch diameter. The driller will install 16-inch diameter steel surface casing which will be cemented in place from 50 feet bgs to the ground surface. The proposed surface conductor casing and the well cementing plan will address stability limitations and prevent potential contamination as follows:

- The surface casing will control any unforeseen vertical movement of formation fluids to the ground surface and will provide the required sanitary cement seal in compliance with the Nevada well regulations.
- The well will be sealed from approximately 1,500 feet bgs to the ground surface. A grout and cement seal will control formation fluids from vertical migration.
- The results of DH-1 water quality sampling did not indicate a freshwater aquifer exists within the project area. Contamination of freshwater aquifers will not occur at the proposed test well.
- Although there are no known freshwater aquifers in the vicinity of the Project, the grout and cement seal in TW-1 will protect potential distal freshwater aquifers from contamination and will prevent unforeseen blowouts or uncontrolled flows should they occur at the surface. Since the DH-1 exploration hole did not experience a blowout or uncontrolled flow, blowouts or uncontrolled flow is not expected at TW-1.
- This plan will prevent hole instability issues and near surface washouts which are typical for Clayton Valley.

The plan includes drilling a 14.75-inch diameter mud rotary hole through the cemented 16-inich diameter conductor casing to the target depth of the hole. Bentonite clay-based drilling muds will be used to manage any potential zones of different water quality and prevent migration of fluids.

During drilling, GeoXplor 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. GeoXplor and their consultants will maintain close communication with the Nevada Division of Minerals (NDOM). All data from drilling, geological logging, wireline logs, or any sort of required data will be provided to NDOM as soon as it is available so that NDOM may recommend immediate remedial or corrective measures be taken during the drilling process if required. GeoXplor will

abandon the TW-1 borehole hole pursuant to Nevada Administrative Code (NAC) 534B.180 if vertical migration of formation fluid does not allow the hole to remain open for more than a brief period. GeoXplor is committed to working closely with the BLM, NDOM, NDEP, and NDWR in all aspects of the Project and will follow any guidance from the regulatory authorities with respect to any corrective or remedial measures.

Once the borehole is drilled, a 7-inch diameter, steel A53B STC well casing will be installed with slotted casing extending from approximately 1,500 feet bgs to the bottom of the hole (1,500 feet to 2,000 feet bgs). Blank steel A53B well casing will extend from 1,500 feet bgs to the ground surface. A gravel stabilizer will be installed by tremie pipe in the annulus around the perforated casing extending from the bottom of the hole to approximately 1,500 feet bgs. A layer of coated bentonite pellets will be installed from approximately 1,500 feet to 1,495 feet bgs, followed by installation of cement-bentonite grout via tremie pipe from 1,495 feet to 100 feet bgs. Type 2 neat cement will be installed by tremie from 100 feet bgs to the ground surface. The well will be installed in compliance with the Nevada well regulations. See Attachment 1 for the proposed TW-1 well completion details.

The test well will be plugged and abandoned in accordance with NAC 534B.180 within the timeframe limitations of the DMRE well permit.

5. Flow Monitoring and Plugging Plan - NAC 534B.140(1)(E)

Brine extracted from the TW-1 borehole as part of the drilling process will be managed and circulated through a mud containment and recirculation system on the drill rig, and if necessary, the onsite sump. The volume of brine loss or produced fluids will be estimated and recorded after completion of the borehole based on the volume of makeup drill water required to continue advancement of the hole.

Upon completion of the borehole, a steel well casing will be installed as described in Section 4. The well casing will be airlift developed to remove latent drilling fluids. Airlift discharge will be managed in the on-site sump. A step discharge test will be performed followed by a constant rate discharge test. Drawdown and recovery data will be monitored via pressure transducer installed through a sounder tube in the test well. Discharge rates and line pressure readings will be monitored and recorded throughout the test. Discharge rates will be recorded from a certified calibrated totalizing flow meter installed in-line with the discharge piping from the well. Confirmatory discharge measurements will be collected via the time/volume method at the point of discharge at the end of the pipe network shown in the discharge management plan (Figures A and B of Attachment 4).

The average flow rate and the total daily flow rate will be provided to NDOM daily. The total cumulative discharge from TW-1 will not exceed five (5) Acre Feet.

Water quality samples will be collected from the pumping test discharge and analyzed for dissolved minerals in addition to Nevada Profile 1 constituents as part of TDP requirements. Sediment and drainage control from the discharge will be monitored as described in Section 6.

TW-1 will be plugged and abandoned in accordance with NAC 534B.180 within the timeframe limitations of the DMRE well permit. The well will be abandoned by a Nevada licensed well driller in accordance with the conditions of the permit. Artesian conditions are not anticipated on the project. The well casing will be abandoned by placing cement-bentonite grout by tremie pipe from the bottom of the perforated well casing in an upward direction to a depth of 100 feet bgs. Neat Type 2 cement will then be placed by tremie

from 100 feet bgs to the ground surface. The remaining casing will be cut flush with the ground and the drill pad will be reclaimed in accordance with the conditions of the BLM NOI. The well abandonment report will be submitted to NDOM and NDWR within 30 days of completion of the abandonment. The timeframe for TW-1 abandonment will adhere to the conditions set forth in the DMER permit.

6. Additional Measures to Protect Water and Natural Resources

GeoXplor will conduct exploration operations to minimize ground disturbance and prevent erosion. Operations will be suspended when ground conditions are poor to eliminate potential for undue degradation of the environment during operation of equipment or vehicles.

BMPs for discharge management, sediment and drainage control will be used during all aspects of the project and through reclamation to minimize sediment loading on disturbed areas. Sediment control structures will include, but not be limited to, earthen berms, 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, contain drill cuttings, and manage drilling fluids. Weed-free straw bales or silt fences will be placed strategically around sumps and drill site footprint, as necessary to capture sediment. The sumps will be constructed with small animal escapement (egress) devices or structures. The sump area will be barricaded with construction fence or livestock fence panels to prevent entry from larger wildlife.

Based on a discharge management field reconnaissance with BLM, discharge is not expected to sheer or significantly pond within the discharge management area. The discharge is expected to infiltrate or evaporate within the proposed berm network. There were no impacts to waters or natural resources identified by BLM.

6.1. Stormwater Controls

While not anticipated due to the flat terrain of the Project, stormwater controls will be constructed or installed if necessary to prevent or minimize erosion and sediment loading. 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 reclaimed in accordance with the reclamation plan to reduce erosion immediately after the project is completed. Once an area has been revegetated, notices and/or signs may be posted to allow vegetation to establish while reducing or restricting vehicular traffic.

6.2. Effluent Management

Drilling fluid and products used during drilling, well development, or well abandonment 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. The total containment volume of each sump complex will be approximately 62 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.

7. Solid and Hazardous Materials

Non-hazardous project-related exploration waste will be collected and stored in approved trash bins and/or containers and hauled from the site by GeoXplor or their contractors for disposal at an approved landfill on a regular basis. The trash containers will be equipped with lids to prevent trash from blowing off-site. Waste that may be hazardous, have hazardous residue, or fluids, will not be disposed of in the trash bins. To minimize impacts during precipitation events, trash bins or containers will be regularly inspected for leaks and the lids will remain closed except when depositing debris. The containers will not contain materials that may attract wildlife (food items, etc.) and will be emptied on a regular basis. Hazardous substances required for the Project will include diesel fuel, gasoline, hydraulic fluid and lubricating grease. Approximately 200 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 40 gallons of hydraulic fluid will be stored on the rig or transported by lubrication trucks. Transportation of these materials will be conducted in accordance with applicable transportation permits and guidelines.

8. Reclamation

The duration of drilling will determine the reclamation schedule. Disturbance will be reclaimed at the earliest opportunity unless economically viable resources are identified. GeoXplor estimates that drilling and well testing activities will be completed in approximately two months from initiation of the TW-1 program. The timeframe for TW-1 abandonment will adhere to the conditions set forth in the permit. Earthwork and revegetation activities will be completed around the drill site as soon as well abandonment activities are completed, however the timeframe for completion may be 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.

9. Resource Logging and Reporting

At completion of drilling GeoXplor may complete a suite of wireline logs to assess the geophysical parameters of the lithology drilled at TW-1. GeoXplor will also log the composition and stratigraphy of the drilled borehole. Upon completion of TW-1, GeoXplor and their consultants will complete a step rate and a constant rate discharge test from the well.

The average flow rate and the total daily flow rate from testing will be provided to NDOM daily. A geologic log of TW-1 will also be provided to NDOM within 30 days from completion of the hole.

GeoXplor will submit the results of the logs and analyses to the relevant regulatory authorities in a timely fashion and in accordance with all regulatory requirements of the DMRE permit.