



MICHELLE LUJAN GRISHAM
GOVERNOR

JAMES C. KENNEY
CABINET SECRETARY

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

January 7, 2026

Ravi Sood, Chief Executive Officer
Summit Gold Corporation
181 Bay Street, Suite 1800
Toronto, Ontario M5J2T9

RE: Discharge Permit Renewal; DP-1651, Summit Gold Corporation: Banner Mill

Dear Ravi Sood:

Notice is hereby given pursuant to Subsection H of 20.6.2.3108 NMAC that the Ground Water Discharge Permit Renewal of the existing Discharge Permit 1651 (DP-1651): Banner Mill, issued to Summit Gold Corporation (Applicant), has been proposed for approval (copy enclosed). The New Mexico Environment Department (NMED) Ground Water Quality Bureau (GWQB) will publish notice of the availability of the draft Discharge Permit Renewal in the near future and will forward a copy of the notice to you.

Prior to making a final ruling on the proposed DP-1651 Discharge Permit Renewal, NMED will allow 30 days from the date the public notice is published, during which time written comments can be submitted or a public hearing requested. Comments and/or request for a public hearing may be submitted by any interested person or the Applicant. Written comments or hearing requests may be submitted to the GWQB either by utilizing the SmartComment portal at <https://nmed.commentinput.com/comment/search> or by email to sean.madden@env.nm.gov or mecs.general@env.nm.gov. Hearing requests shall set forth the reasons why a hearing should be held. A hearing will be held only if hearing requests are received from the public or the Applicant during the 30-day comment period and NMED determines there is substantial public interest regarding the proposed DP-1651 Discharge Permit Renewal. Hearings are presided over by the NMED Secretary, or a hearing officer appointed by the Secretary.

Please review the enclosed draft DP-1651 Discharge Permit Renewal carefully for accuracy and completeness, and to make sure you understand what it requires. Please be aware that the proposed DP-1651 Discharge Permit Renewal may contain conditions that require the Applicant to implement operational, monitoring, or closure actions by a specified deadline.

The Water Quality Control Commission (WQCC) Regulations, 20.6.2 NMAC, are available online at <https://www.env.nm.gov/gwqb/gw-regulations>.

Any comments relating to this draft DP-1651 Discharge Permit Renewal can be sent through the SmartComment portal at <https://nmed.commentinput.com/comment/search> or by email to sean.madden@env.nm.gov or meecs.general@env.nm.gov. If written comments or a written request for a hearing are not received during the public comment period, the draft DP-1651 Discharge Permit Renewal will become final. Thank you for your cooperation during the review process.

Sincerely,

Sean Madden
Mining Environmental Compliance Section
Ground Water Quality Bureau
New Mexico Environment Department

Enclosure: Draft Discharge Permit Renewal, DP-1651

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**GROUNDWATER QUALITY BUREAU (GWQB)
DISCHARGE PERMIT RENEWAL
SUMMIT GOLD CORPORATION – BANNER MILL
Issued under 20.6.2 NMAC**

Return Receipt Requested
Certified Mail No:

Mine Facility Name: Banner Mill

GWQB Discharge Permit No: DP-1651
GWQB TEMPO AI Number: 1772

Permittee Name/Responsible Party: Summit Gold Corporation
Mailing Address: 181 Bay Street, Suite 1800
Toronto, Ontario M5J2T9

County: Hidalgo County

Permitting Action: Renewal
Effective Date: TBD
Expiration Date: TBD

Facility Location: 1219 Banner Mine Road
Lordsburg, NM 88009

NMED Permit Contact: Sean Madden; (505) 487-6637 or Brad Reid; (505)372-8533
E-mail Address: sean.madden@env.nm.gov or Brad.Reid@env.nm.gov
Or: mecs.general@env.nm.gov

Justin Ball, Chief
Ground Water Quality Bureau

Date

draft

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Telephone (505) 827-2900 | www.env.nm.gov/gwqb/

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Part A GENERAL INFORMATION

A100 Introduction

- A. The New Mexico Environment Department (NMED) issues this renewal of Groundwater Discharge Permit, DP-1651 (Discharge Permit or DP-1651) to Summit Gold Corporation (Permittee) pursuant to the New Mexico Water Quality Act (WQA), NMSA 1978, §§ 74-6-1 through 74-6-17, and the New Mexico Water Quality Control Commission (WQCC) Regulations Part 20.6.2 (Ground and Surface Water Protection). NMED is issuing this Discharge Permit to control the discharge of water contaminants from the Banner Mill Site (Mill Site) for the protection of groundwater and those segments of surface water gaining from groundwater inflow, for present and potential future use as domestic and agricultural water supply and other uses, and to protect public health.
- B. Pursuant to this Discharge Permit, the Permittee is authorized to discharge up to 246,000 gallons per day (gpd) of tailings slurry to the Tailings Impoundment or the Decant Cells. In addition, regulated discharges include impacted stormwater runoff and leachate from the ore stockpiles and the dry stack tailings facility. These discharges may move directly or indirectly into groundwater of the State of New Mexico which has an existing concentration of 10,000 milligrams per liter (mg/L) or less of total dissolved solids (TDS) within the meaning of 20.6.2.3104 and Subsection A of 20.6.2.3101 NMAC. The discharges may contain water contaminants or toxic pollutants elevated above the water quality standards of 20.6.2.3103 NMAC in compliance with the terms and conditions of this Discharge Permit.
- C. The Permittee is authorized to discharge water contaminants pursuant to this Discharge Permit which requires compliance with 20.6.2 NMAC and is enforceable by NMED.

A101 Applicable Regulations

- A. The Permittee is discharging from a facility that meets the definition of “existing Mining tailings facility,” as defined by Section 20.6.2.3114 NMAC. Sections 20.6.2.3000 through 20.6.2.3114 NMAC apply to discharges specific to mine facilities and their operations.
- B. The discharges associated with this Discharge Permit are not subject to any of the exemptions of 20.6.2.3105 NMAC.
- C. Groundwater quality in monitoring wells required by C105.G of this Discharge Permit are subject to the criteria of Sections 20.6.2.3101 and 20.6.2.3103 NMAC.

A102 Permit Duration

- A. Pursuant to WQA 74-6-5(I) and 20.6.2.3109.H NMAC, the term of this Discharge Permit is **five (5) years** from the effective date.
- B. If the Permittee submits an application for renewal in accordance with Subsection G of 20.6.2.3106 NMAC at least 120 days before the permit expires and the Permittee is not in violation of the discharge permit on the date of its expiration, then the existing discharge permit shall not expire until the application for renewal has been approved or disapproved.

A103 Terms of Permit Issuance

- A. Permit Fees –The Permittee shall remit a permit fee payment equal to the applicable permit fee listed in Table 1 of 20.6.2.3114 NMAC at the time of Discharge Permit approval. [20.6.2.3114.C and 20.6.2.3114.F NMAC]
- B. Transfer of Discharge Permit - Prior to the transfer of any ownership, control, or possession of this permitted facility or any portion thereof, the Permittee shall notify the proposed transferee in writing of the existence of this Discharge Permit and include a copy of this Discharge Permit with the notice. The Permittee shall deliver or send by certified mail to NMED a copy of the notification and proof that such notification has been received by the proposed transferee. [20.6.2.3111 NMAC]
- C. Permit Renewal - To renew this Discharge Permit and to meet the provisions found in 20.6.2.3106.G NMAC, the Permittee must submit an application and associated fees for renewal, or renewal and modification at least 120 days prior to the expiration date of this Discharge Permit.

Part B FACILITY SPECIFIC INFORMATION

B100 History and Facility Description

- A. The Mill Site utilizes a rock crusher, ball mill, and flotation circuit to process gold-bearing ore from the Summit Mine, and other approved sites. Ore is initially placed on the Coarse Ore Stockpile, then processed through the Rock Crusher and the output from the Rock Crusher is deposited on the Fine Ore Stockpile, which is used as feedstock for the Ball Mill where the ore is pulverized. The pulverized ore is then fed to the Flotation Circuit where metal-bearing minerals are recovered.
- B. Tailings slurry from the milling process is conveyed either to the Tailings Decant

Cells, where most of the solids settle out of the tailing slurry, or directly to the Tailings Impoundment. Decanted process water from the Tailings Decant Cells is conveyed to the Tailings Impoundment. Decanted process water from the Tailings Impoundment is pumped via a floating pump to the Reclaim Water Tank from where it is transferred to the mill for reuse as process water. Figure 1 attached to this Discharge Permit shows the major mill units and general layout of the Mill Site.

- C. Other Ancillary Facilities and Structures – In addition to the Mill Site units identified above, there are several support facilities and structures dispersed across the Mill Site. These include water tanks, access roads, office facilities, a shop/warehouse building, laboratory, and pipelines. There are two onsite septic tanks/leachfield systems regulated pursuant to Liquid Waste Permits SC090031 and SC090032.

B101 Permitting History

- A. The Discharge Plan for DP-1651 includes the Discharge Permit Application dated May 16, 2025, and materials contained in the administrative record prior to issuance of this Discharge Permit. In addition, the Discharge Plan includes applicable information and materials submitted as part of the original Discharge Plan approved on November 16, 2009, Renewed and Modified on May 2, 2014, and renewed on September 25, 2019.

B102 Facility Location, Groundwater, and Process Water Characteristics

- A. The mill units regulated pursuant to DP-1651 are located approximately 4.5 miles southwest of Lordsburg, NM in Sections 14 and 23, T23S, R19W, Hidalgo County, New Mexico.
- B. Groundwater beneath the facilities regulated pursuant to DP-1651 is at a depth of approximately 710 feet below ground surface and had a pre-discharge TDS concentration of approximately 1800 mg/L.
- C. Discharges regulated pursuant to DP-1651 exceed the groundwater quality standards of Section 20.6.2.3103 NMAC for fluoride, manganese, sulfate, and TDS,

B103 Authorized Mill Units

This Discharge Permit contains requirements associated with the following mill units as identified in the Discharge Plan.

- A. Mill Area – The Mill Area includes the Rock Crusher, Coarse Ore Stockpile, the Fine Ore Stockpile, the Ball Mill, Thickener Tank, and the Mill Building which contains the

Flotation Circuit. The Rock Crusher has the capacity to process approximately 400 tons of ore per day. The Flotation Circuit uses process water from the Tailings Impoundment supplemented by groundwater from the Banner Mine No. 2 Shaft.

- B. Decant Cell Area –The dimensions of the Decant Cell Area is approximately one hundred feet wide by one hundred feet in length. The Permittee is authorized to construct three Decant Cells. Each Decant Cell consists of an eight-inch-thick concrete slab with a fifty-foot ramp inclined at a 10% gradient. A 60-mil high density polyethylene (HDPE) geomembrane liner is placed below the slab. Berms are located around the concrete decant cells. Currently there is 1 decant cell constructed within the Decant Cell Area.
1. Tailings are deposited on Decant Cells using a single tailings discharge pipeline. Water is decanted using outlet pipes located in the cell walls and drain trenches located in the cell floor. The tailings are removed from the Decant Cells when they have drained to a moisture content of approximately 30%, which allows the tailings to be loaded and spread in the Dry Stack Area. Decanted water is discharged to the Tailings Impoundment.
- C. Dry Stack Area – The tailings removed from the Decant Cells are spread in the Dry Stack Area in approximately 2-foot-thick lifts and allowed to further dry. Prior to placement of a subsequent lift, the tailings are nominally compacted by equipment traffic. Stormwater runoff from the Dry Stack Area is conveyed to the Tailings Impoundment or inner stormwater channel that runs along the north side of the facility.
- D. Tailings Impoundment – The Tailings Impoundment is lined with a 60-mil HDPE liner and located in a shallow depression in the northern portion of the site. The tailings dam is constructed in accordance with the design approved and permitted by the Office of the State Engineer (OSE) Dam Safety Bureau.
- E. Mill Site Pond – The Mill Site Pond collects stormwater runoff from the Coarse Ore Stockpile, the Fine Ore Stockpile, and the Mill Area. Water used in the laboratory is collected in a segregated drain system and conveyed by buried pipe to the Mill Site Pond. The Mill Site Pond is synthetically lined with a 60 mil HDPE liner and has a capacity of approximately 4-acre feet. Water collected in the Mill Site Pond is disposed of through evaporation.
- F. Diversion Channels – Stormwater run-on is diverted around the Mill Area, Tailings Impoundment, Decant Cells, Dry Stack Tailings and the Mill Building via the North, South, and Upper Mill Diversion Channels. All diversion channels are designed to

convey flows from a 100-year, 24-hour storm event.

B104 Authorized Discharges

The Permittee is authorized to discharge water contaminants from the following mill units and in accordance with all applicable systems design and operational constraints as described in this Discharge Permit and Discharge Plan. [20.6.2.3109 NMAC]

- A. The Permittee is authorized to place ore on the Coarse Ore Stockpile, two proposed Coarse Ore Stockpiles, and the Fine Ore Stockpile. The ore shall be placed within the authorized footprints of the Ore Stockpiles as described in C100.A.
- B. The Permittee is authorized to discharge a maximum of 246,000 gpd of tailings slurry to the Decant Cells for slurry dewatering and/or directly to the Tailings Impoundment. [20.6.2.3109 NMAC]
- C. The Permittee is authorized to discharge dry tailing material, with a moisture content of 30% or less, as determined by ASTM Method 2216, from the Decant Cells to the Dry Stack Tailing Unit.
- D. The Permittee is authorized to operate and manage discharges associated with the froth flotation circuit located within the Mill Building. [20.6.2.3109 NMAC]
- E. The Permittee is authorized to discharge decant water from the Decant Cells to the Tailings Impoundment. [20.6.2.3109 NMAC]
- F. The Permittee is authorized to pump decant water from the Tailings Impoundment to the Reclaim Water Tank to use as process water in the Mill. [20.6.2.3109 NMAC]
- G. The Permittee is authorized to operate the Mill Site Pond to collect and evaporate impacted stormwater. [20.6.2.3109 NMAC]
- H. This Discharge Permit authorizes only those discharges specified herein. Any unauthorized discharges such as spills or leaks must be reported to NMED, and corrective action must be taken as required by Section 20.6.2.1203 NMAC, and any additional requirements listed in this Discharge Permit.

Part C FACILITY SPECIFIC REQUIREMENTS

The Permittee shall conduct the requirements set forth below to ensure compliance with the applicable requirements of 20.6.2 NMAC.

C100 Ore Stockpiles

- A. The footprint of the existing Coarse Ore Stockpile, the two proposed Coarse Ore Stockpiles, and the footprint of Fine Ore Stockpile shall not exceed 0.15 acre each. At least 30 days prior to construction of the proposed two additional Coarse Ore Stockpiles, the Permittee shall submit to NMED for approval a topographic map of appropriate scale showing the location and footprint of the existing Coarse and Fine Ore Stockpiles and the proposed Coarse Ore Stockpiles. The map shall include the location of the Mill Site Pond and show the flow paths of runoff from all ore stockpiles.
- B. Ore Characterization
1. Prior to processing ore from sources other than the Summit Mine, the Permittee shall characterize the ore according to the following procedures, using standard EPA methods.
 - a. A minimum of three independent composite samples shall be collected using the Incremental Sampling Methodology (<http://www.itrcweb.org/ism-1>), or equivalent.
 - b. Samples shall undergo mineralogical analysis, including identification and estimation of the percentage of acid generating and acid neutralizing minerals.
 - c. Samples shall be analyzed for whole rock analysis for the elements listed in Condition C105.E.1.d
 - d. Samples shall be analyzed for acid-base accounting to determine acid generation and neutralizing potential, and to determine sulfur forms.
 - e. The leaching characteristics of the ore shall be determined using the Synthetic Precipitation Leaching Procedure (SPLP) on samples collected pursuant to Condition C105.B.1. The leachate derived from this procedure shall be analyzed for the parameters listed in Conditions C105.E.1.d using standard EPA methods.
 2. Results of the characterization shall be submitted to NMED for approval a minimum of 30 days prior to processing of ore from sources other than the Summit Mine. If the results of the characterization indicate the ore may be acid generating, NMED may require additional permitting actions to accommodate the ore.

C101 Tailings Impoundment

- A. The Tailings Impoundment shall remain within the area identified in the approved design.
- B. The Tailings Impoundment shall be operated and maintained in accordance with the Operating Plan dated June 2013. The Permittee shall manage the Tailing Impoundment to maintain a minimum of two feet of freeboard at all times.

C102 Decant Cells

- A. The Decant Cells shall be constructed and operated in accordance with the June 2013 submittal titled *Banner Mill Dry Stack Tailings Design and Operating Plan*, included as Attachment B-5.2 to the June 25, 2013 Application for Discharge Permit Renewal and Modification. Within 45 days of completion of the Decant Cells, the Permittee shall submit to NMED an as-built construction report which includes detailed as-built plans and specifications, an as-built topographic map of the facility and surrounding area that includes the stormwater diversion channel, stormwater flow paths from the facility, and construction photographs if available. The as-built construction report shall also include a construction quality assurance and construction quality control report (CQA/CQR) pertaining to the installation of the synthetic liner(s).
 - 1. Tailings slurry with the potential to impact water quality as determined by the testing required in Condition C106.F below shall not be directed to the Decant Cells and shall be conveyed directly to the lined Tailings Impoundment.

C103 Dry Stack Tailings Facility

- A. The Dry Stack Tailings Facility shall be constructed and operated in accordance with the June 2013 submittal titled *Banner Mill Dry Stack Tailings Design and Operating Plan*, included as Attachment B-5.2 to the June 25, 2013 Application for Discharge Permit Renewal and Modification. Within 45 days of completion of the construction of the diversion channel and grading in preparation for placement of the Dry Stack Tailings Unit, the Permittee shall submit to NMED a topographic map of the Dry Stack Tailings Unit area showing the final configuration of the area including the diversion channel and flow directions of runoff from the Dry Stack Tailings Unit.
- B. The moisture content (by mass) of all tailing placed in the Dry Stack Tailings Facility must be 30% or less, as determined by ASTM Method 2216.
- C. Tailing material with the potential to impact water quality as determined by the

testing required in Condition C105.E shall not be placed in the Dry Stack Tailings Unit.

C104 Mill Site Pond

- A. The Permittee shall maintain a minimum of two feet of freeboard in the Mill Site Pond at all times.

C105 Stormwater Management

- A. Stormwater shall be managed in accordance with the Stormwater Management Plan dated May 2021.
- B. Non-impacted stormwater run-on shall be routed around the Mill Area, Tailings Impoundment, Decant Cells, Dry Stack Tailings Facility, and the Coarse and Fine Stockpiles via the North Diversion, South Diversion, and Upper Mill Site Diversion Channels.
- C. Stormwater run-off from the Mill Site area, including seeps, runoff from the Coarse and Fine Grained Ore Stockpiles, and runoff from the Dry Stack Tailings Facility shall be routed to the Mill Site Pond.

C106 Inspections, Monitoring, and Reporting

The Permittee shall conduct the following inspections, monitoring, reporting and other requirements listed below. Tables 1, 2 and 3 attached to this Discharge Permit provide a summary of monitoring and reporting requirements.

A. Inspections

1. The Permittee shall visually inspect all flow meters on a monthly basis for evidence of malfunction and repair or replace malfunctioning flow meters within 30 days of or as soon as practicable following discovery.
2. The Permittee shall visually inspect all conveyance channels, the Storm Water Pond, berms, dikes, pipelines, and the Tailings Impoundment on a monthly basis for evidence of damage, indications of leaks or potential breaching, excessive erosion, excessive sediment buildup, or stormwater accumulation that exceed design capacity or intended function of the facility. Findings shall be reported as required in Condition C105.J below.
3. The Permittee shall inspect the Tailings Impoundment Dam on a monthly basis for the presence of any seepage, leaks, or damage that could potentially result

in a dam failure. If any seepage, leaks, or spills are discovered the Permittee shall verbally notify NMED within 24 hours of discovery and corrective action must be taken as required by Section 20.6.2.1203 NMAC. The Permittee shall sample and analyze the unauthorized seepage, leak or spill for the water parameters listed in Condition C105.D.1. a, b, and c.

4. The Permittee shall inspect all impoundment liners on a monthly basis for the presence of vegetation including aquatic plants, weeds, woody shrubs or trees growing within five feet of the top inside edge of a sub-grade impoundment, within five feet of the toe of the outside berm of an above grade impoundment, or within the impoundment itself. Vegetation growing around the impoundment liners shall be routinely controlled by mechanical removal in a manner that is protective of the impoundment liner.
5. The Permittee shall report the results from the inspections in the semi-annual monitoring reports specified in Condition C105.I.

B. Groundwater

1. The Permittee shall identify and monitor groundwater at locations listed in Table 1 of this Discharge Permit.
2. The existing monitoring wells listed in Table 1 have been deemed appropriate by NMED for continued use as groundwater monitoring wells under this Discharge Permit.
3. The Permittee shall sample and analyze groundwater from the DP-1651 monitoring wells in accordance with the schedule and parameters provided in Table 1. Analytical results shall be submitted in the semi-annual monitoring reports in the format specified in Condition C105.I.

C. Tailings Impoundment Process Water

1. The Permittee shall collect water samples quarterly from the Tailings Impoundment Decantation Pond and analyze for the water parameters listed in Table 1 of this Discharge Permit and Condition C105.E.1 a, b, and c below.
2. The Permittee shall collect water samples quarterly from the Mill Site Pond and analyze for the water parameters listed in Table 1 of this Discharge Permit Conditions C106.D.1 a, b, c, e, and f below.
3. The Permittee shall submit the analytical results for all surface water samples in

the semi-annual monitoring reports specified on Condition C105.I.

D. Analysis

1. The Permittee shall analyze the Tailings Impoundment and Decantation Pond water for total and dissolved concentrations of the analytes listed below. Samples of groundwater and seeps shall be analyzed for dissolved concentrations of the analytes below.
 - a. Field parameters (analysis to be performed in the field): temperature, pH, electrical conductivity.
 - b. General chemistry parameters: calcium, magnesium, sodium, potassium, carbonate, bicarbonate, sulfate, chloride, nitrate, fluoride, and total dissolved solids.
 - c. Metal parameters: aluminum, arsenic, barium, beryllium, cadmium, chromium, cobalt, copper, iron, lead, manganese, mercury (total concentration only), molybdenum, nickel, selenium, silver, uranium, and zinc.
 - d. Custom Ore inorganic parameters: aluminum, arsenic, boron, cadmium, calcium, chloride, chromium, cobalt, copper, cyanide, fluoride, iron, lead, manganese, mercury (total concentration only), molybdenum, nickel, combined radium 226 and 228, potassium, sodium, selenium, uranium and zinc.
 - e. Organic parameters: Total Petroleum Hydrocarbons (TPH).
 - f. Total Kjeldahl Nitrogen (TKN) and Nitrate (NO₃-N).
 - g. Analytical results shall be reported as required in Conditions C105.I.

E. Tailings Discharge

1. The Permittee shall collect a tailings slurry sample quarterly from an active discharge location and analyze the solid fraction for whole rock analysis and acid-base accounting.
2. Analytical results shall be submitted in the semi-annual monitoring reports specified in Condition C105.I.

F. Discharge Volumes

1. The Permittee shall record the weekly volume of tailings slurry discharged to the Tailings Impoundment, using a totalized flow meter on the tailings discharge line.
2. The Permittee shall record the weekly volume of tailings slurry discharged to the Decant Cell(s), using a totalized flow meter on the tailings discharge line.
3. The Permittee shall record the weekly volume of water produced from the No. 2 Banner Mine Shaft using a totalized flow meter on the discharge line.
4. All flow meters shall be calibrated and kept operational at all times.
5. The Permittee shall report the flow volumes (tailings slurry and water produced from the No. 2 Banner Mine shaft) measured as required in Condition C105.I.

G. Water Elevations

1. Using a staff gage (located in the Mill Site Pond and Tailings Impoundment Pond) labeled with elevations indexed to a base site elevation monument, the Permittee shall measure the surface elevations of each pond quarterly, at the same time the water is sampled.
2. The Permittee shall report the results from the measurements in the semi-annual monitoring reports specified in Condition C105.I below.

H. Meteorological Data

1. The Permittee shall measure and record the total daily precipitation at the Mill Site. The data shall be submitted with the semiannual monitoring reports specified in C105.I.

I. Reporting

1. The Permittee shall submit monitoring reports to NMED on a semi-annual schedule that contain all quarterly monitoring data and information collected pursuant to requirements of this Discharge Permit. Semi-annual reports are due by the last day of January and July of each year. Reports shall include:
 - a. A summary of all relevant activities at the facility during the preceding six months. These activities shall include without limitation operational activities, daily flow volumes, spills, maintenance, repairs, well drilling, water management, construction or demolition of structures, closure activities, ore and tailings analysis, and precipitation;

- b. A single table showing water quality data in columns and monitoring sites in rows, including a column showing the applicable water quality standard. Values exceeding applicable water quality standards under the WQCC Regulations in Subsection A of 20.6.2.3103 NMAC shall be shown in bold-faced type. Only those constituents analyzed and water levels measured during a single sampling event shall be included. Tabulated electrical conductivity shall include the measured field values. Monitoring sites shall be shown in rows. Any constituent not analyzed for a particular site shall be shown as "NA," any site not sampled shall be shown as "NS," and any site not measured for water levels shall be shown as "NM." Any such entry shall be accompanied by a note explaining why the site was not sampled, the constituent was not analyzed, or the water level was not measured. The table shall be submitted in electronic format (e.g., Microsoft Excel);
- c. Electronic copies of the signed laboratory analyses and laboratory QA/QC sheets; and
- d. Graphs displaying water quality and water level trends with the previous 3 years of data. Water quality graphs shall include trends for the following Mill Site Pond constituents: pH, conductivity, TDS, sulfate, manganese, Aluminum, Arsenic, Calcium, Chloride, Copper, Fluoride, Iron, Lead, Manganese, Potassium, Sodium and Total Kjeldahl Nitrogen (TKN).
- e. The results of the ASTM Method 2216 for tailing samples collected every 10,000 tons excavated and placed in the Dry Stack Tailings Unit.

C107 Contingency Plan

- A. If monitoring associated with liner system inspections indicates the integrity of a liner system is compromised, the Permittee shall notify NMED within 24 hours of the discovery. The Permittee shall submit to NMED for approval within 7 days of discovery a corrective action plan and schedule for implementation to repair or replace the liner. Repairs or replacement shall be conducted in accordance with the approved schedule. In the event an unauthorized discharge has occurred as a result of the liner failure the discharge shall be reported in accordance with D103.
 1. During a site visit conducted on July 24, 2025, NMED staff observed excessive vegetation and damage to liner systems within several mine units including the Decant Cell and Tailing Impoundment. The Permittee shall follow Condition C106.A and shall provide a corrective action plan to address these issues.
- B. If the Permittee discovers an increasing trend in the extent or magnitude of groundwater or surface water contamination, the Permittee shall notify NMED within 5 days of discovery. A confirmation sample must be collected within 15 days

of discovery of the increase. Within 60 days of confirmation of the increase in contamination, the Permittee shall submit to NMED for approval a corrective action plan and implementation schedule to address the exceedance. Upon NMED approval of the corrective action plan, the Permittee shall implement the approved corrective action plan in accordance with the implementation schedule. The Permittee may be required to submit an abatement plan, including an implementation schedule to address source control and abatement of the contamination in accordance with 20.6.2.4101 to 20.6.2.4115 NMAC.

- C. In the event that the required two (2) feet of freeboard cannot be maintained in an impoundment, the Permittee shall notify NMED verbally within 24 hours of the discovery. The Permittee shall take actions authorized by this Discharge Permit and all applicable local, state, and federal regulations to restore the required freeboard. In the event that the required freeboard cannot be restored within a period of 72 hours following discovery, the Permittee shall propose actions to be immediately implemented to restore the required freeboard by submitting a short-term Corrective Action Plan (CAP) to NMED for approval. The short-term corrective action plan shall include a description of the proposed actions to restore the required freeboard and an associated completion schedule. The Permittee shall implement the short-term CAP following approval by NMED. In the event that short-term corrective actions fail to restore the required freeboard, the Permittee shall propose permanent corrective actions in a long-term CAP submitted to NMED within 90 days following failure of the short-term CAP. The long-term corrective action plan shall include a description of the proposed actions to restore the required freeboard and an associated completion schedule. The Permittee shall implement the long-term CAP following approval by NMED. [Subsection A of 20.6.2.3107 NMAC]
- D. If NMED or the Permittee identifies any other failure of the discharge plan or system not specifically noted in this Discharge Permit that has the potential to impact water quality, NMED may require the Permittee to develop and submit to NMED for approval a contingency plan and schedules to address the failure.

C108 Closure Plan

- A. Closure of facilities regulated under this Discharge Permit shall be performed in accordance with the updated Banner Mill Closure/Closeout plan dated June 2021. Any changes to permitted units associated with DP-1651 may require adjustments to the closure plan and financial assurance.
- B. The Permittee shall perform long-term monitoring until NMED determines that long-term monitoring is no longer required. The financial assurance described in

C108 shall provide for a minimum of 12 years of long-term monitoring.

- C. Upon NMED approval that long-term monitoring is complete, the Permittee shall submit a schedule for abandonment of all appropriate monitoring wells. All monitoring wells shall be abandoned pursuant to NMED Monitoring Well Construction and Abandonment Guidelines and according to the regulations issued by the New Mexico Office of the State Engineer in 19.27.7 NMAC, unless an alternative completion is approved by NMED and the New Mexico Office of the State Engineer.

C109 Financial Assurance

- A. The Permittee shall maintain the existing and any revised joint financial assurance with NMED and the Mining and Minerals Division (MMD) of the New Mexico Energy, Minerals and Natural Resources Department in an amount sufficient to cover the cost of a third party in implement the NMED and MMD approved final closure plan. Financial assurance shall ensure that funds will be available to implement the closure plans if at any time the Permittee is unable, unwilling, or otherwise fails to implement closure of the facility. [20.6.2.3107.A.(11) NMAC]

C110 Recommencement of Mill Operations

- A. The Permittee shall provide a summary report on all recommencement activities necessary to return the facility back to operations. This report shall be submitted 30 days prior to the date of recommencing operations.

Part D GENERAL CONDITIONS

General Conditions issued by the Ground Water Quality Bureau required pursuant to 20.6.2 NMAC are listed below.

D100 Enforcement

- A. Any violation of the requirements and conditions of this Discharge Permit, including any failure to allow NMED staff to enter and inspect records or facilities, or any refusal or failure to provide NMED with records or information, may subject the Permittee to a civil enforcement action. Pursuant to the NMSA 1978, Section 74-6-10(A) and (B), such action may include a compliance order requiring compliance immediately or in a specified time, assessing a civil penalty, modifying or terminating the discharge permit, or any combination of the foregoing; or an action in district court seeking injunctive relief, civil penalties, or both. Pursuant to the

NMSA 1978, Section 74-6-10(C) and Section 74-6-10.1, civil penalties of up to \$15,000 per day of noncompliance may be assessed for each violation of the WQA, the WQCC Regulations, or this Discharge Permit, and civil penalties of up to \$10,000 per day of noncompliance may be assessed for each violation of any other provision of the WQA, or any regulation, standard, or order adopted pursuant to such other provision. [NMSA 1978, § 74-6-10; NMSA 1978, § 74-6-10.1]

- B. Pursuant to the NMSA 1978, Section 74-6-10.2(A-F), criminal penalties may be assessed for any person who knowingly violates or knowingly causes or allows another person to:
1. Make any false material statement, representation, certification or omission of material fact in an application, record, report, plan or other document filed, submitted or required to be maintained under the WQA;
 2. Falsify, tamper with or render inaccurate any monitoring device, method or record required to be maintained under the WQA; or
 3. Failure to monitor, sample or report as required by a permit issued pursuant to a state or federal law or regulation, in accordance with the provisions of NMSA 1978, Section 31-18-15.

D101 General Inspection and Entry Requirements

- A. Nothing in this Discharge Permit shall be construed as limiting in any way the inspection and entry authority of NMED under the WQA, the WQCC Regulations, or any other applicable law or regulation. [20.6.2.3107 NMAC, 74-6-9(B) & (E) WQA]
- B. The Permittee shall allow the Secretary or an authorized representative, upon presentation of credentials, to: [20.6.2.4107 NMAC, 74-6-9(B) & (E) WQA]:
1. Enter at regular business hours or at other reasonable times upon the Permittee's premises or other location where records must be kept under the conditions of this Discharge Permit, or under any federal or WQCC regulation.
 2. Inspect and copy, during regular business hours or at other reasonable times, records required to be kept under the conditions of this Discharge Permit or under any federal or WQCC regulation.
 3. Inspect, at regular business hours or at other reasonable times, any facility, equipment (including monitoring and control equipment for treatment works), practices or operations regulated or required under this Discharge Permit, or

under any Federal or WQCC regulations.

4. Sample or monitor, at reasonable times for the purpose of assuring compliance with this Discharge Permit or as otherwise authorized by the WQA, any effluent, water contaminant, or receiving water at any location before or after discharge.

D102 General Record Keeping and Reporting Requirements

- A. The Permittee shall retain written records at the mill facility of all data and information related to field measurements, sampling, and analysis conducted pursuant to Section 20.6.7.37 NMAC.
- B. The Permittee shall furnish to NMED, within a reasonable time, any documents or other information which it may request to determine whether cause exists for modifying, termination and/or renewing this Discharge Permit or to determine compliance with this Discharge Permit. The Permitted shall also furnish to NMED, upon request, copies of documents required to be kept by this Discharge Permit.
- C. The Permittee shall retain written records at the mill facility of all data and information on monitoring of groundwater, surface water, seepage, and meteorological conditions pursuant to this Discharge Permit including the following:
 1. The dates, exact place and times of sampling or field measurement;
 2. The name and job title of the individual who performed each sample collection or field measurement;
 3. The date and analysis of each sample;
 4. The name and address of the laboratory and the name and job title of the person that performed the analysis of each sample;
 5. The analytical technique or method used to analyze each sample or take each field measurement;
 6. The results of each analysis or field measurement, including the raw data;

D103 Reporting Requirements for Unauthorized Discharges

- A. In the event of a spill or release that is not authorized under this Discharge Permit, the Permittee shall initiate the notification and corrective actions as required in 20.6.2.1203 NMAC. The Permittee shall take immediate corrective action to contain and remove or mitigate any damage caused by the discharge. Within 24 hours after

discovery of the discharge, the Permittee shall verbally notify NMED and provide the information required by Paragraph (1) of Subsection A of 20.6.2.1203 NMAC. Within 7 days of discovering the discharge reportable under 20.6.2.1203 NMAC, the Permittee shall submit a written report to NMED verifying the oral notification and providing any additional information or changes. The Permittee shall submit a corrective action report within 15 days after discovery of the discharge. [20.6.2.1203 NMAC]

- B. As part of the 24-hour spill notification requirements, the Permittee shall submit a figure to NMED, if required by NMED following the initial notification, by the end of the next business day that clearly displays the location (or locations) of the spill and identifies nearby mill units and/or location information in latitude/longitude coordinates in decimal degrees (XX.XXXXXX and XXX.XXXXXX, respectively), using a specified datum of WGS 84. Submittal of location information in Universal Transverse Mercator (UTM format is also acceptable.

D104 General Sampling and Analytical Methods

- A. Unless otherwise specified by this Discharge Permit, or approved in writing by NMED, the Permittee shall use sampling and analytical techniques that conform with the references listed in Subsection B of 20.6.2.3107 NMAC. [20.6.2.3107.B NMAC]

D105 Monitoring Well Abandonment and General Conditions

- A. The Permittee shall submit an amendment or modification to this Discharge Permit at least 30 days prior to the anticipated destruction or removal of any monitoring wells required under this Discharge Permit. After the Permittee receives NMED approval, monitoring well plugging and abandonment shall be completed in accordance with the document titled, *Ground Water Discharge Permit Monitoring Well Construction and Abandonment Conditions*, Revision 1.1, March 2011, or according to regulations issued by the Office of the State Engineer in Section 19.27.4 NMAC, unless an alternate method is approved by NMED. [20.6.2.3107 NMAC]
- B. The request required in D104.A shall include the following information:
 - 1. A scaled map showing the location of the monitoring well(s) and the facilities it is intended to monitor;
 - 2. The purpose for plugging and abandoning the monitoring well(s);
 - 3. Details, if available, on the monitoring well(s) including depth-to-water

elevation, top-of-casing elevation, construction and lithologic logs;

4. Recent groundwater chemistry results from the monitoring well(s);
5. Proposed replacement well(s), if applicable; and
6. The same details, as applicable, listed in Conditions D105.B.1, and D105.B.3 are required for the proposed replacement monitoring well(s). New replacement wells require monitoring well completion reports pursuant to Subsection K of 20.6.7.28 NMAC.

D106 Modifications and Amendments

- A. The Permittee shall notify and obtain approval from NMED of a proposed change to the facility or the facility's discharge that would result in a change in the volume discharged; the location of the discharge; or in the amount or character of water contaminants received, treated, or discharged by the facility, prior to implementing such changes. Such changes may require modification or amendment to this Discharge Permit, including payment of applicable fees as specified in Section 20.6.2.3107.C NMAC and 20.6.2.3109.E NMAC.
- B. The Permittee shall file plans and specifications with NMED for the construction of new wastewater system(s) and for any proposed changes to current wastewater system(s) that will change substantially the quantity or quality of the discharge from that system. The Permittee shall file plans and specifications prior to the commencement of construction. [20.6.2.1202 NMAC]
- C. Pursuant to Subsection E of 20.6.2.3109 NMAC, NMED reserves the right to require a discharge permit modification in the event NMED determines that the requirements of 20.6.2 NMAC are being or may be violated, or the standards of Section 20.6.2.3103 NMAC are being or may be violated. This may include a determination that structural controls and/or management practices approved under this Discharge Permit are not protective of groundwater quality, and that more stringent requirements are needed to protect groundwater quality. The Permittee may be required to abate water pollution.

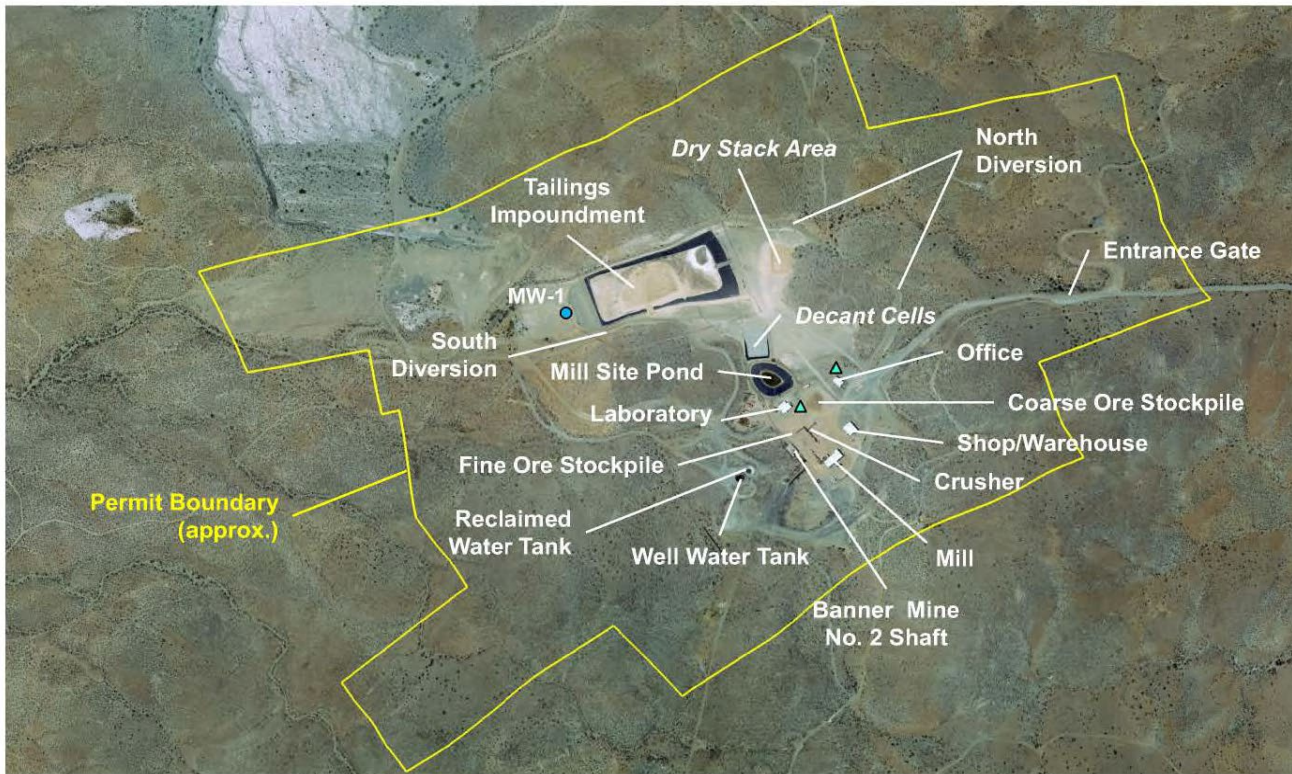
D107 Compliance with Other Laws

- D. Nothing in this Discharge Permit shall be construed in any way as relieving the Permittee of the obligation to comply with all applicable federal, state, and local laws, regulations, permits or orders. The Permittee does not waive any rights under such applicable Federal, State and Local Laws, regulations, permits, or orders except as expressly provided in this Discharge Permit. [20.6.2 NMAC] [NMSA1978, § 74-5-

5(K)]

draft

Figure 1 – Banner Mill Facility Layout



LEGEND

- Monitor Well
- ▲ Septic Tank

draft

Table 1 - Monitoring and Reporting Summary for DP-1651

Monitoring Report Schedule of Submittal (Subsection A of 20.6.2.3107 NMAC)						
Semi-Annual Monitoring Reports due by January 31 st and July 31 st						
Reporting Summary						
Annual Reporting Frequency	Number of Sites	Description				
2	7	All applicable requirements of Subsection A through D of 20.6.2.3107 NMAC)				
Monitoring Schedule						
Location	Name or ID	Sampling				Notes
		Q1	Q2	Q3	Q4	
Monitoring Well						
	MW#1	W, B, C	W, B, C	W, B, C	W, B, C	
	Banner Shaft #2	W, B, C	W, B, C	W, B, C	W, B, C	
Ponds						
	Decant Pond	B, C	B, C	B, C	B, C	
	Mill Site Pond	B, C, O, N	B, C, O, N	B, C, O, N	B, C, O, N	
Stormwater Outfalls						
	South Diversion	B, C	B, C	B, C	B, C	
	North Diversion	B, C	B, C	B, C	B, C	
	Upper Mill Site Diversion	B, C	B, C	B, C	B, C	
Seeps						
	Stockpiles & Tailings Impoundment, (if discovered)	B, C	B, C	B, C	B, C	
Sampling Analytical Suites:						
A = Field Parameters: pH, specific conductance						
B = Indicator Parameters: Suite A, Sulfate, total dissolved solids (TDS)						
C = Comprehensive inorganic suite: Al, As, Ca, Cd, Cl, Co, Cr, Cu, Ca, Cl, F, Fe, Pb, Mn, Na, K, Pb, Mn, Ni, Se, and Zn						
W= Depth-to-water measurement to the nearest 0.01 foot						
O= Total Petroleum Hydrocarbons (TPH)						
N= Nitrate as nitrogen, total Kjeldahl nitrogen (TKN), and chloride						
Explanation of Abbreviations and Symbols						
Sampling Quarters: Q1 = Jan – Mar Q2 = Apr – Jun Q3 = July – Sep Q4 = Oct - Dec			Sampling Analytes Suite C: alk-HCO ₃ = alkalinity-bicarbonate alk-CO ₃ = alkalinity-carbonate Cr = Chromium Ca = Calcium Mg = Magnesium Na = Sodium Co = Cobalt Cu = Copper Fe = Iron			

	K = Potassium F = Fluoride Cl = Chloride Al = Aluminum As = Arsenic Cd = Cadmium	Pb = Lead Mn = Manganese Ni = Nickel Se = Selenium Zn = Zinc
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Table 2 - Flow Volumes

<u>Flow Description</u>	<u>Site Description</u>	<u>Frequency</u>
Tailings Slurry to the Tailings Impoundment (GPW)	Tailings Impoundment Discharge Line ¹	Weekly
Water produced from the Banner Mine No. 2 Shaft (GPW)	Banner Shaft No. 2 Pump ¹	Weekly

¹Totalizing Flow Meter

Table 3 - Other Monitoring

<u>Measurement</u>	<u>Location</u>	<u>Frequency</u>
Tailings Discharge – Solid fraction for whole rock analysis & ABA	Tailings Impoundment Discharge Line	Quarterly
Surface Water Elevations ²	Mill Site Pond Surface and Tailings Pond Surface (AMSL)	Quarterly
Precipitation (inches per day)	Banner Mill Site	Daily
Acid Generation and Neutralizing Potential of Ore	Coarse Ore Stockpile	Prior to Processing Ore other than the Summit Mine

² Recorded at same time as water samples are collected