PART 3
MINIMAL IMPACT EXPLORATION OPERATION

PERMIT APPLICATION

Accompanying instructions for this permit application are available from MMD, and on MMD webpage:
http://www.emnrd.state.nm.us/MMD/MARP/MARPApplicationandReportingForms.htm

Send 6 copies of the completed application to:

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
Director
Mining and Minerals Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505
Telephone: (505) 476-3400
Webpage: www.emnrd.state.nm.us/MMD/index.htm

CHECK OFF LIST TO DETERMINE YOUR PROJECT'S STATUS AS A MINIMAL IMPACT EXPLORATION OPERATION:

☐ Yes ☐ No My project will exceed 1000 cubic yards of excavation, per permit (drill pads, mud pits, and roads will not be counted in excavated materials).

☐ Yes ☐ No Surface disturbances for constructed roads, drill pads and mud pits will exceed 5 acres total for my project.

☐ Yes ☐ No My project is located in or is expected to have a direct surface impact on wetlands, springs, perennial or intermittent streams, lakes, rivers reservoirs or riparian areas.

☐ Yes ☐ No My project is located in designated critical habitat areas as determined in accordance with the federal Endangered Species Act of 1973 or in areas determined by the Department of Game and Fish likely to result in an adverse impact on an endangered species designated in accordance with the Wildlife Conservation Act, Sections 17-2-37 through 17-2-46 NMSA 1978 or by the State Forestry Division for the Endangered Plants Act, section 75-6-1 NMSA 1978.
☐ Yes  □ No  My project is located in an area designated as Federal Wilderness Area, Wilderness Study Area, Area of Critical Environmental Concern, or an area within the National Wild and Scenic River System.

☐ Yes  □ No  My project is located in a known cemetery or other burial ground.

☐ Yes  □ No  My project is located in an area with cultural resources listed on either the National Register of Historic Places or the State Register of Cultural Properties.

☐ Yes  □ No  My project will or is expected to have a direct impact on ground water that has a total dissolved solids concentration of less than 10,000 mg/L, except exploratory drilling intersecting ground water may be performed as a minimal impact operation.

☐ Yes  □ No  My project is expected to use or using cyanide, mercury amalgam, heap leaching or dump leaching in its operations.

☐ Yes  □ No  My project is expected to result in point or non-point source surface or subsurface releases of acid or other toxic substances from the permit area.

☐ Yes  □ No  My project requires a variance from any part of the Mining Act Rules as part of the permit application.

If you answer yes to any of the above questions, your project does not qualify as a minimal impact exploration operation.

Confidential Information

☐ Yes  □ No  Is any of the information submitted in this application considered by the applicant to be confidential in nature? If yes, please provide this information separately and marked as "confidential."

Timeline

- Exploration applications must be provided no less than 45 days prior to the anticipated date of operations desired by the applicant.

- Renewal applications shall be filed at least 30 days preceding expiration of the current permit. Permits are valid for one year.

- Approved permit is valid for one year from the date of approval.
SECTION 1 – OPERATOR INFORMATION (§304.D.1)

Project Name: Porter Ranch

Nearest Town To Project: Grants, NM

Applicant Name and Contact Information (entity obligated under the Mining Act):

Name: Quinto Real Capital Corporation (c/o Michael Curtis)
Address: 777, Rue de la Commune Ouest, Suite 100
Montreal, QC H3C 1Y1 CANADA

Office Phone: 524 303 7895        Cell Phone: ________________
Fax Number: ______________________ Email: mcurtis@nevadoresources.com

Name of On-Site Contact, Representative, or Consultant:

Name: John Key, Consultant
Address: 1178 Chisholm Trail, Gardnerville, NV 89460

Office Phone: 775-265-5314        Cell Phone: 775-315-4828
Fax Number: 775-265-5314          Email: miner12344@gmail.com

Alternate On-Site Contact is the Ranch Owner: Mr. Butch Porter. Telephone: 505-290-7160
SECTION 2 – RIGHT TO ENTER INFORMATION (§302.D.1)

A. Describe or attach copies of documents that give the applicant the right to enter the property to conduct the exploration and reclamation, include: lease agreements, access agreements, right of way agreements, surface owner agreements, and claim numbers, if applicable.

See Attached Document: “Letter of Intent for Option Agreement for Mineral Lease”

Attachment A

B. List the names and addresses of surface and mineral ownership within the proposed permit area. If the mineral is federal mineral, indicate as federal mineral, but provide the name of the claim holder or lease holder.

Surface Estate Owner(s):

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Phone #</th>
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<tr>
<td>☐ U.S. BLM</td>
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<tr>
<td>☐ U.S. Forest Service</td>
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<td>☐ State of NM</td>
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<tr>
<td>☐ Private/Corporate</td>
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<tr>
<td>Name: Diamond M Ranch LLC</td>
<td>9500 Ice Caves Road, Grants, NM</td>
<td>505 290-7160</td>
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<tr>
<td>☐ Other</td>
<td></td>
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<tr>
<td>Name:</td>
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</table>

Permit Application Revision Date: February 2012
Lease Holder(s) of Surface Estate (if applicable):

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<tr>
<th>Name</th>
<th>Address</th>
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Mineral Estate Owner(s):

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<th>Name</th>
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</table>

- Bureau of Land Management
- US Forest Service
- State of NM
- Claim/Lease Holder

9500 Ice Caves Road, Grants, NM  505 290-7160
Name: Porter Precious Metals LLC
Claim Numbers: Not Applicable – Private Land

☐ Other

Permit Application Revision Date: February 2012
Name: __________________________________________

C. Has a Cultural Resource Survey been performed on the site?

☐ Yes  ☐ No  If yes, please provide the author, title, date and report number, and include a copy of the survey with this application, if possible:

__________________________________________________________________________

Attachment ________

D. Has a wildlife survey or vegetation survey been performed for the permit area?

☐ Yes  ☐ No  If yes, please provide the author, title, date and report number, and include a copy of the survey with this application, if possible:

__________________________________________________________________________

__________________________________________________________________________

Attachment ________
A. Project Location: ~15 mi. South of Grants, NM along Hwy 53; "Arosa Ranch" Quadrangle

<table>
<thead>
<tr>
<th>Township</th>
<th>Range</th>
<th>Section</th>
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<tr>
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<td>11W</td>
<td>10</td>
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List the drill hole/exploration name and the GPS coordinates for each site.

<table>
<thead>
<tr>
<th>I.D. Number</th>
<th>Northing / Latitude</th>
<th>Easting / Longitude</th>
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<tbody>
<tr>
<td>11-1</td>
<td>3870500mN</td>
<td>13S 0228167mE</td>
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<tr>
<td>11-2</td>
<td>3870499mN</td>
<td>13S 0228166mE</td>
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<td>11-3</td>
<td>3870500mN</td>
<td>13S 0228167mE</td>
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<tr>
<td>11-4</td>
<td>3870495mN</td>
<td>13S 0228159mE</td>
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<td>11-5</td>
<td>3870493mN</td>
<td>13S 0228160mE</td>
</tr>
<tr>
<td>18-1</td>
<td>3870120mN</td>
<td>13S 0227963mE</td>
</tr>
<tr>
<td>20-1</td>
<td>3870267mN</td>
<td>13S 0228022mE</td>
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</table>

Coordinate system used to collect GPS data points: UTM UPS NAD83

- NAD83 Geographic
- NAD83 UTM Zone 13 (or 12)
- WGS 1984
- NAD27 Geographic
- NAD27 UTM Zone 13 (or 12)
- Other:__________________________

Attachment _______ (for listing additional boreholes)
B. Maps (see application form instructions for examples of maps to be included):

Are topographic maps included with the application that show the following items:

☐ Yes – The boundary of the proposed exploration project Permit Area
☐ Yes – The proposed exploration locations (i.e., borehole locations)
☐ Yes – Existing roads, new roads and overland travel routes
☐ Yes ☐ N/A – Areas of proposed road improvement

Attachments ______ B _______

Are maps or figures included with the application showing the approximate dimensions and locations of drill pads and other disturbances:

☐ Yes – Drill pad dimensions and constructed drill pad locations

Attachments ______ B _______

C. Provide detailed driving directions to access the site: ___ Take Exit 81 off of Interstate 40 near Grants, NM. Turn South/West onto State Highway #53. Proceed on highway 53 for 17.5 miles to Cibola County Road #44. (The Porter Ranch mailbox is labeled at the junction of these 2 roads.) Turn left onto County Road #44 and proceed 1.2 miles to the Ranch Gate. County Road #44 dead-ends at the ranch gate. A local guide familiar with the ranch will be required to navigate from the main gate to the drilling sites as there are a number of livestock gates that must be negotiated and the route to the drilling sites is circuitous.
**SECTION 4 – EXPLORATION DESCRIPTION (§302.D.3 & 4)**

A. Anticipated exploration: Start Date: **1 August 2014**  
   End Date: **31 August 2014**

B. List the mineral(s)/element(s) to be explored for: **Platinum and Palladium**

C. Proposed method(s) of exploration: Core Drilling

☐ **Air drilling (air rotary, coring, etc.):**

   - # of holes
   - Depth (ft.)
   - Diameter (in.)

   - # of drill pads
   - Length (ft.)
   - Width (ft.)

Will drill pads be graded/bladed or overland: ☐ Graded/bladed  ☐ Overland

Will drill pads need some mechanical leveling (grading/blading): ☐ Yes  ☐ No

Approx. Weight of Drill Rig (lbs.):______________  Number of Axles: _________

Total length of drill stem that can be carried on the rig:_____________________

Is a support pipe truck anticipated? ☐ Yes  ☐ No  __________Weight (lbs.)

Weight of support compressor (lbs.):_________  Trailer mounted?_____________

Anticipated Drilling Contractor:________________________  License No._________

☐ **Mud/fluid drilling:**

   - # of holes
   - Depth (ft.)
   - Diameter (in.)

   - # of drill pads
   - Length (ft.)
   - Width (ft.)

Will drill pads be graded/bladed or overland: ☐ Graded/bladed  ☐ Overland

Will drill pads need some mechanical leveling (grading/blading): ☐ Yes  ☐ No

Will a closed loop system be used or will mud/fluid pits be used? **Mud pit**
If mud/fluid pits are proposed: These will be located on the drill pad.

3 # of pits  10 Length (ft.)  3 Width (ft.)  3 Depth (ft.)

Anticipated excavating equipment: Back-hoe

How will excavating equipment be transported to the site (i.e., driven, low-boy, etc.):

It is already at the site, property owner's equipment

Will mud pits be lined?: □ Yes □ No

If yes, proposed material to line the mud pits: Plastic

Approx. Weight of Drill Rig (lbs.) 9500  Number of Axles: NA

Anticipated Drilling Contractor: Brown Drilling  License No. NM-WD-1660

☐ Test pits / exploratory trenches:

# of pits  Length (ft.)  Width (ft.)  Depth (ft.)

Anticipated excavating equipment:

How will excavating equipment be transported to the site (i.e., driven, low-boy, etc.):

☐ Other methods of exploration (i.e., cuts, shafts, tunnels, adits, declines, blasting, etc.). Indicate method and details:

TOTAL ACREAGE TO BE DISTURBED DUE TO DRILL PADS = 0.2 acres
(to convert to acres, multiply total square footage of drill pads by 0.0000229)
D. Disposal of drill cuttings

If this exploration project is for uranium or other radioactive elements/minerals, applicant agrees to perform a gamma radiation survey at each drill site prior to, and after, exploration activities. Applicant/Owner/Operator agrees to restore gamma radiation levels at each drill site to pre-exploration levels.  □ Yes  □ No  □ N/A

Will excess drill cuttings be buried at each drill site location or within a single disposal pit?

N/A – Entire drill core will be preserved and hauled off-site. Drill mud will be dried in the plastic-lined ponds and hauled away by the contractor.

□ At each drill pad location  □ Within a single disposal pit

If a single disposal pit is proposed, please provide the following:

Description or GPS coordinates of the proposed cuttings disposal pit location:

________________________________________

________________________________________

Dimensions of the single proposed cuttings disposal pit (length, width, and depth):

_____________ Length (ft.)  ____________ Width (ft.)  ____________ Depth (ft.)

TOTAL ACREAGE TO BE DISTURBED DUE TO DISPOSAL PIT = 0 acres
(to convert to acres, multiply total square footage of disposal pit by 0.0000229)

E. Other Supporting Equipment (check all that apply):

□ 4x4 Trucks/Vehicles  Quantity:

□ Water Truck  Weight (lbs.): 30,000

□ Geophysical Truck  Weight (lbs.): 

□ Pipe Truck (rig support)  Weight (lbs.): 

□ Bulldozer  Type: 

□ Backhoe  Type: 

□ Trackhoe  Type: 

□ Scaper/Grader  Type: 

□ Trailers  Quantity/Type: 1, 2-Axle Trailer appr. 25 ft long

□ Portable Toilet  Quantity: 1

□ Other  List: Track-mounted core drill

Permit Application Revision Date: February 2012
F. Roads and Overland Travel:

List of new roads to be constructed for this exploration project: N/A

<table>
<thead>
<tr>
<th>Description of NEW Roads</th>
<th>Length (ft.)</th>
<th>Width (ft.)</th>
<th>Total Acres (length x width x 0.0000229)</th>
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TOTAL ACRES DISTURBED BY NEW ROAD CONSTRUCTION:

Describe how new roads will be constructed:

________________________________________________________________________

List for extension or widening of existing roads: N/A

<table>
<thead>
<tr>
<th>Description of Modification to EXISTING Roads</th>
<th>Length (ft.)</th>
<th>Width (ft.)</th>
<th>Total Acres (length x width x 0.0000229)</th>
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TOTAL ACRES DISTURBED BY ROAD IMPROVEMENTS:

Describe how existing roads will be extended or widened:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Permit Application Revision Date: February 2012
List for routes of overland travel: Existing 2-track road will be used. It will not be widened, improved, or otherwise disturbed.

<table>
<thead>
<tr>
<th>Description of OVERLAND TRAVEL Routes</th>
<th>Length (ft.)</th>
<th>Width (ft.)</th>
<th>Total Acres (length x width x 0.0000229)</th>
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TOTAL ACRES DISTURBED BY OVERLAND TRAVEL:

G. Support Facilities

Describe (location and size) any support facility disturbances (equipment staging, equipment and material storage and/or lay down areas, vehicle parking, temporary housing and/or trailers) to be created or situated on the site during exploration operations.

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

H. TOTAL ACREAGE TO BE DISTURBED BY PROJECT = 0.2 acres

(include all disturbed acreage from drill pads, cuttings disposal pit, new roads, improved roads and overland travel routes)
### Section 5 – Chemical Use (§302.D.4)

#### A. Check any and all chemicals that will be used for this project.

<table>
<thead>
<tr>
<th>Chemical Type</th>
<th>Type/Quantity</th>
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<tbody>
<tr>
<td>Drilling Mud (i.e., EZ Mud)</td>
<td>EZ Mud, 0.5 gallons/hole</td>
</tr>
<tr>
<td>Diesel Fuel</td>
<td>Quantity: 50 gallons/day for 5 days</td>
</tr>
<tr>
<td>Down-hole Lubricants</td>
<td></td>
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<tr>
<td>Lost Circulation Materials</td>
<td></td>
</tr>
<tr>
<td>Oils/Grease</td>
<td>Quantity: No additions anticipated, but replacement quantities will be available on-site</td>
</tr>
<tr>
<td>Gasoline</td>
<td>Quantity: 3 gallons/day for 5 days</td>
</tr>
<tr>
<td>Hydraulic Fluid</td>
<td>Quantity: 10 gallons will be stored on site in case it is needed. Need is not anticipated.</td>
</tr>
<tr>
<td>Ethylene Glycol</td>
<td></td>
</tr>
<tr>
<td>Cement</td>
<td>Type/Quantity: 14, 94-lb bags</td>
</tr>
<tr>
<td>Water</td>
<td>Source: Ranch Well</td>
</tr>
<tr>
<td>Bentonite</td>
<td>Quantity: 9, 50-lb bags</td>
</tr>
<tr>
<td>Fertilizer</td>
<td>Type/Quantity:</td>
</tr>
<tr>
<td>Other</td>
<td>Type/Quantity:</td>
</tr>
</tbody>
</table>

#### B. Describe, in detail, a plan for the containment, use and disposal of all chemicals listed above:

Drilling mud will be settled in a small plastic-lined pit installed on the drill pad; after it has settled and evaporated it will be hauled off-site. Fuels will be on trailer in barrels. The other chemicals will be held in their original packaging until needed/used.

#### C. Describe where equipment fueling/refueling will occur:

Drill Pad
D. Describe how hazardous material spills/leaks will be handled:

Spill response kits will be provided by the driller and will be available on-site throughout the drilling operations.

E. Identify spill cleanup materials that will be kept on-site (check all that apply):

- Bentonite clay or cat litter
- Adsorbent pads, rolls, mats, socks, pillows, dikes, etc.
- Drum or barrel for containing contaminated soil/adsorbent materials
- Other/list: _______________________________________________________________________
- Other/list: _______________________________________________________________________
- Other/list: _______________________________________________________________________

F. Applicant/owner/representative agrees to immediately notify the State of New Mexico immediately of any spills of hazardous materials (see page 1 of this application for phone numbers to notify):  [ ] Yes  [ ] No
SECTION 6 – GROUNDWATER/SURFACE WATER INFORMATION
(§302.D.5)

A. Provide an estimate of depth to ground water and the total dissolved solids (TDS) concentration.

Depth to groundwater (ft.): 230 TDS concentration (mg/L): low

Describe the source of this information: Ranch owner interview re: depth of domestic well and clarity of the well water. Depth to water confirmed with State Records search (See Attachment C).

B. Will dewatering activities be conducted: ☐ Yes ☐ No

If yes, please describe:______________________________

______________________________

______________________________

C. Is groundwater anticipated to be encountered during exploration: ☐ Yes ☐ No

If YES:

Have you completed Form WR-07 (Application for permit to drill a well with no consumptive use of water) and mailed it to the District Office of the State Engineer? ☐ Yes

Have you completed Form WD-08 (Well plugging plan of operations) and mailed it to the District Office of the State Engineer? ☐ Yes

Attachment ________________ (copies of the completed WR-07 and WD-08 forms)

D. Exploration Borehole Abandonment

Dry Boreholes

☐ Dry hole abandonment (option 1): 100% bentonite pellets/chips (i.e. HOLEPLUG® manufactured by Baroid Industrial Products), dropped from surface then hydrated in
place according to the manufacturer’s recommendations, emplaced from total depth to within 12 feet of the original ground surface, followed by 10 feet of neat cement, followed by 2 feet of topsoil/topdressing.

☐ **Dry hole abandonment (option 2):** Neat cement slurry, mixed according to the manufacturer’s recommendations, emplaced with a tremie pipe from total depth to within 2 feet of the original ground surface, followed by 2 feet of topsoil/topdressing.

☐ **Dry hole abandonment (option 3):** Cement + 6% bentonite slurry, mixed according to the manufacturer’s recommendations, emplaced with a tremie pipe from total depth to within 2 feet of the original ground surface, followed by 2 feet of topsoil/topdressing.

☐ **Dry hole abandonment (option 4):** High-density bentonite clay (≥ 20% active solids; i.e. QUIK-GROUT® manufactured by Baroid Industrial Products), mixed according to the manufacturer’s recommendations, emplaced with a tremie pipe from total depth to within 12 feet of the original ground surface, followed by 10 feet of neat cement, followed by 2 feet of topsoil/topdressing.

☐ **Dry hole abandonment (option 5):** Other materials / describe and justify use:

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**Wet Boreholes**

☐ **Wet hole abandonment (option 1):** Neat cement slurry, mixed according to the manufacturer’s recommendations, emplaced with a tremie pipe from total depth to within 2 feet of the original ground surface, followed by 2 feet of topsoil/topdressing.

☐ **Wet hole abandonment (option 2):** High-density bentonite clay (≥ 20% active solids; i.e. QUIK-GROUT® manufactured by Baroid Industrial Products), mixed according to the manufacturer’s recommendations, emplaced with a tremie pipe from total depth to within 12 feet of the original ground surface, followed by 10 feet of neat cement, followed by 2 feet of topsoil/topdressing.

☐ **Wet hole abandonment (option 3):** Other sealing material approved by the Office of the State Engineer. Describe and include well plugging plan approval by the State Engineer:

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Permit Application Revision Date: February 2012
D. Applicant agrees to contain any water produced from the exploration borehole at the drill site and acknowledges that discharge of this water to a watercourse may be a violation of the Federal Clean Water Act: □ Yes □ No

E. Is any drilling proposed to occur within the channel of any perennial, intermittent, or ephemeral streams? □ Yes □ No

F. Is any drilling anticipated to occur within 100 feet of any perennial, intermittent, or ephemeral streams? □ Yes □ No
SECTION 7 – RECLAMATION & OPERATION PLAN
(§302.D.6 AND 302.I.K)

A. Salvage/Preservation of Topsoil

Before any grading/blading or similar activities occur in relation to this project, operator agrees to salvage and preserve all topsoil and topdressing for use in future reclamation of this project □ Yes □ No  N/A – The project area is bare rock in many places. Soil cover is virtually non-existent in the project area (see Attachment D).

Describe how topsoil will be salvaged prior to initiation of exploration activities (check all that apply):

 ■ N/A – no construction work will occur, therefore no soil salvage is needed.
 ■ Excavated from drill pads and stored at each drill pad
 ■ Excavated from road improvements/construction and stored adjacent to road
 ■ Excavated from mud/fluid pits and storage at each pit
 ■ Other, describe: ________________________________________________________________

B. Erosion Control

Describe the best management practices that will be implemented to control erosion:

 ■ Silt fencing  Location: __________________________________________________________
 ■ Straw waddles  Location: _______________________________________________________
 ■ Straw bales  Location: _________________________________________________________
 ■ Ditches/swales  Location: ______________________________________________________
 ■ Berms/dikes/dams  Location: ____________________________________________________
 ■ Sediment basins  Location: _____________________________________________________
 ■ Other or N/A  Type/Location: ___________________________________________________

Permit Application Revision Date: February 2012
C. Wildlife Protection / Noxious Weed Prevention

Will the perimeter of drill pits be fenced to prevent wildlife entrapment? □ Yes □ No

Proposed pit perimeter fence material: ____________________________________________

Describe how the pit perimeter fencing will be installed and secured (i.e., T-posts, wooden stakes, etc.):

It is not possible to install T-posts or wooden stakes in the lava rock at the site, so sand bags will be used for the perimeter of the small, above-ground pit that will be installed to contain and evaporate the drill mud.

Will at least one side of the interior of the drill pits be sloped at 3:1 as a ramp for wildlife escape? □ Yes □ No N/A – the drill holes will be plugged. There will not be any drill pits.

If No, will another type of constructed escape ramp be installed? Describe:

________________________________________

________________________________________

Applicant/Owner/Operator commits to pressure-washing or steam-clean all equipment prior to entering the permit area: □ Yes □ No

D. Reclamation Details

Describe in general how re-contouring or re-establishment of the surface topography will be restored:

________________________________________

________________________________________

Surface topography will not be changed, therefore restoration should not be needed.
Describe how the reclamation of portals, adits, drilling fluid/mud and/or waste pits, shafts, ponds, roads and other disturbances will be performed:

Drilling mud will be dried in the settling pit and then hauled off-site at the end of the exploration program.

Is seeding of the reclaimed areas proposed: □ Yes   ■ No
If no, provide a justification as to why no revegetation is needed:
The majority of the project area is bare rock. Previous drilling was conducted in the project area in 2008, and the plant community has become re-established naturally (Attachment D). Natural regeneration of the herbaceous plants will occur within a short time. No trees will be cut for this drilling program.

Plant mix to be used in the re-establishment of vegetation:

□ US Forest Service specified mix applied through broadcast at their recommended rate
□ BLM specified mix applied through broadcast at their recommended rate
□ Other:

<table>
<thead>
<tr>
<th>Plant Name</th>
<th>Seeding Rate (lbs./acre)</th>
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Broadcast applied or drill-seeded: □ Broadcast   □ Drill-seeded
Scarification Methods (check all that apply):

☐ Primary tillage to greater than 6-inches depth of all constructed drill pads and roads
☐ Secondary tillage of all constructed drill pads and roads, and/or overland travel routes
☐ Chain drag or tire drag over seeds in areas used for overland travel
☐ Light raking of soil over seeds in areas used for overland travel
☐ None
☐ Other/describe: ________________________________________________________________

Mulch Use:

☐ Certified weed-free straw mulch will be placed over areas that have been tilled/disced or ripped at a rate of 2 tons per acre, and will be crimped in place
☐ No mulch is proposed

E. Reclamation Timeline

Applicant/Owner/Operator commits to reclamation of the disturbed area as soon as possible following the completion or abandonment of the exploration operation, unless the disturbed area is included within a complete permit application for a new mining permit:

☐ Yes    ☐ No

Anticipated Start of Reclamation:

☐ 0-30 days after completion of drilling
☐ 31-60 days after completion of drilling
☐ Other/specific: ________________________________________________________________
SECTION 8 – PERMIT FEES AND FINANCIAL ASSURANCE
(§302.1.2 AND 5)

A. Financial assurance must be posted with Mining and Minerals Division prior to approval of this application. The acceptable forms of financial assurance are surety bonds, letters of credit, and certificates of deposit. Provide an estimate of, and an instrument for, the proposed financial assurance required by Subpart 3.

☐ Surety Bond
☐ Letter of Credit
☐ Cash Account / Certificate of Deposit

☐ Estimated amount of financial assurance: $1592.50. See Attachment E

Or

☐ Applicant will provide the amount of financial assurance calculated by MMD.

B. Attach the permit fees as determined pursuant to Subpart 2. The application fee for a minimal impact exploration permit is $500.00.

☐ Money Order/Cashier’s Check
☐ Check

Check Number: 0749501212

Financial Institution: Bank of America
I certify that I have personally examined and am familiar with the information submitted herein, and based on my inquiry of those individuals responsible for obtaining the information; I believe the submitted information is true, accurate, and complete. I agree to comply with the reclamation requirements set forth in this permit application and related correspondence, the New Mexico Mining Act and the Rules. Further, I certify that I am not in violation of any other obligation under the New Mexico Mining Act or the Rules adopted pursuant to that Act and I allow the Director to enter the permit area, without delay, for the purposes of conducting inspections during exploration and reclamation.

Signature of Permittee or Authorized Agent: [Signature]

Name (type or print): Michael Curtis

Title/Position: President

Date: June 20th, 2014
Attachment A

Letter of Intent for Option Agreement for Mineral Lease
LETTER OF INTENT FOR OPTION AGREEMENT FOR MINERAL LEASE

HEADS OF AGREEMENT

Parties:

- **Grantor/Lessor**: Porter Precious Metals, I.L.C ("Porter metals"), a New Mexico limited liability company which owns the mineral rights to the Premises and Porter Diamond M Ranch, LLC ("Porter Diamond"), a New Mexico limited liability company, owner of the surface.
- **Grantee/Lessee**: Quinto Real Capital Corporation or any of its subsidiaries, as determined in its sole discretion by Quinto Real Capital Corporation ("Quinto")

Premises:

- Porter Ranch located in Cibola County, NM. to be more particularly described in the Option Agreement (hereinafter defined) and Mining Lease (hereinafter defined).

Agreement Objectives:

1. Signing of this letter of intent ("LOI") to allow Quinto, for an exclusive period of up to nine months, to obtain the necessary drilling permits and to do initial drilling and assaying on the Premises in order to enter into an exclusive option to lease the Premises with Porter Metals and Porter Diamond given initial results that are satisfactory to Grantee (the "Option Agreement").
2. Following the Term of the LOI (hereinafter defined), the signing of the Option Agreement with sufficient allowed time for drill permitting, drilling, metallurgical testing as part of a due diligence process to ensure the existence of sufficient extractable resources for commercial production.
3. Once sufficient mineralization is confirmed and within 9 months of the signing of the Option Agreement, exercise of the option to lease (the "Option") and signing of an exclusive lease to continue exploring, drilling and performing economic analyses with a goal to produce and market minerals on the Premises (the "Mining Lease").

Reporting and Information on the Premises:

- Grantee shall provide a report to Grantor respectively at the Term of the LOI (hereinafter defined) and at the Term of the Option (hereinafter defined) as to the status of permitting, drilling and assaying and any technological work and developments pertaining to the recovery of the metals. Grantee shall deliver to Grantor within 60 days of receipt by Grantee, copies of all reports and studies performed by Grantee and/or its consultants.
- Subsequent to the exercise of the Option, Grantee shall provide annual reports to Grantor as to the status of permitting, drilling and assaying and any technological work and developments pertaining to the recovery of the metals.
- Upon signing of this LOI, Grantor consents to provide Grantee with access to all information and documents relating to the Premises.

Grant of Option Agreement for Mining Lease:

- At any time up to the end of the Term of the Option (as defined below), Grantee has the right to exercise its exclusive right to lease all mineral rights and their exploitation on the Premises, subject to terms of the Option Agreement and the Mining Lease which, in the normal course of business, shall be negotiated in good faith by the parties and in accordance with industry standards.
- The Mining Lease will be agreed to and attached to the signed Option Agreement.
Terms.

- Term of this LOI shall be up to 9 months from its signing by all parties ("Term of the LOI").
- Term of the Option begins at the signing of the Option Agreement and continues for 9 months (the "Term of the Option"). The Term of the Option shall not exceed 9 months without Grantor's approval for good cause demonstrated by Grantee.
- Term of Mining Lease will be 8 years from the exercise of the Option.
- During the course of the Mining Lease, if Lessee conducts Mining Operations as shall be defined in the Mining Lease, Lessee shall have a right of perpetual renewal conditional on continuous payment of royalties to Lessor at a minimum of Five Million US Dollars (US$5 Million) per year providing mining and smelting operations have processed a minimum of 105,000 tonnes over a 12 month period at an average grade of not less than 11 grams per tonne platinum equivalent at an average platinum equivalent price of not less than US $1400.00 per ounce as shall be set forth in the Mining Lease.

Payments to Grantor/Lessor

- **Option fee.** Upon the signing of the Option Agreement, Grantee shall pay US $50,000 Porter Metals as consideration to Grantor for granting the Option.
- **Annual Rent.** If the Option to enter into the Mining Lease is exercised, Lessee shall pay Porter Metals rent in the amount of US $100,000 per year during the lease term. The first rent payment shall be due upon exercise of the Option and on the anniversary of that date during the term of the Mining Lease. Rent shall be increased annually on the anniversary date of the exercise of the Option in proportion to the increase in the Index (hereinafter defined) which has occurred during the immediately previous lease year. Notwithstanding any increase or decrease in the Index during any lease year, the rent shall be increased a minimum of two percent (2%) over the rent of the immediately previous lease year. The term "Index" shall mean the United States Department of Labor Producer Price Index for Gold Ore Mining, code 212221 (1982 = 100). The Index shall not be seasonally adjusted.
- **Royalty.**
  - During the "Initial Production Period" (hereinafter defined) Lessee shall pay Porter Metals a royalty equal to 5% of "Net Smelter Returns" (hereinafter defined). The Initial Production Period shall begin upon the commencement of Mining Operations (as that term is defined in the Mining Lease) and shall end upon the first to occur of (i) Lessor’s recoupment of its capital expenditures for construction and equipping the mine, or (ii) the third (3rd) anniversary of the commencement of Mining Operations.
  - After the Initial Production Period, Lessee shall pay Porter Metals a royalty in perpetuity equal to 12.5% of Net Smelter Returns.
  - The royalty will be calculated and paid quarterly within 45 days after the end of each calendar quarter in respect of Net Smelter Returns earned and received during the quarter. "Net Smelter Returns" will mean the net proceeds from gold, platinum and other metals extracted from the Premises, whether as a refined metal, ore, concentrate, doré or any other form (the "Precious Metals") produced from the Premises or from tailings or waste from the Premises. It will be based on the revenue earned and received by Lessee from the sale to any mint, smelter, refinery or other purchaser of Precious Metals or proceeds received from an insurer in respect of Precious Metals contained in any ores and/or concentrates from the Premises, after deducting from such proceeds the following charges to the extent that they were not deducted by the purchaser in computing payments:
(a) smelting and refining charges;
(b) penalties, smelter assay costs and umpire assay costs;
(c) cost of freight and handling of ores, metals or concentrates from the Mineral Properties to any mint, smelter, refinery, or other purchaser if not sold f.o.b. the mine;
(d) marketing costs, not to exceed 2% of the net proceeds from Precious Metals less the aggregate of the costs under subsections (a) through (h) hereof;
(e) costs of insurance in respect of the transportation of the Precious Metals to the smelter or other processing facility;
(f) customs duties, severance tax, prior existing royalties, ad valorem or mineral taxes or the like and export and import taxes or tariffs payable in respect of Precious Metals but not income taxes;
(g) operating expenses including mining and processing costs to the extent they exceed 26% of gross revenues from the sale of Precious Metals; and
(h) amounts disbursed for land reclamation.

Each quarterly royalty payment will be accompanied by an unaudited statement indicating the royalty calculation in reasonable detail, and Lessee will provide on or before March 31 of each calendar year, an annual summary statement of the royalty calculation for the preceding calendar year that has been audited by a firm of chartered accountants in Canada, or a firm of certified public accountants in the U.S.

• Area of Influence. Lessor shall be entitled to royalties at the same rate from Net Smelter Returns produced by Lessee and/or Lessee’s affiliates from properties located within ten miles in all directions from the boundary lines of the Premises.

• All payments to Lessor shall be made in immediately available funds by wire transfer to such accounts as designated by Lessor.

Representations.

• Porter Metals, and Porter Diamond hereby warrant and represent, upon which warranty and representation Quinto has relied in the execution of this LOI and future related agreements, that Grantor is the only and true owner of the Premises and holder of all of the rights pursuant to the Premises, holds good and valid title, free and clear of all liens and encumbrances of any nature and with no obligation on its part to make any payments for the use of the Premises.

Right of first refusal.

At any time from the execution of this LOI, if Porter Metals and Porter Diamond desire to transfer by any means any of their respective rights pursuant to the Premises to any third party. Quinto shall have the preemptive right to acquire any such right in the Premises as follows:

• Upon receipt of any bona fide written offer, Porter Metals and Porter Diamond shall promptly notify Quinto of their intentions. The notice shall specifically identify the offer, shall state the consideration to be accepted for the offer, shall set all other pertinent terms and conditions of the offer, and shall be accompanied by a copy of the offer or contract for sale.

• Quinto shall have 60 days, from the date such notice is delivered, to notify Porter Metals and Porter Diamond whether it elects to acquire the said right pursuant to the Premises for the same consideration and on the same terms and conditions as set forth in the notice.

This document is binding and is an expression of the terms and conditions of the Option Agreement and Mining Lease and the execution of the same by all parties.

Page 3 of 5
This LOI may be signed in counterparts by the parties.

This LOI must be signed by all members of Porter Metals and Porter Diamond.

Signed this 17th day of May, 2014;

QUINTO REAL CAPITAL CORPORATION

Per: [Signature]
Michael Curtis, President and CEO

PORTER DIAMOND M RANCH, LLC

Per: [Signature]

PORTER PRECIOUS METALS, LLC

Per: [Signature]

Per: [Signature]

Per: [Signature]
Attachment B

Maps and Aerial Photos
Figure B-1. Site location and Proposed Project Permit Area (Map Source: Unpublished Report by Capstone Enterprises West, 2012)

Figure B-2. Permit Area topography, extent of basalt flow in the lease area, and location of 2008 samples (Map Source: Unpublished Report by Capstone Enterprises West, 2012).
Figure B-3. Topography of the Porter Ranch project area. (Map Source: store.usgs.gov)

Figure B-4. Aerial view of the Porter Ranch Project Area with proposed exploration drill holes identified (Aerial Image Source: GoogleEarth).
Figure B-5. Close-up of proposed drill holes at Site 11 (Aerial Image from GoogleEarth).

Figure B-6. Likely Overland Travel Route to the exploration area from County Road #44. No road improvement required. (Aerial Image from GoogleEarth).
Figure B-7. Typical Drill Pad Layout (not to scale). Settling Pond dimensions not likely to exceed 10' x 3' x 3'. Drill Pad dimensions expected to be no more than 50' x 50'.
Attachment C

Groundwater Results from State Database
(A CLW#### in the POD suffix indicates the POD has been replaced, & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed) (quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

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<th>POD Number</th>
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<tbody>
<tr>
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<td>227054 3870776</td>
<td>250</td>
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Average Depth to Water: --
Minimum Depth: --
Maximum Depth: --

Record Count: 1

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<td>Paria Bluewater Cibola</td>
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<table>
<thead>
<tr>
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<tbody>
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<td>Sheridan 10 08N 11W</td>
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Attachment D

Site Photographs
Attachment D – Site Photos

Figure 1. Typical ground surface at drill hole sites.

Figure 2. Two-track road at the drill sites that will also comprise part of the drill pads.
Figure 3. Tracked Drill Rig that will be used at the site.

Figure 4. Former Drill Site #20 (star) with natural revegetation six years later
Attachment E

Financial Assurance Calculations
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<th>Site Name</th>
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<th># Holes</th>
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<th>per foot Abandonment Cost</th>
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