STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

1313 Sherman St., Room 215 Denver, Colorado 80203 Phone: (303) 866-3567 FAX: (303) 832-8106

April 1, 2014

Craig Liukko Red Arrow Gold Corporation P.O. Box 531 Mancos, CO 81328



John W. Hickenlooper Governor

Mike King Executive Director

Loretta E. Pineda

Red Arrow Mine Drill 2, Permit P-2012-007, Annual Fee Invoice and Report Request

PLEASE READ CAREFULLY – ACTION REQUIRED Please attach your COMPLETED written Annual Report and Annual Report Map to this form

Under the terms of your NOI and Colorado Statutes, you must submit Annual Fees and Annual Reports (including a map). You must pay the Annual Fee and submit an Annual Report each year until reclamation responsibility release is granted. The Annual Fee is not a renewal fee. The Fee and Report are for LAST YEAR'S exploration and reclamation season, and MUST be paid even if your operation was inactive.

The Annual Report and Fee requirement will be considered submitted when we have received the following components:

- 1. ANNUAL FEE (\$86)
- 2. COMPLETED ANNUAL REPORT
- 3. ASSOCIATED MAP as required by rule

If you have requested reclamation responsibility release from the Division of Reclamation, Mining and Safety ("Division") but your permit is not released by the anniversary date listed below, the Annual Fee MUST be paid. If the permit is released before the anniversary date, then by Statute, it is not necessary to pay an Annual Fee or submit an Annual Report for that year. Division records indicate the \$86.00 fee is due for the following NOI(s) on or before the Anniversary Date:

Permit: P-2012-007

Operation Name: Red Arrow Mine Drill 2

Anniversary Date: May 17, 2014

Return the enclosed <u>Annual Report FORM</u>, a <u>MAP</u>, and a <u>CHECK</u> or <u>MONEY ORDER</u> made payable to: Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. If your records indicate these documents and fees have already been submitted, please notify the Division.

If you have additional comments and/or information that should be provided to the Division, please attach it to this form along with your written report and map. Annual Report instructions are enclosed. If you have any questions, please feel free to contact Michelle Ramirez (303) 866-3567 ext 8114. Thank you for your cooperation in this matter.

IF THE <u>COMPLETE</u> ANNUAL FEE SUBMITTALS ARE NOT RECEIVED ON OR BEFORE YOUR ANNIVERSARY DATE, THE ENFORCEMENT PROCESS WILL AUTOMATICALLY BE INIATIED. ENFORCEMENT ACTIONS WILL RESULT IN CIVIL PENALTIES AND POSSIBLE REVOCATION OF YOUR PERMIT. PER RULE 5.6(2) FAILURE TO SUBMIT AN ANNUAL REPORT FOR TWO CONSECUTIVE YEARS SHALL CONTITUTE EVIDENCE OF ABANDONMENT OF PROSPECTING.

MP Annual Report

Permittee Name:	Red Arrow Gold Corporation	Permit Number:	P-2012-007
Operation Name:	Red Arrow Mine Drill 2	County:	Montezuma
Annual Fee Due:	\$86.00	Anniversary Date:	May 17, 2014
Permit Acreage:	0.10	Current Bond Amt:	\$2,000.00

According to Colorado Statute, each year, on the anniversary date of the permit, an operator shall submit the Annual Fee, an Annual Report and Map showing the extent of current disturbances to affected land, required monitoring information, reclamation accomplished to date and during the preceding year, any new disturbance that is anticipated to occur during the upcoming year, any reclamation that will be performed during the upcoming year, the dates for the beginning of active operations, and the date active operations ceased for the year.

Information contained in this report is required and will be reviewed by the Division upon receipt and prior to the next compliance inspection of the site. If, while completing this report, you learn that your site is not in compliance with the rules and the act, it is advisable that the issues be rectified promptly to avoid possible enforcement action.

1.	. Is the affected area boundary clearly marked if you have an excavation or portal?							YES	NO	
2.	2. Is the site in final reclamation? If "YES," please note time limits related to completion of reclamation, Rule 3.1.3.							YES	NO	
3. What was the date of last exploration activity?										
4.	What date did prospecting activity end, or what date is it expected to end? Rule 5.6.1(e).									
5.	Number of acres currently affected (exploration+ incomplete reclamation).									
6.	. Number of acres that were newly affected during the current report year.									
7.	. Number of acres that were reclaimed during the current report year.									
8.	. Estimated new acreage to be affected in the next report year.									
9.	. Estimated acres to be reclaimed in the next report year.									
10.	0. Total acres in various stages of reclamation, since permitted exploration activities began:									
Γ	Total acres	Total a			Total acres		Total a			
	backfilled:	seeded			w/topsoil		mulch			
	ouckilliou.		ed mix:		replaced:			ved mulch:		
ŀ	Total acres	Total a			Topsoil			application		
	graded:	fertiliz			replacement			ons/ac):		
	graded.		ertilizer:		depth (in.):		Taic (ii	J115/ ac j.		
ŀ	Seed	apvu n	Fertilizer		acpui (iii.).	Mul	 ch			
	application		application	n			ication			
	method:		method:	111		metl				
L	memou.		memou.			meti	10 u .			

If "YES", indicate the weed species, control area, control type, application rate and treatment date on the report map.

YES

NO

N/A

11. Is weed control being conducted in accordance with an approved Weed Control Plan?

12. Is adequate topsoil reserved for reclamation, based on your approved NOI?

If "NO", please explain:

13.	If "NO" please explain:	YES	NO	N/A	
14.	If exploration has exposed groundwater, is the site in compliance with the approved mining p State Engineer (Well Permit, S.W.S.P., and/or Permanent Augmentation Plan)?	lan and YES	Office o NO	f the N/A	
15.	Are all hazardous materials stored within approved spill containment structures?	YES	NO	N/A	
16.	Does your NOI reclamation plan or Environmental Protection Plan require you to submit morannually?	nitoring YES	informat NO	tion N/A	
	If "Yes", please attach the required monitoring results to this Annual Report as required by R	ule 1.15	(1)(c).		
17.	. As required by Rule $5.6(1)(g)$ submit with this report documentation to show that the Financial Warranty is still place and is adequate to fully reclaim the approved prospecting site disturbance(s).				
	FINANCIAL WARRANTY DOCUMENTATION ATTACHED:				

18. Please use the space below to describe as required by Rule 5.6(1)(c) any new prospecting activity that occurred during the preceding year, including the locations and number of new surface drill holes, mud pits, excavations, rock dumps, adits, shafts, trenches, pits, roads and structures. If applicable, you must also describe the measures taken to safeguard shafts, adits and other mine openings from unauthorized entry both during and after prospecting. Additional pages should be attached if needed.

area, location of all activities must be id	e 5.6.1(f), attach a map to this report previously listed featured, and all a dentified on a site map of adequate ade to at least 5 decimal places, or U	acreages listed in items 6 throuscale to field locate these area	ngh 12 and item 20. These s, and may include coordinates in
UPDATED MAP A	ATTACHED:		
	ubmittal of final abandonment reponents for all other completed drill ho		hole(s) with artesian flows and
ABANDONMENT	REPORTS ATTACHED:	or N/A	
	te the following permittee/landown ontact information: Rule 5.6.1(a, b)		information is not current, please
Permittee Contact:	Craig Liukko		
Permittee Company:	Red Arrow Gold Corporation		
Address:	P.O. Box 531 Mancos, CO 81328		
Phone Number:	(623) 551-4128		
Fax Number:	(623) 551-8127		
Email Address:	CF.PR.email		
Landowner Contact:			
Landowner Address:			
Landowner Phone Number:			
Landowner Email			
	by state that the information provide ordance with the Division approved		
Signature of Permitte	e, Corporate Officer, Owner, or I	Documented Designee	Date