

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



June 20, 2014

John W. Hickenlooper
Governor

Mike King
Executive Director

Virginia Brannon
Director

Tommy R. Cardwell
Blue Star Exploration, LLC
17914 Asphodel Ln.
Spring, Texas 77379

**RE: Notice of 110(2) Hard Rock/Metal Mining Reclamation Permit Application Consideration
Blue Star Exploration, LLC, Blue Star #1, File No. M-2014-030**

Dear Ms. Johnson,

Please be advised that on June 20, 2014, Blue Star Exploration, LLC, whose address and telephone number are 17914 Asphodel Ln., Spring, TX 77379; (281) 620-7999 filed an application to conduct Surface mining and reclamation, at or near Section 13, Township 51N, Range E, 10th Principal Meridian, in Chaffee County. Please be advised that the permit area may be located in more than one Section, Township, and Range. The application decision is scheduled for July 20, 2014.

A copy of the application is available for review at the Chaffee County Clerk & Recorder's office and at the office of the Division of Reclamation, Mining and Safety, Room 215, 1313 Sherman Street, Denver, Colorado 80203.

If you desire to make comments or objections, they must be submitted within ten (10) days of the date of the newspaper public notice to be considered in the application review process by the Division. You should contact the applicant for the newspaper publication date. If we do not receive your comments or any objection by the end of the public comment period, the Office will assume you have no objection or comment to the proposed activity.

If you have any questions, please contact me.

Sincerely,

Michael Cunningham/sms

Michael Cunningham
Environmental Protection Specialist

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June 20, 2014

John W. Hickenlooper
Governor

Mike King
Executive Director

Virginia Brannon
Director

Park County Commissioners
County Commissioner
Box 220
Fairplay, CO 80440

**RE: Notice of 110(2) Hard Rock/Metal Mining Reclamation Permit Application Consideration
Blue Star Exploration, LLC, Blue Star #1, File No. M-2014-030**

Please be advised that on June 20, 2014, Blue Star Exploration, LLC, whose address and telephone number are 17914 Asphodel Ln., Spring, TX 77379; (281) 620-7999 filed an application to conduct Surface mining and reclamation, at or near Section 13, Township 51N, Range E, 10th Principal Meridian, in Chaffee County. Please be advised that the permit area may be located in more than one Section, Township, and Range. The application decision is scheduled for July 20, 2014.

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If you have any questions, please contact me.

Sincerely,

Michael Cunningham/SMS

Michael Cunningham
Environmental Protection Specialist

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June 20, 2014

John W. Hickenlooper
Governor

Mike King
Executive Director

Virginia Brannon
Director

Cindy Lair
State Conservation Board
Colorado Dept. of Agriculture
305 Interlocken Pkwy.
Broomfield, CO 80021

**RE: Notice of 110(2) Hard Rock/Metal Mining Reclamation Permit Application Consideration
Blue Star Exploration, LLC, Blue Star #1, File No. M-2014-030**

Dear Ms. Lair,

Please be advised that on June 20, 2014, Blue Star Exploration, LLC, whose address and telephone number are 17914 Asphodel Ln., Spring, TX 77379; (281) 620-7999 filed an application to conduct Surface mining and reclamation, at or near Section 13, Township 51N, Range E, 10th Principal Meridian, in Chaffee County. Please be advised that the permit area may be located in more than one Section, Township, and Range. The application decision is scheduled for July 20, 2014.

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If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Michael Cunningham/sms".

Michael Cunningham
Environmental Protection Specialist

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY
Department of Natural Resources

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Denver, Colorado 80203
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June 20, 2014

John W. Hickenlooper
Governor

Mike King
Executive Director

Virginia Brannon
Director

Steve Yamashita
Colorado Parks and Wildlife
Northeast Region Manager
NE Region Administrative Office
6060 Broadway
Denver, CO 80216

**RE: Notice of 110(2) Hard Rock/Metal Mining Reclamation Permit Application Consideration
Blue Star Exploration, LLC, Blue Star #1, File No. M-2014-030**

Dear Mr. Yamashita,

Please be advised that on June 20, 2014, Blue Star Exploration, LLC, whose address and telephone number are 17914 Asphodel Ln., Spring, TX 77379; (281) 620-7999 filed an application to conduct Surface mining and reclamation, at or near Section 13, Township 51N, Range E, 10th Principal Meridian, in Chaffee County. Please be advised that the permit area may be located in more than one Section, Township, and Range. The application decision is scheduled for July 20, 2014.

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Sincerely,

Michael Cunningham/SMS

Michael Cunningham
Environmental Protection Specialist

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June 20, 2014

John W. Hickenlooper
Governor

Mike King
Executive Director

Virginia Brannon
Director

Kiel Downing
U.S. Army Corps of Engineers
Denver Regulatory Office
9307 S. Wadsworth
Littleton, CO 80128

**RE: Notice of 110(2) Hard Rock/Metal Mining Reclamation Permit Application Consideration
Blue Star Exploration, LLC, Blue Star #1, File No. M-2014-030**

Dear Mr. Downing,

Please be advised that on June 20, 2014, Blue Star Exploration, LLC, whose address and telephone number are 17914 Asphodel Ln., Spring, TX 77379; (281) 620-7999 filed an application to conduct Surface mining and reclamation, at or near Section 13, Township 51N, Range E, 10th Principal Meridian, in Chaffee County. Please be advised that the permit area may be located in more than one Section, Township, and Range. The application decision is scheduled for July 20, 2014.

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If you have any questions, please contact me.

Sincerely,

Michael Cunningham/sms

Michael Cunningham
Environmental Protection Specialist

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June 20, 2014

John W. Hickenlooper
Governor

Mike King
Executive Director

Virginia Brannon
Director

Shannon V. Johnson
Division of Water Resources
Department of Natural Resources
1313 Sherman Street, Room 818
Denver, CO 80203

**RE: Notice of 110(2) Hard Rock/Metal Mining Reclamation Permit Application Consideration
Blue Star Exploration, LLC, Blue Star #1, File No. M-2014-030**

Dear Ms. Johnson,

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Sincerely,

Michael Cunningham/SMS

Michael Cunningham
Environmental Protection Specialist

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LIMITED IMPACT OPERATION (110(2))

RECLAMATION PERMIT

APPLICATION FORM

CHECK ONE:



New Application (Rule 1.4)



Conversion Application (Rule 1.11)

Permit # M- 2014 - 030 (provide for conversions of existing permits)

The application for a Limited Impact Designated Mining Operation Reclamation Permit contains three major parts: (1) the application form; (2) Exhibits A-J, any required sections of Exhibit S and Geotechnical Stability Exhibit, as required by the Office, and outlined in Rules 6.1, 6.2, 6.3, 6.4.19 and 6.5; and (3) the application fee. When you submit your application, be sure to include one (1) signed and notarized original and one (1) copy of the application form, two (2) copies of Exhibits A-J, appropriate sections of 6.4.19 Exhibit S and 6.5 (Geotechnical Stability Exhibit), as required, and a check for the application fee described under (4) below. Exhibits should not be bound or in a 3-ring binder; maps should be folded to 8 1/2" X 11" or 8 1/2" X 14" size. To expedite processing, please provide the information in the format and order described in this form.

GENERAL OPERATION INFORMATION

Type or print clearly, in the space provided, all information described below

1. Applicant/operator or company name (name to be used on the permit): BLUE STAR EXPLORATION, LLC
 - 1.1 Type of organization (corporation, partnership, etc.): LIMITED LIABILITY CORPORATION
2. Operation name (pit, mine or site name): BLUE STAR
3. Permitted acreage (new or existing site): _____ permitted acres
4. Fees:
 - 4.1 New Application \$1,006.00 application fee
 - 4.2 Amendment Application (from 1.10(2))
 - 4.3 Conversion Fee (from 110d to 110(2), (Rule 1.11.2(2)) \$1,725.00 conversion fee
5. Primary commodity(ies) to be mined: MINERAL SPECIMENS
6. Name of owner to the surface of affected land: BLM FOREST SERVICE
7. Name of owner to the subsurface rights of affected land: _____
8. Type of mining operation: ☒ Surface ☐ Underground ☐ In-situ

9. **Correspondence Information:**

APPLICANT/OPERATOR (name, address, and phone of name to be used on permit):

Contact's Name: Tommy R. Cardwell Title: Owner
Company Name: Blue Star Exploration
Street: 17914 Asphodel Ln. P.O. Box: _____
City: Spring
State: Texas Zip Code: 77379
Telephone Number: (281) - 620-7999
Fax Number: () -

PERMITTING CONTACT (if different from applicant/operator above):

Contact's Name: Craig Cardwell Title: President
Company Name: North American Beryllium Corporation
Street: 17914 Asphodel Ln. P.O. Box: _____
City: Spring
State: Texas Zip Code: 77379
Telephone Number: (281) - 389-9686
Fax Number: () -

INSPECTION CONTACT:

Contact's Name: Same as above Title: _____
Company Name: _____
Street: _____ P.O. Box: _____
City: _____
State: _____ Zip Code: _____
Telephone Number: () -
Fax Number: () -

CC: STATE OR FEDERAL LANDOWNER (if any):

Agency: US Dept of the Interior, Bureau of Land Management
Street: 5575 Cleora Rd.
City: Salida
State: Colorado Zip Code: 81201
Telephone Number: () -

CC: STATE OR FEDERAL LANDOWNER (if any):

Agency: _____
Street: _____
City: _____
State: _____ Zip Code: _____
Telephone Number: () -

10. **Location information:** The center of the area where the majority of mining will occur lies in:

COUNTY: CHAFFEE

PRINCIPAL MERIDIAN (check one): ☐ 6th (Colorado) ☒ 10th (New Mexico) ☐ Ute

SECTION (write number): S 13, 24

TOWNSHIP (write number and check direction): T 51 ☒ North ☐ South

RANGE (write number and check direction): R ☒ East ☐ West

QUARTER SECTION (check one): ☐ NE ☐ NW ☒ SE ☐ SW

QUARTER/QUARTER SECTION (check one): ☐ NE ☐ NW ☒ SE ☐ SW

GENERAL DESCRIPTION (miles and direction from nearest town and approximate elevation):

10.5 MILES WEST SOUTHWEST OF NATHROP, COLORADO AT ABOUT 13,800 FT.

11. **Primary Mine Entrance Location** (report in either Latitude/Longitude OR UTM):

Latitude/Longitude:

Example: (N) 39° 44' 12.98"

(W) 104° 59' 3.87"

Latitude (N): deg _____ min _____ sec _____ (2 decimal places)

Longitude (W): deg _____ min _____ sec _____ (2 decimal places)

OR

Example: (N) 39.73691°

(W) -104.98449°

Latitude (N) 38 .667346 (5 decimal places)

Longitude (W) -106 . (5 decimal places)

OR

Universal Transverse Mercator (UTM)

Example: 201336.3 E NAD27 Zone 13

4398351.2 N

UTM Datum (specify NAD27, NAD83 or WGS 84) WGS 84 Zone 12

Easting _____

Northing _____

12. **Primary future (Post-mining) land use (check one):**

☐ Cropland(CR)

☐ Rangeland(RL)

☐ Residential(RS)

☐ Developed Water Resources(WR)

☐ Pastureland(PL)

☐ Forestry(FR)

☒ Recreation(RC)

☐ General Agriculture(GA)

☐ Wildlife Habitat(WL)

☐ Industrial/Commercial(IC)

☐ Solid Waste Disposal(WD)

13. **Primary present land use (check one):**

☐ Cropland(CR)

☐ Rangeland(RL)

☐ Residential(RS)

☐ Developed Water Resources(WR)

☐ Pastureland(PL)

☐ Forestry(FR)

☐ Recreation(RC)

☐ General Agriculture(GA)

☐ Wildlife Habitat(WL)

☐ Industrial/Commercial(IC)

☒ Mining(MN)

14. If this operation will use designated chemicals, or will result, or presently has acid mine drainage - you cannot use this application form. You must submit a either a 110d or 112d application form for Designated Mining Operations. In either case, you must list any acidic or toxic-forming materials, exposed or disturbed as a result of the mining operation, and whether the operation will result in or presently has acid mine drainage:

NONE

15. **Description of Conversion:** If you are converting an existing operation, provide a brief narrative describing the proposed change(s):

NONE

16. **Maps & Exhibits:** Submit **two (2) complete, unbound copies** of the following application exhibits:

- 6.3.1 EXHIBIT A - Legal Description and Location Map
- 6.3.2 EXHIBIT B - Site Description
- 6.3.3 EXHIBIT C - Mining Plan
- 6.3.4 EXHIBIT D - Reclamation Plan
- 6.3.5 EXHIBIT E - Map
- 6.3.6 EXHIBIT F - List of Other Permits and Licenses Required
- 6.3.7 EXHIBIT G - Source of Legal Right-to-Enter
- 6.3.8 EXHIBIT H - Municipalities Within a Two-mile Radius
- 6.3.9 EXHIBIT I - Proof of Filing with County Clerk
- 6.3.10 EXHIBIT J - Proof of Mailing Notices of Permit Application
- 6.3.12 EXHIBIT L - Permanent Man-Made Structures
- 6.4.19 EXHIBIT S - (as required)
- 6.5 Geotechnical Stability Exhibit (as required)

Responsibilities as a Permittee:

Upon application approval and permit issuance, this application becomes a legally binding document. Therefore, there are a number of important requirements which you, as a permittee, should fully understand. These requirements are listed below. Please read and initial each requirement, in the space provided, to acknowledge that you understand your obligations. If you do not understand these obligations then please contact this Office for a full explanation.

CP

1. Your obligation to reclaim the site is not limited to the amount of the financial warranty. You assume legal liability for all reasonable expenses which the Board or the Office may incur to reclaim the affected lands associated with your mining operation in the event your permit is revoked and financial warranty is forfeited;

CP

2. The Board may suspend or revoke this permit, or assess a civil penalty, upon a finding that the permittee violated the terms or conditions of this permit, the Act, the Mineral Rules and Regulations, or that information contained in the application or your permit misrepresent important material facts;

CP

3. If your mining and reclamation operations affect areas beyond the boundaries of an approved permit boundary, substantial civil penalties, to you as permittee can result;

CP

4. Any modification to the approved mining and reclamation plan from those described in your approved application requires you to submit a permit modification and obtain approval from the Board or Office;

CP

5. It is your responsibility to notify the Office of any changes in your address or phone number;

CP

6. Upon permit issuance and prior to beginning on-site mining activity, you must post a sign at the entrance of the mine site, which shall be clearly visible from the access road, with the following information (Rule 3.1.12):


- a. the name of the operator;
- b. a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and,
- c. the permit number.

CP


7. The boundaries of the permit boundary area must be marked by monuments or other markers that are clearly visible and adequate to delineate such boundaries prior to site disturbance;

CP

8. It is a provision of this permit that the operations will be conducted in accordance with the terms and conditions listed in your application, as well as with the provisions of the Act and the Mineral Rules and Regulations in effect at the time the permit is issued.



9. Annually, on the anniversary date of permit issuance, you must submit an annual fee (\$259), and an annual report which includes a map describing the acreage affected and the acreage reclaimed to date (if there are changes from the previous year), any monitoring required by the Reclamation or Environmental Protection Plans to be submitted annually on the anniversary date of the permit approval. Annual fees are for the previous year a permit is held. For example, a permit with the anniversary date of July 1, 1995, the annual fee is for the period of July 1, 1994 through June 30, 1995. Failure to submit your annual fee and report by the permit anniversary date may result in a civil penalty, revocation of your permit, and forfeiture of your financial warranty. It is your responsibility, as an operator, to continue to pay your annual fee to the Office until the Board releases you from your total reclamation responsibility.



10. For joint venture/partnership operators: the signing representative is authorized to sign this document and a power of attorney (provided by the partner(s)) authorizing the signature of the representative is attached to this application.

NOTE TO COMMENTORS/OBJECTORS:

It is likely there will be additions, changes, and deletions to this document prior to final decision by the Office. Therefore, if you have any comments or concerns you must contact the applicant or the Office prior to the decision date so that you will know what changes may have been made to the application document.

The Office is not allowed to consider comments, unless they are written, and received prior to the end of the public comment period. You should contact the applicant for the final date of the public comment period.

If you have questions about the Mined Land Reclamation Board and Office review and decision or appeals process, you may contact the Office at (303) 866-3567.

Certification:

As an authorized representative of the applicant, I hereby certify that the operation described has met the minimum requirements of the following terms and conditions:

1. All necessary approvals from local government have been applied for (Rule 1.6.2(1) and (2));
2. This entire mining operation will not extract more than 70,000 tons of mineral, overburden, or combination thereof in any calendar year (defined in C.R.S. 34-32-110(2)(a));
3. This mining operation will not adversely affect the stability of any significant, valuable and permanent man-made structure(s) located within two hundred (200) feet of the affected lands. (However, where there is an agreement between the applicant/operator and the persons having an interest in the structure that damage to the structure is to be compensated for by the applicant/operator (Section 34-32-115(4)(d), C.R.S. 1984, as amended), then mining may occur within 200 feet. Proof of an agreement must be submitted to the Office prior to the decision date.)
4. No mining operation will be located on lands where such operations are prohibited by law (Section 34-32-115(4)(f), C.R.S. 1984, as amended);
5. As the applicant/operator, I do not have any mining/prospecting operations in this state of Colorado currently in violation of the provisions of the Mined Land Reclamation Act (Section 34-32-120, C.R.S. 1984, as amended) as determined through a Board finding.
6. I understand that statements in the application are being made under penalty of perjury and that false statements made herein are punishable as a Class 1 misdemeanor pursuant to Section 18-8-503, C.R.S. 1984, as amended.

This form has been approved by the Mined Land Reclamation Board pursuant to section 34-32-110, C.R.S., of the Mined Land Reclamation Act. Any alteration or modification of this form shall result in voiding any permit issued on the altered or modified form and subject the operator to cease and desist orders and civil penalties for operating without a permit pursuant to section 34-32-123, C.R.S.

Signed and dated this 13th day of JUNE, 2014.

Blue Star Exploration, LLC

Applicant/Operator

By: [Signature]

Title: VP of Operations

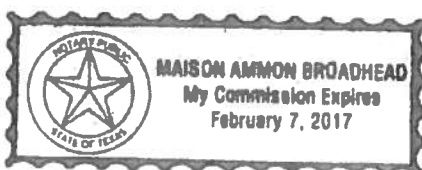
If Corporation Attest (Seal)

By: [Signature]

Corporate Secretary or Equivalent
Town/City/County Clerk

State of Texas)
County of Harris) ss.

The foregoing instrument was acknowledged before me this 13th day of June, 2014,
by Tommy Craig Cardwell as VP of Operations of Blue Star Exploration, LLC



[Signature]
Notary Public

My Commission expires: February 7, 2017

SIGNATURES MUST BE IN BLUE INK

Exhibit "A" Legal description and Location Map

The Blue Star Claims are situated near the summit of Mount Antero in the central Sawatch Range in Chaffee County within the San Isabel National Forest. The area of interest for the current 2014 season would fall on the Blue Star #6 although the backup Target "C" would fall onto the Blue Star claims # 10 and 11 but are not expected to be pursued this year.

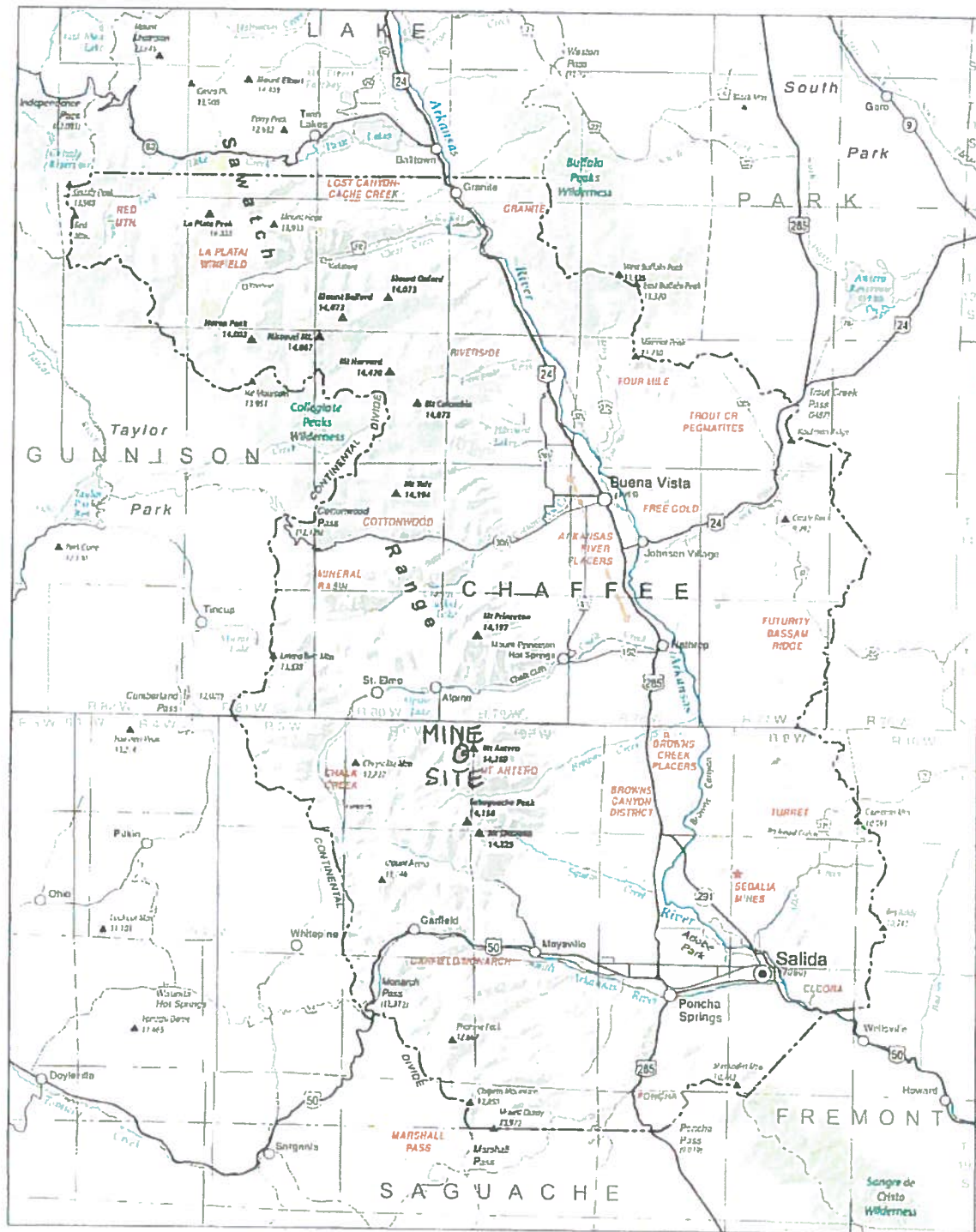
Blue Star #6 is located in southeast quarter of section 13 Township 51 North Range 6 & 7 East, New Mexico Prime Meridian.

See Map A

A general map of Chaffee County, CO showing the approximate location of the Blue Star Claims.

See Map B

Portion of the Blue Star Claims indicating where Blue Star #6, 10 and 11 are located in reference to the peak of Mount Antero and the surrounding claims. The map also color codes the "Parking Area" or "Hub Area" for reference as red striped area and the two target zones "A" and "B" as green boxes.



GENERAL MAP OF CHAFFEE COUNTY COLORADO
SHOWING APPROXIMATE LOCATION OF MINE SITE.
BLUE STAR CLAIMS