STATE OF COLORAI

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

RECEIVED

MAY 26 2015



DIVISION OF RECLAMATION MINING AND SAFETY FORM 2 (Public File)

NOTICE OF INTENT TO CONDUCT PROSPECTING OPERATIONS FOR HARD ROCK/METAL MINES

СН	There is an NOI Number Already Assign P-20/5-0/2 (Please reference the New NOI Modification to an Existing NOI NOI# P- (Provide for Modification to an Existing NOI GENERAL OPERATION	file number assigned to this operation) ations to an existing NOI)
	Type or print clearly, in the space provided	, ALL information described below.
I.	GENERAL INFORMATION	
1.	DATE NOI RECEIVED BY THE DIVISION:	(office use only)
2.	PROJECT NAME: The Liberty Project	
8.	PROSPECTOR:	PERSON MLRB SHOULD CONTACT:
	Name: Dianna Stoopnikoff	Name: Dianna Stoopnikoff
	Title: Environmental Manager	Title: Environmental Manager
	Company Name: Fortune Revenue Silver Mines, Inc.	Company Name: Fortune Revenue Silver Mines, Inc.
	Street: 1900 Main Street	Street: 1900 Main Street
	P.O. Box:564	P.O. Box:564
	City: Ouray	City: Ouray
	State: CO	State:CO
	Zip Code: 81427	Zip Code: 81427
	Telephone Number: (250) 320-2919	Telephone Number: (250) 320-2919
	Fax Number: (970) 325-9824	Fax Number (970) 325-9824
9.	<u>APPLICATION FEE:</u> \$86. (NOIs and modifications require processed by the Division).	an \$86 fee which must accompany this notice or it cannot be
10.	LOCATION INFORMATION:	
	County: Ouray	
	PRINCIPAL MERIDAN (check one)6 th (Colorado)	10 th (New Mexico) (Ute)
	SECTION (write number): S 0	
	TOWNSHIP (write number and check direction) T North	hSouth
Min	Office of ed Land Reclamation Denver • Grand lunct	Office of Active and leading Mines

2 (FORM 2 - Public filing) RANGE (write number and check direction) East West OUARTER SECTION (check one): SE NW SW QUARTER/QUARTER SECTION (check one): NE NW GENERAL DESCRIPTION: (the number of miles and direction to the nearest town and the approximate elevation): 6.0 miles southwest of Ouray - elevation 10600 ft to 12200 ft NOTE: Supply longitude and latitude or UTM coordinates if lands have not been surveyed or as supplemental information to this NOI. GPS measurements will be acceptable for this purpose: USGS Map has no sections shown. 11. LAND OWNERSHIP National Forest (USFS) Private Public Domain (BLM) State Sovereign Lands State Other (please describe): If prospecting is located on BLM or USFS land the remaining section must be completed, otherwise go to section II Maps & Drawings 12. PROSPECTING ON BUREAU OF LAND MANAGEMENT (BLM) LAND AND U.S. FOREST SERVICE (USFS) **LAND** The Division and the BLM/USFS have entered into cooperative agreements that eliminate the need for a prospector to post a financial warranty with each agency and allow them to coordinate the review of the NOI in order to minimize administrative processing time and effort. G. **CLAIMANT**: DNA Name: Address:___ Telephone: Fax Number: H. SITE/CLAIM INFORMATION: List names, serial numbers and provide legal description to nearest quarter-quarter section of all sites or claims (attach additional page, if necessary). **SERIAL NUMBER NAME** LEGAL DESCRIPTION All sites are on private surface and minerals controlled by the applicant.

	I.	LOCATION MAP: Attach a USGS 7.5 minute quad, or similar map of adequate scale, which locates the prospecting site(s).
	J.	Are prospect sites (e.g., drill holes, trench locations, etc) staked on the ground? Yes No
	K.	Specify the Land Management Agency, Address and Telephone Number:
	L.	The prospector is required to document that the NOI has been sent to the BLM or the USFS. Processing of the NOI will not begin until the prospector has submitted evidence acceptable to the Division that the NOI was sent to the BLM or USFS. Check one:
		Evidence of notification is attached to this NOI for BLM Land Evidence of notification is attached to this NOI for USFS Land. Other proof of notice is attached to this NOI
II.		MAPS & DRAWINGS
Ace	curat y sul	the topographic base map showing the location of the proposed project must be submitted with this notice. The prospector pomit a U.S.G.S. 7.5 minute quadrangle, or similar map of adequate scale that:
3.		ntifies the proposed prospecting site(s) or activity areas involving surface disturbance. Activity areas include all drill holes, d pits, excavations, trenches, adits, shafts, tunnels, rock dumps, stockpiles, impoundments and prospecting roads, and
4.	are tun dat	ludes sufficient detail to identify and locate known prospecting features and facilities that may be affected and those that not anticipated to be affected. This includes the location of all drill holes, mud pits, excavations, trenches, adits, shafts, nels, rock dumps, stockpiles, impoundments and prospecting roads. Color photographs, adequately labeled (including e, orientation and location), of the prospecting site may be used to fulfill this requirement if included with the NOI smittal.
Ш		PROJECT DESCRIPTION
7.	Mi	neral(s) and/or Resource(s) being Investigated: gold, silver, lead, zinc, copper
8.		timated dates of commencement and completion:
	Co	mmencement: 05/30/2015 ,
	Co	mpletion: 05/30/2025 ,
9.	Aπ	267.00
10.	Ide	entify the type or method of prospecting proposed and quantity (place an "X")
	1	Cuts Pits Trenches
	士	Shafts Tunnels Adits Declines
	寸	Air Drilling Fluid Drilling Drilling & Blasting

3

ronosee	Disturbance (approximate) Describe the proposed drilling to be conducted, including anticipated number of ho								
diameter, depth, location, etc Submit additional pages if necessary:									
Α.	Drill Pads: Quantity 0.00 Average Width 0.00 (ft) Average Length 0.00 (ft)								
B.	Drill Holes: Quantity 0.00 Depth 0.00 (ft) Diameter 0.00 (in)								
C.	Mud Pits: Quantity 0.00 Average Width 0.00 (ft) Average Length 0.00 (ft) Average Depth 0.00 (ft)								
	Described proposed underground work, including reopening of old workings, advancement of adits or shafts,								
	trenches, pits, cuts, rock dumps, or other types of disturbance, describe type, quantity and general dimensions:								
	No new disturbance is proposed. This NOI covers reclaiming the disturbance that								
	has already occurred.								
	Proposed reclamation work proposed as attached bond estimate.								
F.	Other Disturbances (please describe):								
F. <u>No</u>									
	ne								
<u>No</u>	Indicate Chemicals and Fuels used or stored on site. List type, quantity and method to store.								
No	Indicate Chemicals and Fuels used or stored on site. List type, quantity and method to store.								
<u>No</u>	Indicate Chemicals and Fuels used or stored on site. List type, quantity and method to store.								
<u>No</u>	Indicate Chemicals and Fuels used or stored on site. List type, quantity and method to store.								
No G. No F.	Indicate Chemicals and Fuels used or stored on site. List type, quantity and method to store. New Road(s): Length 0.00 (ft) Width 0.00 (ft)								
G. Nor	Indicate Chemicals and Fuels used or stored on site. List type, quantity and method to store.								

	K. Describe the equipment to be used for the prospecting operations: None - no new prospecting will be done.	
	L. Describe and locate any structures to be constructed (i.e. stockpiles, ponds, impoundments): None.	
	 M. Describe anticipated relationship to surface water and groundwater (proximity to streams, per water aquifers): None. Approximately 600' 	Ü
7.	The Board suggests that a photographic record of the pre-prospecting and post-prospecting con	aditions be kept by
	prospector. These photos should be taken from the same location and by the same method to clearly s condition of the land and the reclamation efforts. Upon completion of reclamation and request for bo Board may consider the photos as evidence of adequate reclamation, and thus, be able to act more quirelease.	and or surety release,
	Provide a description of the native vegetation of the area to be disturbed, including tree, shrub, and g area. Color photographs, sufficient to adequately represent the ecology of the site and adequately orientation and location), may be used in lieu of a written description. Based on the quality of the ph may require additional detail.	labeled (including d
	No new disturbance will occur. Vegetation of the area consists of high alpine vegetation, however the area w	as

6

8.	Describe the estimated topsoil depth and how topsoil will be salvaged, stockpiled and redistributed for the re-establishment of vegetation. Specify approximate topsoil redistribution depth:						
	Carrying topsoil and spread. Hand spread seed mixture.						
9.	Describe how drill holes will be plugged (refer to Rule 5.4 of the Rules for required abandonment procedures):						
	No drill holes.						
10.	Describe how portals, adits, shafts, ponds, excavations, or other disturbances will be reclaimed (refer to Rule 3 and Rule 5 for specific reclamation performance standards). You may wish to contact the Division for closure specifications.						
	adit closure - will be backfilled.						
	final closure of the portal will be blasted with explosives.						
	vent shaft will be closed with a concrete cap - poured in place.						
11.	Describe how roads will be reclaimed or returned to their pre-prospecting (or better) condition:						
	All roads and re-existing roads will be left in the same condition. No new road work is contemplated and no roads will be extended or created as part of this NOI.						

- 12. List the seed mixture to be used in the re-establishment of vegetation. See the attached seed mixture calculation to obtain PLS/acre. For assistance with formulating seed mixtures and rates, contact the local NRCS if on private land, BLM/USFS if on public land or State Land Board if on state land.
 - A. Provide plant name and seeding rate

B.

Plant Name	Seeding Rate (PLS/acre)
Bluebunch Wheatgrass	6.43
Canada Wildrye	5.28
Mountain Brome	11.25
Slender Wheatgrass	25.55
Flax, Lewis	13.27

proadcast seeding					
			- "		
		7.2			
	 	100	211		
11.0					
				- Carre	

V. TERMS AND CONDITIONS FOR PROSPECTING OPERATIONS:

- 3. Reclamation measures shall be fulfilled in a timely manner and completed within five (5) years of completion of prospecting activities.
- 4. The prospecting operations described in this Notice will be conducted in such a manner as to minimize surface disturbances. In addition to the measures required in Rule 5, precautions to be taken include:
 - A. Confinement of operations to areas near existing roads or trails, where practicable. Existing roads which are to remain as permanent roads after prospecting activities are completed shall be left in a condition equal to or better than the preprospecting condition;
 - B. Drilling shall be conducted in such a way as to prevent cuttings and fluids from directly entering any dry or flowing stream channel. Drill cuttings must be spread to a depth no greater than one-half (1/2) inch or buried in an approved disposal pit;

- C. Proper and timely abandonment of drill holes upon completion of drilling;
- D. Reclamation of affected lands upon completion of operations or phases of an operation;
- E. Backfilling and revegetating any pits to blend in with the surrounding land surface;
- F. Safeguarding mine entries, trenches and excavations from unauthorized entry at all times;
- G. Disposal of any trash, scrap metal, wood, machinery, and buildings;
- H. Control of noxious weeds within the area affected by the prospector
- 3. The prospecting operations shall be conducted in such a manner as to comply with all applicable local, state and federal laws and regulations including applicable state and federal air and water quality laws and regulations.
- 4. The prospecting operations shall be conducted so as to minimize adverse effects upon wildlife to include covering of open drill holes until properly plugged.
- 5. During the prospecting operations, the operator will perform the necessary stabilization and reclamation work to ensure those areas affected by prospecting activities are erosionally and geotechnically stable.
- 6. All prospecting operations shall be in compliance with the Colorado Mined Land Reclamation Act, as amended (34-32-101 et seq. C.R.S.), and all rules and regulations currently in effect or promulgated pursuant thereto. See 2 CCR 407-1, Mined Land Reclamation Board Hardrock /Metal Mining Rules.

VI. ADDITIONAL TERMS AND CONDITIONS FOR PROSPECTING ON BLM/USFS LANDS

- The prospector will supply a copy of this NOI to the appropriate BLM and/or USFS office.
- 5. The prospector authorizes the MLRB to discuss the information in this Notice of Intent with the BLM and/or USFS.
- 6. If on BLM land, the prospector will complete reclamation to the standards described in 43 CFR 3809.1-3 (d) and implement reasonable measures to prevent unnecessary or undue degradation of lands during operations.

VII. FINANCIAL WARRANTY

A financial warranty must be provided for the cost of reclamation of the disturbance described in this Notice. The prospector can either file a "One Site Prospecting Financial Warranty" or a "Statewide Financial Warranty." The financial warranty must be submitted and approved by the Division prior to entry upon lands for the purpose of prospecting.

An One-Site Prospecting Financial Warranty is usually filed by individuals or companies where prospecting activities are limited to a single area. It must be filed in the amount of \$2,000 per acre for land to be disturbed, or such other amount as determined by the Division, based on the projected costs of reclamation. A Statewide Financial Warranty is usually filed by companies with multiple prospecting sites. It must be filed in an amount equal to the estimated cost of reclamation per acre of affected land for all anticipated sites statewide. (You may increase the Statewide bond at any time in order to cover additional or expanded prospecting activities.)

VIII. SIGNATURE REQUIREMENT

Please place	you initials on the line provided:
<u> </u>	I hereby verify that the foregoing information is true and accurate and commit to the reclamation of the aforementioned prospecting site as required by the Colorado Mined Reclamation Act and the rules as specified in the Hard Rock/Metal Mining Rules and Regulations and this NOI form.
	I have enclosed the required permit fee.
	I authorize the Division to contact and copy the BLM and/or USFS on any correspondence related to the prospecting operation, if the prospecting operation is located on federal public land.
	I have also enclosed the appropriate reclamation surety amount or will post an amount as determined by the office, based on the projected costs of reclamation.
	I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Reclamation, Mining and Safety.
<u> </u>	I accept and agree to comply with the foregoing terms and conditions and with all of the provisions of Rules 3 and 5, and C.R.S. 34-32-101.
	I herby certify that concurrent with submittal of this NOI to the Division, I have sent notice to the Boards of County Commissioners in the Counties where the proposed activities will occur. This notice also indicated that non-confidential information regarding the proposed activities will be available for review at the Division's website.
Reclamatio	has been approved by the Mined Land Reclamation Board pursuant to section 34-32-113, C.R.S., of the Mined Land In Act. Any alteration or modification of this form shall result in voiding any NOI issued on the altered or modified Subject the operator to cease and desist orders and civil penalties for operating without a NOI pursuant to section 34- LS.
	signed, being the NOI holder or the person authorized to sign on behalf of the NOI holder, declare that the information s NOI form is true and correct.
	SIGNATURES MUST BE IN BLUE INK
Signed and	dated this 20 day of May 2015,
Signature o	f NOI holder or person authorized to sign:
Name (type	

COST SUMMARY WORK

	scription: RECLAMATION COST L				
ite: _	Liberty Project	Permit Action: 2	014 Revi	ew Permi	t/Job#: <u>P2007058</u>
P	ROJECT IDENTIFICATION				
	Task #: 00A State: Colorad	lo		Abbreviation	: None
	Date: 11/25/2014 County: Ouray			Filename	
	User: RCO				
	Agency or organization name:DRMS				
T	ASK LIST (DIRECT COSTS)				
sk		Form	Flect	Task	
A	Description Haul reclamation equipment to and from site	Used	Size	Hours	Cost
		MOBILIZE	1	8.00	\$4,301.00
A	Pull timbers, contour dump and cutwall, remove SWMP structure	EXCAVATE	:1	5.10	\$788.00
A	Close portal and vent opening	MINESEAL	1	10.00	\$4,700.31
A	Carry topsoil for spreading	LOADER	1	13.96	\$875.00
A	Revegetate disturbed area	REVEGE	1	10.00	\$1,951.00
1		SUBTO	TALS:	47.06	\$12,615
	NDIRECT COSTS	SUBTO	TALS:	47.06	\$12,615
	VERHEAD AND PROFIT:	SUBTO	TALS:	47.06	\$12,615
	VERHEAD AND PROFIT: Liability insurance: 2.02%	SUBTO	TALS:	Total =	\$254.82
	VERHEAD AND PROFIT: Liability insurance: 2.02% Performance bond: 1.05%	SUBTO	TALS:	Total = _ Total = _	\$254.82 \$132.46
	VERHEAD AND PROFIT: Liability insurance: 2.02% Performance bond: 1.05% Job superintendent: 23.53 hrs	SUBTO	TALS:	Total = _ Total = _ Total = _	\$254.82 \$132.46 \$1,768.51
	VERHEAD AND PROFIT: Liability insurance: 2.02% Performance bond: 1.05% Job superintendent: 23.53 hrs	SUBTO		Total = Total = Total = Total = Total =	\$254.82 \$132.46 \$1,768.51 \$1,261.50
	VERHEAD AND PROFIT: Liability insurance: 2.02% Performance bond: 1.05% Job superintendent: 23.53 hrs Profit: 10.00%	SUBTO	ТОТ	Total = _ Total = _ Total = _ Total = _ TAL O & P =	\$254.82 \$132.46 \$1,768.51
<u>O</u>	VERHEAD AND PROFIT: Liability insurance: 2.02% Performance bond: 1.05% Job superintendent: 23.53 hrs Profit: 10.00%	NTRACT AMOUN	ТОТ	Total = _ Total = _ Total = _ Total = _ TAL O & P =	\$254.82 \$132.46 \$1,768.51 \$1,261.50 \$3,417.29
<u>O</u>	VERHEAD AND PROFIT: Liability insurance: 2.02% Performance bond: 1.05% Job superintendent: 23.53 hrs Profit: 10.00% CO EGAL - ENGINEERING - PROJECT MANAGEMEN	NTRACT AMOUN	ТОТ	Total =	\$254.82 \$132.46 \$1,768.51 \$1,261.50 \$3,417.29 \$16,032.29
<u>O</u>	VERHEAD AND PROFIT: Liability insurance: 2.02% Performance bond: 1.05% Job superintendent: 23.53 hrs Profit: 10.00% CO EGAL - ENGINEERING - PROJECT MANAGEMENT Financial warranty processing (legal/related costs) Engineering work and/or contract/bid preparation	NTRACT AMOUNT: : 500.00 : 0.00%	ТОТ	Total =	\$254.82 \$132.46 \$1,768.51 \$1,261.50 \$3,417.29
<u>O'</u>	VERHEAD AND PROFIT: Liability insurance: 2.02% Performance bond: 1.05% Job superintendent: 23.53 hrs Profit: 10.00% CO EGAL - ENGINEERING - PROJECT MANAGEMENT Financial warranty processing (legal/related costs)	NTRACT AMOUNT: : 500.00 : 0.00%	ТОТ	Total = Total	\$254.82 \$132.46 \$1,768.51 \$1,261.50 \$3,417.29 \$16,032.29
<u>O'</u>	VERHEAD AND PROFIT: Liability insurance: 2.02% Performance bond: 1.05% Job superintendent: 23.53 hrs Profit: 10.00% CO EGAL - ENGINEERING - PROJECT MANAGEMENT Financial warranty processing (legal/related costs) Engineering work and/or contract/bid preparation	NTRACT AMOUNT: : 500.00 : 0.00% : 5.00%	ТОТ	Total =	\$254.82 \$132.46 \$1,768.51 \$1,261.50 \$3,417.29 \$16,032.29 500.00 \$0.00
<u>O'</u>	VERHEAD AND PROFIT: Liability insurance: 2.02% Performance bond: 1.05% Job superintendent: 23.53 hrs Profit: 10.00% CO EGAL - ENGINEERING - PROJECT MANAGEMENT Financial warranty processing (legal/related costs) Engineering work and/or contract/bid preparation Reclamation management and/or administration	NTRACT AMOUNT: : 500.00 : 0.00% : 0.00	TOT NT (direc	Total =	\$254.82 \$132.46 \$1,768.51 \$1,261.50 \$3,417.29 \$16,032.29 500.00 \$0.00 \$801.61

EQUIPMENT MOBILIZATION/DEMOBILIZATION

Task description:	Haul reclamation equipment to and	from site				
lite: Liberty Project	Permit Action: 2014 R	eview Permit/Job#:	P2007058			
PROJECT IDENTIFIC	CATION					
Task #: 01A Date: 11/25/2014 User: RCO	State: Colorado County: Ouray	Abbreviation: Filename:	None P058-01A			
Agency or organiz	zation name: DRMS					
EQUIPMENT TRANS	EQUIPMENT TRANSPORT RIG COST					
			I per day CRG Data			
Truck Tractor Description: GENERIC ON-HIGHWAY TRUCK TRACTOR, 6X4, DIESEL POV 400 HP (2ND HALF, 2006)						
Truck Trailer	Description: GENERIC FOLDING	GOOSENECK, DROP DECK EQT (25T, 50T, AND 100T)	JIPMENT TRAILER			
Cost Breakdown:						

Available Rig Capacities	0-25 Tons	26-50 Tons	51+ Tons
Ownership Cost/Hour:	\$16.63	\$18.37	\$22.33
Operating Cost/Hour:	\$44.38	\$46.13	\$50.07
Operator Cost/Hour:	\$27.66	\$27.66	\$27.66
Helper Cost/Hour:	\$0.00	\$25.39	\$25.39
Total Unit Cost/Hour:	\$88.67	\$117.55	\$125.45

NON ROADABLE EQUIPMENT:

Machine	Weight/	Owner ship	Haul Rig	Fleet	Haul Trip	Return Trip	DOT Permit
Description	Unit (TONS)	Cost/hr/ unit	Cost/hr/unit	Size	Cost/hr/ fleet	Cost/hr/ fleet	Cost/ fleet
Cat 336D L 10'-6" Stick	32.23	\$42.44	\$117.55	1	\$159.99	\$117.55	\$250.00
CAT 246C	3.58	\$6.39	\$88.67	1	\$95.06	\$88.67	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$39.59	\$88.67	1	\$128.26	\$88.67	\$250.00

Subtotals: \$383.31 \$294.89 \$750.00

ROADABLE EQUIPMENT:

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
		Subtotals:	\$0.00	\$0.00

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region: Total one-way travel distance: Average Travel Speed:	MONTROSE 45.00 30.00	miles mph
Total Non-Roadable Mob/Demob Cost * '* two round trips with haul rig:	\$4,301.22	
Total Roadable Mob/Demob Cost ** ** one round trip, no haul rig:	\$0.00	

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	1.50	1.50
Return Time (Hours):	1.50	1.50
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	4.00	3.00

JOB TIME AND COST

Total job time:	8.00	Hours
Total job cost:	\$4,301	

HYDRAULIC EXCAVATOR WORK

		and cutwan, re	move SWMP st	ruc.	
Perm	nit Action:	2014 Review	p	ermit/Job#:	P2007058
<u>ICATION</u>					
State: County:	Colorado Ouray				None P058-02A
nization name: DR	MS				
ENT COST					
Cat 336D L 10'-6": ROPS Cab	Stick		Horsepower: Weight (MT): Shift Basis: Data Source:	2 1 p	268 9.30 per day CRG)
	1	*****			
Hour: \$88.2 Hour: \$28.1 Hour: \$154.5	7 55	NA 100 NA			
/Hour: \$154.	55				
<u>,200</u> ,200	CCY LCY	Swell fac	tor: 1.000		
of estimated volume: stimated swell factor:			Mining & Safet	у	
TION					
	ded, dump b	oucket, swing em	ntv):		
	-			V AVEDAC	ir
					3L
		Cycle Time V	alue: 0.367		minutes
			Bucket Size (Class: Me	edium
7: 2.26 r: 0.825			1 (75 - 00%) 0	225	
7: 1.86	LCY	ook avg. olusiee	1 (13 - 3070) 0.	020	
Factors -		Site	Altitude: 1100	0 feet	
0.93 0.83 0.77 adjusted Hourly Unit F	(CAT HE (1 shift/da multiplier Production: Production:	3) iy)	LCY/Hour LCY/Hour		
	Production:	235.29	LCY/Hour		
djusted Hourly Fleet I	Production:	235.29	LCY/Hour		
		235.29 otal job time:	LCY/Hour)	Hours
	State: County: mization name: DR ENT COST Cat 336D L 10'-6'' ROPS Cab Hour: \$38.1 Hour: \$88.2 Hour: \$154.: /Hour: \$154.: /Hour: \$154.: /TITIES ,200 ,200 of estimated volume: stimated swell factor: TION oad bucket, swing load Secondary Job County Extractions C: 2.26 C: 0.825 C: 1.86 Factors 0.93 0.83	State: Colorado County: Ouray mization name: DRMS ENT COST Cat 336D L 10'-6" Stick ROPS Cab Hour: \$38.17 Hour: \$88.21 Hour: \$154.55 FITTES ,200 CCY ,200 LCY of estimated volume: Division Cat Hand stimated swell factor: Division Cat Hand FION Coad bucket, swing loaded, dump to Secondary Job Condition with Secondary Job Condition with Fig. 2.26 LCY (here: 0.825 Blasted row; 1.86 LCY Factors Source 0.93 (CAT Hi 0.83 (1 shift/date)	State: Colorado County: Ouray mization name: DRMS ENT COST Cat 336D L 10'-6" Stick ROPS Cab Hour: \$38.17 NA Hour: \$88.21 100 Hour: \$154.55 CITIES ,200 CCY Swell fac ,200 LCY of estimated volume: Division of Reclamation, Cat Handbook TION Dad bucket, swing loaded, dump bucket, swing em Basic Job Condition Descrip Secondary Job Condition within Basic Descrip Cycle Time Value 2.26 LCY (heaped) CY Survey CY: 2.26 LCY (heaped) CY: 1.86 LCY Factors Source O.93 (CAT HB) O.83 (1 shift/day)	State: Colorado Abb	State: Colorado

SAFEGUARDING UNDERGROUND OPENINGS

-	Task description:	Close portal and vent op	ening		
Site: _	Liberty Project	Permit Action	n: <u>2014 Review</u>	Permit/	Job#: P2007058
PROJE	CT IDENTIFICATION	Ī			
Task #: Date:		State: Colorado County: Ouray	- North Control of the Control of th	Abbreviation:	None
User:		County. Ouray		Filename:	P058-03A
	Agency or organizat	ion name: DRMS			

UNIT COSTS

Opening Description	Dimensions	Closure Method	Quantity	Unit	Unit Cost	Total Cost
Backfill debris before blasting adit	Assume 40 cy	Adit closure - backfilling (per cu. yd.)	40.00	CY	\$3.00	\$120.00
Close portal by blasting	8 x 8	Adit closure - blasting with explosives (per opening)	1.00	EA	\$3,601.38	\$3,601.38
Close vent shaft	3 x 3	Shaft closure - concrete cap, poured-in-place (per sq. ft.)	9.00	SF	\$108.77	\$978.93

Job Hours:	10.00	Total Cost:	\$4,700.31

WHEEL LOADER - LOAD AND CARRY WORK

Task description:	Carry t	opsoil for spread	ing			
e: Liberty Project		Permit Acti	on: 2014 Rev	view	Permit/Job#:	P2007058
PROJECT IDE	NTIFICATION	<u>I</u>				
Task #: 04A		State: Color	ado		Abbreviation:	None
77. M 11/2 AMANUA (P. C.)	***************************************	County: Ouray	/		Filename:	P058-04A
User: RCC						
Agency o	r organization nar	ne: <u>DRMS</u>				
HOURLY EQU	PMENT COST	<u>r</u>				
Basic Mach	ine: CAT 2460			Horsep	ower:	73
Attachmer	t 1: ROPS Cab			Shift I	Basis: 1 p	er day
				Data Sc	ource: (C	CRG)
Cost Breakdown:						
			Utilizatio	on %		
Ownership		\$6.84	NA NA			
	Cost/Hour:	\$18.66	100			
•	Cost/Hour:	\$37.13	NA			
TOTAL CHIL	Cost/Hour:	\$62.64				
Total Flee	Cost/Hour:	\$62.64				
	: 267	volume: Divis		-	215 c Safety	
HOURLY PRO	DUCTION					
Loader Cycle Time	: Unadjust	ed Basic Cycle Ti	ime (load, dum	p, maneuver):	0.425	minutes
Cycle Time					Factor (min.)	Source
		material 0.02			0.020	(Cat HB)
Truck Ow		ed by truck 0.02		\ 00	0.020	(Cat HB)
		justment - factor i sistent operation (0.00	0.000 0.040	(Cat HB)
	····	target 0.04	7.04		0.040	(Cat HB) (Cat HB)
			Cycle Time A	diustment:	0.120	minutes
		Ad	justed Basic C	ycle Time:	0.545	minutes
Rolling Resistance	- Road Condition	<u>s</u>				
	Haul: Rutted d	irt, little maintena	ance, no water,	2" tire penetrat	ion 5.0	
R		irt, little maintena				
Haul and Return Ti	me					
	4	- Consider Desire	D - 11:	T-1-1-D	m 1 m 1	
	Length (feet)	Grade Res. (%)	Rolling Res. (%)	Total Res. (%)	Travel Time	Source
Haul Route		9.00	5.00	14.00	(minutes) 0.3614	(Cat HB)
Return Route		-9.00	5.00	-4.00	0.1555	(Cat HB)

			Total Travel		0.5170	minutes
			Total Cycle	Time:	1.0620	minutes
Load Bucket Capacity						
Rated Capacit	y: 0.53	LCY (hear	ped)			
Bucket Fill Facto	or: 1.050	Other - mo		(100-110	%) 1.050	
Adjusted Capacit	y: <u>0.56</u>	LCY				
Job Condition Correction Site Altitude: 11000 feet						
		Source				
Altitude Adj:	0.89	(CAT HB)			
Job Efficiency:	0.83	(1 shift/day				
Net Correction:	0.74	multiplier				
Un	adjusted Hourly Unit F	Production:	31.44	LCY	Hour	
	Adjusted Hourly Unit P		23.23	LCY/	Hour	
A	djusted Hourly Fleet P	Production:	23.23	LCY	Hour	
JOB TIME AND CO	<u>ST</u>					
Fleet size:	Loader(s)		Total job time:		13.97	Hours
Unit cost: \$2.	697 /LCY		Total job cost:		\$875	

REVEGETATION WORK

Liberty Project	Permit A	ction:201	4 Review		Permit/Jobs	#: <u>P2007058</u>
PROJECT IDENTIFICAT	CION					
Task #: 05A	State: Co	lorado			Abbreviation:	None
Date: 11/25/2014	-	ray			Filename:	
User: RCO					i ilonanic.	1030-03A
Agency or organization	on name: DRMS					
FERTILIZING						
Viaterials						
Description		Units /				0
Description		Acre	Unit	C	ost / Unit	Cost/Acre
				S		\$
				T	otal Fertilizer	
		1		1	Materials	-
					Cost/Acre	\$0.00
Application						,
Description						Cost /Acre
Description	Description					
						\$
		Total	Fertilizer	Applicat	ion Cost/Acre	\$ \$0.00
<u> </u>		Total	Fertilizer	Applicat	ion Cost/Acre	
		Total	Fertilizer	Applicat	ion Cost/Acre	\$0.00
Description		Total	Fertilizer	Applicat	ion Cost/Acre	S0.00 Cost /Acre
Description Subsoiling, light {(DMG}	NS 31 31 16 13 310		Fertilizer	Applicat	ion Cost/Acre	\$0.00 Cost /Acre \$171.41
Description	NS 31 31 16.13 310		Fertîlizer	Applicat	ion Cost/Acre	S0.00 Cost /Acre
Description Subsoiling, light {(DMG}	NS 31 31 16.13 310				ion Cost/Acre	S0.00 Cost /Acre \$171.41
Description Subsoiling, light {(DMG} Weed control spraying (MEA	NS 31 31 16.13 310					\$0.00 Cost /Acre \$171.41 \$145.20
Description Subsoiling, light {(DMG}	NS 31 31 16.13 310			Fotal Till		\$0.00 Cost /Acre \$171.41 \$145.20
Description Subsoiling, light {(DMG} Weed control spraying (MEA	NS 31 31 16.13 310			Fotal Till	ing Cost/Acre	\$0.00 Cost /Acre \$171.41 \$145.20 \$316.61
Description Subsoiling, light {(DMG} Weed control spraying (MEA)	NS 31 31 16.13 310			Fotal Till Rate – PLS	ing Cost/Acre Seeds per SQ.	\$0.00 Cost /Acre \$171.41 \$145.20
Description Subsoiling, light {(DMG} Weed control spraying (MEA)	NS 31 31 16.13 310			Rate – PLS LBS /	ing Cost/Acre	\$0.00 Cost /Acre \$171.41 \$145.20 \$316.61
Description Subsoiling, light {(DMG} Weed control spraying (MEA)				Rate – PLS LBS / Acre	Seeds per SQ.	\$0.00 Cost /Acre \$171.41 \$145.20 \$316.61 Cost /Acre
Description Subsoiling, light {(DMG} Weed control spraying (MEA) SEEDING Seed Mix Bluebunch Wheatgrass - Secal Canada Wildrye				Rate – PLS LBS / Acre 2.00	Seeds per SQ. FT	\$0.00 Cost /Acre \$171.41 \$145.20 \$316.61 Cost /Acre \$13.68
Description Subsoiling, light {(DMG} Weed control spraying (MEA) SEEDING Seed Mix Bluebunch Wheatgrass - Seca				Rate – PLS LBS / Acre 2.00 2.00	Seeds per SQ.	\$0.00 Cost /Acre \$171.41 \$145.20 \$316.61 Cost /Acre \$13.68 \$11.96
Description Subsoiling, light {{DMG}} Weed control spraying {MEA} SEEDING Seed Mix Bluebunch Wheatgrass - Secal Canada Wildrye Mountain Brome - Bromar Slender Wheatgrass - Pryor				Rate – PLS LBS / Acre 2.00	Seeds per SQ. FT 6.43 5.28 11.25	\$0.00 Cost /Acre \$171.41 \$145.20 \$316.61 Cost /Acre \$13.68 \$11.96 \$23.80
Description Subsoiling, light {{DMG}} Weed control spraying {MEA} SEEDING Seed Mix Bluebunch Wheatgrass - Secal Canada Wildrye Mountain Brome - Bromar				Rate – PLS LBS / Acre 2.00 2.00 7.00	Seeds per SQ. FT 6.43 5.28	\$0.00 Cost /Acre \$171.41 \$145.20 \$316.61 Cost /Acre \$13.68 \$11.96

Description		Cost /Acre
Broadcast seeding [DMG]		\$261.28
	Total Seed Application Cost/Acre	\$261.28

MULCHING and MISCELLANEOUS

Materials

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
Total Mulch Materials Cost/Acre		To the state of th		\$0,00

Application

Description		Cost /Acre
		\$
	Total Mulch Application Cost/Acre	\$0.00

NURSERY STOCK PLANTING

Common Name	No / Acre	Type and Size	Planting Cost	Fertilizer Pellet Cost	Cost /Acre
					\$
		Tot	als Nursery Stoo	k Cost / Acre	\$0.00

JOB TIME AND COST

No. of Acres: 2.2

Estimated Failure Rate: 30%

Cost / Acre: \$682.00 Cost / Acre*: \$682.00

*Selected Replanting Work Items: _TILLING,SEEDING

Initial Job Cost: \$1,500.40

Reseeding Job Cost: \$450.12

Total Job Cost: \$1,951

Job Hours: 10.00

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 NOTICE OF INTENT TO CONDUCT PROSPECTING OPERATIONS
FOR HARD ROCK/METAL MINES



Form 1
All confidential and public information
For DRMS use, and confidential filing

Form 2
Public information only
For public filing

GENERAL:

To conduct prospecting activities in the State of Colorado, a person or organization must file a Notice of Intent to conduct Prospecting Operations (NOI or Prospecting Notice) and provide a financial warranty for the prospecting operations to the Mined Land Reclamation Board (MLRB or Board). All prospecting operations must comply with the Colorado Mined Land Reclamation Act, as amended (34-32-101 et seq. C.R.S.), and the Colorado Mined Land Reclamation Board Hard Rock/Metal Mines Rules and Regulations 2 CCR 407-1 and amendments to those rules ("Rules"). This NOI form is for all minerals except coal and construction materials. The Division shall determine (where there is a question) if an operation is prospecting or mining.

The New Law:

Senate Bill (SB) 228 became law on June 2, 2008. SB 228 revised portions of C.R.S. 34-32-113 pertaining to confidentiality and filing requirements and requiring that certain aspects of Prospecting Notices will no longer be confidential.

As revised, C.R.S. 34-32-113 (3) now requires, in part, that "All information provided to the Board in a notice of intent to conduct prospecting or a modification of such a notice is a matter of public record subject to the Open Records Act, Part 2 of Article 72 of Title 24, C.R.S., including, in the case of a modification, the original notice of intent; except that information relating to the mineral deposit location, size, or nature and, as determined by the Board, other information designated by the operator as proprietary or trade secrets or that would cause substantial harm to the competitive position of the operator shall be protected as confidential information by the Board and shall not be a matter of public record in the absence of a written release from the operator or until a finding by the Board that reclamation is satisfactory. Such information designated as exempt shall remain confidential until a final determination by the Board". If the Board determines that information is not confidential, the Division shall treat it as public information thirty (30) days from the Board's written order.

C.R.S. 34-32-113 (9) now requires that the applicant provide the NOI in an electronic version in addition to the paper form and that DRMS post on the Division's website the NOI upon submittal. Specifically, this subsection states: "Upon the submittal of a notice of intent to conduct prospecting or a modification of such a notice, the person submitting such notice or modification shall give an electronic version of the notice or modification, except for that information exempted from public disclosure under subsection (3) of this section and that information designated by the person as exempt from disclosure under subsection (3) of this section, to the Board in a format determined by the Board. The Division shall post such version of the notice or modification on its web site". The new requirements of the Act apply to NOIs or modifications thereto submitted or approved on or after June 2, 2008.

The Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal and Designated Mining Operations were also revised as a result of the changes to the Act and became effective September 30, 2010.

A summary of new requirements of the rules are as follows and apply to NOI's or modifications thereto submitted or approved on or after September 30, 2010.

Rule 1.3 addresses the designation of confidential materials submitted to the Division in an NOI and the public review and appeal processes associated with the confidential designation process.

Rule 3.1.6(4) authorizes the Division to require the submission of baseline site characterization data for surface and ground water on a case by case basis.

Rule 3.1.6(5) authorizes the Division to implement environmental protection measures associated with drill pits on a case-by-case basis.

Rule 5.1.2 identifies application requirements for NOI's including new requirements to submit two (2) forms (one confidential and one non-confidential) and an electronic version of any application.

In addition, Rule 5.1.2 (m) (i) & (ii) identifies a new requirement for prospectors to notify the Local Boards of County Commissioners at the time of application submittal for an NOI and to provide certification that such notice was submitted.

Rule 5.1.3 identifies office review procedures for processing NOI's including confidential dispute timelines.

Rule 5.2 describes confidentially as it pertains to NOI filings pre and post June 2, 2008.

DEFINITION:

"Prospecting" is defined in Rule 1.1(43) of the Hard Rock/Metal Mining Rules and Regulations as the act of searching for or investigating a mineral deposit. "Prospecting' includes, but is not limited to, sinking shafts, tunneling, drilling core and bore holes and digging pits or cuts and other works for the purpose of extracting samples prior to the commencement of development or extraction operations, and the building of roads, access ways, and other facilities related to such work. The term does not include those activities which cause very little or no disturbance, such as airborne surveys and photographs, use of instruments or devices which

are hand-carried or otherwise transported over the surface to make magnetic, radioactive, or other tests and measurements, boundary or claim surveying, location work, or other work which causes no greater land disturbance than is caused by the ordinary, lawful use of the land by persons not prospecting. The term does not include any single activity which results in the disturbance of a single block of land totaling 1600 square feet or less of the land surface, not to exceed two such disturbances per acre; except that the cumulative total of such disturbances will not exceed five acres statewide in any prospecting operation extending over 24 consecutive months" (Rule 1.1.43).

APPLICATION FEE: \$86

NOIs and modifications require an \$86 fee, which must accompany this notice or it cannot be processed by the Division (C.R.S. 34-32-127(2) (a) (I) (K)).

RECOMMENDATIONS PRIOR TO FILING:

The Hard Rock/Metal Mining Rules and Regulations, the Colorado Mined Land Reclamation Act 34-32-101 and the Colorado Mined Land Reclamation Board regulate the filing, operational and reclamation requirements for prospecting operations in Colorado. It is your obligation to comply with the Act and Regulations. You are encouraged to obtain and review a copy of the Rules, available from the Division or accessed on line at www.mining.state.co.us. In order to file your NOI properly, it is recommended that you review the Act and

Rule 1.1	Definitions
Rule 1.3	Public Inspection of Documents (Confidentially and dispute resolution)
Rule 3.1	Reclamation Performance Standards
Rule 3.1.6	Water-General Requirements ((4) & (5))
Rule 3.3.1	Operating without an NOI - Penalty
Rule 4	Financial Warranties
Rule 5	Prospecting Requirements

FILING REQUIREMENTS:

If you plan to conduct prospecting on any lands in Colorado, you must provide all information described in this form. To file an NOI, submit the following:

- One (1) signed and completed NOI packet including Form 1 (confidential) and Form 2 (non-confidential) with maps and attachments (original signatures must be done in blue ink) along with electronic copy;
- One (1) unbound copy of the original NOI packet, including Forms 1 & 2 with maps and attachments;
- OR One (1) signed and completed NOI Non-Confidential Form (Form 2) plus 1 (one) copy and electronic copy, if entire NOI submittal is Non-Confidential;
- Application fee (\$86); and
- Financial Warranty and applicable warranty form.
- Notice of Filing with the Board(s) of County Commissioners where prospecting will occur. (See section VIII-Signature Requirements)

New and Additional NOI Filing Requirements for Confidentiality Designations:

- 1. Applicants of NOIs must specifically designate each portion of the submittal that the applicant believes should be confidential. This designation must comply with the provisions of SB08-228 as discussed above and should include not only information relating to the mineral deposit location, size, or nature but also other information the applicant believes is proprietary or trade secrets or that would cause substantial harm to the competitive position of the applicant. The applicant should distinguish in the submittal between those portions of the NOI that are confidential because they relate to the mineral deposit and those portions that the applicant believes are proprietary, trade secret or harmful to its competitive position. Those portions of the submittal that are not designated as confidential will be available as public record.
- 2. The applicant must submit two separate forms. One form will contain all information, including both public and confidential information (with the confidential information designated as such). This complete form will be used by the DRMS for review and will be held as confidential.

The second form will contain only the information the applicant believes is public with the applicant redacting all information to be held as confidential.

- 3. The submittals must be provided in both paper and electronic format.
- 4. All public portions of the submittal will be made available on the Division website and in the Division's public files.
- 5. All portions of the submittal that are confidential by law, or as designated by the prospector, will remain secured from public access, *i.e.*, not on the website and not in the Division's public files. If the Board rules that some portion of the file should be public, then that portion will be made available and no longer held from public view.

Processing Requirements:

The Division will review the NOI and associated Financial Warranty information within twenty (20) working days of receipt by the Division. If the prospector has not been notified of any deficiencies of the NOI Form within twenty (20) working days of receipt, prospecting operations may commence upon approval of the financial warranty. The Prospector has 60 days from the date of filing to correct any deficiencies. For activities on BLM or USFS Lands, the twenty (20) working-day period begins on the day when the appropriate Federal Land Management agency has been notified by the Prospector (see below). Incomplete NOI forms will be terminated and returned to the person or organization, if deficiencies are not corrected within 60 days of filing (Rule 5.1.3).

The New Review Process Regarding Confidentiality Designations

Hard Rock Rule 5.1.3 (Office Review), Rule 5.2 (Confidentially) and Rule 1.3 (Public Inspection of Documents) will apply. These rules will guide office review of determinations regarding confidentiality designations. The Division will review the submittal for technical adequacy as stated above, including the

review of the submittal in regard to information the applicant has designated as confidential. If the Division identifies any deficiencies in the submittal including any disagreement regarding the designation of confidential materials, then the prospector will be notified by the Division in accordance with the timeframes identified within these rules, but no later than 20 working days of NOI receipt.

Any disputes concerning whether information in an NOI is confidential or public shall be resolved by following the procedures and timelines outlined in Rule 1.3.

Disputes relating to designation of confidentiality may be resolved by the Prospector removing the confidentiality designation by the Prospector or by Board determination. The DRMS will not issue an approval decision and the applicant is not authorized to commence prospecting operations until all deficiencies, including confidentiality issues, are resolved.

PROSPECTING ON FEDERAL LAND:

The Division has entered into cooperative agreements with the U.S. Bureau of Land Management (BLM) or the U.S. Forest Service (USFS) to coordinate the review of NOIs and the posting of financial warranties. The primary goal is to ensure that the agencies minimize duplication of functions and thereby minimize regulatory duplication imposed upon prospecting operations. The Division assumes the primary responsibility for the administration, review, and permitting of NOIs. The prospector is required to document that the NOI has been sent to the BLM or the USFS. Upon receipt of the NOI, the Division will notify the appropriate BLM or USFS office and forward a copy of the NOI. Processing of the NOI will not begin until the prospector has submitted evidence acceptable to the Division that the NOI was sent to the BLM or USFS.

FINANCIAL WARRANTY:

A financial warranty must be provided and approved prior to the entry upon lands for the purpose of prospecting. The prospector can either file a "One Site Prospecting Financial Warranty" or a "Statewide Prospecting Financial Warranty." The One Site Prospecting Financial Warranty is usually filed by individuals or small companies where prospecting activities are limited to a single area. It must be filed in the amount of \$2,000 per acre for the land to be disturbed, or such other amount as determined by the Division, based on the projected costs of reclamation, taking into account the nature, extent, and duration of the prospecting operation and the magnitude, type and estimated cost of the planned reclamation. A Statewide Financial Warranty is usually filed by larger companies with multiple prospecting sites. It must be filed in an amount equal to the estimated cost of reclamation per acre of affected land for all anticipated sites statewide. (You may increase the Statewide bond at any time in order to cover additional or expanded prospecting activities.) The financial warranty must be submitted and approved by the Division prior to entry upon lands for the purpose of prospecting. The financial warranty will be retained by the Board until the prospector has completed reclamation of the prospecting site and has been released, in writing, of reclamation responsibility. Financial warranty forms can be downloaded from the Division's Internet web page located at http://mining.state.co.us.

PLAN MODIFICATIONS:

Modifications to an existing NOI must be submitted in writing and approved in advance of such activity. Modifications shall be reviewed by the Board or Office in the same manner as new NOIs, use the same NOI forms, include confidentiality designations, and a fee for \$86. Prospectors must fill out sections of the NOI

form that will change and indicate the sections that will not change. Prospectors must designate each portion of the modified NOI they believe are to remain confidential. Please note that under SB08-228, all information provided to the Board in an NOI or a modification of an NOI is a matter of public record including, in the case of a modification, the original notice of intent, unless that information relates to the mineral deposit location, size, or nature or is designated by the Prospector as proprietary or trade secrets, or that would cause substantial harm to the competitive position of the Prospector. Accordingly, the Prospector should also designate the information in the <u>original</u> NOI that it believes is confidential if it has not already done so.

The Board shall determine (where there is a question) if an NOI can be modified or requires the filing of a new NOI in accordance with Rule 1.4.11. If the Division determines that the proposed modification (or new NOI) requires the posting of an additional reclamation bond amount to cover increased costs of reclamation caused by the modification (or new NOI), the NOI holder must submit, and the Division must approve, the supplemental or additional bond to cover such increased reclamation costs before the NOI holder may undertake any additional or different activities described in the modification (or new NOI). A separate prospecting notice shall be filed with the Office for each non-contiguous land survey quarter section in which a proposed prospecting activity is to occur. The requirement for separate notices may be waived by the Office for good cause (*Rule 5.1.1*).

ANNUAL REPORTS:

Effective as of December 31, 2006, Annual Reports are required for all active prospecting operations. By the anniversary date of each year that the NOI is in effect, the prospector must file an annual reclamation report detailing the exploration and reclamation activities that occurred during that year and whether prospecting has been completed (Rule 5.6). Annual Reports filed on or after June 2, 2008 shall be a matter of public record unless designated by the prospector as confidential pursuant to the provision of Rule 1.3. Failure to submit an Annual Report for two (2) consecutive years shall constitute evidence of abandonment of the prospecting activities. The report must be accompanied by an annual fee in the amount of \$86.

RECLAMATION:

Reclamation shall be completed in a timely manner and within five (5) years of completion of prospecting activities (Rule 5.1.2(g)). The time period to complete site reclamation commences on the date that prospecting has been completed, as stated in the Annual Report. New or significantly upgraded roads, structures, or other features on private lands that are planned to be retained following prospecting may be identified in the NOI submittal and may be excluded from the financial warranty amount at the discretion of the office. The prospector must submit a notarized letter from the landowner requesting that the roads, structures or other features remain on site and demonstrate that it meets the applicable County zoning and code requirements.

RELEASE OF FINANCIAL WARRANTY AND TERMINATION OF THE NOI:

Upon completion of any phase of reclamation, you should consult Rule 3.1 for reclamation standards and Rule 4.16 for details on how to request a reclamation responsibility release from the MLRB. Following the completion of reclamation, the prospector may request a release of the reclamation responsibility sent by certified mail. The Division will conduct an inspection within 30 days of receiving the request (or as soon

thereafter as weather conditions permit). If the operation is located on Public Land or State Land, the Division will coordinate the inspection with the appropriate land management agency.

COMPLIANCE WITH OTHER LAWS:

Compliance with the Act and Rules and Regulations of the Mined Land Reclamation Board does not relieve you of responsibility to comply with all other applicable local, state and federal laws. We recommend that you contact the following agencies and any others to determine whether you need to comply with their legal requirements:

- The Colorado State Historical Preservation Office regarding properties of potential historical significance;
- Colorado Division of Water Resources regarding water rights;
- Colorado Department of Public Health and the Environment, Water Quality Control Division, regarding the potential to discharge pollutants into the State waters;
- Colorado Department of Public Health and the Environment, Air Pollution Control Division, with regard to the potential need for a fugitive dust permit;
- U.S. Bureau of Land Management or the U.S. Forest Service if the proposed operation is on federal lands;
- U.S. Army Corps of Engineers regarding a dredge and fill (404) permit; and
- The County Planning Department for the county or counties in which the proposed operation is located.

AUTHORIZED SIGNATURE:

You, or a person authorized by you, must sign the NOI. By doing so you are stating that the information provided in the NOI is true and correct as of the date specified. For individuals, the NOI must be signed by the NOI holder or the person authorized to sign on the NOI holder's behalf. For companies or partnerships, the NOI must be signed by a person acting under the company's/partnership's express or implied authority, or by an authorized agent.

SUBMIT COMPLETED NOIS TO ONE OF THE OFFICES BELOW:

Denver Office (main): Division of Reclamation, Mining and Safety 1313 Sherman St., Rm. 215

Denver, CO 80203 Telephone: 303.866.3567

FAX: 303.832.8106

Durango Field Office:
Division of Reclamation, Mining and Safety
701 Camino Del Rio, Rm. 125
Durango, CO 81301
Telephone: 303-866-3567

FAX: 970.247.5104

Grand Junction Field Office: Division of Reclamation, Mining and Safety 101 South 3rd, Ste. 301 Grand Junction, CO 81501 Telephone: 303-866-3567

FAX: 970.241.1516

Office hours are Monday to Friday, 8:00 a.m. to 5:00 p.m., excluding State Holidays.



May 20, 2015

Mr. Bob Oswald Environmental Protection Specialist Department of Reclamation, Mining and Safety 1313 Sherman St., Rm. 215 101 South 3rd, Ste. 301 Denver, CO 80203

RE:

New NOI Application The Liberty Project

Dear Mr. Oswald,

Please find enclosed a NOI Application to replace NOI <u>P-2007-058</u> issued to The Mining Company for the claims known as the Liberty Mine. The Liberty Mine claims comprise of 4 patented claims owned by Fortune Revenue Silver Mines, Inc. as follows: Atlas Ext 5684, Nashville 2078, Banner 2079 and Cumberland 2077.

The purpose of this NOI is to reclaim the Liberty Mine area and no exploration work is to take place.

The application fee of US\$86 will be mailed to you directly from FRSM Head Offices. We concur with your recent inspection and calculation of the bond and will place the bond as soon as we hear from your offices.

If you have any questions, please do not hesitate to contact me at 250-320-2919, or by email: dstoopnikoff@fortuneminerals.com

Best regards,

Dianna Stoopnikoff

Environmental Relationships Manager

