

Department of Natural Resources

1313 Sherman St. Room 215 Denver, CO 80203

September 1, 2015

Glynda Yoder Precious Offerings Mineral Exchange, Inc. 200 Alder Ln Boulder, CO 80304

Brown Derby Mine, Permit M-1999-074, 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 Reclamation Permit and Colorado Statutes, you must submit an Annual Fee and Annual Report (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 mining 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. APPROPRIATE ANNUAL FEE
- 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 (the "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 \$259.00 fee is due for the following:

Permit: M-1999-074
Operation Name: Brown Derby Mine
Anniversary Date: October 20, 2015

Total Fee Due: \$259.00 (Due on or before your Anniversary Date)

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 provide it below or 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 Scottie Tate ((303) 866-3567 ext 8166) or Michelle Ramirez ((303) 866-3567 ext 8114). Thank you for your cooperation in this matter.

IF THE ANNUAL FEE SUBMITTALS ARE NOT RECEIVED ON OR BEFORE YOUR ANNIVERSARY DATE, THE ENFORCEMENT PROCESS WILL AUTOMATICALLY BE INITIATED. ENFORCEMENT ACTIONS MAY RESULT IN CIVIL PENALTIES AND/OR REVOCATION OF YOUR PERMIT.

110(2) Annual Report

| | Permit Number: | M-1999-074 |
|------------------------|--------------------------|----------------------------|
| | Permittee Name: | Precious Offerings Mineral |
| | | Exchange, Inc. |
| | Operation Name: | Brown Derby Mine |
| | County: | Gunnison |
| | Anniversary Date: | October 20, 2015 |
| | Current Bond Amt: | \$2,500.00 |
| | Annual Fee Due: | \$259.00 |
| (DRMS Office Use Only) | Permit Acreage: | 0.50 |
| | DRMS Specialist | DMC |

According to C.R.S. 34-32.5-116 or 34-32-116, 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 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 site identification sign posted in accordance with Rule 3.1.12(1)? | | | | | |
|--|--|------------|----------|--|--|--|
| 2. | 2. Is the affected area boundary clearly marked in accordance with Rule 3.1.12(2)? | | | | | |
| 3. | Is the mine site in final reclamation (all material extraction and stockpile removal is complete)? If "YES," please note time limits related to completion of reclamation, Rule 3.1.3. | | | | | |
| 4. What was the date of last excavation, processing or hauling activity at the mine? | | | | | | |
| 5. | 5. Does the mine operate more than 180 days per year If "NO", please review Rule 1.13 to assure that your mine is in compliance. | | | | | |
| 6. | Has this mine been granted: a) approval of TEMPORARY CESSATION Status? b) approval for INTERMITTENT OPERATION? | YES YES | NO NO | | | |
| 7. | Number of acres currently affected (mining + incomplete and or unreleased reclamation): | | | | | |
| 8. | Number of acres that were newly affected during the current report year: | | | | | |
| 9. | Number of acres that were reclaimed during the current report year: | | | | | |
| 10. | 0. Estimated new acreage to be affected in the next report year: | | | | | |
| 11. | Estimated acres to be reclaimed in the next report year: | | | | | |

12. **Total acres** in various stages of reclamation, since permitted mining activities began:

| Total acres | | Total acre | es | | Total acres | | Total a | acres | | |
|---|---|------------|-----------|----|--------------|-----|---------------------------|------------------|-------------------------|-----|
| backfilled: | | seeded w/ | | | w/topsoil | | mulch | | | |
| | | approved | | | replaced: | | | ed mulch | : | |
| Total acres | | Total acre | | | Topsoil | | | application | | |
| graded: | 1 | fertilized | w/ | | replacement | | rate (to | | | |
| | | apvd ferti | lizer: | | depth (in.): | | , | , | | |
| Seed | | | Fertilize | r | | Mu | lch | | • | |
| application | | | applicati | on | | app | lication | | | |
| method: | | | method: | | | met | hod: | | | |
| 13. Is weed control being conducted in accordance with an approved Weed Control Plan? If "YES", indicate the weed species, control area, control type, application rate and treatment. 14. Is adequate topsoil reserved for reclamation, based on your approved permit? If "NO", please explain: 15. Is the reserved topsoil vegetated/stabilized in accordance with Rule 3.1.9(1)? If "NO" please explain: | | | | | | | YES ent date or YES | NO the rep NO NO | N/A port map. N/A N/A | |
| 16. If mining has exposed groundwater, is the site in compliance with the approved mining plan and Office of the State Engineer (Well Permit, S.W.S.P., and/or Permanent Augmentation Plan)? YES NO N/A | | | | | | | | | | |
| 17. Are all hazardo | 7. Are all hazardous materials stored within approved spill containment structures? YES NO N/A | | | | | | | N/A | | |
| 18. Is your financi | 18. Is your financial warranty value sufficient to cover the cost to complete reclamation? | | | | | | | YES | NO | N/A |
| 19. Is your basis for legal right to enter still valid? | | | | | | | YES | NO | | |
| 20. Does your permit require you to submit monitoring information annually? If "Yes", please attach the required monitoring results to this Annual Report. | | | | | | | YES | NO | N/A | |
| Construction N | 21. As required by Colorado Mined Land Reclamation Act and/or Colorado Land Reclamation Act for the Extraction of Construction Materials (C.R.S. 34-32-116 or 34-32.5-116), attach a map to this report that accurately depicts the permit boundary, current affected area boundary and location of the acreages specified in items 7- 12 and 14. UPDATED | | | | | | | | | |
| MAP ATTAC | HED: | | | | | | | | | |

Division records indicate the following permittee contact information. If this information is not current, please type or print **current** contact information:

| Permittee Contact: | Glynda Yoder | | |
|-------------------------------|--|--------------------|-------------------------------------|
| | | | |
| Permittee Company: | Precious Offerings Mineral | | |
| | Exchange, Inc. | | |
| Address: | 200 Alder Ln | | |
| | Boulder, CO 80304 | | |
| Phone Number: | (303) 544-1188 | | |
| Fax Number: | (303) 442-3822 | | |
| Email Address: | | | |
| | by state that the information provide ordance with the Division approved | | urate, and that site operations are |
| Signature of <u>Permittee</u> | <u>, Corporate Officer, Owner,</u> or <u>D</u> | ocumented Designee | Date |
| M-AF-02 | | | |