

December 2, 2020

Joshua Bleak
Highbury Resources Inc.
107080 South 1300 East
Suite 120
Sandy, UT 84094



1313 Sherman Street, Room 215
Denver, CO 80203

RE: JD-7 Pit, Permit # M-1979-094-HR, Incomplete Application for Transfer of Mineral Permit and Succession of Operators, Revision (SO-01)

Mr. Bleak:

On November 2, 2020 the Division of Reclamation, Mining and Safety (Division) received your application for Transfer of Mineral Permit and Succession of Operators (SO-01). At this time the application is considered incomplete. Before the application can be processed the following item(s) must be received by the Division:

1. Financial Warranty - The Prospective Successor must provide Financial Warranties sufficient to cover the cost of completing reclamation in compliance with the Permit, and the applicable Act and Rules. The financial warranty amount required by the Division for this site is \$1,645,300.00. You have provided evidence that Highbury has financial warranty in place with the U.S. Department of Energy (DOE) in the amount of \$1,514,293.00.

Pursuant to Rule 4.2.1 (6) of the *MINERAL RULES AND REGULATIONS OF THE COLORADO MINED LAND RECLAMATION BOARD FOR HARD ROCK, METAL, AND DESIGNATED MINING OPERATIONS (Rules)*, when mining on federal (DOE) land and the federal land management agency requires that a financial warranty be posted with their agency, the amount of financial warranty posted with the Division shall be the difference between the amount required to be posted by the federal land management agency, and the amount required by the Division.

Therefore, a financial warranty in an amount of \$131,007.00 must be posted with the Division. Please provide financial warranty to the Division in this amount.

2. Demonstration of Legal Right to Enter – All permittees must provide a description of the basis for legal right of entry to the site and to conduct mining and reclamation.

The *Uranium Mining Lease Assignment* included with the SO-01 submittal is conditioned upon obtaining approval from the DOE Realty Officer. The copy you have submitted has not been signed by the DOE Realty Officer.

Please submit a fully executed lease agreement demonstrating Highbury has legal right of entry to the site to conduct mining and reclamation.

3. Structure Agreements - Operators must provide the Division copies of agreements to compensate the owners of any significant, valuable, and permanent man-made structures and utilities within 200 feet of the affected land ("Structure Agreements"). See Hard Rock Rules 6.3.12 and 6.4.20. If the Permittee was required to provide Structure Agreements, the



Prospective Successor must obtain new Structure Agreements from each owner and provide copies of the same to the Division with the Application.

Please provide a Structure Agreement for the San Miguel Power Association utilities located on site and within 200 feet of the affected area.

Please submit the above listed items within sixty days. An incomplete application may be terminated by the Division after sixty days if requested documents or information are not received.

If you require additional information, or have questions or concerns, please contact me.

Sincerely,



Dustin Czapla

Environmental Protection Specialist
Division of Reclamation, Mining and Safety
Phone: (303) 866-3567, ext. 8188

Cc:

Ken Mushinski
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