



September 2, 2022

Rob Duncan
Tarsis Resources US Inc.
241 Ridge St.
Suite 210
Reno, NV 89501

RE: Klondike Basin Exploratory Drilling Project, Permit No. P-2022-005, Reclamation Costs Update and Notice of Surety Increase (SI-1)

Dear Mr. Duncan:

In an effort to ensure the Financial Warranty for the above referenced site adequately reflects the actual current costs of fulfilling the requirements of the approved reclamation plan, the Colorado Division of Reclamation, Mining and Safety (Division) has updated the reclamation cost estimate (copy enclosed). ***Therefore, pursuant to Section 34-32-117(4) of the Colorado Land Reclamation Act, adequate Financial Warranty must be submitted to the Division within 60 days of the mailing date of this letter.*** The additional amount needs to be accepted prior to **Wednesday, November 02, 2022**. Please review the enclosed figures as soon as possible and contact our office if any calculation errors are noted.

Staff calculations estimate the cost to reclaim the above referenced site to be \$23,828.00. This is an increase of \$4,768.00 over the \$19,060.00 currently held by the Division. This estimate is based on the proposal of adding a second drill rig and allowing for two open drill holes at any given time.

Please make arrangements with Sara Stevenson-Benn at the Division of Reclamation, Mining and Safety Denver Office, phone no. 303.866.3567, ext. 8148 for submittal of the financial warranty. Any questions regarding completion, execution and/or submittal of financial warranty forms should also be directed to Barbara Coria. If you require additional information, have questions or concerns, please contact me at the DRMS Grand Junction Field Office.

Sincerely,

Lucas West
Environmental Protection Specialist
Division of Reclamation, Mining and Safety

Cc: Travis Marshall, DRMs
Ec: Rob Duncan, Tarsis Resources US, Inc.
Gabriel Sweet, Big Rock Exploration, LLC.



COST SUMMARY WORK

Task description: Cost Summary

Site: Klondike Basin Exploratory
Drilling Project

Permit Action: New App

Permit/Job#: P2022005

PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None
Date: 5/24/2022 County: San Miguel Filename: P005-000
User: LJW

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	P & A Drill Hole (Holes Reclaimed before next is drilled)	BOREHOLE	1	12.00	\$7,904
002	Regrade 14 Drill Pads	DOZER	1	0.83	\$153
003	Reclaim 5700 LN FT of New Roads	DOZER	1	13.03	\$2,387
004	Rip Regraded Areas	RIPPER	1	3.26	\$617
005	Revegetate Affected Lands	REVEGE	1	8.00	\$3,693
006	Secondary seeding	REVEGE	1	6.00	\$1,770
007	Mobilization	MOBILIZE	1	7.42	\$2,000
<u>SUBTOTALS:</u>				50.54	\$18,524

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance:	2.02	Total =	\$374
Performance bond:	1.05	Total =	\$195
Job superintendent:	23.27	Total =	\$1,748
Profit:	10.00	Total =	\$1,852

TOTAL O & P = \$4,169

CONTRACT AMOUNT (direct + O & P) = \$22,693

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs):	<u>\$0</u>	Total =	<u>\$0</u>
Engineering work and/or contract/bid preparation:	<u>0.00</u>	Total =	<u>\$0</u>
Reclamation management and/or administration:	<u>5.00</u>		<u>\$1,135</u>

CONTINGENCY: 0.00 Total = \$0

TOTAL INDIRECT COST = \$5,304

TOTAL BOND AMOUNT (direct + indirect) = \$23,828

BOREHOLE SEALING WORK

Task description: P & A Dill Hole (Holes Reclaimed before next is drilled)

Site: Klondike Basin Exploratory Permit Action: New App Permit/Job#: P2022005
Drilling Project

PROJECT IDENTIFICATION

Task #: 001 State: Colorado Abbreviation: None
Date: 5/24/2022 County: San Miguel Filename: P005-001
User: LJW

Agency or organization name: DRMS

UNIT COSTS

Borehole Description	Sealing/Item Method	Diameter	Length	Quantity	Unit	Unit Cost	Total Cost
Bentonite Seal	Bentonite seal - 4 in. (labor, equip, materials)	3.75	670	670.00	LF	\$5.65	\$3,785.50
Concrete Seal (top 30')	Portland cement grout - 4 in. (labor, equip, materials)	3.75	30	30.00	LF	\$5.55	\$166.50
Bentonite Seal	Bentonite seal - 4 in. (labor, equip, materials)	3.75	670	670.00	LF	\$5.65	\$3,785.50
Concrete Seal (top 30')	Portland cement grout - 4 in. (labor, equip, materials)	3.75	30	30.00	LF	\$5.55	\$166.50

Job Hours: 12.00 Total Cost: \$7,904.00

BULLDOZER WORKTask description: **Regrade 14 Drill Pads**Site: **Klondike Basin Exploratory
Drilling Project**Permit Action: **New App**Permit/Job#: **P2022005****PROJECT IDENTIFICATION**Task #: **002**State: **Colorado**Abbreviation: **None**Date: **5/24/2022**County: **San Miguel**Filename: **P005-002**User: **LJW**Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**Basic Machine: **Cat D6T LGP**Horsepower: **200**Blade Type: **Straight**Attachment: **3-shank ripper**Shift Basis: **1 per day**Data Source: **(CRG)****Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$75.83	NA
Operating Cost/Hour:	\$66.34	100
Ripper own. Cost/Hour:	\$8.37	NA
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$41.30	NA
Total unit Cost/Hour:	\$191.84	
Total Fleet Cost/Hour:	\$191.84	

MATERIAL QUANTITIESInitial Volume: **135**Swell factor: **1.000**Loose volume: **135 LCY**Source of estimated volume: **14 60x60 pads, 1ft deep/27=133**Source of estimated swell
factor: **Cat Handbook****HOURLY PRODUCTION**Average push distance: **50 feet**Unadjusted hourly
production: **444.6 LCY/hr**Materials consistency description: **Loose stockpile 1.2**Average push
gradient: **0 %**Average site altitude: **6,800 feet**Material weight: **3,300 lbs/LCY**Weight description: **Decomposed rock - 75% Rock, 25% Earth****Job Condition Correction Factor****Source**

Operator Skill:	0.750	(AVG.)
Material consistency:	1.200	(CAT HB)
Dozing method:	1.000	(GEN.)
Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.700	(FND-MF)
Push gradient:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.697	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3645

Adjusted unit
production: 162.06 LCY/hr
Adjusted fleet
production: **162.06** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$1.184/LCY

Total job time: **0.83** Hours
Total job cost: **\$160**

BULLDOZER WORKTask description: **Reclaim 5700 LN FT of New Roads**Site: **Klondike Basin Exploratory
Drilling Project**Permit Action: **New App**Permit/Job#: **P2022005****PROJECT IDENTIFICATION**Task #: **003**
Date: **5/24/2022**
User: **LJW**State: **Colorado**
County: **San Miguel**Abbreviation: **None**
Filename: **P005-003**Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**Basic Machine: **Cat D6T LGP**
Horsepower: **200**
Blade Type: **Straight**
Attachment: **3-shank ripper**
Shift Basis: **1 per day**
Data Source: **(CRG)****Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$75.83	NA
Operating Cost/Hour:	\$66.34	100
Ripper own. Cost/Hour:	\$8.37	NA
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$41.30	NA
Total unit Cost/Hour:	\$191.84	
Total Fleet Cost/Hour:	\$191.84	

MATERIAL QUANTITIESInitial Volume: **2,111**
Swell factor: **1.000**
Loose volume: **2,111 LCY**Source of estimated volume: **5700 Ft of Road, 1 ft deep, 10ft W/ 27**
Source of estimated swell factor: **Cat Handbook****HOURLY PRODUCTION**Average push distance: **50 feet**
Unadjusted hourly production: **444.6 LCY/hr**Materials consistency description: **Loose stockpile 1.2**Average push gradient: **0 %**
Average site altitude: **6,800 feet**Material weight: **3,300 lbs/LCY**Weight description: **Decomposed rock - 75% Rock, 25% Earth****Job Condition Correction Factor****Source**

Operator Skill:	0.750	(AVG.)
Material consistency:	1.200	(CAT HB)
Dozing method:	1.000	(GEN.)
Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.700	(FND-MF)
Push gradient:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.697	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3645

Adjusted unit
production: 162.06 LCY/hr
Adjusted fleet
production: **162.06** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$1.184/LCY

Total job time: **13.03** Hours
Total job cost: **\$2,499**

BULLDOZER RIPPING WORK

Task description: Rip Regraded Areas

Site: Klondike Basin Exploratory
Drilling Project

Permit Action: New App

Permit/Job#: P2022005

PROJECT IDENTIFICATION

Task #: 004
Date: 5/24/2022
User: LJW

State: Colorado
County: San Miguel

Abbreviation: None
Filename: P005-004

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D6T LGP
Ripper Attachment: 3-Shank Ripper

Horsepower: 200
Shift Basis: 1 per day
Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$75.83	NA
Operating Cost/Hour:	\$66.34	100
Ripper Ownership Cost/Hour:	\$8.37	NA
Ripper Operating Cost/Hour:	\$4.99	100
Operator Cost/Hour:	\$41.30	NA
Total Unit Cost/Hour:	\$196.83	
Total Fleet Cost/Hour:	\$196.83	

MATERIAL QUANTITIES

Selected estimating method: Area

Alternate Methods:

Seismic: NA Bank Volume: NA BCY NA
Area: 1.50 acres Rip Depth (ft): 0.50 Volume: 1,210 BCY or CCY

Source of estimated quantity: Ripping as needed, assumed 1/2 disturbed area

HOURLY PRODUCTION

Seismic:

Seismic Velocity: NA feet/second

Area:

Average Ripping Depth: 1.64 feet/pass
Average Ripping Width: 6.58 feet/pass
Average Ripping Length: 50.00 feet/pass
Average Dozer Speed: 88.00 feet/minute
Average Maneuver Time: 0.25 minutes/pass
Production per unit area: 0.554 acres/hour

Job Condition Correction Factors

Unadjusted Hourly Unit Production: 0.554 Acres/hr
Site Altitude: 6,800 feet
Altitude Adj: 1.00 (CAT HB)
Job Efficiency: 0.83 (1 shift/day)
Net Correction: 0.83 multiplier

Adjusted Hourly Unit Production: 0.46 Acres/hr
Adjusted Hourly Fleet Production: 0.46 Acres/hr

JOB TIME AND COST

Fleet size: 1 Grader(s) Total job time: 3.26 Hours

Unit cost: \$428.158 Per acre

Total job cost: **\$642**

REVEGETATION WORKTask description: Revegetate Affected Lands

Site: Klondike Basin Exploratory Permit Action: New App Permit/Job#: P2022005
Drilling Project

PROJECT IDENTIFICATION

Task #: 005 State: Colorado Abbreviation: None
 Date: 5/24/2022 County: San Miguel Filename: P005-005
 User: LJW

Agency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
			Total Fertilizer Materials Cost/Acre	\$0.00

Application

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

TILLING

Description	Cost /Acre
	\$
Total Tilling Cost/Acre	\$0.00

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Blue Grama - Native	0.96	15.67	\$13.18
Indian Ricegrass - Native	7.42	24.02	\$48.23
Galleta	4.94	18.03	\$110.41
Western Wheatgrass - Arriba	5.00	12.63	\$32.50
Needle and Thread	5.20	13.73	\$217.62
Saltbush, Four Wing	0.50	0.69	\$6.25
Winter Fat	0.50	1.27	\$10.25
Basin Wildrye - Trailhead	2.06	8.37	\$31.74

Totals Seed Mix	26.58	94.41	\$470.18
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Application

Description	Cost /Acre
Broadcast seeding [DMG]	\$267.22
Total Seed Application Cost/Acre	\$267.22

MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
Total Mulch Materials Cost/Acre				\$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
					\$
Totals Nursery Stock Cost / Acre					\$0.00

JOB TIME AND COST

No. of Acres: 3.13 Cost /Acre: \$737.40
 Estimated Failure Rate: 60% Cost /Acre*: \$737.40
 *Selected Replanting Work Items: SEEDING

Initial Job Cost: **\$2,308.06**
 Reseeding Job Cost: **\$1,384.84**
 Total Job Cost: **\$3,693**
 Job Hours: **8.00**

REVEGETATION WORKTask description: Secondary seedingSite: Klondike Basin Exploratory
Drilling ProjectPermit Action: New AppPermit/Job#: P2022005**PROJECT IDENTIFICATION**Task #: 006
Date: 5/24/2022
User: LJWState: Colorado
County: San MiguelAbbreviation: None
Filename: P005-006Agency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
			Total Fertilizer Materials Cost/Acre	\$0.00

Application

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

TILLING

Description	Cost /Acre
	\$
Total Tilling Cost/Acre	\$0.00

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Blue Grama - Native	0.96	15.67	\$13.18
Indian Ricegrass - Native	7.42	24.02	\$48.23
Galleta	4.94	18.03	\$110.41
Western Wheatgrass - Arriba	5.00	12.63	\$32.50
Needle and Thread	5.20	13.73	\$217.62
Saltbush, Four Wing	0.50	0.69	\$6.25
Winter Fat	0.50	1.27	\$10.25
Basin Wildrye - Trailhead	2.06	8.37	\$31.74

Totals Seed Mix	26.58	94.41	\$470.18
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Application

Description	Cost /Acre
Broadcast seeding [DMG]	\$267.22
Total Seed Application Cost/Acre	\$267.22

MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
Total Mulch Materials Cost/Acre				\$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
					\$
Totals Nursery Stock Cost / Acre					\$0.00

JOB TIME AND COST

No. of Acres: 1.5 Cost /Acre: \$737.40
 Estimated Failure Rate: 60% Cost /Acre*: \$737.40
 *Selected Replanting Work Items: SEEDING

Initial Job Cost: **\$1,106.10**
 Reseeding Job Cost: **\$663.66**
 Total Job Cost: **\$1,770**
 Job Hours: **6.00**

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mobilization**Site: **Klondike Basin Exploratory
Drilling Project**Permit Action: **New App**Permit/Job#: **P2022005****PROJECT IDENTIFICATION**

Task #: **007** State: **Colorado** Abbreviation: **None**
 Date: **5/24/2022** County: **San Miguel** Filename: **P005-007**
 User: **LJW**

Agency or organization name: **DRMS****EQUIPMENT TRANSPORT RIG COST**

Shift basis: **1 per day**
 Cost Data Source: **CRG Data**

Truck Tractor Description: **GENERIC ON-HIGHWAY TRUCK TRACTOR, 6X4, DIESEL POWERED,
400 HP (2ND HALF, 2006)**Truck Trailer Description: **GENERIC FOLDING GOOSENECK, DROP DECK EQUIPMENT
TRAILER (25T, 50T, AND 100T)****Cost Breakdown:**

Available Rig Capacities	0-25 Tons	26-50 Tons	51+ Tons
Ownership Cost/Hour:	\$15.25	\$23.06	\$37.58
Operating Cost/Hour:	\$25.26	\$30.83	\$51.41
Operator Cost/Hour:	\$27.71	\$27.71	\$27.71
Helper Cost/Hour:	\$0.00	\$20.22	\$20.22
Total Unit Cost/Hour:	\$68.22	\$101.82	\$136.92

NON ROADABLE EQUIPMENT:

Machine Description	Weight/ Unit (TONS)	Owner ship Cost/hr/ unit	Haul Rig Cost/hr/unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet	DOT Permit Cost/ fleet
Cat D6T LGP	28.63	\$84.20	\$101.82	1	\$186.02	\$101.82	\$250.00
Subtotals:					\$186.02	\$101.82	\$250.00

ROADABLE EQUIPMENT:

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Light Duty Pickup, 4x4, 3/4 T.	\$14.23	1	\$14.23	\$14.23
Subtotals:			\$14.23	\$14.23

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	NATURITA	
Total one-way travel distance:	16.00	miles
Average Travel Speed:	45.00	mph

Total Non-Roadable Mob/Demob Cost *	\$1,820.81
** two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	\$10.12
** one round trip, no haul rig:	

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.36	0.36
Return Time (Hours):	0.36	0.36
Loading Time (Hours):	1.50	NA
Unloading Time (Hours):	1.50	NA
Subtotals:	3.71	0.71

JOB TIME AND COST

Total job time:	7.42	Hours
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Total job cost:	\$1,831
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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



ONE SITE PROSPECTING FINANCIAL WARRANTY ON BUREAU OF LAND MANAGEMENT LAND CHECK FOR DEPOSIT IN STATE TREASURY

Prospecting Financial Warranty No. _____

Notice of Intent No. _____

This form has been approved by the Mined Land Reclamation Board ("Board") pursuant to section 34-32-117, C.R.S., of the Colorado Land Reclamation Act. Any alteration or modification of this form, without approval by the Board shall result in the financial warranty being invalid and result in the voiding of any permit issued in conjunction with such invalid financial warranty and subject the Prospector to cease and desist orders and civil penalties for prospecting without a permit pursuant to section 34-32-123, C.R.S., of the Colorado Land Reclamation Act.

KNOW ALL MEN BY THESE PRESENTS, that we (I), _____, of the
County of _____, in the State of _____, as Principal(s) are
(am) held hereby and firmly bound unto the State of Colorado, acting through the Mined Land Reclamation Board in
the sum of _____ Dollars (\$ _____) for the payment of which sum, well
and truly to be made, we (I) hereby bind ourselve(s), and each of our (my) legal representatives, executors,
administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has filed a Notice of Intent to Conduct Prospecting Operations with the Board on
the following premises, indicated on the Notice of Intent filed with the Board, which is attached hereto and thereby
incorporated by reference, to wit:

NOW, THEREFORE, the conditions of this obligation as such that if the above-bounded Principal shall, in
conducting such prospecting operations, faithfully perform the provisions of the Notice of Intent to Conduct
Prospecting Operations filed with the Board and the requirements of the plan to implement reclamation measures to
reclaim all lands affected by the prospecting operations approved and modified by the Board, relating to the Colorado
Land Reclamation Act as amended, and the Rules and Regulations adopted pursuant thereto; upon the Board making
a finding that the lands described above have been satisfactorily reclaimed, and approving the Prospector's request for
a financial warranty release on such lands, then this obligation shall be exonerated and discharged and become null
and void; otherwise to remain in full force and effect.

If this financial warranty applies to National Forest System lands, and if this financial warranty is accepted by
the United States Forest Service ("U.S.F.S.") as the bond required under 36 C.F.R. 228.13, then the Prospector, having
requested that the Board and the U.S.F.S. accept this single financial warranty in lieu of the separate bonds which
would otherwise be required by applicable law, hereby agrees that, notwithstanding any other provision hereof, or of
law, this financial warranty shall remain in full force and effect until U.S.F.S. has advised the Board by written notice
that the Prospector's obligations to U.S.F.S., for which this warranty is executed, have been satisfied, and until the
financial warranty has been released by the Board.

If this financial warranty applies to lands under the jurisdiction of the State Board of Land Commissioners("Land Board"), and if this financial warranty, in whole or in part, is accepted by the Land Board as the bond required under its applicable law and procedures, then the Prospector, having requested that the State accept this financial warranty in lieu of the separate bonds which would otherwise be required by the Board or Division of Reclamation, Mining and Safety and by the Land Board, hereby agrees that, notwithstanding any other provision hereof, or of law, this financial warranty shall remain in full force and effect until the Board is notified in writing by the Land Board that the Prospector's obligations to the Land Board, for which this warranty is executed, have been satisfied, and until the financial warranty has been released by the Board.

If all or any part of the affected lands are under the jurisdiction of the Bureau of Land Management, United States Department of the Interior (the "BLM"), and if, at the request of the Prospector on this financial warranty, the BLM has, pursuant to 43 C.F.R., 3809.570, accepted this financial warranty then, notwithstanding any other provision of this financial warranty, or of law, the Prospector hereby agrees that this financial warranty shall not be released until the Board is advised in writing by the BLM that the Prospector's obligations to the BLM, for which this warranty is executed, have been satisfied, and until the financial warranty has been released by the Board. The Prospector agrees that this warranty shall also be redeemable by the Colorado State Director, U.S. Bureau of Land Management.

PROVIDED, however, the Warrantor shall not be liable under this financial warranty for an amount greater in the aggregate than the sum designated in the first paragraph hereof, unless increased by a later amendment, and shall not be liable as respects any obligation related to prospecting and reclamation operations performed after the effective date of a cancellation of this financial warranty pursuant to the terms of Section 34-32-117(5), C.R.S. , as amended. This financial warranty shall remain in force and effect as respects all obligations for all prospecting and reclamation operations performed prior to the effective date of such cancellation unless the Principal files a substitute financial warranty which: 1) assumes liability for all obligations for all prospecting and reclamation operations performed during the effective date of this financial warranty; and 2) is acceptable to the Board; or unless the Board otherwise releases this financial warranty.

The Warrantor reserves the right to cancel this financial warranty, effective only upon an anniversary date, and only by giving written notice to that effect, mailed by Certified Mail, at least ninety (90) days prior to such anniversary date, addressed to both the Prospector at its address herein stated, and to the Board at the address herein stated. In the event of such cancellation, this financial warranty shall nevertheless remain in full force and effect as respects the reclamation of all areas disturbed prior to the effective date of such cancellation, unless and until the Prospector shall file a substitute financial warranty which: (1) assumes liability for all reclamation obligations which shall have arisen at any time while this financial warranty is in force; and (2) is accepted in writing by the Board.

Signed, sealed, and dated this _____ day of _____, _____.

Principal

Principal

By

By

Title

Title

Mailing Address

Mailing Address

APPROVED:

Division Director

Date