



**COLORADO**  
Division of Reclamation,  
Mining and Safety  
Department of Natural Resources

May 10, 2023

Paul Panther  
22174 Highway 550  
Montrose, CO 81403

**Re: Silver Jack Mine, Notice of Intent to Conduct Prospecting Operations, File No. P-2023-007, Notice of Deficiency**

Dear Mr. Panther,

On May 9, 2023 your application for the above listed Notice of Intent to Conduct Prospecting Operations was considered complete and filed. The Division is in the process of reviewing the above referenced Notice of Intent to prospect in order to ensure that it adequately satisfies the requirements of the Colorado Mined Land Reclamation Act (Act) and the associated Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal, and Designated Mining Operations (Rules). During review of the material submitted, the Division determined that the following issue(s) of concern shall be adequately addressed before the application can be considered for approval.

1. Pursuant to C.R.S 34-32-117(1) No permit may be issued under this article until the board receives performance and financial warranties as described in subsections (2), (3) and (4) of this section. Please complete and submit the enclosed Financial Warranty Form, Performance Warranty and Affidavit of Authority. Once the forms are submitted your financial warranty will be considered complete and acceptable.

The current Decision Date for your application is **Wednesday May 31, 2023**. If more time is required for your response please submit a Decision Date Extension Request, in writing, to the Division's Denver Office prior to the Decision Date. If you have any questions or concerns please feel free to contact me at the Division's Grand Junction Field Office at 101 South 3rd Street, suite 301, Grand Junction, CO 81501, by phone at 303-866-3567 Ext. 8187 or by email at [lucas.west@state.co.us](mailto:lucas.west@state.co.us).

Sincerely,

Lucas J. West  
Environmental Protection Specialist

Encl: Financial Warranty Form, Performance Warranty, Affidavit of Authority

Cc: Travis Marshall, DRMS  
Ec: Paul Panther



# 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 EXPLORATION FINANCIAL WARRANTY** **CHECK FOR DEPOSIT IN STATE TREASURY**

Exploration Financial Warranty No. \_\_\_\_\_

Notice of Intent No. \_\_\_\_\_

*This form has been approved by the Mined Land Reclamation Board ("Board") pursuant to section 34-32.5-117, C.R.S., of the Colorado Land Reclamation Act for the Extraction of Construction Materials. 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 Explorer to cease and desist orders and civil penalties for exploring without a permit pursuant to section 34-32.5-123, C.R.S., of the Colorado Land Reclamation Act for the Extraction of Construction Materials.*

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 Notices of Intent to Conduct Exploration Operations with the Board on the premises indicated on the Notices of Intent filed with the Board which are attached hereto and thereby incorporated by reference, to wit:

\_\_\_\_\_  
\_\_\_\_\_

NOW, THEREFORE, the conditions of this obligation are such that if the above-bounded Principal shall, in conducting such exploration operations, faithfully perform the provisions of the Notices of Intent to Conduct Exploration operations filed or to be filed with the Board and the requirements of the plan to implement reclamation measures to reclaim all of the lands affected throughout the State by such exploration operations, approved and modified by the Colorado Land Reclamation Act for the Extraction of Construction Materials, as amended, and the Rules and Regulations adopted pursuant thereto; upon the Board making the finding that all of the lands described in the Notices of Intent to Conduct Exploration Operations filed or to be filed with the Board which are attached hereto and hereby incorporated by reference have been satisfactorily reclaimed and approving the Explorer'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.

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 exploration and reclamation operations performed after the effective date of a cancellation of this financial warranty pursuant to the terms of Section 34-32.5-117(5), as amended. This financial warranty shall remain in force and effect as respects all obligations for all exploration and reclamation operations performed prior to the effective date of such cancellation unless the Principal files a substitute bond which: 1) assumes liability for all obligations for all exploration and reclamation operations performed during the effective dates 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 Explorer 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 Explorer 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:

By \_\_\_\_\_  
Division Director

\_\_\_\_\_  
Date



## COLORADO

Division of Reclamation,  
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215  
Denver, CO 80203

### PERFORMANCE WARRANTY

Permittee/Operator: \_\_\_\_\_

Operation known as: \_\_\_\_\_

Permit Number: \_\_\_\_\_

***This form is approved by the Colorado Mined Land Reclamation Board (“Board”) pursuant to C.R.S. 34-32-117 of the Colorado Mined Land Reclamation Act and C.R.S. 34-32.5-117 of the Colorado Land Reclamation Act for the Extraction of Construction Materials.***

All parties are on Notice from this Document that:

The above listed Operator provides this warranty to the Board in conjunction with a reclamation Permit to conduct the above described mining operation on certain lands in Colorado. The “Affected Lands” are described in the above listed reclamation Permit, and include any Permit Amendment(s) approved by the Division of Reclamation Mining and Safety (“Division”).

The Colorado Mined Land Reclamation Act, C.R.S. 34-32-101 *et seq.* (“Hard Rock Act”), and the Colorado Land Reclamation Act for the Extraction of Construction Materials, C.R.S. 34-32.5-101 *et seq.* (“Construction Materials Act”), both require a permit issued by the Board to include a written promise by the Operator to comply with all requirements of the Hard Rock and Construction Materials Acts (referred to herein together as “Acts”).

Through the terms and conditions of this performance warranty and Permit, the Operator agrees to be bound by all requirements of the Acts and all Mineral Rules and Regulations of the Board for Hard Rock, Metal, and Designated Mining Operations (2 C.C.R. 407-1) and all Mineral Rules and Regulations of the Board for the Extraction of Construction Materials (2 C.C.R. 407-4) (referred to herein together as “Rules”).

The Operator hereby provides the Board warranties of performance pursuant to C.R.S. 34-32-117(2), (3), and (4)/C.R.S. 34-32.5-117(2), (3), and (4), and promises the Board it will comply with all applicable requirements of the Acts and Rules.

The Operator hereby promises the Board it will comply with all of the terms of the reclamation Permit, including any Permit Amendment(s) approved by the Division. This performance warranty obligation of the Operator shall continue until the Operator’s liability is released by the Board.

The Operator promises to be responsible for reclamation costs up to the amount established by the Board and incorporates its financial warranty to this performance warranty. The Operator agrees to maintain a financial warranty (or warranties) in good standing for the reclamation costs for the entire life of the



Permit. The amount of the financial warranty shall be sufficient to assure the completion of reclamation of affected lands if the Division has to complete such reclamation due to forfeiture. If the Board determines the Operator is in default under this performance warranty and the Operator fails to cure such default, the Operator's financial warranty shall be subject to forfeiture pursuant to C.R.S. 34-32-118/34-32.5-118.

This performance warranty by the Operator is perpetual and shall remain in full force and effect until all obligations have been met and all associated financial warranty is released by the Board. Any release of liability in a succession of Operators shall comply with C.R.S. 34-32-119/34-32.5-119.

The provisions hereof shall bind and inure to the benefit of the parties hereto and their successors and assigns.

SIGNED, SEALED AND DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Operator: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

#### NOTARIZATION OF OPERATOR'S ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_)  
 ) ss.  
COUNTY OF \_\_\_\_\_)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_  
(Day) (Month) (Year)  
by \_\_\_\_\_ as \_\_\_\_\_  
(Name) (Title)  
of \_\_\_\_\_.  
(Operator)

\_\_\_\_\_  
NOTARY PUBLIC

My Commission expires: \_\_\_\_\_

APPROVED:  
State of Colorado  
Mined Land Reclamation Board  
Division of Reclamation, Mining and Safety

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Division Director



**COLORADO**

**Division of Reclamation,  
Mining and Safety**

Department of Natural Resources

1313 Sherman Street, Room 215  
Denver, CO 80203

## **Documentation of Legal Authority to Execute Financial Warranty Documents**

*The Colorado Mined Land Reclamation Board (“Board”) has adopted the attached Affidavit of Authority to Execute Financial Warranty Documents pursuant to the Mined Land Reclamation Act (C.R.S. § 34-32-101 et. seq.) and the Land Reclamation Act for the Extraction of Construction Materials (C.R.S. § 34-32.5-101 et. seq.). The Board and the Division of Reclamation Mining and Safety (“Division”) have determined that, in order to carry out the financial warranty requirements set forth in C.R.S. §§ 34-32-117 and 34-32.5-117 with reasonable diligence, it is prudent to verify the legal authority of the individual signing all necessary documents.*

*Accordingly, you must provide confirmation of the legal authority of the individual signing all Financial Warranty Documents to the Division. You may do so either by submitting a resolution of the decision-making body of your company that authorizes an individual to sign the Financial Warranty Documents on the company’s behalf, or by completing and notarizing the attached affidavit. The Division reserves the right to require the attached affidavit in all circumstances. Please note that if you are a sole proprietor who is executing documents on your own behalf, documentation of legal authority is unnecessary.*



### Affidavit of Authority to Execute Financial Warranty Documents

Before me this day, the undersigned \_\_\_\_\_ [name of authorized person], in his/her capacity as \_\_\_\_\_ [title of authorized person] ("Affiant"), personally appeared and, being first duly sworn upon oath said:

1. This affidavit is being executed and submitted on behalf of \_\_\_\_\_ [name of business organization], a(n) \_\_\_\_\_ [legal form of business organization, *e.g.*, corporation, partnership, limited liability company, etc.], in good standing in the State of Colorado (the "Company").
2. It is in the interest of the Company to execute certain financial warranty documents associated with file number \_\_\_\_\_ (DRMS file number), which are required by the Colorado Mined Land Reclamation Board and Division of Reclamation Mining and Safety pursuant to Colorado law ("Financial Warranty Documents").
3. Affiant is duly authorized to sign such Financial Warranty Documents on behalf of the Company and to bind the Company to the same.
4. Affiant is not prohibited or limited by the Company's governing documents or by any applicable law from executing the Financial Warranty Documents.
5. Affiant will inform the Division of Reclamation Mining and Safety within thirty (30) days in the event that his/her authorization to execute Financial Warranty Documents on the Company's behalf is terminated.

Further, Affiant sayeth not.

\_\_\_\_\_  
Affiant's Name

\_\_\_\_\_  
Signature

STATE OF \_\_\_\_\_ )  
\_\_\_\_\_) ss.:  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_,  
by \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_.

Notary Public \_\_\_\_\_

My Commission Expires \_\_\_\_\_