



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

1313 Sherman St. Room 215
Denver, CO 80203

May 26, 2023

Jim Guilinger
Standard Metals Processing Inc
3500 Washington Ave
Suite 200
Houston, TX 77007

Re: Wedding Bell Project (Groundhog Area), File No. P-2023-009, Notice of Filing Deficiency

Dear Mr. Guilinger:

On May 19, 2023 the Division of Reclamation, Mining and Safety (Division) received your Notice of Intent to Conduct Prospecting. Our initial review indicates that your application is incomplete for the purposes of filing. Please address the following items:

1. **Legal Right of Entry:** Please provide documentation of the Legal Right to enter to conduct prospecting and reclamation pursuant to Rule 5.1.2(d)(vi). Please provide documentation of filing with the Bureau of Land Management (BLM) to serve as documentation of Legal Right to Enter.
2. **Financial Warranty Forms:** The Financial Warranty Forms included with the application were incorrect for filing warranties on lands administered by the BLM. Please complete and return the originally signed copies of the enclosed forms.

Please provide us with the information we have requested as soon as possible. Once the items have been provided your application will be considered complete for the purposes of filing and the technical review of your application can begin. If you have any questions please feel free to contact me. Direct contact can be made at the Division's Grand Junction Field Office, by phone at 303-866-3567 Ext. 8187 or by email at lucas.west@state.co.us.

Sincerely,

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

Cc: Travis Marshall, Senior Environmental Protection Specialist



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



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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 _____