



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

1313 Sherman St. Room 215
Denver, CO 80203

July 18, 2023

Jim Guilinger
Standard Metals Processing Inc
2877 Hatteras Way
Naples, FL 341119

Re: Wedding Bell Project (Rimrock Area), File No. P-2023-011, Adequacy Review- Request for Financial and Performance Warranties

Dear Mr. Guilinger:

The Division of Reclamation, Mining and Safety (Division) has completed the review of the above listed Notice of Intent to Conduct Prospecting (NOI) Application which included Concurrence Correspondence from the Bureau of Land Management (BLM).

Division Staff conducted a Reclamation Cost Estimate based on the details of your application. Staff calculations determined that the total cost to achieve reclamation of the project to be \$8,153.00 (Cost Estimation Worksheets Enclosed). To date, the Division has received the minimum bond required for filing of \$2,000.00. Please provide the Division with either a replacement Financial Warranty for the full amount or the \$6,153.00 difference along with the appropriate Financial Warranty Form. In addition to the Financial Warranty, please execute and submit the Performance Warranty (Enclosed) and Affidavit of Authority (enclosed). Once the Financial and Performance Warranties are received and accepted by the Division your Notice can be accepted.

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

Ec: Tony Adkins
Bridget Wade, BLM



COST SUMMARY WORK

Task description: Cost Summary

Site: Wedding Bell Project (Rim Rock Area) Permit Action: New App Permit/Job#: P2023011

PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None
 Date: 6/27/2023 County: Montrose Filename: P011-000
 User: LJW

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

| Task | Description | Form Used | Fleet Size | Task Hours | Cost |
|--------------------------|--------------------------------------|-----------|------------|--------------|----------------|
| 001 | P & A Drill Holes x 8 | BOREHOLE | 1 | 8.00 | \$744 |
| 002 | Regrade Drill Pads | DOZER | 1 | 5.51 | \$1,056 |
| 003 | Regrade Access Roads @ 30% disturbed | DOZER | 1 | 2.16 | \$414 |
| 004 | Rip Compacted Areas | RIPPER | 1 | 1.39 | \$274 |
| 005 | Revegetation | REVEGE | 1 | 16.00 | \$513 |
| 006 | Secondary Seeding | REVEGE | 1 | 8.00 | \$256 |
| 007 | Mobilization | MOBILIZE | 1 | 4.57 | \$2,094 |
| <u>SUBTOTALS:</u> | | | | 45.63 | \$5,351 |

INDIRECT COSTS

OVERHEAD AND PROFIT:

| | | |
|---|---------|-----------------------|
| Liability insurance: 2.02 | Total = | <u>\$108</u> |
| Performance bond: 1.05 | Total = | <u>\$56</u> |
| Job superintendent: 22.82 | Total = | <u>\$1,714</u> |
| Profit: 10.00 | Total = | <u>\$535</u> |
| TOTAL O & P = | | <u>\$2,413</u> |
| CONTRACT AMOUNT (direct + O & P) = | | <u>\$7,764</u> |

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>\$388</u> |

CONTINGENCY: 0.00 Total = \$0

TOTAL INDIRECT COST = \$2,802

TOTAL BOND AMOUNT (direct + indirect) = \$8,153

BOREHOLE SEALING WORK

Task description: **P & A Drill Holes x 8**

Site: **Wedding Bell Project (Rim Rock Area)** Permit Action: **New App** Permit/Job#: **P2023011**

PROJECT IDENTIFICATION

Task #: **001** State: **Colorado** Abbreviation: **None**
Date: **6/27/2023** County: **Montrose** Filename: **P011-001**
User: **LJW**

Agency or organization name: **DRMS**

UNIT COSTS

| Borehole Description | Sealing/Item Method | Diameter | Length | Quantity | Unit | Unit Cost | Total Cost |
|-----------------------------|--|-----------------|---------------|-----------------|-------------|------------------|-------------------|
| Exploration Hole x 8 | Bentonite seal - 6 in. (labor, equip, materials) | 5.5 | 5 | 40.00 | LF | \$6.32 | \$252.80 |
| Spider Plug | PVC plug - 6 in. diameter borehole | 5.5 | NA | 8.00 | EA | \$61.43 | \$491.44 |

Job Hours: **8.00**

Total Cost: **\$744.00**

BULLDOZER WORK

Task description: **Regrade Drill Pads**

Site: **Wedding Bell Project (Rim Rock Area)** Permit Action: **New App** Permit/Job#: **P2023011**

PROJECT IDENTIFICATION

Task #: 002 State: Colorado Abbreviation: None
 Date: 6/27/2023 County: Montrose Filename: P011-002
 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 QUANTITIES

Initial Volume: 1,111
 Swell factor: 1.000
 Loose volume: **1,111** LCY

Source of estimated volume: 8 pads, 2500SqFt, avg 1.5 ft D / 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: 6,620 feet

Material weight: 2,650 lbs/LCY

Weight description: Decomposed rock - 25% Rock, 75% 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: | 0.868 | (CAT HB) |
| Blade type: | 1.000 | (PAT) |

Net correction: 0.4539

Adjusted unit
production: 201.80 LCY/hr
Adjusted fleet
production: **201.8 LCY/hr**

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$0.951/LCY

Total job time: **5.51 Hours**
Total job cost: **\$1,056**

BULLDOZER WORK

Task description: **Regrade Access Roads @ 30% disturbed**

Site: **Wedding Bell Project (Rim Rock Area)** Permit Action: New App Permit/Job#: P2023011

PROJECT IDENTIFICATION

Task #: 003 State: Colorado Abbreviation: None
 Date: 6/27/2023 County: Montrose Filename: P011-003
 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 QUANTITIES

Initial Volume: 435
 Swell factor: 1.000
 Loose volume: 435 LCY

Source of estimated volume: .07 Acres OL Trav + .11 Ac New *4350 / 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: 6,620 feet

Material weight: 2,650 lbs/LCY

Weight description: Decomposed rock - 25% Rock, 75% 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: | 0.868 | (CAT HB) |
| Blade type: | 1.000 | (PAT) |

Net correction: 0.4539

Adjusted unit
production: 201.80 LCY/hr
Adjusted fleet
production: **201.8 LCY/hr**

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$0.951/LCY

Total job time: **2.16 Hours**
Total job cost: **\$414**

BULLDOZER RIPPING WORK

Task description: Rip Compacted Areas

Site: Wedding Bell Project (Rim Rock Area) Permit Action: New App Permit/Job#: P2023011

PROJECT IDENTIFICATION

Task #: 004 State: Colorado Abbreviation: None
Date: 6/27/2023 County: Montrose Filename: P011-004
User: LJW

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D6T LGP Horsepower: 200
Ripper Attachment: 3-Shank Ripper Shift Basis: 1 per day
Data Source: (CRG)

Cost Breakdown:

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

MATERIAL QUANTITIES

Selected estimating method: Area

Alternate Methods:

Seismic: NA Bank Volume: NA BCY NA
Area: 0.64 acres Rip Depth (ft): 1.00 Volume: 1,033 BCY or CCY

Source of estimated quantity: .46 Ac pads, .18 Ac Access Roads

HOURLY PRODUCTION

Seismic:

Seismic Velocity: NA feet/second

Area:

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

Job Condition Correction Factors

| | | |
|------------------------------------|--------------|----------------------|
| Unadjusted Hourly Unit Production: | <u>0.554</u> | <u>Acres/hr</u> |
| Site Altitude: | <u>6,620</u> | <u>feet</u> |
| Altitude Adj: | <u>1.00</u> | <u>(CAT HB)</u> |
| Job Efficiency: | <u>0.83</u> | <u>(1 shift/day)</u> |
| Net Correction: | <u>0.83</u> | <u>multiplier</u> |

| | | |
|-----------------------------------|--------------------|-----------------|
| Adjusted Hourly Unit Production: | <u>0.46</u> | <u>Acres/hr</u> |
| Adjusted Hourly Fleet Production: | <u>0.46</u> | <u>Acres/hr</u> |

JOB TIME AND COST

Fleet size: 1 Grader(s) Total job time: **1.39** Hours

Unit cost: \$428.158 Per acre

Total job cost: \$274

REVEGETATION WORKTask description: RevegetationSite: Wedding Bell Project (Rim
Rock Area)Permit Action: New AppPermit/Job#: P2023011PROJECT IDENTIFICATION

Task #: 005 State: Colorado Abbreviation: None
 Date: 6/27/2023 County: Montrose Filename: P011-005
 User: LJW

Agency or organization name: DRMSFERTILIZING**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 |
| Sand Dropseed | 0.14 | 16.71 | \$1.37 |
| Bottlebrush Squirreltail | 4.08 | 17.98 | \$66.20 |
| Galleta | 4.94 | 18.03 | \$110.41 |
| Muttongrass | 0.20 | 4.13 | \$6.88 |
| Sagebrush, Mountain or Big | 0.20 | 10.56 | \$3.95 |
| Saltbush, Four Wing | 0.50 | 0.69 | \$6.25 |

REVEGETATION WORKTask description: Secondary SeedingSite: Wedding Bell Project (Rim
Rock Area)Permit Action: New AppPermit/Job#: P2023011PROJECT IDENTIFICATION

Task #: 006 State: Colorado Abbreviation: None
 Date: 6/27/2023 County: Montrose Filename: P011-006
 User: LJW

Agency or organization name: DRMSFERTILIZING**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 |
| Sand Dropseed | 0.14 | 16.71 | \$1.37 |
| Bottlebrush Squirreltail | 4.08 | 17.98 | \$66.20 |
| Galleta | 4.94 | 18.03 | \$110.41 |
| Muttongrass | 0.20 | 4.13 | \$6.88 |
| Sagebrush, Mountain or Big | 0.20 | 10.56 | \$3.95 |
| Saltbush, Four Wing | 0.50 | 0.69 | \$6.25 |

EQUIPMENT MOBILIZATION/DEMobilIZATIONTask description: MobilizationSite: Wedding Bell Project (Rim
Rock Area)Permit Action: New AppPermit/Job#: P2023011PROJECT IDENTIFICATION

Task #: 007 State: Colorado Abbreviation: None
 Date: 6/27/2023 County: Montrose Filename: P011-007
 User: LJW

Agency or organization name: DRMSEQUIPMENT 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:

| <u>Available Rig Capacities</u> | <u>0-25 Tons</u> | <u>26-50 Tons</u> | <u>51+ Tons</u> |
|---------------------------------|------------------|-------------------|-----------------|
| 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:

| <u>Machine Description</u> | <u>Weight/ Unit (TONS)</u> | <u>Owner ship Cost/hr/ unit</u> | <u>Haul Rig Cost/hr/unit</u> | <u>Fleet Size</u> | <u>Haul Trip Cost/hr/ fleet</u> | <u>Return Trip Cost/hr/ fleet</u> | <u>DOT Permit Cost/ fleet</u> |
|-------------------------------------|----------------------------|---------------------------------|------------------------------|-------------------|---------------------------------|-----------------------------------|-------------------------------|
| Cat D6T LGP | 28.63 | \$84.20 | \$101.82 | 1 | \$186.02 | \$101.82 | \$250.00 |
| Drill/Broadcast Seeder with Tractor | 25.00 | \$6.25 | \$68.22 | 1 | \$74.47 | \$68.22 | \$250.00 |
| Subtotals: | | | | | \$260.49 | \$170.04 | \$500.00 |

ROADABLE EQUIPMENT:

| <u>Machine Description</u> | <u>Total Cost/hr/ unit</u> | <u>Fleet Size</u> | <u>Haul Trip Cost/hr/ fleet</u> | <u>Return Trip Cost/hr/ fleet</u> |
|--------------------------------|----------------------------|-------------------|---------------------------------|-----------------------------------|
| 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: 29.00 miles
 Average Travel Speed: 45.00 mph

Total Non-Roadable Mob/Demob Cost * \$2,075.89
 * * two round trips with haul rig:
 Total Roadable Mob/Demob Cost ** \$18.34
 ** one round trip, no haul rig:

Transportation Cycle Time:

| | Non-Roadable Equipment | Roadable Equipment |
|-------------------------|------------------------|--------------------|
| Haul Time (Hours): | 0.64 | 0.64 |
| Return Time (Hours): | 0.64 | 0.64 |
| Loading Time (Hours): | 0.50 | NA |
| Unloading Time (Hours): | 0.50 | NA |
| Subtotals: | 2.29 | 1.29 |

JOB TIME AND COST

Total job time: 4.58 Hours

Total job cost: \$2,094

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



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.





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