

# Providence Mining, LLC

TCL/TAK

M-2012-052

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DEC 31 2012

Division of Reclamation,  
Mining & Safety

December 27, 2012

original

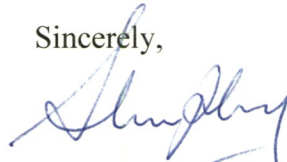
Colorado Division of Reclamation, Mining and Safety  
1313 Sherman Street, Room 215  
Denver, CO 80203

To Whom It May Concern:

I, Shannon Murphy, as manager of Providence Mining, LLC, authorize Anthony Smithdorf to sign the Designated Mining Limited Impact (110d) Operation Reclamation Permit Application form on behalf of Providence Mining, LLC.

If you have any questions, please feel free to contact me.

Sincerely,



Shannon P. Murphy  
Manager

# 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



### DESIGNATED MINING

### LIMITED IMPACT (110d) OPERATION

### RECLAMATION PERMIT APPLICATION FORM

Bill Ritter, Jr.  
Governor

Harris D. Sherman  
Executive Director

Ronald W. Cattany  
Division Director  
Natural Resource Trustee

#### CHECK ONE:



New Application (Rule 1.4)



Amendment Application (Rule 1.8 or 1.10)



Conversion Application (Rule 1.11)

Permit # M-\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_- (provide for Amendments and Conversions of existing permits)

The application for a Limited Impact (110d) Designated Mining Operation Reclamation Permit contains three major parts: (1) the application form; (2) Exhibits A-J, Exhibit L, Exhibit T, the Geotechnical Stability Exhibit, the Emergency Response Plan, and Addendum 1, as required by the Office, and outlined in Rules 6.1, 6.2, 6.3, 6.4.20 6.5, 8, and 1.6.2(1)(b); and (3) the application fee. When you submit your application, be sure to include one (1) signed and notarized Original and one (1) copy of the application form, two (2) copies of Exhibits A-J, Exhibit L, Exhibit T, the Geotechnical Stability Exhibit (Rule 6.5), the Emergency Response Plan (Rule 8), and Addendum 1 (Rule 1.6.2(1)(b)), as required, and a check for the application fee described under (4) below. Exhibits should **NOT** be bound or in 3-ring binders; maps should be folded to 8 2" X 11" or 8 2" X 14" size. To expedite processing, please provide the information in the format and order described in this form.

### GENERAL OPERATION INFORMATION

Type or print clearly, in the space provided, all information described below.

1. **Applicant/operator or company name (name to be used on permit):** Providence Mining, LLC
  - 1.1 Type of organization (corporation, partnership, etc.): Limited Liability Company
  - 1.2 I.R.S. Tax ID No. or Social Security Number: 20-1581874
2. **Operation name (pit, mine or site name):** Providence Mine
3. **Permitted acreage (new or existing site):** 9.5 permitted acres
  - 3.1 Change in acreage (+) \_\_\_\_\_ acres
  - Total Acreage in Permit Area 9.5 acres
4. **Fees: (Rule 1.5)**
  - 4.1 New Application \$2,875.00 application fee
  - 4.2 Amendment Fee (operations existing as of 06/30/94) \$1,725.00 application fee
  - 4.3 Amendment Fee (operations permitted from 07/01/94) \$2,300.00 application fee
  - 4.4 After July 1, 1995, to convert a 110(1), 110(2) or a 110 to a 110(d), a new application form for a 110d must be submitted, along with an application fee of \$2,875.00 (Rule 1.11.2(2)).
5. **Primary commodities to be mined:** Gold Silver
6. **Type of mining operation:** ☐ Surface ☒ Underground ☐ In-situ

7. **Correspondence Information:**

**APPLICANT/OPERATOR** (name, address, and phone of name to be used on permit)

Contact's Name: Shannon P. Murphy Title: Manager  
Company Name: Providence Mining, LLC  
Street/P.O. Box: 100 W. Bennett Ave. P.O. Box: 661  
City: Cripple Creek  
State: CO Zip Code: 80813  
Telephone Number: ( 719 ) - 689-2605  
Fax Number: ( 719 ) - 689-2649

**PERMITTING CONTACT** (if different from applicant/operator above)

Contact's Name: Art Braun Title: Geologist  
Company Name: Braun Environmental, Inc.  
Street/P.O. Box: 355 S. Teller Street, Suite 200 P.O. Box: \_\_\_\_\_  
City: Lakewood  
State: CO Zip Code: 80226  
Telephone Number: ( 303 ) - 988-7697  
Fax Number: ( ) -

**INSPECTION CONTACT**

Contact's Name: Anthony Smithdorf Title: Mine Manager  
Company Name: Murphy Mining & Exploration, LLC  
Street/P.O. Box: 100 W. Bennett Ave. P.O. Box: 661  
City: Cripple Creek  
State: CO Zip Code: 80813  
Telephone Number: ( 719 ) - 689-2605  
Fax Number: ( 719 ) - 689-2649

**CC: STATE OR FEDERAL LANDOWNER (if any)**

Agency: \_\_\_\_\_  
Street: \_\_\_\_\_  
City: \_\_\_\_\_  
State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Telephone Number: ( ) -

**CC: STATE OR FEDERAL LANDOWNER (if any)**

Agency: \_\_\_\_\_  
Street: \_\_\_\_\_  
City: \_\_\_\_\_  
State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Telephone Number: ( ) -

8. **Name of owner of the subsurface rights of affected land:** Providence Mining, LLC, Rocky Mountain Gold Innovations, Inc. & Denis M. Robert

9. **Name of owner of the surface of affected land:** Providence Mining, LLC, Rocky Mountain Gold Innovations, Inc. & Denis M. Robert

10. **LOCATION INFORMATION:** The center of the area where the majority of mining will occur:

COUNTY: Teller

PRINCIPAL MERIDIAN (check one):

☒ 6th (Colorado) ☐ 10th (New Mexico) ☐ Ute

SECTION (write number):

S 18

TOWNSHIP (write number and check direction):

T 15

☐ North

☒ South

RANGE (write number and check direction):

R 69

☐ East

☒ West

QUARTER SECTION (check one):

☐ NE

☒ NW

☐ SE

☐ SW

QUARTER/QUARTER SECTION (check one):

☐ NE

☒ NW

☐ SE

☐ SW

GENERAL DESCRIPTION: (the number of miles and direction from the nearest town and the approximate elevation)

One-half mile northeast of the town of Cripple Creek at an average elevation of 9,850 feet

11. **Primary Mine Entrance Location** (report in either Latitude/Longitude OR UTM):

Latitude/Longitude:

Example: (N) 39° 44' 12.98"

(W) 104° 59' 3.87"

Latitude (N): deg 38 min 45 sec 19 .20 (2 decimal places)

Longitude (W): deg 105 min 09 sec 45 .09 (2 decimal places)

OR

Example: (N) 39.73691°

(W) -104.98449°

Latitude (N) \_\_\_\_\_ (5 decimal places)

Longitude (W) - \_\_\_\_\_ (5 decimal places)

OR

Universal Tranverse Mercator (UTM)

Example: 201336.3 E NAD27 Zone 13  
4398351.2 N

UTM Datum (specify NAD27, NAD83 or WGS 84) Nad 83 Zone 13

Easting \_\_\_\_\_

Northing \_\_\_\_\_

12. **Primary "future (Post-mining)" land use (check one):**

☐ Cropland(CR)

☒ Rangeland(RL)

☐ Residential(RS)

☐ Developed Water Resources(WR)

☐ Pastureland(PL)

☐ Forestry(FR)

☐ Recreation(RC)

☐ General Agriculture(GA)

☐ Wildlife Habitat(WL)

☐ Industrial/Commercial(IC)

☐ Solid Waste Disposal(WD)

13. **Primary "present" land use (check one):**

☐ Cropland(CR)

☐ Rangeland(RL)

☐ Residential(RS)

☐ Developed Water Resources (WR)

☐ Pastureland(PL)

☐ Forestry(FR)

☐ Recreation(RC)

☐ General Agriculture(GA)

☐ Wildlife Habitat(WL)

☐ Industrial/Commercial(IC)

☒ Mining (MN)

14. List any designated chemicals, acidic or toxic-forming materials, exposed or disturbed as a result of the mining operation, and whether the operation will result in or presently has acid mine drainage:  
No toxic chemicals or acid mine drainage anticipated
- 
15. **Description of Amendment or Conversion:** If you are amending or converting an existing operation, provide a brief narrative describing the proposed change(s).  
New applicaton
- 
16. **Maps & Exhibits:** Submit TWO (2) complete, unbound copies of the following application exhibits:


**RULES:**

- 6.3.1 EXHIBIT A - Legal Description and Location Map
- 6.3.2 EXHIBIT B - Site Description
- 6.3.3 EXHIBIT C - Mining Plan
- 6.3.4 EXHIBIT D - Reclamation Plan
- 6.3.5 EXHIBIT E - Maps
- 6.3.6 EXHIBIT F - List of Other Permits and Licenses Required
- 6.3.7 EXHIBIT G - Source of Legal Right-to-Enter
- 6.3.8 EXHIBIT H - Municipalities Within a Two-mile Radius
- 6.3.9 EXHIBIT I - Proof of Filing with County Clerk
- 6.3.10 EXHIBIT J - Proof of Mailing Notices of Permit Application
- 6.3.12 EXHIBIT L - Permanent Man-Made Structures
- 6.4.20 EXHIBIT T - Designated Mining Operation Environmental Protection Plan
- 6.5 Geotechnical Stability Exhibit (as required)
- 8 Emergency Response Plan
- 1.6.2(1)(b) ADDENDUM 1 - Notice Requirements (sample enclosed)

**Responsibilities as a Permittee:**

Upon application approval and permit issuance, this application becomes a legally binding document. Therefore, there are a number of important requirements which you, as a permittee, should fully understand. These requirements are listed below. Please read and initial each requirement, in the space provided, to acknowledge that you understand your obligations. If you do not understand these obligations then please contact this Office for a full explanation.

- S 1. Your obligation to reclaim the site is not limited to the amount of the financial warranty. You assume legal liability for all reasonable expenses which the Board or the Office may incur to reclaim the affected lands associated with your mining operation in the event your permit is revoked and financial warranty is forfeited;
- S 2. The Board may suspend or revoke this permit, or assess a civil penalty, upon a finding that the permittee violated the terms or conditions of this permit, the Act, the Mineral Rules and Regulations, or that information contained in the application or your permit misrepresent important material facts;
- S 3. If your mining and reclamation operations affect areas beyond the boundaries of an approved permit boundary, substantial civil penalties, to you as permittee can result;
- S 4. Any modification to the approved mining and reclamation plan from those described in your approved application requires you to submit a permit modification and obtain approval from the Board or Office;
- S 5. It is your responsibility to notify the Office of any changes in your address or phone number;
- S 6. Upon permit issuance and prior to beginning on-site mining activity, you must post a sign at the entrance of the mine site, which shall be clearly visible from the access road, with the following information (Rule 3.1.12):
  - a. the name of the operator;
  - b. a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and,
  - c. the permit number.
- S 7. The boundaries of the permit boundary area must be marked by monuments or other markers that are clearly visible and adequate to delineate such boundaries prior to site disturbance;
- S 8. It is a provision of this permit that the operations will be conducted in accordance with the terms and conditions listed in your application, as well as with the provisions of the Act and the Mineral Rules and Regulations in effect at the time the permit is issued.
- S 9. Annually, on the anniversary date of permit issuance, you must submit an annual fee (\$518), and an annual report which includes a map describing the acreage affected and the acreage reclaimed to date (if there are changes from the previous year), any monitoring required by the Reclamation or Environmental Protection Plans to be submitted annually on the anniversary date of the permit approval. Annual fees are for the previous year a permit is held. For example, a permit with the anniversary date of July 1, 1997, the annual fee is for the period of July 1, 1996 through June 30, 1997. Failure to submit your annual fee and report by the permit anniversary date may result in a civil penalty, revocation of your permit, and forfeiture of your financial warranty. It is your responsibility, as an operator, to continue to pay your annual fee to the Office until the Board releases you from your total reclamation responsibility.

-  10. For joint venture/partnership operators: the signing representative is authorized to sign this document and a power of attorney (provided by the partner(s)) authorizing the signature of the representative is attached to this application.

**The rest of this page left intentionally blank.**



**Certification:**

As an authorized representative of the applicant, I hereby certify that the operation described has met the minimum requirements of the following terms and conditions:

1. All necessary approvals from local government have been applied for (Rule 1.6.2(1) and (2));
2. This entire mining operation will not extract more than 70,000 tons of mineral, overburden, or combination thereof in any calendar year (defined in Rule 1.1(24));
3. This mining operation will not adversely affect the stability of any significant, valuable and permanent man-made structure(s) located within two hundred (200) feet of the affected lands. (However, where there is an agreement between the applicant/operator and the persons having an interest in the structure that damage to the structure is to be compensated for by the applicant/operator (Section 34-32-115(4)(d), C.R.S. 1984, as amended), then mining may occur within 200 feet. Proof of an agreement must be submitted to the Office prior to the decision date.)
4. No mining operation will be located on lands where such operations are prohibited by law (Section 34-32-115(4)(f), C.R.S. 1984, as amended);
5. As the applicant/operator, I do not have any mining/prospecting operations in this state of Colorado currently in violation of the provisions of the Mined Land Reclamation Act (Section 34-32-120, C.R.S. 1984, as amended) as determined through a Board finding.
6. I understand that statements in the application are being made under penalty of perjury and that false statements made herein are punishable as a Class 1 misdemeanor pursuant to Section 18-8-503, C.R.S. 1984, as amended.

*This form has been approved by the Mined Land Reclamation Board pursuant to section 34-32-110, C.R.S., of the Mined Land Reclamation Act. Any alteration or modification of this form shall result in voiding any permit issued on the altered or modified form and subject the operator to cease and desist orders and civil penalties for operating without a permit pursuant to section 34-32-123, C.R.S.*

Signed and dated this 28th day of DECEMBER, 2012.

Providence Mining LLC

Applicant/Operator

If Corporation Attest (Seal)

Signed: Anthony Smithdorf

Signed: N/A

Corporate Secretary or Equivalent

Title: MINE MANAGER

Town/City/County Clerk

State of Colorado)

) ss.

County of Teller)

The foregoing instrument was acknowledged before me this 28th day of December, 2012,  
by Anthony Smithdorf as mine manager of Providence Mining LLC.

Teresa L. Stitt  
NOTARY PUBLIC

My Commission expires: 6/6/2016

SIGNATURES MUST BE IN BLUE INK





**Division of Reclamation, Mining, and Safety**

**Fee Receipt for M2012052**

**Providence Mining, LLC**

000000000

**Receipt #:** 14345

**Date:** 01/03/2013

**Permit:** M2012052

Payment Method	Revenue Code	Fee Description/Notes	Amount
4169	4300-02	Minerals Application Fees M-2012-052, CMB	\$2,875.00
Receipt Total:			\$2,875.00

**PROVIDENCE MINING, LLC  
DESIGNATED MINING  
LIMITED IMPACT (110d) OPERATION  
RECLAMATION APPLICATION FORM  
EXHIBITS**

**EXHIBIT A – Legal Description and Location Map**

To be provided by Braun Environmental, Inc.

**EXHIBIT B – Site Description**

To be provided by Braun Environmental, Inc.

**EXHIBIT C – Mining Plan**

To be provided by Braun Environmental, Inc.

**EXHIBIT D – Reclamation Plan**

To be provided by Braun Environmental, Inc.

**EXHIBIT E – Maps**

To be provided by Braun Environmental, Inc.

**EXHIBIT F – List of Other Permits and Licenses Required**

Copy of Exploration Permit Attached

Copy of Explosive Permit Attached

**EXHIBIT G – Source of Legal Right-to-Enter**

Direct ownership

Lease Agreement with Rocky Mountain Gold Innovations, Inc. (See attached copy of lease)

The property owned by Denis Robert is in negotiations to purchase

**EXHIBIT H – Municipalities Within a Two-mile Radius**

Cripple Creek

**EXHIBIT I – Proof of Filing with County Clerk**

This is in process and will be provided shortly

**EXHIBIT J – Proof of Mailing Notices of Permit Application**

This is in process and will be provided shortly

**EXHIBIT L – Permanent Man-Made Structures**

See attached photos

**EXHIBIT T – Designated Mining Operation Environmental Protection Plan**

To be provided by Braun Environmental, Inc.

**8 – Emergency Response Plan**

See Attached

# STATE OF COLORADO

## DIVISION OF MINERALS AND GEOLOGY

Department of Natural Resources

1313 Sherman St., Room 215

Denver, Colorado 80203

Phone: (303) 866-3567

FAX: (303) 832-8106



November 9, 2004

Mr. James Watson  
Providence Mining LLC  
P.O.Box 107  
Victor, Colorado 80860

Bill Owens  
Governor

Russell George  
Executive Director

Ronald W. Cattany  
Division Director  
Natural Resource Trustee

RE: Notice of Intent to conduct exploration operations, permit #, P-2004-015

Dear Mr. Watson:

On November 8, 2004, the Division approved your NOI application # P-2004-015. The project is located in what is known as the Tenderfoot Hill area, located in Section 7, Township 15S, Range 69W, 6<sup>th</sup> Prime Meridian, in Teller County. The maximum affected acreage is 2 acres. According to the applicant, a financial warranty in the amount of \$4,000.00 has been posted. That being the case, you can now proceed, with your exploration as submitted in your application.

If you have additional questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Berhan Kefflew". The signature is fluid and cursive, with a large, stylized "B" and "K".

Berhan Kefflew  
Reclamation Specialist.

**LICENSE/PERMIT (18 U.S.C. CHAPTER 40, EXPLOSIVES)**

In accordance with the provisions of Title XI, Organized Crime Control Act of 1970, and the regulations issued thereunder (27 CFR Part 555) you may engage in the activity specified in this license/permit within the limitations of Chapter 40, Title 18, United States Code and the regulations issued thereunder, until the expiration date shown. See "WARNING" and "NOTICES" on back.

DIRECT ATF  
CORRESPONDENCE  
TO

Christopher R. Reeves  
Chief, Federal Explosives Licensing Center (FELC)  
Bureau of Alcohol, Tobacco, Firearms and Explosives  
244 Needy Road  
Martinsburg, West Virginia 25405  
Telephone: 1-877-263-3552 Fax: 1-804-616-4407

License  
Number

5 CO 119-33-4K-00721

Expiration  
Date

October 1, 2014

NAME

MURPHY MINING & EXPLORATION LLC

Premises Address CHANGES? You must notify the FELC at least 10 days before the move.

100 W. BENNETT AVE.

CRIPPLE CREEK, CO 80813-

TYPE OF LICENSE OR PERMIT

33-USER OF HIGH EXPLOSIVES

CHIEF, FEDERAL EXPLOSIVES LICENSING CENTER (FELC)

*Christopher R. Reeves*  
Christopher R. Reeves

PURCHASING CERTIFICATION

I certify that this is a true copy of the license/permit  
issued to me to engage in the activity specified.

Mailing Address CHANGES? You must notify the FELC at least 10 days before the change.

MURPHY MINING & EXPLORATION LLC

PO BOX 561

CRIPPLE CREEK, CO 80813-

(SIGNATURE OF LICENSEE/PERMITTEE)

The licensee/permittee named herein shall use a reproduction of this  
license/permit to assist a transferor of explosives to verify the identity  
and status of the licensee/permittee as provided in 27 CFR 555.101.  
The signature on each reproduction must be an ORIGINAL signature.

## MINING LEASE

THIS MINING LEASE (the "Agreement") is made and entered as of December 8, 2009 (the "Effective Date"), by and between Providence Mining LLC, a Colorado limited liability company ("Providence"), and Rocky Mountain Gold Innovations Inc., a Delaware corporation ("Owner").

### **RECITALS**

WHEREAS Owner owns certain patented mining claims situated in Teller County, Colorado (the "Lease Claims"), which Lease Claims are more fully described at Exhibit A attached hereto and incorporated herein by reference.

WHEREAS Providence desires to lease the Lease Claims from Owner, and Owner is willing to lease the Lease Claims to Providence on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, and the payments to be made by Providence to Owner, the parties agree as follows:

1. Grant of Lease. Owner does hereby lease to Providence, upon the terms and conditions and for the purposes hereinafter set forth, the Lease Claims, together with all of the other rights, privileges, rights of way and easements thereto incident or appurtenant for the purpose and with the sole and exclusive right and privilege, consistent with industry standards, during the Term of this Agreement, of exploring for, developing, mining, treating, processing, shipping, selling, marketing and otherwise exploiting and disposing of precious metals and related materials found in, on, or under the Lease Claims.

2. Additional Rights and Obligations.

a. To the extent it is legally entitled to do so, Owner further grants to Providence the sole and exclusive right and privilege to do any and all things which Providence may reasonably deem necessary or desirable to accomplish any and all of the purposes and rights set forth in or contemplated by this Agreement, including, without limitation, the right and privilege:

(i) to enter upon the Lease Claims for purposes of surveying, exploring for, prospecting for, sampling, drilling, developing, mining, stockpiling, removing, shipping, transporting, processing, marketing or otherwise disposing of precious metals and related materials from the Lease Claims;

(ii) to construct, use, maintain, repair, replace and relocate roads, tunnels, ore conveyors, ditches, pipelines, power and communication lines, structures, processing facilities, utilities and other improvements and facilities required by Providence for the full enjoyment of the Lease Claims for the purposes set forth in this Section 2 and otherwise set forth in this Agreement, with the prior approval of Owner which approval will not be unreasonably withheld;



(iii) to construct and use tunnels, adits or workings now or hereafter located in, on, or under the Lease Claims as may be reasonably necessary, suitable or convenient for or incidental to any of the rights or privileges of Providence hereunder;

(iv) to use so much of the surface of the Lease Claims as may be reasonably necessary, convenient, suitable for or incidental to any of the rights and privileges of Providence hereunder or otherwise reasonably necessary or convenient for the purposes set forth in this Agreement;

(v) to exercise all other rights, including without limitation applying for necessary governmental permits and approvals in Providence's name, and conducting required reclamation and clean-up activities, which are incidental to any or all of the rights specified, mentioned, or referred to herein; and

(vi) to request of Owner that Providence be allowed to conduct mining operations on, in, and under properties either owned by Owner but not included in this Agreement, or owned by the Cripple Creek & Victor Gold Mining Company ("CC&V"), as a natural progression and continuation of any contiguous, ongoing mining activities of Providence. Providence acknowledges that Owner has no right or authority to contractually bind CC&V, however, notwithstanding the foregoing, Owner agrees to negotiate in good faith with Providence any request made pursuant to this Section 2.f., and to make commercially reasonable efforts to advance and support any negotiations between Providence and CC&V regarding the same.

b. It shall be the sole and exclusive obligation of Providence, during the term of this Agreement to include any extensions thereof, to pay as required that certain Production Royalty granted unto Tenderfoot Land and Cattle Company, a Colorado corporation, under the General Warranty Deed, recorded in Teller County, Colorado on November 18, 2004, Rec. # 573855.

3. Limitations. The rights granted to Providence in this Agreement to conduct exploration, development, mining and processing activities on the Lease Claims are exclusive to the Lease Claims and not relevant in connection with exploration, development, mining or processing activities on lands adjacent to or in the general vicinity of the Lease Claims which may be acquired by or leased to Providence from third parties, or which are otherwise controlled by Providence. Further, the rights granted herein do not include any water rights or property normally associated with water acquisition and distribution such as wells, windmills, attached pumps, water tanks, and pipes or flumes.

4. Review of Providence Activities.

a. Initial Plan of Operations. Notwithstanding anything to the contrary in this Agreement, Providence shall have no right to enter onto the Lease Claims or exercise any of the rights described in this Agreement until such time as Owner has received from Providence and has subsequently reviewed a written mining and reclamation application or proposed plan of operation for all activities anticipated by Providence in connection with the Lease Claims (the "Plan of Operations"). No later than forty-five (45) business days after the mutual execution and

delivery of this Agreement, Providence shall submit to Owner a draft Plan of Operations for review. Owner and Providence each acknowledge that Owner acquired the Lease Claims from Providence and, accordingly, Providence has in Providence's control all geological, geophysical and geochemical data, survey notes or maps, title and environmental information, and reports concerning the Lease Claims necessary for development of the Plan of Operations, without reliance on any information from Owner. Within ten (10) business days after receipt of Providence's draft Plan of Operations, Owner shall notify Providence in writing of any deficiencies Owner wishes to note with regard to the draft Plan of Operations. Providence shall submit to Owner, in writing, comments responsive to the deficiencies, if any, identified by Owner no later than ten (10) business days after receipt thereof, which comments Owner may further address in its sole discretion. With the exception of rights specifically reserved to Owner herein or at law and equity, and notwithstanding Owner's right to provide comments regarding the Plan of Operations, all operational decisions with respect to technical and financial matters shall be made at the sole discretion of Providence and Owner shall have no veto right regarding the Plan of Operations. In the event one or more of the Lease Claims is sold to a third party pursuant to the provisions of Section 6, Providence shall submit to Owner a revised Plan of Operations with the same timelines for review, notification, and response as specified herein. Notwithstanding the foregoing, Owner's review of any Plan of Operations shall in no event be deemed a warranty or approval of any matters contained therein and Providence shall at all times hereunder bear the sole risk for the accuracy, completeness and quality of the Plan of Operations, as well as responsibility for any liabilities, citations, penalties, claims, judgments, administrative decisions or other adverse actions resulting from execution of any portion of the Plan of Operations. Nothing in this Section 4 is intended to create a partnership or joint venture between Owner and Providence with respect to any planned activities of Providence in connection with the Lease Claims, and the relationship between Owner and Providence hereunder shall at all times remain that of lessor/lessee in an arm's length relationship.

b. Ongoing Reporting. No later than thirty (30) days after the end of each calendar year, and within fifteen (15) days of demand from Owner at any time during the Term of this Agreement, Providence shall provide to the Owner a written report summarizing the activities carried out by Providence on the Lease Claims during that calendar year including any survey notes or maps, drill hole logs, assay reports, and other geological, geophysical or geochemical data, as well as title, inspection, and environmental information relating to the Lease Claims, and any reports derived therefrom. In addition, during the Term of the Agreement, within fifteen (15) days after the end of each calendar quarter, Providence shall provide to the Owner a brief summary of activities undertaken on or for the benefit of the Lease Claims during that calendar quarter. All submissions and reports submitted by Providence pursuant to this Section 4.b. shall be, to the best of Providence's knowledge, true, correct and complete in all material respects and free from material omission or inaccuracy.

5. Term.

a. Commencement and Expiration. This Agreement is effective as of the Effective Date and shall continue in full force and effect subject to the terms and conditions herein contained for a period of **eighty four (84) months and twenty-five (25) days**, through **December 31, 2016**, at midnight Mountain time ("Initial Term"), and for additional sixty (60) month terms (each an "Extension Term") as set forth below, so long as the exploration for,

development, mining, treating, processing, shipping, selling, marketing and otherwise exploiting and disposing of precious metals and related materials found in, on, or under the Lease Claims, as more fully described in the Plan of Operations, is reasonably engaged in by Providence on a continuous basis (which for purposes hereof "continuous basis" shall mean no cessation of activities, either identified in the Plan of Operations or reasonably intended to support or facilitate such identified activities, for a period of more than 120 consecutive days), unless earlier terminated as provided herein. Upon ninety (90) days advance written notice prior to the end of the Initial Term or any Extension Term, and so long as Providence is not in default under the terms of this Agreement, Providence may elect in its sole discretion to renew this Agreement for an Extension Term on the same terms and conditions specified herein, except that the Base Rent shall be increased by 25% over the then current Base Rent (defined below in Section 8) and Owner may require modification to the insurance requirements of Section 11 as it determines in its sole discretion. Except as noted herein, the total term of this Agreement (the "Term") shall not exceed a period of thirty (30) years without the express written consent of Owner, which consent may be withheld for any reason or no reason whatsoever. Notwithstanding the foregoing, the term of this Agreement may be extended by Providence beyond the thirty (30) years identified herein, for one or more Extension Terms, so long as Providence: (i) provides evidence, in a form reasonably acceptable to Owner, of continuing commercial production from the Lease Claims of precious metals and related materials, and (ii) continues to make payments to Owner under the royalty payment provision of this Agreement.

b. Transfer Option. Owner hereby reserves the right and option (the "Transfer Option") to require Providence to take ownership of and title to all or any portion of the Lease Claims which are identified in a Plan of Operation as an area that will be disturbed by development, mining, processing or waste disposal and stockpiling operations (the "Option Property"). If Owner exercises the Transfer Option, Owner shall convey at no cost to Providence, and Providence shall accept, title to the Option Property by quitclaim deed reserving the 2% Net Revenue production royalty described herein. The Transfer Option shall be exercised, if at all, by written notice to Providence.

c. Exclusive Possession. Providence shall have the exclusive possession of the Lease Claims during the Term of the Agreement, subject to the rights of Owner at law and equity, and as set forth in this Agreement.

6. Providence's Right to Match an Offer. Owner hereby grants to Providence a right to match an offer to purchase from Owner during the Term of this Agreement: (a) some or all of the Lease Claims identified herein; and (b) some or all of the properties, other than the Lease Claims, transferred to Owner under that certain Purchase Agreement between Providence and Owner dated 20 November, 2009, (collectively the "Offer Properties"), subject to the provisions of this Section 6.

a. Procedure. In the event Owner receives a bona fide offer from an unaffiliated third party for the purchase of one or more of the Offer Properties during the Term of this Agreement that Owner intends to accept (as referred to herein as the "Prior Offer"), Owner shall deliver to Providence a written copy of such Prior Offer within fifteen (15) business days of receipt of such Prior Offer. Providence shall then have ten (10) business days from receipt of such Prior Offer (the "Exercise Period") within which to exercise Providence's right to purchase

the Offer Properties subject to the Prior Offer on the same terms and conditions set forth in the Prior Offer, and deposit with the title company specified in the Prior Offer (or otherwise mutually agreed between Owner and Providence if no title company is specified in the Prior Offer) an earnest money deposit in an amount equal to the greater of \$10,000 or 10% of the purchase price described in the Prior Offer. In the event Providence makes a deposit of earnest money as described herein, and the sale of Offer Properties to Providence is not consummated through no fault of Owner, the earnest money shall be paid to Owner. In the event Providence fails to timely deliver written notice and earnest money (time being of the essence), then Owner shall be free to sell the Offer Properties identified in the Prior Offer pursuant to the terms and conditions described therein. If the sale contemplated by the Prior Offer is not consummated within sixty (60) days after the expiration of the Exercise Period, Providence's right to match an offer pursuant to this Section 6 shall remain in full force and effect as to any future offers from unaffiliated third parties to purchase such Offer Properties.

b. Other Properties. If a Prior Offer relates to patented or unpatented claims owned by Owner in addition to Offer Properties subject to this Agreement (any such claims, "Other Claims"), then Providence's exercise of its right to purchase the claims subject to such Prior Offer shall include an obligation to purchase both the Offer Properties and the Other Claims subject to such Prior Offer. Nothing in the foregoing sentence is intended to encumber any Other Claims of Owner with Providence's right to match an offer under this Section 6, and Owner shall have no obligation to submit to Providence offers for the purchase of, and Providence shall have no right to match an offer to purchase from Owner, Other Claims to the extent such Other Claims are being sold separately from Offer Properties subject to this Agreement.

c. Affiliate Transfers. Notwithstanding anything to the contrary in this Section 6, Providence's right to match an offer shall not apply, and Providence shall have no right to purchase any Offer Properties or Other Claims in connection with: (i) the sale or transfer of some or all of the Offer Properties or Other Claims to an affiliate of Owner, including any entity which controls, is controlled by or is under common control with Owner, or any entity in which Owner has a substantial economic interest, or the Cripple Creek & Victor Gold Mining Company or (ii) a merger, reorganization or other corporate transaction involving Owner. Providence's right to match an offer pursuant to this Section 6 shall survive any such transfer.

7. Owner's Right to Match an Offer. Providence hereby grants to Owner a right to match an offer to purchase from Providence during the Term of this Agreement: (i) any of the properties owned by Providence as of the Effective Date; and (ii) any property acquired by Providence after the Effective Date that is adjacent to property owned by Owner at the time of the proposed sale contemplated by this Section 7 (collectively the "Providence Offer Properties"), subject to the provisions of this Section 7.

a. Procedure. In the event Providence receives a bona fide offer from an unaffiliated third party for the purchase of one or more of the Providence Offer Properties during the Term of this Agreement that Providence intends to accept (the "Providence Prior Offer"), Providence shall deliver to Owner a written copy of such Providence Prior Offer within fifteen (15) business days of receipt of such Providence Prior Offer. Owner shall then have ten (10) business days from receipt of such Providence Prior Offer (the "Owner Exercise Period") within

which to exercise Owner's right to purchase the Providence Offer Properties subject to the Providence Prior Offer on the same terms and conditions set forth in the Providence Prior Offer, and deposit with the title company specified in the Providence Prior Offer (or otherwise mutually agreed between Owner and Providence if no title company is specified in the Providence Prior Offer) an earnest money deposit in an amount equal to the greater of \$10,000 or 10% of the purchase price described in the Providence Prior Offer. In the event Owner makes a deposit of earnest money as described herein, and the sale of Providence Offer Properties to Owner is not consummated through no fault of Providence, the earnest money shall be paid to Providence. In the event Owner fails to timely deliver written notice and earnest money (time being of the essence), then Providence shall be free to sell the Providence Offer Properties identified in the Providence Prior Offer pursuant to the terms and conditions described therein. If the sale contemplated by the Providence Prior Offer is not consummated within sixty (60) days after the expiration of the Owner Exercise Period, Owner's right to match an offer pursuant to this Section 7 shall remain in full force and effect as to any future offers from unaffiliated third parties to purchase such Providence Offer Properties.

b. Other Claims. If a Providence Prior Offer relates to and includes an offer to acquire Providence assets other than the Providence Offer Properties, or includes an offer to acquire a financial interest in Providence, the right of Owner to match the Providence Prior Offer shall include an obligation to purchase both the Providence Offer Properties and the other assets and financial interests subject to such Providence Prior Offer. Nothing in the foregoing sentence is intended to encumber any of the assets or financial interests with Owner's right to match an offer under this Section 7, and Providence shall have no obligation to submit to Owner offers for the purchase of, and Owner shall have no right to match an offer to purchase from Providence, the other assets and financial interests to the extent such other assets and financial interests are being sold separately from Providence Offer Properties subject to this Agreement.

c. Affiliate Transfers. Notwithstanding anything to the contrary in this Section 7, Owner's right to match an offer shall not apply, and Owner shall have no right to purchase any Providence Offer Properties or other assets or financial interests of Providence in connection with: (i) the sale or transfer of some or all of the Providence Offer Properties or other assets or financial interest of Providence to an affiliate of Providence, including any entity which controls, is controlled by or is under common control with Providence, or any entity in which Providence has a substantial economic interest or (ii) a merger, reorganization or other corporate transaction involving Providence. Owner's right to match an offer pursuant to this Section 7 shall survive any such transfer.

8. Lease Payments. Except as otherwise noted herein, Providence covenants and agrees to pay Owner for the lease of the Lease Claims, in lawful money of the United States, without offset, deduction or demand a fixed rent (the "Base Rent") in the amount of Twelve Thousand Dollars (\$12,000.00) per full calendar month during the Initial Term, beginning on January 1, 2010, due and payable in advance on the first day of each full calendar month at such address as designated by Owner in writing from time to time; provided that in the event one or more of the Lease Claims are sold to a third party pursuant to the provisions of Section 6, the parties shall in good faith negotiate a new Base Rent. Notwithstanding the foregoing, Base Rent hereunder shall be deferred for the first six (6) full calendar months of the Initial Term. Thereinafter, the rent payment due during the next six full calendar months of the Initial Term

(the remaining six months of the first full year of the Agreement) shall be double the Base Rent or Twenty-Four Thousand Dollars (\$24,000) per month. Late payments of Base Rent shall bear interest at the rate equivalent to the Prime Rate as quoted, on the date rent is due, in the Wall Street Journal or other reputable source designated by Owner, plus 2%, compounded monthly. To the extent royalty payments are made by Providence in accordance with Section 9 below, monthly rental payments will be credited as an advance against future royalty payments owed, except that the first One-Hundred Fifty Thousand Dollars (\$150,000) of rental payments shall not be credited as an advance against future royalty payments.

9. Production Royalty. In addition to the Base Rent, Providence shall pay to Owner during the Initial Term and each Extension Term thereafter a production royalty pursuant to the terms of this Section 9.

a. Grant. Owner hereby reserves and Providence hereby agrees to pay to Owner as a production royalty (the "Production Royalty") two percent (2.0%) of the Net Revenues from any and all ores, metals, minerals and materials ("Valuable Minerals"), including by-products and co-products thereof, produced and sold from the Lease Claims. "Net Revenues" shall mean the gross revenues received by Providence from the sale of Valuable Minerals from a smelter, refinery or other ore buyer, after the deduction of smelter and/or refining charges, ore or bullion treatment charges and any penalties, less (i) all costs to Providence of weighing, sampling, determining moisture content and packaging such Valuable Minerals, and loading and transporting those Valuable Minerals from the mine mouth or the pit to processing facilities and to the point of sale, including insurance and in-transit security costs, and (ii) severance taxes and any other taxes, charges or assessments payable to a governmental entity with respect to the production of Valuable Minerals. For purposes of calculating Net Revenues in the event Providence elects not to sell any portion of any Valuable Minerals extracted and produced from the Lease Claims, but instead elects to have the final product of any such Valuable Minerals credited to or held for its account with any smelter, refiner or broker, such Valuable Minerals shall be deemed to have been sold at the Quoted Price on the day such Valuable Minerals are actually credited to or placed in Providence's account. The "Quoted Price" shall be the price per ounce of gold, silver or other precious metal (as the case may be) as quoted on the London Metals Exchange at the London P.M. fix on the day such gold, silver, or precious metal is actually credited to or placed in Providence's account.

b. Manner of Payment. Production Royalty payments shall be paid by Providence to Owner on a monthly basis following the month during which Providence receives payment or in which Valuable Minerals are deemed to have been sold, and otherwise in the same manner as Base Rent. Production Royalties shall accrue to Owner's account upon final settlement and final payment by the smelter, refinery or other ore buyer to Providence for the Valuable Minerals sold and for which the Production Royalty is payable. All royalty payments shall be accompanied by a statement and settlement sheet showing the quantities and grades of Valuable Minerals mined and sold from the Lease Claims, proceeds of sale, costs, assays and analyses, and other pertinent information in sufficient detail to explain the calculation of the Production Royalty payment.

c. Objection, Finality of Royalty Payments. Owner, at its sole election and expense, shall have the right to perform, not more frequently than once annually following the close of each calendar year, an audit of Providence's accounts relating to payment of the



Production Royalty, and Providence shall reasonably cooperate with any such audit. Such an audit may be performed by any authorized representatives of Owner. Any such inspection shall be for a reasonable length of time during regular business hours, at a mutually convenient time, upon at least two (2) business days prior written notice to Providence by Owner. All Production Royalty payments made in any calendar year shall be considered final and in full accord and satisfaction of all obligations of Providence with respect thereto, unless Owner gives written notice describing and setting forth a specific objection to the calculation thereof within one hundred eighty (180) days following the end of the calendar year. Providence shall account for any agreed upon deficit or excess in Production Royalty payments made to Owner by adjusting the next monthly statement and payment following completion of such audit to account for such deficit or excess. To the extent that the results of any such audit demonstrate that Providence underpaid Production Royalty payments to Owner for the period in question by more than ten percent (10%), in addition to being reimbursed for the underpaid Production Royalty payments bearing interest at the rate specified in Section 8 Owner shall be entitled to (i) terminate the Agreement if it can be shown that the underpayment of royalties is the result of a willful misrepresentation or pattern of deceptive practice on the part of Providence; and (ii) regardless of Providence's actions require Providence to immediately reimburse Owner for all third-party costs and fees incurred by Owner in conducting that audit (on receipt of an invoice for and satisfactory evidence of the same).

d. Ore Samples. The mineral content of all ore mined and removed from the Lease Claims (excluding ore leached in place) and the quantities of constituents recovered by Providence shall be determined by Providence, subject to Owner's verification in Owner's reasonable discretion, or with respect to such ore which is sold, by the mill or smelter to which the ore is sold, in accordance with standard sampling and analysis procedures.

e. Waste Rock, Spoil and Tailings. Any ore, mine waters, leachates, pregnant liquors, pregnant slurries, and other products or compounds or metals or minerals mined from the Lease Claims shall be the property of Providence, subject to payment of the Production Royalty. The Production Royalty shall be payable only on metals, ores, or minerals recovered prior to the time waste rock, spoil, tailings, or other mine waste and residue are first disposed of as such, and such waste and residue shall be the sole property of Providence. Providence shall have the sole right to dump, deposit, sell, dispose of, or reprocess such waste rock, spoil, tailings, or other mine wastes and residues, and Owner shall have no claim or interest therein other than for payment of the Production Royalty to the extent any gold or silver metals or other precious metals are produced and sold therefrom.

10. Operations; Compliance With Laws. In the conduct of activities and operations on the Lease Claims pursuant to this Agreement, Providence shall:

a. comply and cause all third party contractors, agents, and consultants to comply with any and all applicable federal, state and local laws, rules and regulations, including those relating to working conditions, wages and hours, worker's compensation, mine safety, environmental protection and human health and safety, land use, reclamation and mine closure. Providence agrees to conduct all such activities and operations in a good and workmanlike manner and in accordance with industry standards.

b. comply with all local, state, and federal requirements for the permitting of activities conducted by Providence in, on, and under the Lease Claims. Further, Providence must comply at all times with any and all permits issued in support of or related to activities conducted by Providence in, on, and under the Lease Claims, and a failure to so comply with the provisions of these Sections 10.a and 10.b, resulting in a material adverse effect to the Lease Claims or the operations and reputation of Owner, shall constitute an immediate ground for terminating this Agreement, at the discretion of Owner.

c. For the purposes of this Section 10, a "material adverse effect" shall mean any result, occurrence, condition, fact, change, violation, event or effect that, individually or in the aggregate with any such other results, occurrences, conditions, facts, changes, violations, events or effects, is substantially and materially adverse to the financial condition, business, assets, operations, or reputation of Owner and its affiliates, subsidiaries or parent, as applicable.

11. Insurance.

a. Coverage. Providence shall, at Providence's sole cost, keep in force during the Term of this Agreement a policy of commercial general liability insurance covering property damage and liability for personal injury occurring on or about the Lease Claims, with limits in the amount of at least Three Million Dollars (\$3,000,000) per occurrence for injuries to or death of persons, One Million Dollars (\$1,000,000) per occurrence for property damage, and with a contractual liability endorsement insuring Providence's performance of Providence's indemnity obligations under this Agreement. Providence shall also maintain such worker's compensation coverage as required by law.

b. Form and Certificates. The policy of insurance required to be carried by Providence pursuant to this Section 11 shall name Owner as an additional insured and contain a cross-liability and severability endorsement. Providence's insurance policy shall also be primary insurance, without right of contribution from any policy carried by Owner. A certificate of insurance and a copy of Providence's insurance policy shall be provided to Owner before any entry by Providence or its agents or employees on the Lease Claims and shall provide that such policy is not subject to cancellation, expiration or change, except upon thirty (30) days prior written notice to Owner.

c. Waiver of Subrogation. Providence waives any and all rights of recovery against Owner for loss of or damage to the Lease Claims or equipment or injury to persons to the extent such damage or injury is covered by proceeds received under any insurance policy carried by Providence and in force at the time of such loss or damage.

12. Inspection. Owner or its authorized agents shall have the right to enter upon and inspect the Lease Claims and all workings thereof and structures thereon, to ensure that Providence is conducting its operations in accordance with the terms and conditions of this Agreement, and to make any survey Owner may deem necessary, to include an inspection to verify compliance with all permits and other government issued licenses, authorizations, or citations, provided that Owner shall defend, indemnify, and hold harmless Providence from any and all damages, claims, liens, or other losses whatsoever (including interest and penalties, reasonable attorneys' fees, and other reasonable expenses of defending any actions relating

thereto) actually suffered or incurred by Providence and to the extent arising out of or resulting from damage or injury to persons or property caused solely by Owner's entry on the Lease Claims. Owner shall give Providence at least forty-eight (48) hours prior notice to such entry. Further, Owner may in its sole discretion and at its sole cost request ore samples from Providence for testing of the ore samples by Owner. Providence shall make all reasonable efforts to provide requested ore samples to Owner in a timely manner.

13. Property Taxes. During the Term of the Agreement, Owner shall pay any and all uncontested real property taxes and assessments levied upon the Lease Claims by the State of Colorado, or any other government entity during any tax year in which this Agreement is in effect, except such taxes, assessments and penalties levied as a direct result of activities performed by Providence on the Lease Claims, or that result from a failure by Providence to comply with any and all local, state, and federal laws, rules and regulations. Providence shall have the right to contest in good faith the validity or the amount of any such tax or assessment and may withhold payment of any such contested tax or assessment so long as such withholding does not cause a lien on the Lease Claims or title to any interest in the Lease Claims to be lost. With regard to any taxes paid by Owner during the Term of this Agreement, Owner shall have the right, but not the obligation, to invoice Providence for any such taxes paid, and Providence shall pay to Owner the amounts due within thirty (30) days of receiving an invoice.

14. Liens and Encumbrances.

a. Generally. Providence shall keep the title to the Lease Claims free and clear of all liens and encumbrances resulting from its activities and operations under this Agreement. At its sole cost and expense, Providence shall contest any suit, demand or action commenced to enforce such a claim. Promptly after the execution and delivery of this Agreement, Owner shall have the right to record a notice of non-responsibility in the office of the Teller County Clerk and Recorder. If any such lien, at any time, is filed against the Lease Claims, Providence shall cause such lien to be discharged of record within twenty-one (21) days after the filing of such lien, except that if Providence desires to contest such lien, it shall furnish Owner, within such 21-day period, security reasonably satisfactory to Owner of at least 125% of the amount of the claim underlying such lien, plus estimated costs and interest. If a final judgment establishing the validity or existence of a lien for any amount is entered, Providence shall pay and satisfy the same at once but in no event more than three (3) days after final judgment is entered. If Providence fails to pay any charge for which a mechanics' or materialman's lien has been filed, and has not given Owner security as described above, Owner may, at its option, pay such charge and related costs and interest, and the amount so paid, together with reasonable attorneys' fees incurred in connection with such lien and interest at the rate specified in Section 8, shall be immediately due from Providence to Owner. Nothing contained in this Agreement shall be deemed the consent or agreement of Owner to subject Owner's interest in the Lease Claims to liability under any mechanics', materialman's or any other lien law. If Providence receives written notice that a lien has been or is about to be filed against the Lease Claims or any action affecting title to any of the Lease Claims has been commenced on account of work done by or for or materials furnished to or for Providence, it shall immediately give Owner written notice of such notice. Nothing in this Section 14.a. shall prohibit Providence from mortgaging or otherwise granting a security interest in any of its rights or interests in this Agreement or the

Lease Claims, provided, however, the rights of Owner shall not be subordinated to any rights of such mortgagee or secured party.

b. Mine Bore Agreement. Owner and Providence acknowledge Providence, as the then-owner of the Lease Claims, previously entered into that certain Raise Bore and Mine Development Agreement dated July 15, 2009, by and between Providence Mining & Exploration, LLC, as company, and Two Mile High Mining, LLC, as contractor (the "Raise Bore Agreement"). Upon acquisition by Owner of fee interest in the Lease Claims from Providence, no interest in the Raise Bore Agreement was assigned from Providence to Owner and Owner expressly disclaims any assumption or recognition of the Raise Bore Agreement (and Providence agrees that Owner has no obligations or liabilities thereunder). Notwithstanding the foregoing, Owner shall permit Providence to continue contracting for the services under the Raise Bore Agreement, as lessee but not owner, provided (i) the Raise Bore Agreement shall be and remain subordinate at all times to Owner's fee interest in the Lease Claims; (ii) Providence deposits quarterly into an account mutually agreed to by the parties those dollars otherwise due under the Raise Bore Agreement based on work performed to date by the contractor, as estimated by Providence according to acceptable industry standards for estimating work of this type, and shall maintain those dollars in said account until such time as the moneys are paid to the other party to the Raise Bore Agreement, according to the agreement's terms, and provided that such moneys deposited may only be withdrawn from the account, for any reason, with the approval of Owner; and (iii) the only rights subject to lien pursuant to the Raise Bore Agreement shall be Providence's leasehold rights under this Agreement. Notwithstanding anything to the contrary in this Agreement, any failure by Providence to strictly comply with the provisions of this Section 14.b. shall be an event of default, consistent with Section 19, by Providence hereunder. In addition to all other indemnification obligations of Providence hereunder, Providence shall indemnify, defend and hold Owner harmless from and against any damages, claims, liens, or other losses whatsoever (including interest and penalties, reasonable attorneys' fees, and other reasonable expenses of defending any actions relating thereto) in connection with this Section 14.b. or the Raise Bore Agreement.

15. Reclamation. Providence shall reclaim, close and remediate the surface and subsurface of the Lease Claims disturbed by its operations in accordance with applicable federal, state and local laws, rules and regulations.

16. Reciprocal Representatives and Warranties. Each party warrants and represents for itself and covenants with the other party that:

a. it has the full right, title, power and authority to enter into this Agreement and to perform its obligations hereunder in accordance with the terms hereof;

b. it has not utilized the services of a broker or a finder in the negotiation and/or execution of this Agreement, and that it has not incurred any obligation to pay a broker's commission or finder's fee upon the execution and consummation of this Agreement; and

c. except as otherwise noted herein it shall pay all costs and expenses incurred or to be incurred by it in performing its obligations under and the transactions contemplated by this Agreement.

17. Disclaimer. OWNER EXPRESSLY DISCLAIMS AND MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO TITLE TO OR ENVIRONMENTAL CONDITIONS AT OR AFFECTING THE LEASE CLAIMS.

18. Indemnity.

a. By Owner. Owner hereby agrees to indemnify, defend and hold Providence, its officers, directors, employees, successors and assigns, harmless from and against any and all liabilities, claims, damages, losses, or expenses (including interest and penalties, reasonable attorneys' fees, and other reasonable expenses of defending any actions relating thereto) incurred or sustained by Providence as a result of or arising out of or attributable to any breach of or failure to perform the specific duties, representations, warranties and covenants made by Owner in this Agreement.

b. By Providence. Except as to damages sustained or caused by Owner, its agents or employees while on the Lease Claims pursuant to Section 12, and in addition to the provisions of Section 14, Providence hereby agrees to indemnify, defend and hold Owner, its successors, assigns, parent, subsidiaries, affiliates, officers, directors, employees, and agents harmless from and against any and all liabilities, claims, damages, losses, or expenses (including interest and penalties, reasonable attorneys' fees and other reasonable expenses of defending any actions relating thereto) incurred or sustained by them as a result of or arising out of or attributable to: (i) all conditions and liabilities (including without limitation Environmental Liabilities) arising out of activities engaged in by Providence (or by Providence's agents, servants or contractors on behalf of Providence) on or in connection with the Lease Claims before, from, and after the Effective Date, and (ii) any breach of or failure to perform the specific duties, representations, warranties and covenants made by Providence in this Agreement.

c. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(1) "Environmental Laws" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976, the Clean Air Act, the Clean Water Act, the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the Federal Water Pollution Control Act, the Superfund Amendments and Reauthorization Act of 1986, the Safe Drinking Water Act, the Endangered Species Act, the National Environmental Policy Act, the Mine Safety and Health Act of 1977, the Mine Improvement and New Emergency Response Act of 2006, the Federal Land Policy and Management Act of 1976, and the National Historic Preservation Act, each as amended, and any state law counterparts, together with all other laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state and local governments (and all agencies thereof) concerning pollution or protection of the environment, reclamation, closure, public health and safety, or employee health and safety, including but not limited to the Colorado Mined Land Reclamation Act and including laws relating to emissions, discharges, releases, or threatened releases of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or wastes into ambient air, surface water, ground water, or lands or otherwise relating to the existence, manufacture, processing, distribution, use, treatment, storage, disposal, recycling, transport, or handling or reporting or

notification to any governmental authority in the collection, storage, use, treatment or disposal of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or wastes.

(2) "Environmental Liabilities" shall mean any liability arising out of, based on or resulting from (a) the presence, release, threatened release, discharge or emission into the environment of any Hazardous Materials or substances existing or arising on, beneath or above such property and/or emanating or migrating and/or threatening to emanate or migrate from such property to other properties; (b) disposal or treatment of or the arrangement for the disposal or treatment of Hazardous Materials originating or transported from such property to an off-site treatment, storage or disposal facility, (c) physical disturbance of the environment on or from such property; (d) the violation or alleged violation of any Environmental Laws relating to such property; or (e) the violation or alleged violation of any permit issued by any governmental entity.

(3) "Hazardous Materials" means any substance: (a) the presence of which requires reporting, investigation, removal or remediation under any Environmental Law; (b) that is defined as a "hazardous waste," "hazardous substance," "extremely hazardous substance" or "pollutant" or "contaminant" under any Environmental Law; (c) that is toxic, explosive, corrosive, flammable, ignitable, infectious, radioactive, reactive, carcinogenic, mutagenic or otherwise hazardous and is regulated under any Environmental Law; (d) the presence of which on a property causes or threatens to cause a nuisance upon the property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the property; (e) that contains gasoline, diesel fuel or other petroleum hydrocarbons; or (f) that contains PCBs, asbestos or urea formaldehyde foam insulation; in each case subject to exceptions provided in applicable Environmental Laws.

d. Procedures. The parties hereto, within ten (10) days after the service of process upon either of them in a lawsuit, including any notices of any court action or administrative action (or any other type of action or proceeding, collectively the "Legal Proceeding"), or promptly after either of them, to its respective knowledge, shall become subject to, or possess actual knowledge of, any damage, liability, loss, cost, expense, or claim (collectively a "Known Claim") to which any of the indemnification provisions set forth in this Agreement relate, shall give written notice to the other party setting forth the facts relating to the Legal Proceeding or Known Claim, if available, and the estimated amount of the same. "Promptly" for purposes of this Section 18.d. shall mean giving notice within five (5) days, provided that the failure to promptly notify the indemnifying party shall not operate to waive, reduce or extinguish the indemnified party's rights hereunder unless such failure materially prejudices the indemnifying party. Upon receipt of such notice relating to a Legal Proceeding or Known Claim the indemnifying party shall be entitled to (i) participate at its own expense in the defense or investigation of the Legal Proceeding or Known Claim or (ii) assume the defense thereof, in which event the indemnifying party shall not be liable to the indemnified party for legal or attorney fees thereafter incurred by such indemnified party in defense of such Legal Proceeding or Known Claim, provided that if the indemnified party may have any unindemnified liability out of a lawsuit or other action such party shall have the right to approve the counsel selected by the indemnifying party, which approval shall not be withheld unreasonably. If the indemnifying party assumes the defense of any Legal Proceeding or Known Claim, all costs of defense of such Legal Proceeding or Known Claim shall thereafter be borne by such party and such party shall



have the authority to compromise and settle such Legal Proceeding or Known Claim only with the written consent of the indemnified party, which consent shall not be unreasonably withheld, or to appeal any adverse judgment or ruling with the cost of such appeal to be paid by such party. The indemnified party may continue to participate in the Legal Proceeding or Known Claim at its expense after the indemnifying party assumes the defense of the Legal Proceeding or Known Claim. In the event the indemnifying party does not elect to assume the defense of a Legal Proceeding or Claim, the indemnified party shall have authority to compromise and settle such Legal Proceeding or Known Claim only with the written consent of the indemnifying party, which consent shall not be unreasonably withheld, or to appeal any adverse judgment or ruling pertaining to any such Legal Proceeding or Known Claim, with all costs, fees, and expenses indemnifiable under this Agreement to be paid by the indemnifying party. Upon the indemnified party's furnishing to the indemnifying party an estimate of any loss, damage, liability, or expense to which the indemnification provisions of this Agreement relate, the indemnifying party shall pay to the indemnified party the amount of such estimate within ten (10) days of receipt of such estimate, unless the indemnifying party in good faith disputes its liability with respect to any such claim.

19. Default.

a. Notice. If Providence fails in the performance of any obligation under this Agreement, including without limitation the payment of Base Rent or Production Royalties, Owner shall give Providence written notice of default, describing the default. Providence shall, within ten (10) days for a monetary default and thirty (30) days of any other default, cure such default. If Providence fails to cure within the time frames set forth above, Providence shall be deemed to be in default of this Agreement, or if the default reasonably cannot be cured within 30 days, Providence shall commence to cure the default within 30 days and shall thereafter continue diligently to cure the default. Notwithstanding the foregoing, if the default cannot be cured, for any reason, within 120 days Providence shall be deemed to be in default of this Agreement.

b. Consequences of Uncured Default. Without limiting the provisions of this Section 19, in the event Providence is deemed to be in default under Section 19.a. above, Owner shall have the right to terminate the Lease pursuant to Section 20 hereof. If the Providence disputes that it is in default with respect to all or part of the breaches set forth in the notice by the Owner, Providence shall cure or commence curing all matters for which it is in default and for which it does not dispute the claim of default, and shall cure such default in accordance with the provisions of Section 19.a. above (if the default is payment of money, Providence shall pay all amounts it does not dispute that it owes). For those matters which Providence disputes, it shall commence suit for a declaratory judgment or such other relief as is appropriate within thirty (30) days in the courts of the State of Colorado, Fourth Judicial District or a U.S. District Court for the District of Colorado, and Providence shall not be deemed in default unless and until there has been a final non-appealable judgment entered in writing by such court. In the event of such judgment, Providence shall have a period of thirty (30) days after such entry of judgment in which to cure the default so adjudged, or, in the event such default cannot be cured within such thirty (30) day period, Providence shall commence to cure within such time and shall continue to diligently pursue such cure. Notwithstanding the foregoing, and unless otherwise specified in the final judgment, if the default cannot be cured, for any reason, within 120 days of the final non-appealable judgment, Providence shall be deemed to be in default of this Agreement, at which

time this Agreement shall terminate pursuant to Section 20 below. If Providence does not commence suit within 30 days of its receipt of notice, Providence shall be conclusively presumed not to dispute the claim of default.

c. In addition to, and without limiting, the provisions of Section 19.a. above, the following shall constitute events of default subject to the requirements to cure and conditions of termination outlined herein:

(i) At any time after an initial period of twenty-four (24) months from the Effective Date, should Providence fail to adequately make progress with regard to any and all operations as more fully defined in the Plan of Operations as amended from time to time, mining related or otherwise, conducted on the Lease Claims, as determined by Owner in its sole discretion acting reasonably, Owner may at its election declare an event of default by giving written notice of such default to Providence, and, upon Providence's receipt of such notice and Providence's failure to cure, this Agreement shall be conclusively deemed terminated, except any provisions that expressly survive the termination hereof.

(ii) Should Providence fail to engage in, on a continuous basis (which for purposes hereof "continuous basis" shall mean no cessation of activities, either identified in the Plan of Operations or reasonably intended to support or facilitate such identified activities, for a period of more than 120 consecutive days), the exploration for, development, mining, treating, processing, shipping, selling, marketing and otherwise exploiting and disposing of precious metals and related materials found in, on, or under the Lease Claims, as more fully described in the Plan of Operations, Owner may at its election declare a condition of default by giving written notice of such default to Providence, and, upon Providence's receipt of such notice and Providence's failure to cure, this Agreement shall be conclusively deemed terminated, except any provisions that expressly survive the termination hereof.

d. Force Majeure. Neither party shall be considered in default in performance of its obligations hereunder to the extent that performance of such obligations is delayed, hindered, or prevented by Force Majeure. Force Majeure shall be defined as any cause beyond the control of the parties hereto which they could not reasonably have foreseen and guarded against. Force Majeure includes, but is not limited to, acts of God, strikes, lockouts, fires, riots, civil commotion or civil unrest, incendiaries, failure of wells or other sources of water, interference by civil or military authorities, acts of any government agency or organization, acts of war (declared or undeclared), and damage to, destruction or shutdown of necessary facilities, unavoidable accidents or uncontrollable delays in prospecting, mining, reclamation, and transportation not directly or indirectly a result of actions or omissions on the part of Providence.

e. Except as specifically noted in Section 19.b., nothing in this Section 19 is intended to limit, nor shall it act to limit, Providence's rights at law or at equity to challenge in a court of competent jurisdiction a decision to terminate this agreement by Owner.

20. Termination.

a. Owner shall have the right but not the obligation to terminate this Agreement in accordance with the terms and conditions herein, to include in the event of a properly noticed default which is not cured by Providence according to the timelines specified in Section 19.

b. Rights and Duties Following Termination. Within ten (10) days after termination of this Agreement, Providence shall execute and deliver to Owner a recordable release of Providence's interest in the Lease Claims to Owner. For a period of ninety (90) days after the effective date of termination, Providence shall have the right to remove its non-fixed assets to include, machinery, tools, equipment, and other personal property (the "Equipment") erected or placed within or upon the Lease Claims, excepting track, timber, chutes and ladders in place for underground support and entry, if any. In the event Providence cannot remove all non-fixed assets within the ninety (90) days specified herein, Providence may request of Owner in writing an extension of time, which request shall not be unreasonably denied. All Equipment not removed prior to the expiration of such period shall at Owner's sole discretion (by written notice to Providence) become and remain the sole property of Owner; any other Equipment shall be removed by Owner with Providence responsible to immediately reimburse Owner for all costs incurred. Within ten (10) days after termination of this Agreement, Providence shall return to Owner copies of all metallurgical, geological, geophysical, geochemical, milling data, survey notes or maps, reports and other data furnished to Providence by Owner, as well as copies of all such information, and reports related thereto, as Providence may have developed during the term of this Agreement concerning the Lease Claims. Notwithstanding any termination of this Agreement, Providence shall continue to be responsible for all reclamation, closure, and rehabilitation as specified under Section 15, and the provisions of Sections 15, 18, 25 and this Section 20 shall survive such termination.

21. Assignment. Providence shall have no right to assign its rights or delegate its responsibilities under this Agreement to an unaffiliated third party at any time during the Term hereof without the prior written consent of Owner, which consent may be withheld in Owner's sole discretion. Any approved assignment by Providence of its interest in this Agreement shall not relieve Providence from any of its obligations or liabilities under this Agreement. Any such assignment shall be void unless the third party to whom such an assignment is made agrees in writing to be bound by all of the terms and conditions of this Agreement. Owner may convey or assign to any third party all or any part of its interest in the Lease Claims or this Agreement.

22. Binding Effect. Subject to the limitations set forth in Section 21, this Agreement shall be binding upon, and shall inure to the benefit of Owner, Providence, and their respective successors and assigns.

23. Notices. Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, (ii) one (1) business day after being deposited with Federal Express or another reliable overnight courier service, with receipt acknowledgment requested, (iii) upon receipt if transmitted by facsimile telecopy, with a copy sent on the same day by one of the other permitted

methods of delivery, or (iv) upon receipt or refused delivery deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

To Owner: Rocky Mountain Gold Innovations Inc.  
7400 E. Orchard Rd, Suite 350  
Greenwood Village, CO 80111  
Attn: General Counsel  
Fax No.: (303) 889-0707

To Providence: The Manager  
Providence Mining LLC  
100 W. Bennett Ave,  
Cripple Creek, CO  
80813  
Fax. No.: (719) 689-2649

24. Further Instruments. Each party shall, from time to time, execute, acknowledge, and deliver to the other party such further instruments as the other party or its counsel may reasonably request to effectuate the intent of this Agreement.

25. Confidentiality. Any and all information regarding this Agreement or Providence's activities or future plans concerning the Lease Claims, including, but not limited to, geologic information, engineering, capital and/or operating cost information, project economics, information concerning title, information in any way relating to marketing of gold, silver or other precious metals, not otherwise publicly available, shall be kept confidential by the Owner during the Term of this Agreement. In the event that Owner is required by any law, rule, regulation, or order to disclose to the public any such information, it shall promptly notify Providence of such requirement and the terms thereof, together with a copy of such release of information as may be contemplated, prior to such disclosure.

26. Memorandum for Recording. A Memorandum or short form of this Agreement, as appropriate, in the form of Exhibit B attached hereto, which shall not disclose the financial information contained herein, shall be executed by the parties and delivered by Owner promptly after the execution and delivery of this Agreement, and recorded in the official records of Teller County. This complete Agreement shall not be recorded.

27. Entire Agreement. This Agreement constitutes the entire agreement of the parties with regard to the subject matter herein, and the parties are not bound by any agreements, understandings, conditions, or inducements otherwise than are expressly set forth and stipulated herein. No change, alteration, amendment, modification, or waiver of any terms or provisions hereof shall be valid unless the same is in writing and signed by the parties. No waiver by any party of a breach of any of the provisions of the Agreement shall be construed as a waiver of any subsequent breach, whether of the same or a different character.

28. Time of the Essence. The parties agree that each of the time deadlines and periods provided for in this Agreement are of the essence in this Agreement.

29. Laws and Regulations; Severability. This Agreement shall be governed by the laws of the State of Colorado (other than its rules as to conflicts of law) and shall be subject to all applicable local, state and federal laws, rules and regulations of public bodies exercising jurisdiction over the Agreement or the development or operation of any of the Lease Claims subject hereto. In the event any provision of the Agreement is, or the operations contemplated hereby are, found to be inconsistent with, or contrary to, any such laws, rules, or regulations, the latter shall be deemed to control; and the Agreement shall be regarded as modified accordingly and, as so modified, shall continue in full force and effect. Each party submits to the exercise of personal jurisdiction over said party by the state and federal courts located within the State of Colorado, for all purposes relating to the interpretation or enforcement of this Agreement.

30. Execution in Counterparts. This Agreement may be executed in counterparts, which together shall constitute a single, original instrument.

31. Conflict of Interest. Providence shall not cause, or in any way contribute to, a Conflict of Interest (as that term is defined below) involving Owner. If Providence is aware of, or suspects, a Conflict of Interest on the part of Owner (or parties related to the employees of Owner, as noted below) in any contractual relationship or entity contracting with Owner, Providence shall immediately report such conflict to an appropriate senior manager of Owner, or shall use the confidential reporting mechanism, details of which can be obtained from the AngloGold Ashanti Limited's website ([www.anglogoldashanti.com](http://www.anglogoldashanti.com)).

"Conflict of Interest" means a situation where a temporary, part-time, or full-time employee and/or that employee's related parties (such as immediate family, other close family, or even close friends) have an interest, either directly or indirectly, in an entity (such as Providence) that may do or does business with Owner. The Conflict of Interest may be actual, potential, or perceived. The obligation of Providence related to Conflict of Interest is continuous and a Conflict of Interest must be reported when it arises, not merely at the inception of this Agreement. The duty on the part of Providence to report any conflict on the part of an employee of Owner (or parties related thereto) may relate to an interest in that Providence itself, or if Providence is aware of or suspects an interest that the employee may have with other business entities doing business with Owner.

32. Right to Sublet. Subject to approval by Owner, which approval may not be unreasonably withheld, Providence may sublet a portion of the surface of the Lease Claims to a third party so long as: (a) the subletting of a portion of the surface is in direct support of the operations of Providence, as more fully defined in the Plan of Operations; (b) if the subletting of a portion of the surface adversely impacts, or requires a change or amendment to, an existing permit, such impact or change must be approved by Owner in advance, which approval shall not be unreasonably withheld; (c) if the subletting of a portion of the surface requires Providence to submit a new permit application of any sort, then a request to submit a new application for a new permit must be approved in advance by Owner, which approval will not be unreasonably withheld; and (d) the subletting is approved in advance by Owner.

33. Right to Conduct Mining Operations in Support of Owner. In the event that Owner decides to conduct underground mining operations on properties not subject to this Agreement, and in the event that Owner identifies a need for a third party to conduct such mining operations on behalf of Owner, Owner shall give Providence a right-of-first refusal to submit a proposal to conduct such mining operations. Specifically, Owner shall first notify Providence of its desire to hire a third party to conduct underground mining operations, and Providence shall have sixty (60) days from the date of such notice to provide Owner a proposal for such mining activities. At the end of the sixty (60) day period, or upon receiving a proposal from Providence, whichever is sooner, Owner shall be free to solicit proposals from other parties. Nothing contained in this Section 33 shall either require Owner to select Providence as the third party entity to conduct mining operations or preclude Owner from hiring a subcontractor, separate from the terms of this Section, to support underground mining operations conducted principally by Owner.

*[Signature page follows on next page]*



20

**Exhibit A**

<b>MS #</b>
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Item - L

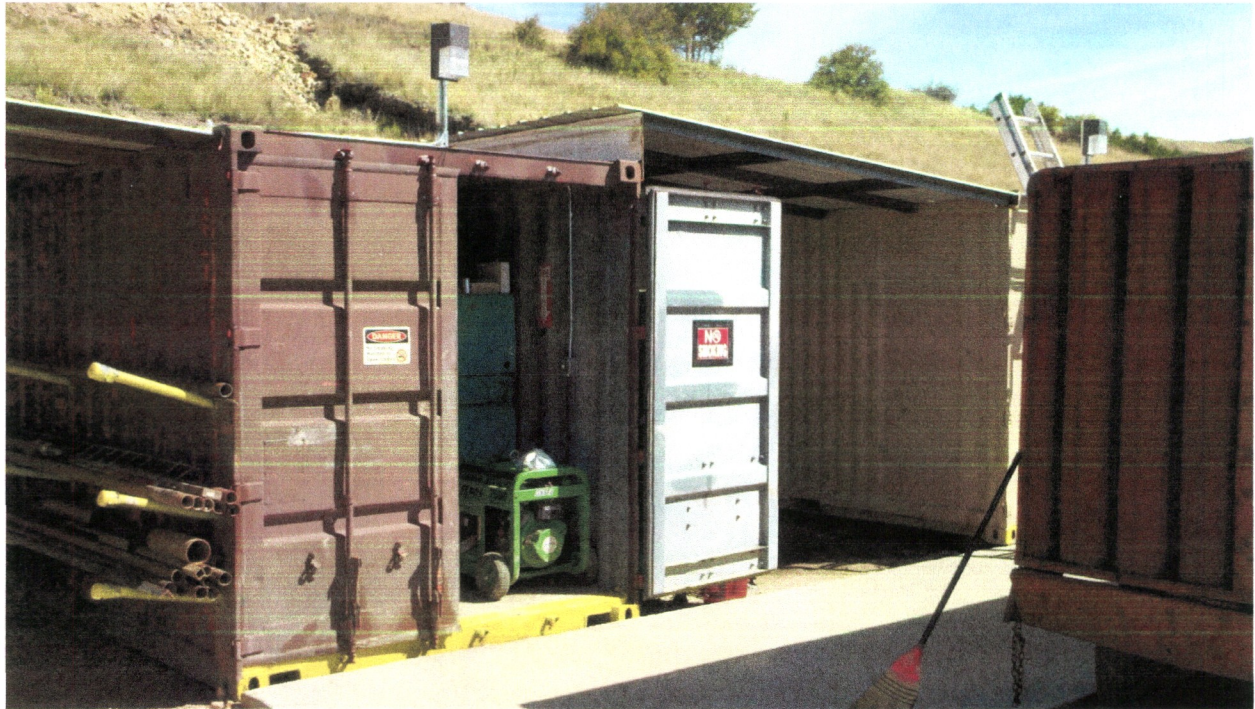


Permanent structure. Portal entrance: Sangre De Cristo tunnel "Providence Mine"

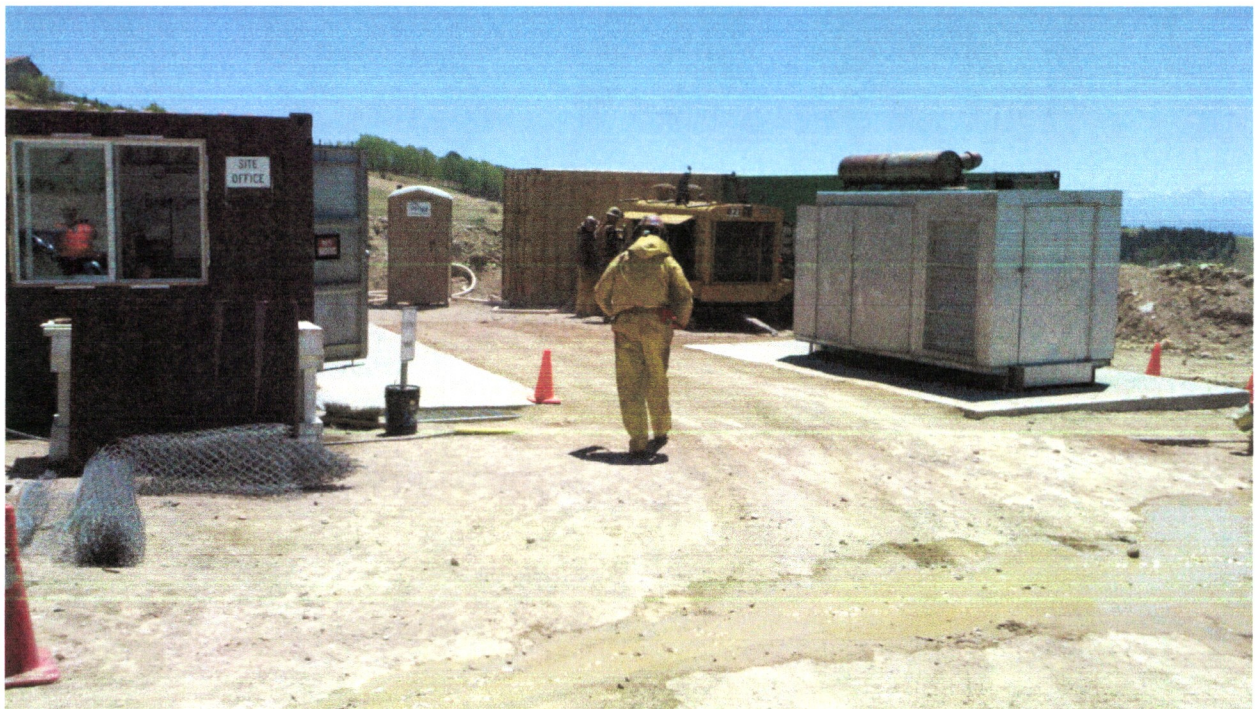


Portable/ temporary structures. Conex containers: site office, storage, workshop.





Portable structures.....continued



**Providence Mine - Emergency and Evacuation Plan**  
**Workplace- Sangre de Christo Tunnel (MSHA No. 0504827)**  
**Teller County, Colorado**  
**719-689-2605**  
**(per 30CFR §57.11053)**

Updated: September 5, 2012

**A. Description of Mine:**

The mine is an underground hard rock mine consisting of a main access tunnel referred to as the Sangre De Christo Tunnel, having a total length of approximately 3,500 feet as measured from the portal entrance. The tunnel was previously developed in volcanic rock. The mine contains several short cross-cuts/drifts that intersect the main tunnel as well as one longer drift, named the Black Diamond, that intersects the south rib of the main tunnel at a distance of 1,027 feet from the portal. Work is occurring at the 1,680 crosscut and within the Black Diamond drift.

A 4-foot diameter vertical raise bore hole is located a distance of 1,880 feet from the portal and connects from the tunnel level to the surface, a vertical distance of 410 feet above the tunnel. The raise is situated in the north rib of the tunnel and is used for ventilation.

A 10-inch diameter vertical bore hole is located near the back of the short crosscut located a distance of 1,680 feet from the portal. That hole connects from the tunnel level to the surface, an approximate vertical distance of 405 feet. That hole is intended for utilities. This crosscut leading to that drill hole can be used as a refuge chamber. The section of the tunnel located beyond 1,880 feet is not accessible and has been barricaded to prevent entry.

The mine is currently in an exploration phase in which the old workings along the Black Diamond vein near and in the Isis Winze is being conducted. The intent is to complete rehabilitation on the tunnel level and then re-equip the winze. When safe access has been established to areas that might contain ore the work will shift to include test drilling, and sampling. If sufficient ore is found, then mining is anticipated to occur in the future. Following completion of the reopening of the lower levels a secondary escape way will be installed.

In the event of a mine emergency, the main escape route (to mine portal) can be checked or cleared of personnel in a single sweep of the tunnel to the air raise and of the Black Diamond Drift. The current time required to exit the farthest point by walking is 10 minutes or less. In the event that the primary escape route might be blocked, personnel would proceed to the refuge chamber where they would seal themselves in and rely on air and provisions supplied by 10-inch borehole that connects from that chamber to surface.

**B. Responsible Personnel**

Persons responsible for implementing the plan and in charge during emergencies or accidents.

First Person in Charge Shannon P. Murphy - Mine Manager

Second Person in Charge Jeff Regester - Lead Miner

**C. Internal Mine Emergency Notification Procedures (30CFR §57.11053 (b))**

If an emergency occurs, notification of other personnel will be required. Notification of persons working underground or on the surface can be performed by several different methods as listed.

**Emergencies at the Sangre De Christo Tunnel shall be signaled to other miners using one or more of the following methods**

- \* Compressed air line stench
- \* Shutting off compressed air line
- \* Mine telephone
- \* Verbal, hand, and light signals

**D. Mine Escape Plan – Sangre De Christo Tunnel (30CFR §57.11053 (c))**

In the event of an underground or above ground mine emergency, personnel shall:

- \* Personnel should be familiar with the ventilation plan and know where fresh air is at all times.
- \* Sound warning using mine telephone (cellular phone where applicable), and should then:
- \* Turn off motors and lock machines if possible;
- \* Make an assessment on the location and source of emergency if possible (initial assessment items include inspection of compressed air and ventilation lines, and surrounding area - **knowledge of the cause can save lives**);
- \* Communicate with other miners and surface personnel if possible to relay facts related to the emergency;
- \* If fire or smoke is present, miners shall immediately don their self rescuers and not remove them until outside the mine. **Self rescuers are to be used only for escape and shall not be used to fight fires;**
- \* Unless instructed otherwise, personnel shall quickly and carefully travel out of the mine using the primary escape-way;
- \* In the event of fire, personnel shall move toward fresh air which can be found at the top of the Isis winze where a mine telephone is located. Use mine phone to contact surface to receive further instructions or wait by fresh air for help to arrive. If

personnel are located near the intersection of the Black Diamond drift with the Sangre de Cristo Tunnel they will need to proceed to that intersection and first check for fresh air to the east. If fresh air is not to east, then check air toward portal in the event the fire has caused a flow reversal. If fresh air is located to west, then travel to portal. If fresh air is to the east, then proceed towards the raise bore and refuge chamber where fresh air from the raise bore is available and use the mine phone at the refuge to receive further instructions. If the telephone at the winze or the one at the refuge bay is not operable, then personnel at either location shall barricade in until help arrives.

**E. Fire Fighting Plan** (30CFR §57.11053 (d))

In the event of an underground mine fire, personnel shall:

- \* Sound warning using mine telephone and should then:
- \* Make an assessment on the location, source, and size of the fire if possible (**knowledge of the cause can save lives**);
- \* If the fire should be on mobile equipment, turn off motors and lock machine if possible;
- \* Fires on mobile equipment should be extinguishable using the on-board extinguishers;
- \* Assess whether the fire can be quickly extinguished or brought under control with extinguishers, water, and equipment at hand;
- \* If it is determined that an underground fire cannot be extinguished within 10 minutes without hazard to personnel, then personnel shall immediately exit to the surface and/or seek fresh air noting the locations of fresh air from mine ventilation map;
- \* Any underground fire will be assumed to produce carbon monoxide, so self rescuers shall be donned per MSHA regulations when underground. **Self rescuers are to be used only for escape and shall not be used to fight fires.**

In the event of surface fire, personnel shall:

- \* Sound warning using mine telephone and/or, air line stench and then:
- \* If fire or smoke has potential of entering ventilation system, all personnel shall immediately exit to the surface to fresh air;
- \* Make an assessment on the location, source, and size of the fire if possible;
- \* If the fire should be on mobile equipment, turn off motors and lock machine if possible;
- \* Fires on mobile equipment should be extinguishable using the onboard extinguishers;
- \* Assess whether the fire can be quickly extinguished or brought under control with extinguishers, water, and equipment at hand;
- \* If fire can be extinguished using on-hand materials, then extinguish;
- \* If assistance is required, then contact the Teller County Fire Department using 911, the emergency number for Teller County.



**F. Caving, Rock Falls or Other Injuries**

- \* Sound warning using mine telephone and then;
- \* Miners shall assess the site and determine whether it is safe to enter area following the event, and whether injuries have occurred;
- \* If the site is deemed safe for entry, then miners first shall use reasonable methods to remove injured personnel from area;
- \* Any treatment to injuries shall be administered in a method consistent with standard first aid practices and not beyond the level of training of responder;
- \* If injury requires more than simple first aid or if visible injuries are present Teller County Emergency Services are to be called using 911, the emergency number for Teller County.

**G. Surface Emergency and Notification Procedures (30CFR §57.11053 (e))**

Emergencies are categorized as follows:

1. **Minor Event**                      Minor injuries or events that might require first aid or minor medical treatment. Minor injuries shall be treated onsite using first aid procedures or using Teller County Emergency Services by calling 911, the emergency number for Teller County.
2. **Accident**                        The following items represent imminent danger to the miners and constitute mine emergencies at the Sangre de Christo Tunnel:
  1. A death of an individual at a mine;
  2. An injury to an individual at a mine which has a reasonable potential to cause death;
  3. An entrapment of an individual for more than thirty minutes;
  4. An unplanned inundation of the mine by a liquid or gas;
  5. An unplanned ignition or explosion of gas or dust;
  6. An unplanned mine fire not extinguished within 30 minutes of discovery;
  7. An unplanned ignition or explosion of a blasting agent or an explosive;
  8. An unplanned roof fall at or above the anchorage zone in active workings where roof bolts are in use; or, an unplanned roof or rib fall in active workings that impairs ventilation or impedes passage;
  9. A rock-burst that causes withdrawal of miners or which disrupts regular mining activity for more than one hour;
  10. An unstable condition at an impoundment, refuse pile, or culm bank which requires emergency action in order to prevent failure, or which causes individuals to evacuate an area; or, failure of an impoundment, refuse pile, or culm bank;
  11. Damage to hoisting equipment in a shaft or slope which endangers an individual



- or which interferes with use of the equipment for more than thirty minutes; and
12. An event at a mine which causes death or bodily injury to an individual not at the mine at the time the event occurs.

**In the event of an Accident, Mine Safety and Health Administration (MSHA) must be notified immediately (15 minutes) of the above mine emergencies (1 through 12) to the Region 9 Denver District Office. Names and numbers of key MSHA personnel are as follows:**

Richard Laufenberg - District Manager	(303) 231-5465 Laufenberg.Richard@dol.gov
Michael Dennehy - Assistant District Manager	(303) 231-5465 Dennehy.Michael@dol.gov
Dunstan Crelly - Staff Assistant	(303) 231-5465 Crelly.Dunstan@dol.gov
Jane M. Route Supervisory Management/Program Analyst	(303) 231-5465 Route.Jane@dol.gov
Ronald Pennington	(303) 231-5465 Pennington.Ronald@dol.gov
Office Fax Number: (303) 231-5468	

MSHA office address:

P.O. Box 25367, DFC  
Denver, CO 80225-0367

For Packages and Overnight Delivery:

MSHA Denver Federal Center  
6th & Kipling, 2nd Street, Bldg, 25, E-16  
Denver, CO 80225

**If the district office or personnel cannot be reached at their emergency numbers, then the MSHA nationwide number shall be called 800-746-1553.**

## **H. Mine Rescue**

If personnel become trapped and cannot be extricated by Providence Mine crews, then additional outside mine rescue will be deemed as necessary. Colorado Front Range Mine Rescue will be contacted first and the Henderson Mine Rescue Team will be contacted next as needed.

It should be noted that the Sangre de Christo Tunnel is small and has limited combustible sources. Any fires would likely be small in nature and could be extinguished rapidly. Any rescue would likely be performed under safe atmospheres with no need for self container breathing apparatus (SCBA).

### **Primary Rescue Team**

**Colorado Front Range Mine Rescue, Inc. – Tom Treadwell – 303-249-1705**

Idaho Springs Rescue Station - Distance 104 miles. Estimated travel time-2.7 hours

### **Secondary Rescue**

**Henderson Mine Rescue Team - Albert Archuleta - 303-569-3221**

Henderson Mine - Distance 150 miles. Estimated travel time-3 hours

(Mine Rescue has verbally agreed to provide rescue support).

**I. Availability of Emergency Communication, Transportation facilities, Emergency Power and ventilation and location of Rescue Personnel and Equipment (30CFR §57.11053 (f))**

- A) **Mine communications:** Communications from the mine are via cell phone. The mine has a cell phone dedicated to business functions. Cell phone reception is good across the site.
- B) **Transportation:** The mine is located one half mile north of the Town of Cripple Creek, Teller County, Colorado via a privately maintained gravel road. Travel time from the mine to Cripple Creek is about 3 minutes.

- 1) Teller County Emergency Services in Divide, CO can reach the mine from its station in about 30 minutes including preparation time. Local emergency services have fire and ambulance available for transporting patients and provides support for helicopter transport to area hospitals.
- 2) The closest hospital and emergency care clinic is located at Woodland Park approximately 20 miles (35 minutes) north. The directions from Cripple Creek are as follows: Travel north on Highway 67 to Divide. Turn east and travel northeast on Colorado Highway 24 toward Woodland Park. Travel 5.7 miles and turn right into hospital entrance.

Primary;                   **Pikes Peak Regional Hospital**  
16420 W. Hwy 24 Woodland Park  
(719)-687-9999

Alternate;               **Langstaff-Brown Urgent Care Center**  
41 N Hwy 67 Woodland Park  
(719) 686-0551

Located 6.8 miles east of Divide. Turn north on Highway 67 and proceed to Center.

- 3) The nearest major hospital is located in Colorado Springs. The directions from Cripple Creek are as follows: Travel north on Highway Highway 67 to Divide. Turn east and travel northeast on Colorado 24 to Woodland Park. Continue east on Highway 24 to Colorado Springs. Highway 24 turns into Platte Street. Continue east on Platte to Boulder. Turn south on Boulder Street to the hospital.

**Memorial Hospital**  
1400 E Boulder St  
Colorado Springs  
(719) 365-5000

- C) **Emergency Power and Ventilation:** The mine operates using diesel-powered equipment. When in operation, one diesel powered generator and one diesel powered air compressor are

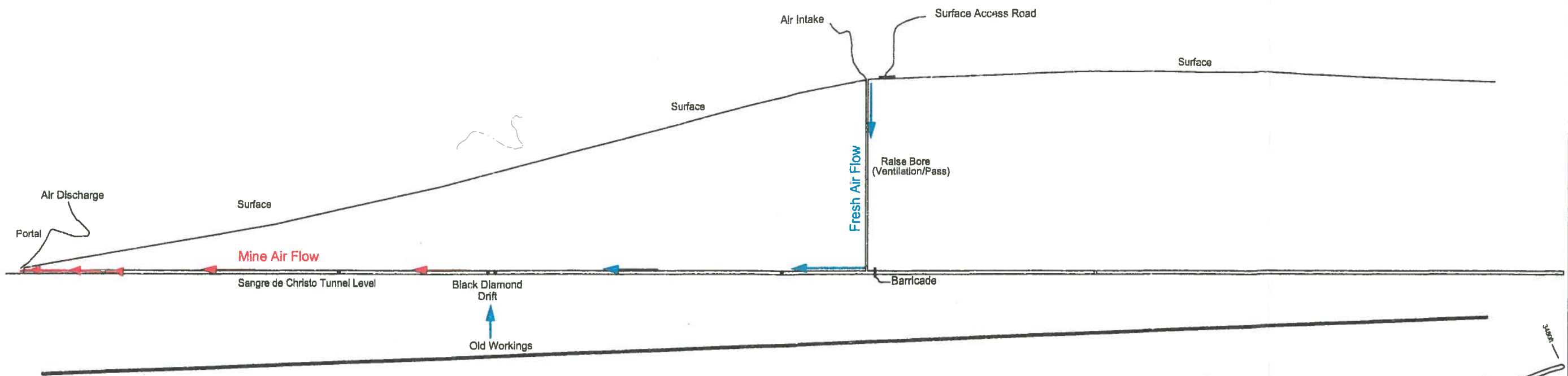
normally running. The ventilation fan is operated by electricity and the remainder of the mine operates on compressed air. If the generator should fail, a small backup generator would be used to continue operation of communications and safety systems. Mine ventilation could be temporarily established using the mine compressor to provide emergency air to underground personnel. For longer term use, assuming that the mine units could not be repaired quickly, generators and compressors can be rented in Colorado Springs. Anticipated time to have a unit delivered to the mine site would be four to six hours.

D) On site rescue equipment includes:

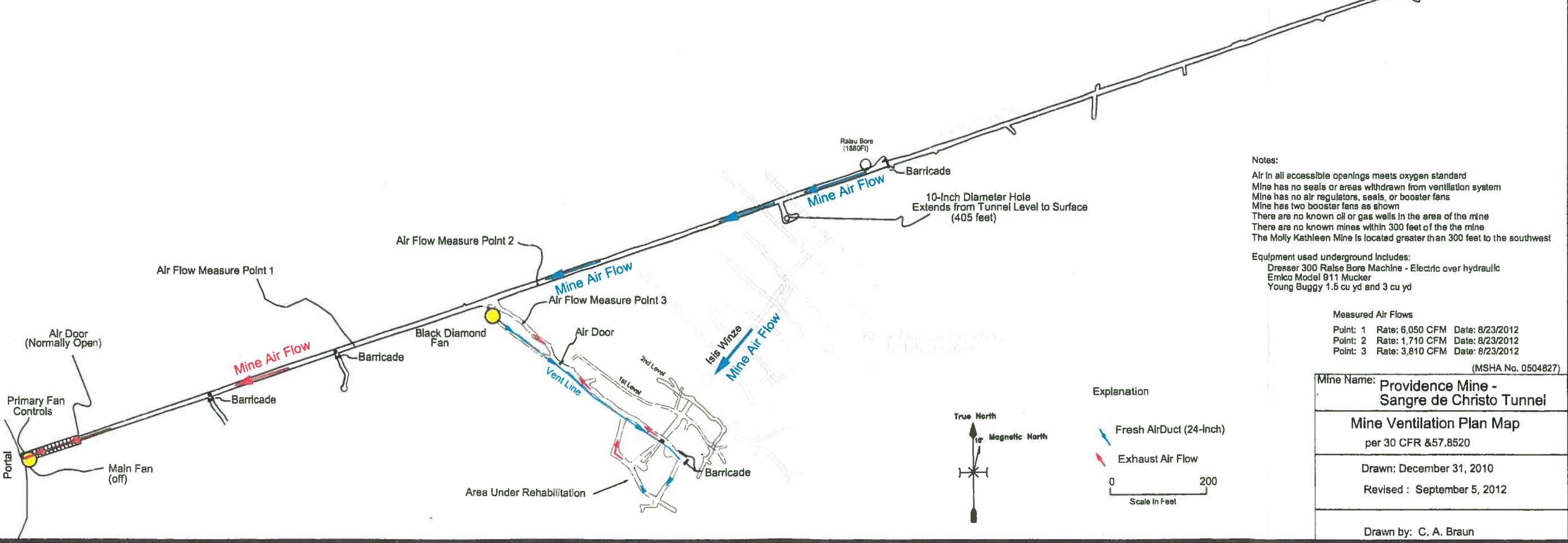
(Includes equipment at main office)

- \* Approved First Aid Kit & blankets
- \* Rescue basket
- \* On-site radios
- \* Portable diesel generator for lighting and running hand tools
- \* Additional ABC Fire Extinguishers
- \* Variety of hand tools, shovels, pry-bars
- \* Back-up respirators, safety lamps and gas monitoring equipment
- \* Slings, harnesses

SECTION



PLAN VIEW



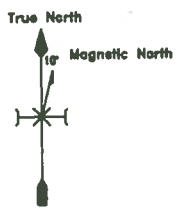
Notes:  
Air in all accessible openings meets oxygen standard  
Mine has no seals or areas withdrawn from ventilation system  
Mine has no air regulators, seals, or booster fans  
Mine has two booster fans as shown  
There are no known oil or gas wells in the area of the mine  
There are no known mines within 300 feet of the mine  
The Molly Kathleen Mine is located greater than 300 feet to the southwest

Equipment used underground includes:  
Dresser 300 Ralse Bore Machine - Electric over hydraulic  
Emico Model 911 Mucker  
Young Buggy 1.5 cu yd and 3 cu yd

Measured Air Flows  
Point: 1 Rate: 6,050 CFM Date: 8/23/2012  
Point: 2 Rate: 1,710 CFM Date: 8/23/2012  
Point: 3 Rate: 3,810 CFM Date: 8/23/2012  
(MSHA No. 0504827)

Mine Name:	Providence Mine - Sangre de Cristo Tunnel
Mine Ventilation Plan Map per 30 CFR §57.8520	
Drawn: December 31, 2010 Revised : September 5, 2012	
Drawn by: C. A. Braun	

Explanation  
Fresh Air Duct (24-Inch)  
Exhaust Air Flow  
0 200  
Scale in Feet





Providence Mining LLC  
PO Box 661  
Cripple Creek CO 80813

CERTIFIED MAIL



7007 2560 0000 3987 2879



RECEIVED  
DEC 31 2012  
Division of Reclamation,  
Mining & Safety

Division of Reclamation Mining and Safety  
Attn: Tim Crazier  
1313 Sherman Street Room 215  
Denver CO 80203

