

Ouray 79 Mining, LLC

P.O. Box 1917
Forney, TX 75126
(972) 564-2192 T
(972) 564-2190 F

July 10, 2013

VIA FEDEX 8747 7700 7877 AND EMAIL

Wallace H. Erickson
DRMS, Durango Field Office
691 CR 233, Suite A-2
Durango, CO 81301

RECEIVED
JUL 11 2013
Durango Field Office
Division of Reclamation,
Mining and Safety

Re: NOI P-2013-010 for Wanakah Project—Response to second deficiency letter

Dear Mr. Erickson,

In response to your letter dated July 10, 2013, Ouray 79 Mining, LLC (“Prospector”) provides the following:

1. Via email to Liz Mauch on July 9, 2013, Prospector provided supplemental Map 1 of the NOI to the United States Forest Service (“USFS”), as well as a completed traffic and vehicle information form requested by the USFS.

Regardless of whether the USFS ultimately requires a commercial use permit, such a request should not interfere with issuance of the Notice to Proceed. Prospector understands and acknowledges that it is required to comply with all applicable local, state and federal laws with regard to its prospecting activities upon issuance of the Notice to Proceed. Prospector hereby affirmatively states that it will comply with the USFS requirements, including permitting requirements, if any, with regard to Prospector’s use of FS Road 871-2B. Prospector further herby affirmatively states that the prospecting activities will be compliant with USFS requirements and that all existing access road segments utilized by the Prospector will be left in a condition equal to or better than the pre-prospecting condition.

2. Prospector hereby affirmatively states that it consents to the public disclosure of supplemental Map 1 of NOI P-2013-010.
3. Enclosed herewith is a check in the amount of \$8,038.41 to supplement the previously provided bond amount of \$6,000, as well as a completed financial warranty. Accordingly, Prospector has provided a total financial security in the amount of \$14,038.41 pursuant to the DRMS calculation.

4. Prospector hereby affirmatively states that blasting and/or the use of explosives, surface or underground, are not anticipated or requested under the proposed NOI and explosives will not be imported, stored or utilized on site under the approved NOI.

Sincerely,

Ouray 79 Mining, LLC

A handwritten signature in black ink, appearing to read "John M. Clement", with a long horizontal flourish extending to the right.

John M. Clement

Executive Vice President and General Counsel

Ouray T9 Mining, LLC

88-173
1113 64

DATE 7/10/2013

© DELUXE WALLET OR EQUIVALENT

PAY TO
THE ORDER OF

Colorado Mined Land Reclamation Board \$8,038 ⁴¹/₁₀₀
Eight Thousand Thirty Eight & ⁴¹/₁₀₀ DOLLARS

Security Features
included.
Details on back



City Bank
771 E. HWY. 80, FORNEY, TEXAS 75126

MEMO Supplemental Bond NOI P-2013-010

John M. [Signature]

⑆111301737⑆

SPECIALTY BLUE

Ouray 79 Mining, LLC

P.O. Box 1917
Forney, TX 75126
(972) 564-2192 T
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July 10, 2013

VIA FEDEX 8747 7700 7866

Wallace H. Erickson
DRMS, Durango Field Office
691 CR 233, Suite A-2
Durango, CO 81301

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Division of Reclamation,
Mining and Safety

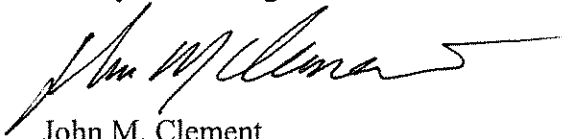
Re: NOI P-2013-010 for Wanakah Project—supplemental financial warranty

Enclosed, please find the supplemental financial warranty for the above-referenced NOI and a check in the amount of Eight Thousand Thirty Eight and ⁴¹/₁₀₀ Dollars (\$8,038.41).

Please let me know if you have any questions.

Sincerely,

Ouray 79 Mining, LLC



John M. Clement
Executive Vice President and General Counsel

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

1313 Sherman St., Room 215

Denver, Colorado 80203

Phone: (303) 866-3567

FAX: (303) 832-8106



ONE SITE PROSPECTING FINANCIAL WARRANTY

CHECK FOR DEPOSIT IN STATE TREASURY

Prospecting Financial Warranty No. _____

Notice of Intent No. P-2013-010

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

KNOW ALL MEN BY THESE PRESENTS, That we (I), Ouray 79 Mining, LLC,
of the County of Kaufman, in the State of Texas as
Principal(s) are (am) held hereby and firmly bound unto the State of Colorado, acting through the Mined Land
Reclamation Board in the sum of Eight Thousand Thirty Eight & 41/100 Dollars (\$ 8,038.41) for the
payment of which sum, well and truly to be made, we (I) hereby bind ourself(s), and each of our (my) legal
representatives, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

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

Notice of Intent No. P-2013-010 for the Wanakah Project _____

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

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

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

Signed, sealed, and dated this 10th day of July, 2013.

Principal

By

Title

Mailing Address

Ouray 79 Mining, LLC

Principal

By

John M. Clement

Title

Exec. V.P. & G.C.

Mailing Address

13020 FM 1641

Forney, TX 75126

APPROVED:

By

Division Director

Date