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

August 9, 2013

Randy Burks Western States Minerals LLC 7964 E. Homestead Rd. Parker, CO 80138



John W. Hickenlooper Governor

Mike King Executive Director

Loretta E. Pineda Director

Re: File No. M-2013-028, Combination Placer, 110(2) Decision Letter - Conditions, Financial and Performance Warranty Request - Hard Rock Mining Operation

Randy Burks:

On August 9, 2013, the Division of Reclamation, Mining and Safety approved with a condition to your 110(2) mining permit application. The condition to the approval is noted below:

Stipulation No. 1

Activities on the site shall follow the recommendations that are forthcoming from Colorado Parks and Wildlife.

The amount of financial warranty set by the Division for this operation is \$38,600.00. You must submit a financial warranty in this amount and a performance warranty in order for us to issue a permit. In the event you have requested a financial warranty form, we have enclosed it in this letter. If you have not, please select a type of financial warranty from Rule 4.3. Then, either contact us so that we can provide you with the appropriate warranty form, or download a form from our website. We have enclosed a performance warranty form with this letter for your use.

PLEASE NOTE THAT MINING OPERATIONS MAY NOT COMMENCE UNTIL A PERMIT HAS BEEN ISSUED BY THE DIVISION <u>AFTER</u> RECEIPT OF YOUR FINANCIAL WARRANTY AND PERFORMANCE WARRANTY. A PERMIT WILL NOT BE ISSUED UNTIL WE VERIFY THE ADEQUACY OF BOTH YOUR FINANCIAL WARRANTY AND PERFORMANCE WARRANTY.

If you have any questions, please contact me.

Sincerely,

Tom Kldubal

Tom Kaldenbach Senior Environmental Protection Specialist

Enclosure