

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



Instructions for Certificate of Deposit Minerals Program Mineral Mining, Mineral Exploration and Mineral Prospecting Operations Public Funds Account

A Certificate of Deposit (CD) is a type of collateral bond. The permittee deposits money with a bank that Provides the State with a Certificate stating funds are available for reclamation. C.R.S. 34-32-117 and C.R.S. 34-32.5-117 addresses Financial Warranties. The following items should be met:

1. The CD **must** be issued by a PDPA eligible Colorado Bank, this is due to the PDPA requirements.
2. The Certificate of Deposit shall be set up as a **Public Funds Account** (this **must** be stated on the CD, the signature card/sheet, and the books of the bank). The Division's PDPA number must be shown on the CD and on the signature card. The Division's PDPA number is **010004005101**.
3. CD's **must** be **assigned** to the State of Colorado/Mined Land Reclamation Board. The bank issuing the certificate **must** use the Division's address (**1313 Sherman St., Rm 215, Denver, CO 80203**); and phone number (**(303) 866-3567**) on the certificate and also on the books of the bank.
4. The CD **must** be issued on an **automatically renewable** term. This must be stated on the CD and on the books of the bank.
5. The **original certificate** is provided to the Division of Reclamation, Mining and Safety, 1313 Sherman St., Rm 215, Denver, Colorado 80203 for safekeeping at the State Treasurer's office.
6. The Tax ID or Social Security number on the CD **must** be the original depositor of the monies. The original depositor of the monies **must** sign the Taxpayer Identification area on the signature card/sheet verifying the Tax ID number **before** sending the signature sheet/card to the Division for signature. The **only** approved endorsement signature on the CD is the Division Director's. The Division will return the signature card/sheet to the bank with the Director's signature. The interest may **not** accrue or compound against the principal, but should be paid out to the original depositor of the monies. The interest may be deposited into a Checking, Savings, or the interest may be paid out. All interest checks, statements, correspondence pertaining to the CD must be sent to the Division and the Division will then forward the information to the Original Depositor of the monies.
7. The bank is **required** to place a lock or hold on the account, until such time as the funds are released by the Division Director. The bank **must** provide proof of such lock or hold to the Division.
8. An Assignment of Certificate of Deposit form **must** be executed in the presence of a notary with a copy provided to the bank to allow only the Colorado Mined Land Reclamation Board access to these funds until the Division Director releases the funds back to the Operator.
9. The operator **must** submit an executed "Financial Warranty/Certificate of Deposit" form in support of the Certificate of Deposit being submitted as a bond for a mining operation, or they must submit an executed "One-Site Prospecting Bond" form or a "Statewide Prospecting Bond" form in support of the Certificate of Deposit being submitted as a bond for Mineral Exploration or Mineral Prospecting.

If you have **any** questions regarding the issuance of the CD, please contact the Minerals Program Bonding Specialist at (303) 866-3567.

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ONE SITE EXPLORATION FINANCIAL WARRANTY

CERTIFICATE OF DEPOSIT

Exploration Financial Warranty No. _____

Notice of Intent No. _____

This form has been approved by the Mined Land Reclamation Board ("Board") pursuant to section 34-32.5-117, C.R.S., of the Colorado Land Reclamation Act for the Extraction of Construction Materials. 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 Explorer to cease and desist orders and civil penalties for exploring without a permit pursuant to section 34-32.5-123, C.R.S., of the Colorado Land Reclamation Act for the Extraction of Construction Materials.

KNOW ALL MEN BY THESE PRESENTS, That we (I), _____,
of the County of _____, in the State of _____ as
Principal(s), are (am) held hereby and firmly bound unto the State of Colorado, acting through the Mined Land
Reclamation Board in the sum of _____ Dollars (\$ _____) for the
payment of which sum, well and truly to be made, we (I) hereby bind ourselve(s), and each of our (my) legal
representatives, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has filed Notices of Intent to Conduct Exploration 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:

NOW, THEREFORE, the conditions of this obligation are such that if the above-bounded Principal shall, in conducting such exploration operations, faithfully perform the provisions of the Notices of Intent to Conduct Exploration 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 exploration operations, approved and modified by the Colorado Land Reclamation Act for the Extraction of Construction Materials, 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 Exploration 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 Explorer'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 exploration and reclamation operations performed after the effective date of a cancellation of this financial warranty pursuant to the terms of Section 34-32.5-117(5), as amended. This financial warranty shall remain in force and effect as respects all obligations for all exploration 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 exploration 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 Explorer 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 Explorer shall file a substitute financial warranty which: (1) assumes liability for all reclamation obligations which shall have arisen at any time while this financial warranty is in force; and (2) is accepted in writing by the Board.

Signed, sealed, and dated this _____ day of _____, _____.

Principal

Principal

By

By

Title

Title

Mailing Address

Mailing Address

APPROVED:

By _____
Division Director

Date

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ASSIGNMENT OF CERTIFICATE OF DEPOSIT

TO WHOM IT MAY CONCERN:

REFERENCE: Certificate of Deposit Number _____

By submission of this letter, to be attached to the above referenced Certificate of Deposit, I hereby relinquish all title and claim to said certificate to the State of Colorado/Mined Land Reclamation Board, except for accrued interest against the original monies, until such time as the Division of Reclamation, Mining and Safety/Mined Land Reclamation Board releases the certificate. This assignment of Certificate of Deposit supersedes any signature cards that may already be on file at the bank.

BY: _____

Operator: _____

Depositor of Original Monies

ACKNOWLEDGMENT OF BANK

NOTARY (Of Operator Signature)

Commission Expires _____

SIGNATURE: _____

BY: _____

TITLE: _____

DATE: _____

Note to Operator:

This assignment will need to be executed in the presence of a notary. The original is held by the Division with a copy provided to the bank, to allow only Division of Reclamation, Mining and Safety access to these funds