

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY
Department of Natural Resources

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STATEWIDE EXPLORATION FINANCIAL WARRANTY LETTER OF CREDIT

Exploration Financial Warranty No. _____

Notice of Intent No. _____

*Note: This form must be submitted with a Board-approved, signed, Irrevocable Letter of Credit submitted on bank letterhead.

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:

Notices of Intent which may be filed in the future will also be attached hereto and thereby incorporated by reference.

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