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FORM MR-AR
(Revised 1/2006)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. *General Information*

1. Report Time Period: From (mo./yr.) 01/05 To (mo./yr.) 12/05
2. DOGM File Number (Mine No): S003035
3. Mine Name: Vipont Mine
4. Mineral(s) Mined (or permitted to mine): Silver, gold, copper, lead, zink
5. Type of mine: ☐ Surface Mine or ☒ Underground Mine
6. Legal Description (Location of Lands Affected): Parcel M8-108- various
   ____1/4, ____1/4, ____1/4, Section 6, Township 14N, Range 17W
   ____1/4, ____1/4, ____1/4, Section ____, Township ____, Range ____
   ____1/4, ____1/4, ____1/4, Section ____, Township ____, Range ____
7. Name of Operator or Company: Cadence Resources Corp.
8. Permanent Street Address: 4110 Copper Ridge Dr., Ste 100
   City, State, Zip: Traverse City, MI 49684
   Phone: 231-941-0073 Fax: 231-933-0759 E-mail: bjohnson@auroraogc.com
9. Company Representative (or designated operator):
   Name: William W. Deneau
   Title: President
   Business Address: 4110 Copper Ridge Dr., Ste 100
   City, State, Zip: Traverse City, MI 49684
   Phone: See above Fax: See above E-mail: bdeneau@auroraogc.com
   ☒ **Please check if any of the above information has changed since previous year.**

II. *Mining and Reclamation*

1. Was there any mine related activity during the past year? Yes ☐ No ☒
2. If no - what was the last year of activity? 1996

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3. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material. _____

4. Briefly describe the type of work performed, during the past year._____

5. How much **new or additional acreage** was disturbed during the past year?_____

6. How much acreage was **reclaimed** during the past year? _____

7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results. (Submit form MR-SITE for an application for full or partial bond/site release).

8. What is the **total disturbed acreage of entire project** at years end?_____

9. Briefly summarize any mining and/or reclamation plans for the upcoming year.
none

10. The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.

NOTE: Section III., "Additional Information" applies only to **large mining operations.**

III. *Additional Information - R647-4-121.2*

1. **Include an updated map depicting surface disturbance and reclamation performed during the year**, prepared in accordance with Rule R647-4-105.

IV. *Signature Requirement*

I hereby certify that the foregoing is true and correct.

Name (Typed or Print): William W. Deneau

Title of Operator: President

X Signature of Operator: William W Deneau

Date: 4-14-06

Jb
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