GOLDTERRA

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January 18, 2000

STATE OF UTAH DEPARTMENT
OF NATURAL RESOURCES DIVISION
OF OIL, GAS AND MINING
D. Wayne Hedbert
Permit Supervisor
Minerals Reclamation Program
1594 West North Temple, Suite #1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: BLUE CASTLE M150077, BLACK KNIGHT S150078 BLACK BUTTE S150080

Dear Mr. Hedberg,

Enclosed please find the Annual Reports of Mining Operations for the above-mentioned mines per your correspondence dated 12/21/1999.

Hoping the enclosed material meets with your approval, please do not hesitate to contact me direct at the below numbers if you have any questions or need further clarifications.

Best regards,
GoldTerra, Inc.

Daniel C. Sheppard
President

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OIL, GAS AND MINING

DCS:nsa

FILE: GTDOGM011800

4088 EAST AIRPORT ROAD, P.O. BOX 783 PRICE, UTAH 84501
TELEPHONE: 435-636-8888 FACSIMILE : 435-637-3888

FORM MR-AR
(Revised 3/98)

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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.) 01/01/99 To (mo./yr.) 12/31/99
2. DOGM File Number (Mine No): S150078
3. Mine Name: BLACK KNIGHT
4. Mineral(s) Mined (or permitted to mine): Noble Metals
5. Type of mine X Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected):
   E ½, SE 1/4, ____1/4, Section 16, Township 17S, Range 14E see attached plat
   _____1/4, ____1/4, ____1/4, Section _____, Township _____, Range _____
   _____1/4, ____1/4, ____1/4, Section _____, Township _____, Range _____
7. Name of Operator or Company: GoldTerra, Inc
8. Permanent Street Address: 4088 East Airport Road
   City, State, Zip: Price, Utah 84501 Mailing Address: P.O. Box 783, Price, UT 84501
   Phone: 435-636-8888 Fax: 435-637-3888
9. Company Representative (or designated operator):
   Name: Dan Sheppard
   Title: President
   Business Address: 4088 East Airport Road
   City, State, Zip: Price, Utah 84501
   Phone: 435-636-8888 Fax: 435-637-3888
   ☐ **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 X No ☐
2. If no - what was the last year of activity? _____
3. If yes - how much ore or mineral was mined? Sampling of material only

4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.

Mine access road was constructed

5. How much **additional acreage** was disturbed during the past year? Less than 1 acre

6. How much acreage was **reclaimed** during the past year? None

7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

N/A

8. What is the **total disturbed acreage of entire project** at years end? Less than 1 acre

9. Briefly summarize any mining and/or reclamation plans for the upcoming year.

Plan to excavate material and truck to the Pilot Mill located at 4088 East Airport Road
At a rate of 50 tons per day

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

III. *Additional Information*

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.

2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. *Signature Requirement*

I hereby certify that the foregoing is true and correct.

Name (Typed or Print): GoldTerra, Inc.

Title of Operator: Dan Sheppard

Signature of Operator:

Date: 01/18/99

jb
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EXHIBIT B

SEP 13 1999

BLACK KNIGHT MINESITE

USGS MAP

T. 17 S., R. 14 E.

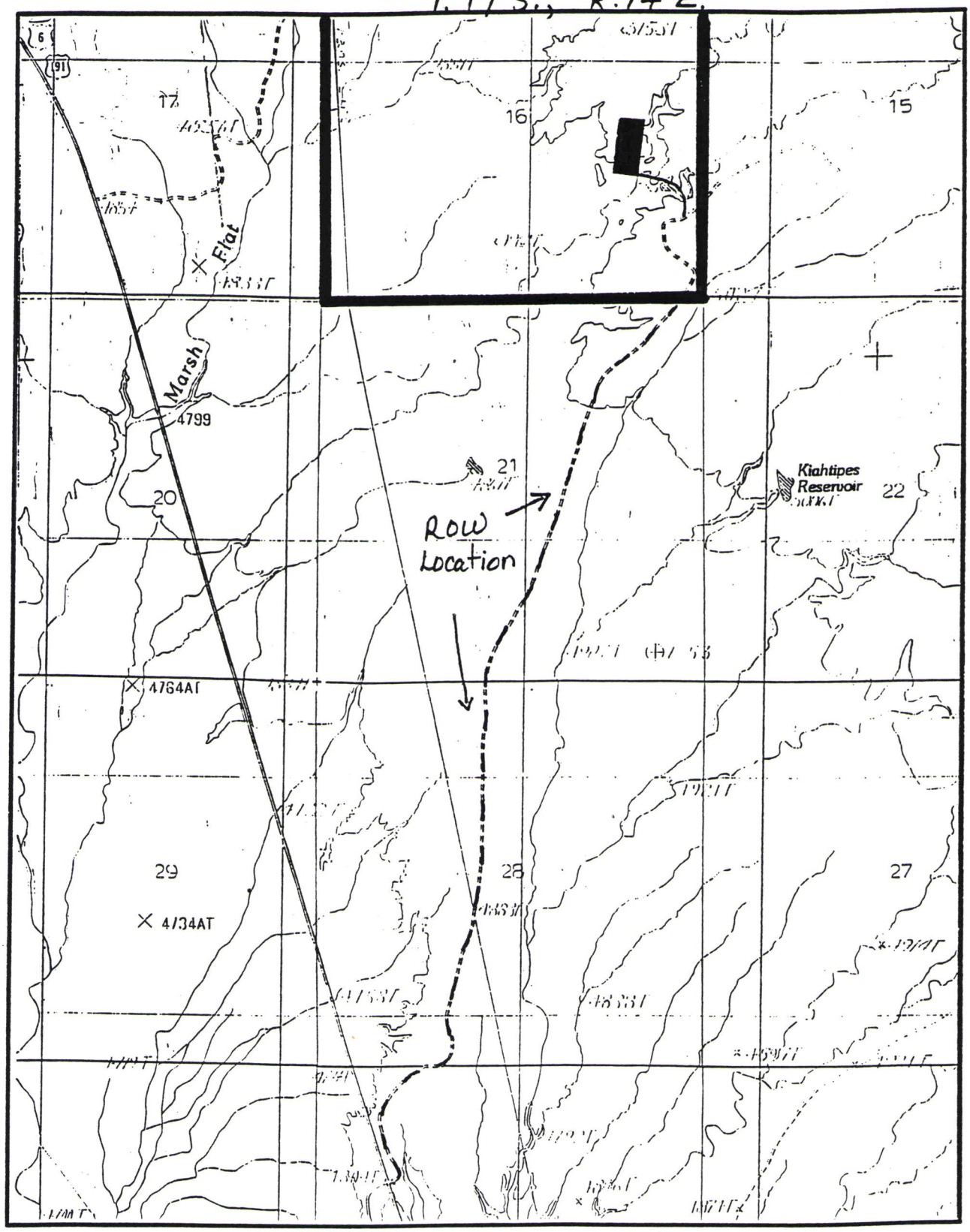

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FIGURE 2