FORM MR-AR
(Revised 2/2001)

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
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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.) 1/1/07 To (mo./yr.) 12/31/07
2. DOGM File Number (Mine No): S15/ 00 /78
3. Mine Name: BLACK KNIGHT
4. Mineral(s) Mined (or permitted to mine): Noble Metals
5. Type of mine ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected):
   E 1/4, SE 1/4, ____ 1/4, Section 16, Township 17S, Range 14E
   ____ 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 - P.O. Box 783
   City, State, Zip: Price, Utah 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 - P.O. Box 783
   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.**

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DIV. OF OIL, GAS & MINING

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? ____
3. If yes - how much ore or mineral was mined? Sampeling of material only.

Reviewed 2/13/08

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.

N/A

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-Price, Utah, at a rate of 50 Tons per day.

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

III. *Additional Information - R647-4-121.2 and .3*

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

2. 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.

IV. *Signature Requirement*

I hereby certify that the foregoing is true and correct.

Name (Typed or Print): Dan Sheppard

Title of Operator: President

Signature of Operator:

Date: January 22, 2008

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