GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 30, 2010

Nancy J. Wolverson
Ucolo Exploration Corporation
Gowling Lafleur Henderson LLP
Suite 2300, 550 Burrand Street
Box 30, Bentall 5
Vancouver, British Columbia V6C 2B5
Canada

Subject: Approval Amended Reclamation Sureties and Reclamation Contracts, Ucolo Exploration Corporation, Two Ticaboo Stockpile Removal Projects, S/017/0001 and S/017/0050, Garfield County, Utah

Dear Ms. Wolverson:

Thank you for providing the replacement reclamation sureties for the referenced small mine projects. The Division director signed the new certificate of deposit letter agreements on March 17, 2010, and copies are enclosed for your records.

Also enclosed with this letter are copies of letters authorizing release of the certificates of deposit that were formerly being held as reclamation sureties.

Please contact me at 801-538-5261 or Wayne Western at 801-538-5263 if you have questions or concerns regarding this letter.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB:whw:pb
Enclosure: Reclamation Contracts, Release Letters
cc: Buzz_Rakow@blm.gov
P:\GROUPS\MINERALS\WP\M017-Garfield\M0170001-TicabooStockpileRemoval\Final\cover-3413-03252010.doc

JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

March 3, 2010

RECEIVED
MAR 08 2010
DIV. OF OIL, GAS & MINING

Wells Fargo Bank, N.A.
4045 S. Virginia Street
Reno, Nevada, USA 89502

Attention: Mr. David I. Gifford
(775) 829-5327

Subject: Reclamation Surety, Certificate of Deposit for Ucolo Exploration Corp.
Ticaboo Project Mine Site, OGM Mine File No. S0170050, Garfield County, Utah.
BLM UTU No. 080036.

Certificate of Deposit No.' Principal Amount $10,000.00.

This letter describes the mutually agreed upon instructions of the below signed parties to Wells Fargo Bank, N.A. ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the Ticaboo Stockpile Removal Project-East ("Mine Site"), Garfield County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that $6,000.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") and the Bureau of Land Management (the "BLM") upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

Ownership and Renewal:

Ownership of the CD is retained by Ucolo Exploration Corp., a Utah corporation, but it is held by Bank for the benefit of the Division and the BLM and is subject to the terms and conditions described in this agreement. Bank hereby acknowledges the pledge of the aforesaid CD to the Division and the BLM and agrees to record the information in the Bank's written and electronic records of book entry. Further, the Bank acknowledges and agrees that it shall hold the moneys represented by the CD as a custodian and agent for the Division and shall be liable to the Division for any and all losses to the principal amount of the aforesaid CD caused in any manner whatsoever during the terms of this agreement. The Division acts as agent for the BLM. The CD shall automatically renew indefinitely until either redeemed or released by

the Director of the Division. The Division may request CD information on an occasional basis. This letter grants approval by Ucolo Exploration Corp. for the Bank to provide CD information to the Division any time an inquiry is made via telephone, email, or letter.

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Division. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the Division. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

Release:

The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest. In the event of Bank cancellation/termination of the CD, the Division may request a transfer or release of the CD monies into a state managed cash account to assure or complete reclamation if the Operator does not replace the CD within the ninety days of Bank cancellation/termination notice. If the Bank is under a forced cancellation/termination, the Bank agrees to transfer or release the CD funds to a state managed cash account at the Division's request.

Accrued Interest:

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, $6,000.00. All tax liabilities for accrued interest shall remain the sole responsibility of the

Owners.

Bank will not be held liable for any dispute between the parties.

Agreed Upon By:

John R. Baza, Director
Utah Division of Oil, Gas & Mining

Date: March 17, 2010

Nancy J. Wolverson
Vice President, Exploration
Ucolo Exploration Corp.
Tax ID Number:

Date: March 3 2010

Name: Paul Zeff
Title: Personal Banker
Wells Fargo Bank, N.A.

Date: March 3, 2010

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JON M. HUNTSMAN, JR.
Governor
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March 3, 2010

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4045 S. Virginia Street
Reno, Nevada, USA 89502

RECEIVED
MAR 08 2010
DIV. OF OIL, GAS & MINING

Attention: Mr. David I. Gifford
(775) 829-5327

Subject: Reclamation Surety, Certificate of Deposit for Ucolo Exploration Corp.'s Ticaboo Stockpile Removal Project-East (Formerly known as Tony M/Lucky Strike), OGM Mine File No. M0170001, Garfield County, Utah, BLM UMC 406646, UMC 406647, UMC 406648 and UMC 406650

Certificate of Deposit No. _____ Principal Amount $6,000.00.

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Agreed Upon By:

John R. Baza, Director
Utah Division of Oil, Gas & Mining

Date: March 17, 2010

Nancy J. Wolverson
Vice President, Exploration
Ucolo Exploration Corp.
Tax ID Number:

Date: March 3, 2010

Name:
Title: Personal Banker
Wells Fargo Bank, N.A.

Date: March 3, 2010

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