Form MR-SMO
(Revised March 26, 2007)

This Section for DOGM Use:
Assigned DOGM File No.: S 0210040
DOGM Lead: _____
Permit Fee $ 150.00 Ck # 2501

Task ID# 1842

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

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" mining operations which have a disturbed area of five or less surface acres at any time.

* * * * * * * * *

I. GENERAL INFORMATION (Rule R647-3-104)

1. Name of Mine: DANNY BOY

2. Legal name of entity (or individual) for whom the permit is being requested: SIERRA MADRE MINERAL EXPLORATION LLC.
Mailing Address: C/O NORTH AMERICAN HOLDING INC. 447 N. 300 W, STE 3
City, State, Zip: KAYSVILLE, UTAH 84037-4203
Phone: 801-544-3421 Fax: 801-544-4554
E-mail Address: OJGATTEN@NAE-XPLORATION.COM

Type of Business: Corporation ( ) LLC (X) Sole Proprietorship (dba) ( )
Partnership ( ) General_____ or _____limited
Or:
Individual ( )

Entity must be registered (and maintain registration) with the State of Utah, Division of Corporations (DOC) www.commerce.utah.gov.
Are you currently registered to do business in the State of Utah? ☐ Yes ☐ No
Entity # 6441161-0160
If no, contact www.commerce.utah.gov to renew or apply.

Local Business License # _____(if required)
Issued by: County _____or City _____

RECEIVED
JUN 05 2007
Div. of Oil, Gas & Mining

3. **Contact Person(s)**
Name: O. JAY GATTEN Title: AGENT
Address: NORTH AMERICAN HOLDING INC. 447 N 300W STE 3
City, State, Zip: KAYSVILLE, UTAH 84037-4203
Phone: 801-544-3421 Fax: 801-544-4554
Emergency, Weekend, or Holiday Phone:
E-mail Address: OJGATTEN@NAE-XPLORATION.COM

Contact person to be notified for: permitting (X) surety ( ) Notices ( ) (please check all that apply)

Name: THOM CLARK Title:
Address: 7081 S. 2400 W.
City, State, Zip: W. JORDAN, UTAH 84084
Phone: 801-566-6982 Fax: 801-566-6982
Emergency, Weekend, or Holiday Phone:
E-mail Address: THOM4590@JUNO.COM

Contact person to be notified for: permitting ( ) surety ( ) Notices ( ) (please check all that apply)

Registered Utah Agent (as identified with the Utah Department of Commerce) *(if individual leave blank)*:
Name:
Address:
City, State, Zip:
Phone: Fax:
E-mail Address:

4. **If Business is a: Sole Proprietor:**
Sole Proprietor:
Name of Owner: Title:
Business Address:
City, State, Zip:
Phone: Fax:
E-mail Address:

If Business is a Corporation:
Name of Officers: Title:
Title:
Title:
Title:
Headquarters Address:
City, State, Zip:
Headquarters Phone: Fax:
E-mail Address:

If Business is a Limited Liability Company: Member Managed ☐ Manager Managed ☒
Name of 1st Member/Manager: BRADLEY MARSH Title: REGISTERED AGENT
Business Address: 10543 CELESTIAL COURT
City, State, Zip: SOUTH JORDAN, UTAH 84095
Phone: 801-671-9147 Fax:
E-mail Address:

Name of 2nd Member/Manager: Mike Terry
Business Address: C/O NORTH AMERICAN EXPLORATION, INC
City, State, Zip: 472 N. MAIN ST. STE 3 MAYSVILLE, UT. 84037-4203
Phone: 801-367-4009 Fax:
E-mail Address:

If Business is a Partnership:
Name of Partner:
Business Address:
City, State, Zip:
Phone: Fax:
E-mail Address:

5. **Ownership of Land Surface:**

Private (Fee) ☒ Public Domain (BLM) ☐ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe):

Name ANASAZI GOLD RESERVES Address C/O NORTH AMERICAN HOLDING, INC 472 N. MAIN STREET STE 3 MAYSVILLE, UTAH 84037-4203
Name Address
Name Address
Name Address

6. **Ownership of Minerals:**

Private (Fee) ☐ Public Domain (BLM) ☐ National Forest (USFS) ☐
State Trust Land/School Sections ☒ State Sovereign Lands ☐
Other (please describe):

Name Address
Name Address
Name Address
Name Address

BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s):

BLM Claim Numbers

Utah State Lease Number(s): ML 50855

Name of Lessee(s) ANASAZI GOLD RESERVES

7. **Have the above surface and mineral owners been notified in writing?**
Yes No X

If no, why not? THE STATE TRUST LANDS HAS NOT BEEN NOTIFIED.

*Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration **prior** to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.*

8. **Does the Entity have legal right to enter and conduct mining operations on the land covered by this notice?** Yes X No_____

II. PROJECT LOCATION & MAP (Rule R647-3-105)

1. **Project Location** (legal description):

County(ies): IRON

NE 1/4, of NW 1/4, of NE 1/4: Section: 36 Township: 32S Range: 6W
____ 1/4, of ____ 1/4, of ____ 1/4: Section: ____ Township: ____ Range: ____
____ 1/4, of ____ 1/4, of ____ 1/4: Section: ____ Township: ____ Range: ____

UTM East _____ (if known) UTM North _____ (If known)

Name of Quad Map for Location: PANGUITCH NW QUAD

2. **Location and Operations maps** must be plotted at a scale to accurately identify locational landmarks and operations details. All maps must include a north arrow, a scale, appropriate labels, title box including the mine name, township, range and section.
   a. **Map 1**: The **general location map** must be the scale of a USGS 7.5 minute series map or equivalent (1"=2000') and identify new or existing access roads.
   b. **Map 2**: The **operations map** (1"=200' or other scale as determined necessary by the Division) must be labeled and identify:
      i. The area to be disturbed;
      ii. The location of any existing or proposed operations including access roads, drill holes, trenches, pits, shafts, cuts, or other planned activities; and
      iii. Any adjacent previous disturbance for which the operator is not responsible.

(Contact the Division for a list of consultants and land surveyors for mapping assistance.)

3. The proposed (5 acre or less) disturbed area (including access/haul roads) should be marked ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced (<50 feet) so that the next marker in either direction is clearly visible with the naked eye.

III. OPERATION PLAN (Rule R647-3-106)

1. **Type of mining**: Surface ☒ Underground ☐

2. **Mineral(s) to be mined**: PRECIOUS METALS

3. **Amount of material to be extracted, moved or proposed to be moved:** 50,000 TONS

4. **Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process?**
Yes ☐ No ☒ If yes, please describe (add extra pages if needed) _____

5. **Provide a brief description of the proposed mining operation and onsite processing facilities** (add extra pages if necessary). THE PORTION OF THE HILL IN THE MINE AREA WILL BE MINED. ORE WILL BE REMOVED FROM THE AREA AND PROCESSED AT A PRIVATE FACILITY. WASTE ROCK WILL BE STOCKPILED ON THE MINE AREA. SOIL WILL BE STOCKPILED SEPERATELY.

6. ☒ **New Road(s)**: Length 200 (ft) Width 20 (ft)

7. ☐ **Improved Road(s)**: Provide a description of the improvements that need to be made to existing roads to access the site, including the Length _____ (ft) and Width _____ (ft) of improvements.

8. **Total project surface acreage to be disturbed**: 3.8 (acres) **PLEASE SPECIFY EXACT ACREAGE - *(this will be used to determine surety bond amount – see #VI).***

9. **Proposed startup date of project** (month, year) 8/07

10. **Proposed completion date of project,** if known (month, year) NOT KNOWN

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at www.ogm.utah.gov.

1. *Keep the mining operation in a safe, clean, and environmentally stable condition.*
2. *Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.*
3. *Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.*
4. *Construct berms, fences, or barriers, when needed, above highwalls and excavations.*
5. *Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.*
6. *Remove all waste or debris from stream channels.*
7. *Dispose of any trash, scrap metal, wood, machinery, and buildings.*
8. *Conduct mining activities so as to minimize erosion and control sediment.*
9. *Reclaim all roads that are not part of a permanent transportation system.*

10. *Stockpile topsoil and suitable overburden prior to mining.*

11. *Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.*

12. *Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.*

13. *Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)*

14. *Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.*

V. VARIANCE REQUEST (Rule R647-3-110)

Any variance request must be approved in writing by the Division

Yes ☐ No ☐

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above (see **IV. Operation and Reclamation Practices** Item # 1-14), should be identified below listing applicable rule number. Give justification for the variance(s) and alternate methods or measure to be utilized. A variance shall be granted if the alternative method or measure proposed will be consistent with the Act.

1st Variance Requested

_____ _____

Item # Applicable Rule # (i.e. R647-3-109.10 (if you did not want trenches & pits reclaimed)

Justification: _____

Alternate methods or measure to be utilized: _____

_____

2nd Variance Requested

_____ _____

Item # Applicable Rule #

Justification: _____

Alternate methods or measure to be utilized: _____

_____

3rd Variance Requested

_____ _____

Item # Applicable Rule #

Justification: _____

Alternate methods or measure to be utilized: _____

_____

Attach additional page if more variances are requested.

VI. SURETY (Act 40-8-7(1)[c])

A reclamation contract and surety must be provided to and approved by the Division prior to commencement of operations.

The Utah Mined Land Reclamation Act (40-8-7 (1)[c] and 40-8-14 provides the authority that all mining operations furnish and maintain reasonable surety to guarantee that the land affected is reclaimed.

The surety amount is based on the nature, extent and duration of operations. *The surety amounts are based on data from current large mine surety and are used as a general guide, along with actual site conditions.*

Surety for small mines sites will be escalated three (3) years to the future. Contact the Division for dollar amount required for this project.

Reclamation surety must be provided in the form of a Certificate of Deposit, Letter of Credit, Surety Bond, Cash (certified funds), or other form approved by the Division.

VII. PERMIT FEE [Mined Land Reclamation Act 40-8-7(1)(i)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7(1)(i)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to new and existing notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

Small Mine Notices require a $150.00 fee which must accompany this application or it cannot be processed by the Division.

VIII. SIGNATURE REQUIREMENT

(Please check the box if applicable and place your initials on the line provided)

BM ☑ I have enclosed the required permit fee.

BM ☑ I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

CERTIFICATION

I state under penalty of perjury under the laws of the state of Utah and the United States of America that:

a. I have read this form and declare the information, statements and/or documentation are true, correct and complete to the best of my knowledge and belief; AND
b. I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.
c. **This certification must be executed by an executive officer if the applicant is a corporation; by a partner if applicant is a partnership (general or limited); owner if applicant is a sole proprietorship; member or manager if applicant is a limited liability company.**

Signature: [signature] Date: 6-3-07

Name (typed or printed): Brad Marsh

Title/Position (if applicable): Managing Member

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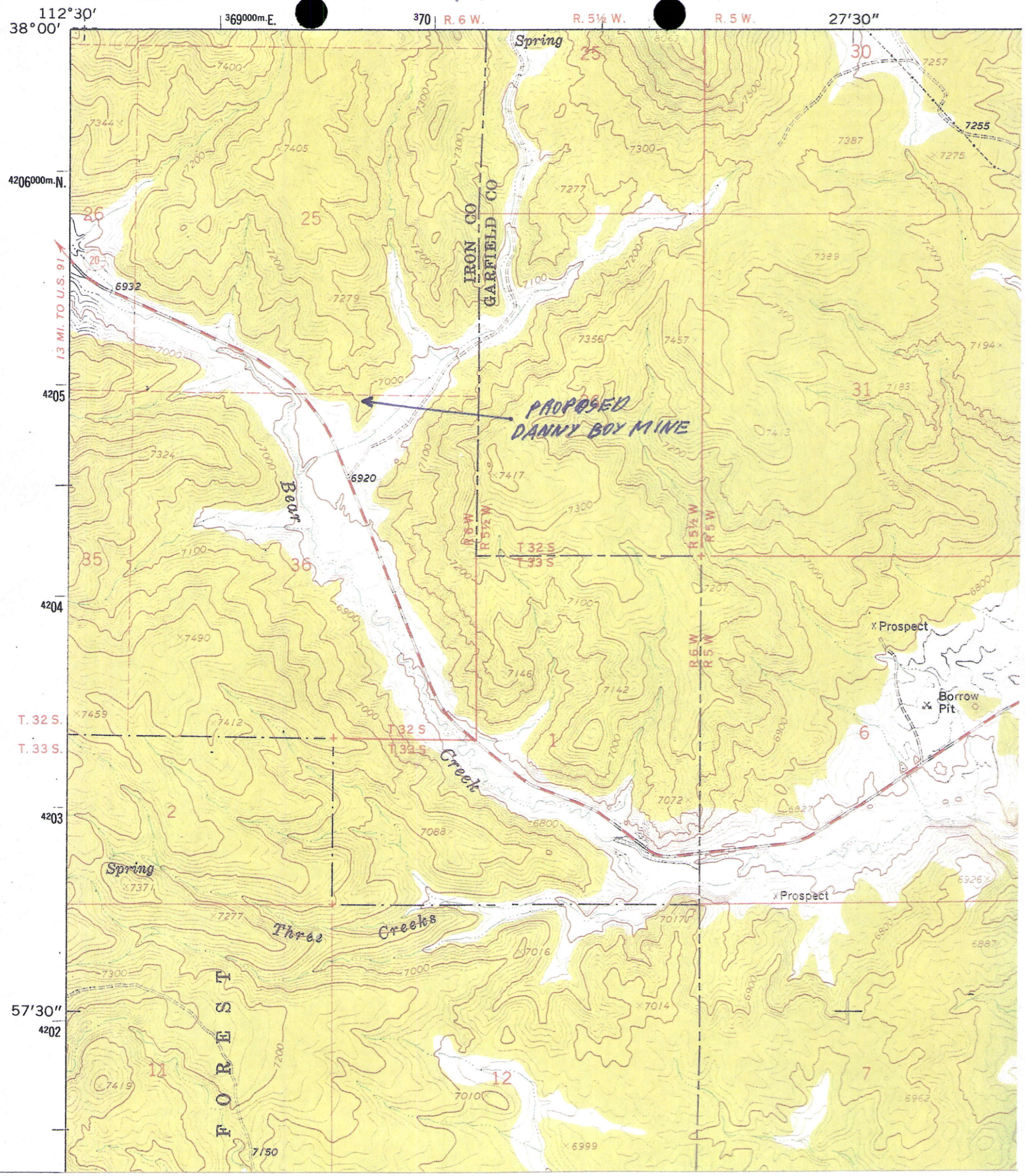
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY FROM PANGUITCH NW QUADRANGLE 7.5'



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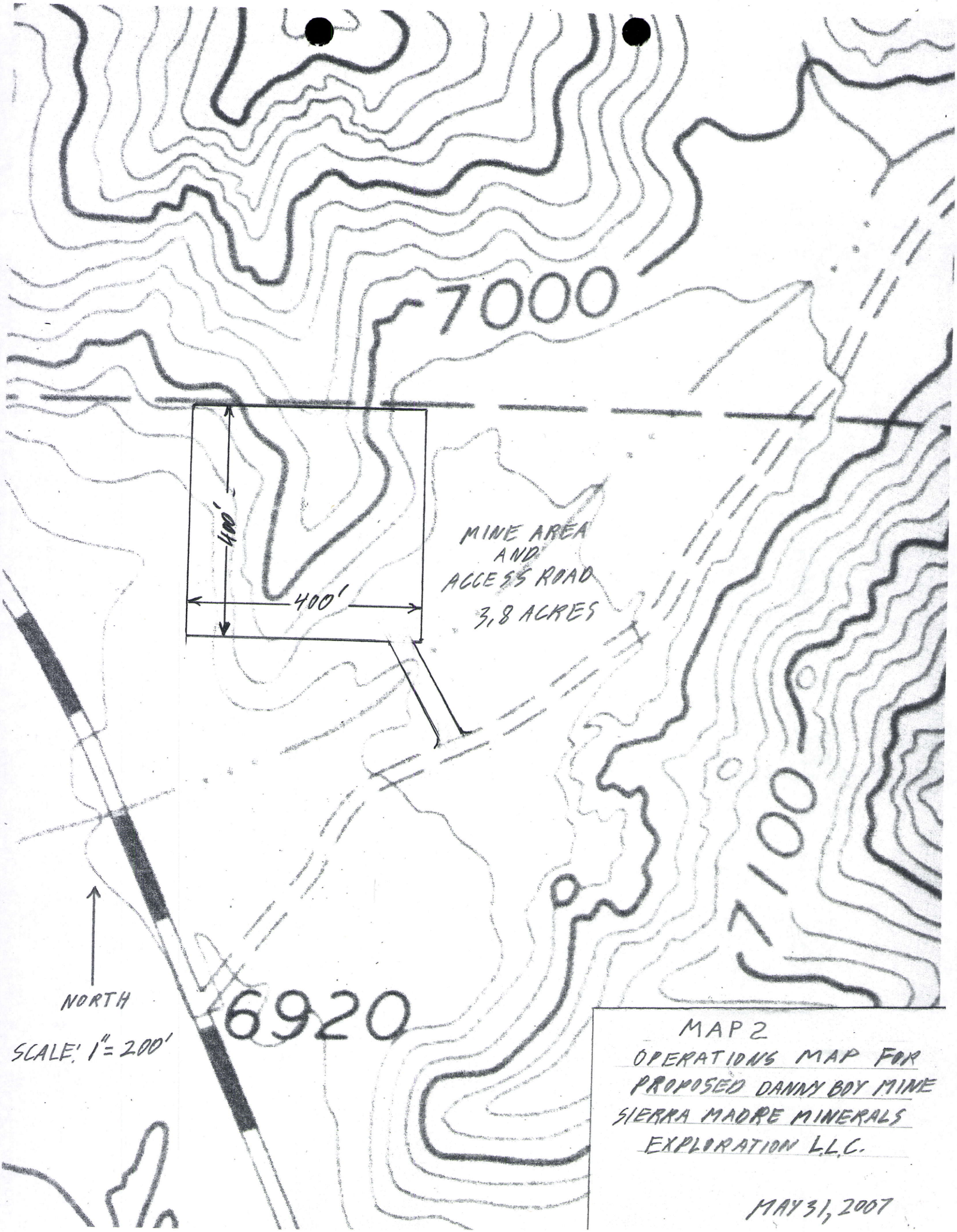
SCALE: 1" = 2,000'

MAP 1
GENERAL LOCATION MAP
PROPOSED DANNY BOY MINE
SIERRA MADRE MINERAL EXPLORATION L.L.C.

MAY 11, 2007



MAP 2
OPERATIONS MAP FOR
PROPOSED DANNY BOY MINE
SIERRA MADRE MINERALS
EXPLORATION L.L.C.

MAY 31, 2007