FORM MR-RC
Revised May 30, 1990
RECLAMATION CONTRACT

File Number M/023/007

Effective Date April 25, 1991

Contract Replaced 12-15-00. This original returned to operator.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

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MAR 2 2 1991
DIVISION OF
OIL GAS & MINING

RECLAMATION CONTRACT

—ooOoo—

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	M/023/007
(Mineral Mined)	Gold/Silver
"MINE LOCATION":	
(Name of Mine)	Tintic Project
(Description)	Cyanide Leach Plant
"DISTURBED AREA":	
(Disturbed Acres)	68 Acres
(Legal Description)	Refer to Attachment A
"OPERATOR":	
(Company or Name)	North Lily Mining
(Address)	P.O. Box 421 Eureka, Utah 84628
(Phone)	(801) 433-6804 Office (801) 433-6803 Fax

"OPERATOR'S REGISTERED AGENT":	
(Name)	Grant A. Pinkerton
(Address)	P.O. Box 421 Eureka, Utah 84628
(Phone)	(801) 433-6804
"OPERATOR'S OFFICER(S)":	Anton Hendriksz Tom Crom George Holcomb
"SURETY":	
(Form of Surety - Exhibit B)	Certificate of Deposit
"SURETY COMPANY":	
(Name, Policy or Acct. No.)	First Security Bank
"SURETY AMOUNT":	
(Escalated Dollars)	$158,900.00
"ESCALATION YEAR":	1996
"STATE":	State of Utah
"DIVISION":	Division of Oil, Gas and Mining
"BOARD":	Board of Oil, Gas and Mining
EXHIBITS:	Revision Dates:
A "DISTURBED AREA":	05/02/88 and 10/24/89
B "SURETY":	03/15/88 CD # [illegible] 03/15/91 CD # [illegible]

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Operator and the Board.

WHEREAS, Operator desires to conduct mining operations under Notice-of Intention (NOI) File No. M/023/007 which has been approved by. the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim the Disturbed Area in accordance with, Operator's approved Reclamation Plan and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan.

2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board, which surety is in the form of the surety attached hereto as Exhibit B and made a part hereof. The surety shall remain in full force and effect according to its terms unless modified by the Board in writing. If the surety contract expressly provides for cancellation, then, not less than 30 days, prior to the expiration date of the surety, the Operator shall provide a replacement surety in a form and amount acceptable to the Board. If the Operator fails to so provide an acceptable replacement surety, the Division may order the Operator to cease further mining activities and to begin reclamation of the site. In addition, if the Operator fails to so provide an acceptable replacement surety, the Division may call or draw upon the full amount of existing surety prior to cancellation or expiration.

3. Operator agrees to pay public liability and property damage claims resulting from mining as determined by the Board or the Division, to the extent provided in the Act.

4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, and the Reclamation Plan.

5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention and the Reclamation Plan.

6. Operator agrees to indemnify and hold harmless the State, Board and Division from any claim, demand, liability, cost charge, suit, or obligation of whatsoever nature arising from the failure to Operator or Operator's agents, and employees, or contractor to comply with this Contract.

7. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.

8. This Contract shall be governed and construed in accordance with the laws of the State.

9. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including attorneys fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.

10. Any breach of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety, or take such other action as is authorized by law.

11. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.

12. This Contract represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this 25th day of April 19 91.

APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY _____
James W. Carter, Chairman
Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By _____ 4-26-91
Dianne R. Nielson, Director Date

STATE OF Utah)
) ss:
COUNTY OF Salt Lake)

On the 26th day of April, 19 91, personally appeared before me, who being duly sworn did say that he/she, the said Dianne R. Nielson is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledge to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.

NOTARY PUBLIC
JANICE L. BROWN
241 East 9545 South
Sandy, UT 84070
My Commission Expires
August 3, 1994
STATE OF UTAH

_____
Notary Public
Residing at: Sandy, Utah

August 3, 1994
My Commission Expires:

OPERATOR:

Operator Name: NORTH LILY Mining Company

By Executive Vice President
Corporate Officer - Position

Date 3/20/91

Signature

STATE OF California)
) ss:
COUNTY OF San Mateo)

On the 20th day of March, 1991, personally appeared before me Thomas L. Crom who being by me duly sworn did say that he/~~she~~, the said Thomas L. Crom is the Executive Vice President of North Lily Mining Company and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Thomas L. Crom duly acknowledged to me that said company executed the same.

Notary Public
Residing at: Moss Beach, California

6/8/92.
My Commission Expires:

OFFICIAL SEAL
XAVIA HENDRIKSZ
NOTARY PUBLIC - CALIFORNIA
SAN MATEO COUNTY
My comm. expires JUN 8, 1992

SURETY:

First Security Bank of Utah, N.A
Surety Company

By Barbara Butler account Representative March 15-1991
Company Officer - Position Date

Barbara Butler
Signature

STATE OF Utah)
) ss:
COUNTY OF Utah)

On the 15th day of March, 19 91, personally appeared before me Barbara Butler who being by me duly sworn did say that he/she, the said Barbara Butler is the Account Representative of First Security Bank of Utah, Payson Office and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Barbara Butler duly acknowledged to me that said company executed the same.

Donna R Henderson
Notary Public
Residing at: Benjamin, Utah

NOTARY PUBLIC DONNA R. HANSEN STATE OF UTAH

9-14-91
My Commission Expires:

NOTE: An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Contract.

Attachment "A"

(detailed legal description)

Location of Proposed Activities

Plant/Heap Site

County: Juab
Township: 10 S Range 3 W
Section: SE 1/4 of NE 1/4 Section 35

North Lily Tailing Dump (Red Dump)

County : Juab
Township: 10 W Range 3 W
Section: NE 1/4 of NE 1/4 Section 35

Mammoth Mine Dump

County : Juab
Township: 10 W Range 3 W
Section: NE 1/4 of NE 1/4 Section 25

Centennial-Eureka Dump

County : Juab
Township: 10 S R3W
Section: NW & NE 1/2 of NE 1/4 of Section 24