FORM MR-AR-SMO
(Revised 1/2015)

UTAH DEPARTMENT OF NATURAL RESOURCES - DIVISION OF OIL, GAS AND MINING
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DIV. OF OIL, GAS & MINING

SMALL MINING OPERATIONS PROGRESS REPORT
January 1, 2015 to December 31, 2015

The information required in this form is based on provisions of the Mined Land Reclamation Act, Title 40-8, and the R647 rules under the Utah Minerals Regulatory Program. It is due January 31 of each year. Attach additional pages as needed.

1. Mine Permit Number: S/023/0106

2. Mine Name: BLACKJACK CLAY MINE

3. Name of Operator/Permittee: Northstar CLAY Mines, Inc
   Note: If Operator's address, company representative and/or phone number have changed, submit replacement page(s) for the Notice of Intention together with form MR-REV available on the Division's web page at https://fs.ogm.utah.gov/pub/MINES/Minerals_Related/FORMS/MR-REV.pdf.

4. Report the gross amount of ore or product mined and waste moved.

   Gross ore or product mined 47,847 (amount) Tons (unit)
   Waste material moved est 1000 (amount) tons (unit)

   Primary Commodities Produced CLAY ORE

5. Total disturbed area from previous reporting year 1/2 Acres
   New disturbance created during current reporting year -0- Acres
   Total disturbed area at the end of this reporting year 6 1/2 Acres*

   * The total disturbed area includes reporting year and previous year disturbances minus areas of regrading and reseeding that have received approval for bond release. The **Total** area should not be greater than the permitted/bonded acreage.

6. Areas of reclamation eligible for bond release
   Areas regraded during the year (-) -0- Acres**
   Areas reseeded during the year (-) -0- Acres**

   ** To apply for full or partial bond/site release submit form MR-SITE available at the Divisions web page at https://fs.ogm.utah.gov/pub/MINES/Minerals_Related/FORMS/MR-SITE.pdf.

7. Briefly describe reclamation work performed during current reporting year. If there was no production shown in Line 4, describe any maintenance work conducted that required earthmoving equipment. Include an updated map depicting surface disturbance and reclamation performed during the year and any updates to the operation plan.
   No reclamation work was performed

I hereby certify the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): Northstar Mines LLC Spencer Hansen
Title of Operator: President / Manager
Signature of Operator: Spencer Hansen
Date: January 29, 2016