EXPLORATION RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as “Contract”) is entered into between the "Operator" and the Utah State Division of Oil, Gas and Mining (“Division”).

WHEREAS, Operator desires to conduct exploration operations under Notice of Intention (NOI) File No. _____________ which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as “Act”) and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the exploration operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the exploration operations.

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

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the exploration operations conducted or to be conducted pursuant to a Complete Notice of Intention. If the Notice of Intention to Conduct Exploration Operations affects more than five (5) acres, the Operator further agrees to reclaim in accordance with the mining and reclamation plan (Reclamation Plan) approved by the Division.

2. A Notice of Intention to Conduct Exploration is valid until November 30th of the year following submittal. Reclamation required by this Contract and the Reclamation Plan, must be completed within that time unless an operator prior to expiration notifies the Division in writing specifying the reasons an extension is required. Failure to make a request and pay the fees as required
may result in suspension of the Operator's authorization to conduct exploration operations.

3. The Lands Affected by the exploration operations and subject to the requirements of the Act and this Contract include:

   A. All surface and subsurface areas affected or to be affected by the exploration operations including but not limited to on-site private ways, roads, and railroads; land excavations; drill sites or workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, or waste discharge areas, structures, and facilities; shafts, drill holes, and pits or cuts; and

   B. All exploration disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by exploration or mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the exploration operations as described in the Complete NOI.

4. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI, which are intended to assist in determining the location of the exploration operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.

5. The Operator prior to commencement of any exploration operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as ATTACHMENT A to this Contract.

6. If the Surety expressly provides for cancellation or termination for non-renewal:
i. The Operator shall within 60 days following the Division’s receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or

ii. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further exploration activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the exploration operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

7. The Operator’s liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by exploration operations in accordance with the Act and regulations, as amended. If the Operator desires to extend the exploration operations beyond November 30th of the year following submittal or if the exploration operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.

8. If reclamation of discrete sections of the Lands Affected by the exploration operations is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the exploration area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining exploration operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.

9. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
10. Operator agrees to pay all legally determined public liability and property
damage claims resulting from exploration operations, to pay all permit fees, to
maintain suitable records, to file all required reports, to permit reasonable
inspections, and to fulfill all sundry reporting requirements applicable to the
mine as required by the Act and implementing rules.

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

12. If Operator shall default in the performance of its obligations hereunder,
Operator shall be liable for all damages resulting from the breach hereof
including all costs, expenses, and reasonable attorney’s fees incurred by the
Division and/or the Board in the enforcement of this Contract.

13. Any breach of a material provision of this Contract by Operator may, at the
discretion of the Division, in addition to other remedies available to it, result in
an order by the Division requiring the Operator to cease exploration
operations, and may thereafter result in an Order, subject to an opportunity
for notice and hearing before the Board, withdrawing and revoking the Notice
of Intention, and requiring immediate reclamation by the Operator of the
Lands Affected or forfeiture of the Surety.

14. In the event of forfeiture of the Surety, Operator shall be liable for any
additional costs in excess of the surety amount that is required to comply with
this Contract. Upon completion of the reclamation of all of the Lands
Affected, any excess monies resulting from forfeiture of the Surety shall be
returned to the rightful claimant.

15. The Operator shall notify the Division immediately of any changes in the
Operator’s registered agent, the Operator’s address, form of business, name
of business, significant changes in ownership, and other pertinent changes in
the information required as part of the Notice of Intention. Notwithstanding
this requirement, any changes to the Notice of Intention, and any errors,
omissions, or failures to fully or accurately complete or update the information
on the Notice of Intention, or the attached maps, shall not affect the validity of
this Contract and the rights of the Division to enforce its terms.

16. If requested by the Division, the Operator shall execute addendums to this
Contract to add or substitute parties, or to reflect changes in the Operator,
Surety, and otherwise modify the Contract to reflect changes in the
exploration operations as requested by the Division. All modifications must be
in writing and signed by the parties, and no verbal agreements, or
modifications in any of the terms or conditions shall be enforceable.
17. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

________________________________________________________________________
Operator Name

By

________________________________________________________________________
Authorized Officer (Typed or Printed)

________________________________________________________________________
Authorized Officer - Position

________________________________________________________________________
Officer’s Signature Date

STATE OF ________________________
) ss:
COUNTY OF ________________________

On the __________ day of __________, 20__, ________________________________ personally appeared before me, who being by me duly sworn did say that he/she is an ________________________________ (owner, officer, director, partner, agent or other (specify)) of the Operator ________________________________ and duly acknowledged that said instrument was signed on behalf of said Operator by authority of its bylaws, a resolution of its board of directors or as may otherwise be required to execute the same with full authority and to be bound hereby.

________________________________________________________________________
Notary Public
Residing at ________________________________

My Commission Expires:
DIVISION OF OIL, GAS AND MINING:

By__________________________________________  ______________________________
                      Dana Dean, P.E. Deputy Director                      Date

STATE OF ________________________________

COUNTY OF ________________________________

On the ___ day of _______________________, 20 __, ____________________________________
personally appeared before me, who being duly sworn did say that she, the said ________________
is the Deputy Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and she duly acknowledged to me that she executed the foregoing document by authority of law on behalf of the State of Utah.

_____________________________________________________________________________
Notary Public
Residing at:______________________________

My Commission Expires:______________________________
FACT SHEET

Commodity: ___________

Mine Name: ___________

Permit Number: ___________

County: ___________

Acres: ___________

Total Number of Holes: ________________

Wet: ___________ Dry: ________________

Number of Holes permitted: _____

Wet: ___________ Dry: ______

Operator Name: ___________

Operator Address: ______________________

Operator phone: _______________________

Operator Fax: _________________________

Operator Email: _______________________

Contact Name: _________________________

Surety Type: _________________________

Surety Amount: _______________________

Account number: _______________________

Tax ID or SS number (required for cash only): _________________

Surface owner: _____

Mineral owner: _____

Other reference numbers: _______________________

***DOGM Contact: Penny Berry, State of Utah, Division of Oil Gas and Mining, 801 538 5291 or bondcoordinator@utah.gov