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**APPENDIX A:**  
**EXAMPLES OF EXISTING LEASES FOR THE**  
**URANIUM LEASING PROGRAM**

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**APPENDIX A:****EXAMPLES OF EXISTING LEASES FOR THE  
URANIUM LEASING PROGRAM**

Facsimiles of two generic leases are shown in this appendix. The leases could be modified in the future as a result of the ULP PEIS process. The first lease agreement was used for leases prior to May 2008 (i.e., the original leases issued in 1974, and the continuation of those leases up to and including the issuance of new leases for the 13 “active” lease tracts on April 30, 2008). The second lease agreement was used for the competitive bid solicitation process that DOE completed in June 2008 for the remaining lease tracts that were “inactive” at that time. As discussed in Section 1.2.1, the one primary difference between these two lease agreements is the manner in which the production royalty for each lease is calculated. Please note that for both leases, each lessee is required to pay an annual royalty fee, which is basically an annual rent payment, for which the amount is established by DOE and which is paid at the beginning of each lease year just to hold the lease for that year.

For the “active” leases (see the first lease shown in this appendix [page A-5]), the lessee must pay a production royalty, paid on a monthly basis during periods of active ore production, for ore produced from the lease tract and shipped to a uranium mill or other processing facility. This production royalty is a combination of a “base” royalty, calculated as a three percentage (2%, 10%, and 14%) step-function applied to the value of the ore produced, plus a bid royalty, calculated by applying the lessee’s royalty bid percentage to the value of the ore produced. The base royalty is applied to the lease tract’s total ore production, and the bid royalty is applied to the lease tract’s ore production up to the “bid quantity,” which is an amount specified for each lease tract in pounds of uranium produced.

For the newer leases (see the second lease shown in this appendix [page A-29]), the lessee must pay just the bid royalty, as calculated above; however, the bid royalty is applied to the lease tract’s total ore production.

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April 2008

DE-RO01-08LM70XXX

## URANIUM MINING LEASE

## UNITED STATES DEPARTMENT OF ENERGY

THIS LEASE AGREEMENT, effective as of this 30<sup>th</sup> day of April, 2008, by and between the UNITED STATES OF AMERICA (hereinafter "Government"), represented by the UNITED STATES DEPARTMENT OF ENERGY (hereinafter "DOE"), whose principal place of business for the purpose of this Lease is 2597 B ¾ Road, Grand Junction, Colorado 81503 and

whose principal place of business for the purpose of this Lease is \_\_\_\_\_ (hereinafter "Lessee"):

## WITNESSETH THAT:

DOE represents that it is in possession of certain Government owned uranium mining property in \_\_\_\_\_ County, \_\_\_\_\_ more particularly described as Lease Tract C-X-X in Appendix "A" which is attached hereto and hereby made a part this Agreement (the "Property").

DOE desires that said property be explored, developed, and operated for the production of uranium-bearing ores.

This Lease is authorized by Section 67 of the Atomic Energy Act of 1954, as amended, and is issued pursuant to the provisions of the DOE's regulations governing the issuance of leases for mining deposits of uranium in lands held by the DOE (10 CFR Part 760).

NOW, THEREFORE, the parties do hereby agree as follows:

I. GRANT OF LEASE.

For considerations hereinafter stated and performance by the Lessee of the terms and conditions hereinafter provided, the DOE does hereby lease the Property to the Lessee, for the purposes of exploring for, developing, mining, and removing deposits of uranium, vanadium, and associated minerals, the Property described in Appendix "A", which is attached hereto and hereby made a part hereof, subject to the terms and conditions hereinafter set forth. The rights hereby granted are limited to exploration, development, mining, and removal of ore from within the vertical planes of the boundary lines of the Property, and the Lessee shall have no right hereunder to extend its workings beyond such vertical planes. Access to the Property is not guaranteed by the Government. The Lessee shall be responsible for securing such access.

II. TERM. This Lease shall remain in effect for a period of ten (10) years from the aforementioned effective date, except as it may be sooner relinquished or cancelled pursuant to

April 2008

DE-RO01-08LM70XXX

other provisions of this Lease. Near the end of that 10-year period, DOE will re-evaluate the leasing program to determine if the leases/leasing program should continue.

III. DEFINITIONS. As used herein:

(a) The term “Government” means the Government of the United States of America, including its authorized representatives associated with the Uranium Leasing Program.

(b) The term “DOE” means the United States Department of Energy, or duly authorized representatives thereof, including the Realty Officer except for the purpose of deciding an appeal under Article XXVII “DISPUTES”.

(c) The term “Realty Officer” means a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the Realty Officer acting within the limits of their authority as delegated by the Realty Officer.

(d) The term “associated minerals” means any minerals, other than the minerals covered by this Lease, which are (i) so intermingled with the deposits of the mineral or minerals for which this Lease is issued that separate development is, in the opinion of the Realty Officer, not warranted for mining or for economic reasons, or (ii) of such poor quality and in such small quantity that separate development is, in the opinion of the Realty Officer, undesirable for mining or for economic reasons.

(e) The term “applicable statutes and regulations” means all applicable Federal, state, and local statutes, regulations, and standards. These statutes include but are not limited to, those relating to mine safety; radiation; air, water, and land pollution; disposal of liquid and solid waste; and workmen's and unemployment compensation.

(f) The term “Exploration Plan” as described in Article XII “EXPLORATION PLAN” and Appendix “C” means a plan of activity proposed by the Lessee for the purpose of conducting approved operations to explore, test, or prospect for minerals covered by this Lease.

(g) The term “Mining Plan” as referenced in Article XIII “MINING PLAN” and Appendix “C” means a plan of activity proposed by the Lessee for the purpose of conducting surface and underground operations to develop or extract the minerals covered by this Lease.

IV. GENERAL PERFORMANCE REQUIREMENT. The Lessee shall conduct all activities in accordance with the terms and conditions of this Lease and with those in 10 CFR Part 760. Furthermore, the Lessee shall conduct exploration, development, and mining activities on the Property with all reasonable diligence, skill, and care, as is required to systematically advance lease operations toward, and ultimately achieve and maintain, production of uranium ore consistent with good and safe mining practice, and in accordance with market conditions. Reasonable diligence shall be assessed by the Realty Officer at his sole discretion on the basis of the Lessee’s ongoing lease activities or the lack thereof. Site permitting activities and the

April 2008

DE-RO01-08LM70XXX

performance of cultural resource surveys and/or threatened and endangered species surveys shall be accepted by the Realty Officer as evidence supporting reasonable diligence.

V. ROYALTIES. The Lessee shall pay or cause to be paid, as directed by the DOE, the royalties specified in Appendix "B", which is attached hereto and hereby made a part hereof, at the rates and in the manner set forth therein.

VI. INTEREST ON OVERDUE PAYMENTS — FORFEITURE FOR NON-PAYMENT.

(a) All amounts that become payable by the Lessee to the Government under this Lease shall bear simple interest from the date due until paid unless paid within thirty (30) days of becoming due. The interest rate shall be established by DOE (on a quarterly basis as required) as the Federal Short-Term Rate (applied to and applicable to the calendar quarter in which the amount becomes due) plus three (3) percent. The Federal Short-Term Rate is the rate published monthly by the Internal Revenue Service pursuant to Section 1274(d) of the Internal Revenue Code. Additional interest shall be assessed for each subsequent calendar quarter until the amount is paid.

(b) Amounts shall be due at the earlier of the following dates:

- (1) The date fixed under this Lease.
- (2) The date of the first written demand for payment consistent with this Lease, including any demand resulting from a default cancellation.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this Article VI, and irrespective of interest payments made by the Lessee to DOE pursuant thereto, the Realty Officer, in his sole discretion, may cancel this Lease for failure by the Lessee to pay the entire principle amount of any annual royalty, base royalty, or bid royalty within sixty (60) calendar days after payment thereof is due from the Lessee to the DOE under the terms of this Lease. Such cancellation shall be effective upon Lessee's receipt of a written notice thereof from the Realty Officer. Failure of DOE to exercise its right to cancel shall not be deemed to be a waiver thereof.

VII. USE OF SURFACE.

(a) Subject to the other provisions of this Lease, the rights granted to the Lessee herein include the right to use so much of the surface of the Property as is required for the exploration for, and development, mining, and removal of ore, including the right to erect such buildings and other structures and install such machinery and other facilities as may be required for such operations; provided, that the Lessee shall recognize existing uses and commitments in the form of grazing, timbering, Bureau of Land Management special use permits, and public recreation, and improvements such as water developments, ditches, roads, trails, pipelines, telephone, telegraph, and power lines, fences, and rights-of-way; and Lessee shall conduct its operations so as to interfere as little as possible with such existing uses and improvements.

April 2008

DE-RO01-08LM70XXX

(b) The Property shall at all times be subject to other lawful uses heretofore or hereafter granted by the Government, through any authorized agency; provided, that such uses shall not prevent, obstruct, or unduly interfere with any right granted under this Lease.

VIII. LEASES FOR OTHER MINERALS. The granting of this Lease shall not preclude the issuance by the Government of other leases of the Property for the purposes of mining and extracting oil, gas, oil shale, coal, phosphate, potassium, sodium, sulphur, or other minerals which are or may in the future be leasable pursuant to Federal mineral leasing laws; provided, that any such leases hereafter issued shall provide that operations under such leases shall not prevent, obstruct, or unduly interfere with any right granted under this Lease.

IX. USE OF SALABLE MINERALS. No salable minerals, such as sand, gravel, or stone, found on the lands leased hereunder shall be used by the Lessee in its operations unless such salable minerals have been purchased from the Government under the provisions of the Materials Act of July 31, 1947, 30 U.S.C. 601, as amended, or from the owner of such salable minerals if other than the Government.

X. SECURITY AND SAFETY. The Lessee shall secure and post all areas that might reasonably be considered hazardous to the general public, including, but not limited to ore stockpile areas, loading areas, mining openings, and mine-rock waste piles, in accordance with all applicable statutes and regulations and specific requirements and stipulations set forth in Appendix "C". If necessary, the Lessee agrees to construct fences or other barriers around the perimeter of safety-hazard areas to minimize the potential for intrusion by humans, livestock, and wildlife. Radioactive materials exposed by the Lessee's operation shall be managed to ensure that the exposure of humans and ecosystems is as low as reasonably achievable.

XI. ENVIRONMENTAL REQUIREMENTS. The Lessee, at the Lessee's expense, shall comply with all applicable statutes and regulations and abide by the specific requirements and stipulations set forth in Appendix "C", which is attached hereto and hereby made a part hereof.

XII. EXPLORATION PLAN.

(a) Prior to commencing any surface-disturbing operations to explore, test, or prospect for minerals covered by this Lease, the Lessee shall file with the Realty Officer three (3) copies of a plan for the proposed exploration activities and shall obtain the Realty Officer's approval of such plan. The Exploration Plan shall be consistent with the "Notice of Intent to Conduct Prospecting Operations" (hereinafter "Notice") to be filed with the Colorado Mined Land Reclamation Board (hereinafter MLRB) in accordance with "Rule 5" of the "Mineral Rules and Regulations" of the Colorado MLRB, as these rules may be amended. The Exploration Plan shall include all information required by the "Notice", and in addition, must specifically include the following information:

- (1) A site-specific environmental analysis;



April 2008

DE-RO01-08LM70XXX

- (2) A description of specific measures to be taken to assure compliance with the requirements of Article XI “ENVIRONMENTAL REQUIREMENTS”, including methods of reclamation contemplated by the Lessee; and
- (3) The specific information outlined in Appendix “C” of this Lease.

(b) All Exploration Plans submitted to the Realty Officer pursuant to this Article XII and all proposed activities contained therein shall be reviewed by DOE in accordance with 10 CFR Part 1021 “National Environmental Policy Act Implementing Procedures”.

(c) If preparation and filing of an Exploration Plan for the entire operation is dependent upon factors which cannot or will not be determined except during the progress of exploration activities, partial plans may be submitted and approved from time to time; provided however, that the Lessee shall not perform exploration activities not described in an approved plan.

(d) Changes may be made in the approved Exploration Plan by mutual written agreement of the Lessee and the Realty Officer. Approval is contingent upon the Lessee notifying all other appropriate agencies (as outlined in Appendix “C”) of the proposed changes.

### XIII. MINING PLAN.

(a) Prior to constructing any surface installation or commencing mine development on the leased lands, the Lessee shall file with the Realty Officer three (3) copies of a plan for the proposed mining operations and shall obtain the Realty Officer’s approval of such plan. Such mining plan shall be consistent with the “Reclamation Permit Application” (hereinafter “Application”) to be filed with the Colorado MLRB in accordance with “Rule 1.4” and “Rule 6” of the “Mineral Rules and Regulations” of the Colorado MLRB, as these rules may be amended. The Mining Plan shall include all information required by the “Application”, and in addition, must specifically include the following information:

- (1) A site-specific environmental analysis;
- (2) A description of specific measures to be taken to assure compliance with the requirements of Article XI “ENVIRONMENTAL REQUIREMENTS”, including methods of reclamation contemplated by the Lessee; and
- (3) The specific information outlined in Appendix “C” of this Lease.

(b) All Mining Plans submitted to the Realty Officer pursuant to this Article XIII and all proposed activities contained therein shall be reviewed by DOE in accordance with 10 CFR Part 1021 “National Environmental Policy Act Implementing Procedures”.

(c) If preparation and filing of a Mining Plan for the entire operation is dependent on factors which cannot or will not be determined except during the progress of mining activities, a

April 2008

DE-RO01-08LM70XXX

partial plan may be submitted and approved from time to time; provided however, that the Lessee shall not perform mining activities not described in an approved plan.

(d) Changes may be made in the approved Mining Plan by mutual written agreement of the Lessee and the Realty Officer. Approval is contingent upon the Lessee notifying all other appropriate agencies (as outlined in Appendix "C") of the proposed changes.

#### XIV. PERFORMANCE BOND.

(a) Upon approval of an Exploration Plan or Mining Plan, and prior to commencing any surface-disturbing operations, the Lessee shall be required to file a suitable performance bond of not less than \$\_\_\_\_\_ with satisfactory surety, payable to the United States Department of Energy. The bond shall be conditioned upon the faithful compliance with all applicable statutes and regulations, the terms and conditions of this Lease, and any Exploration Plans and Mining Plans, including amendments and supplements thereto, which have been approved by the Realty Officer.

(b) The Realty Officer shall set the amount of the initial bond and may, from time to time, require an increase or allow a decrease in the amount of the bond, as in his judgment the circumstances may require. In determining the amount of the bond, the Realty Officer shall take into consideration all applicable statutes and regulations and the character and nature of the reclamation requirements of the Lease, including the requirements of any approved Exploration Plans and Mining Plans and partial or supplementary plans, and the estimated costs of such reclamation.

(c) The Lessee and his sureties shall be liable for any damage to the Government resulting from the Lessee's failure to complete any work required upon the expiration, relinquishment, or cancellation of this Lease.

XV. INSPECTION. The DOE reserves the right, through its officers, employees, agents, and contractors, to enter upon the leased property and into all parts of any of Lessee's mines therein at all reasonable times for inspection and other purposes subject to the Lessee's standard operating procedures.

XVI. GOOD FAITH NEGOTIATIONS. At the request of the Realty Officer, the Lessee will negotiate in good faith with the DOE to reach an agreement under which the Lessee, for appropriate compensation, would correct undesirable conditions existing on the Property as a result of pre-1974 mining activities and such other conditions that may be identified from time to time by the Realty Officer. If for any reason, the Lessee is unable to perform the work required to correct such conditions in a timely manner, DOE reserves the right to contract with another entity to enter upon the leased property and perform said work.

April 2008

DE-RO01-08LM70XXX

XVII. INDEMNIFICATION OF GOVERNMENT.

(a) The Government, including its employees, all tiers of contractors, agents, and authorized representatives shall not be responsible for any mechanics' or miners' liens or other liens, encumbrances, or liabilities incurred by the Lessee in connection with the operation of the Property. The Lessee assumes all responsibility for and will hold the Government harmless from any and all claims and liability of any nature arising from the operation or occupancy of the premises.

(b) The Lessee agrees to protect and indemnify the Government against any payroll taxes or contributions imposed with respect to any employee of the Lessee by any applicable law dealing with old age pensions, unemployment compensation, accident compensation, health insurance and related subjects. The Lessee also agrees, at its own cost and expense, to insure to each person employed in, about, or upon the Property, the compensation provided for by law with respect to workmen's compensation and employer's liability insurance, properly safeguarding the Government, including its employees, all tiers of contractors, agents, and authorized representatives, against liability for injuries to persons, including injuries resulting in death, and loss of and damage to property in policies and amounts acceptable to the DOE and to furnish to the DOE written evidence of such insurance.

XVIII. REPORTING REQUIREMENTS.

(a) The Lessee shall provide the Realty Officer with copies of all permits and correspondence from local, state, or other Federal agencies or entities which pertain to the Lessee's activities on the Property.

(b) The Lessee shall provide to the Realty Officer, within twenty calendar days after the end of each month, an accurate record of the tonnage and  $U_3O_8$  and  $V_2O_5$  grades of each lot of ore delivered from the Property to a mill, buying station, or other purchaser during the previous month, including copies of all settlement sheets furnished to the Lessee for ores so delivered.

(c) The Lessee shall provide to the Realty Officer as soon as practicable after the end of each calendar quarter, the following documents, records, and/or maps:

- (1) A formal (written and signed) summary of all activities conducted on the Property during such calendar quarter that, among other things, documents the Lessee's reasonable diligence required by Article IV "GENERAL PERFORMANCE REQUIREMENT".
- (2) A map or maps showing the location of all exploration holes drilled on the Property during such calendar quarter, together with copies of any logs and assay records applicable to such drill holes.

April 2008

DE-RO01-08LM70XXX

- (3) A mine map or maps showing the progress of mining on the Property as of the end of such calendar quarter.
- (4) Lessee's estimate of the tonnage and U<sub>3</sub>O<sub>8</sub> and V<sub>2</sub>O<sub>5</sub> grades of all ores stockpiled on the Property as of the end of such calendar quarter.
- (5) If no activity occurs on the Property during a calendar quarter, a letter submitted to the Realty Officer stating that no activity has occurred shall satisfy this reporting requirement.

(d) The Lessee further agrees to provide to the Realty Officer the results of any inspections of Lessee's mines or other facilities located on the Property, conducted by personnel of local, state, or other Federal agencies under applicable statutes and regulations. Furthermore, the Lessee agrees to notify the Realty Officer of any planned or scheduled inspections to be performed by local, state, or other federal agencies as soon as such schedule is known so that the Realty Officer may participate in said inspection if so desired.

(e) The Lessee is hereby notified that information obtained by DOE from the Lessee under this section shall be subject to the provisions of the Freedom of Information Act (5 U.S.C. 552).

XIX. TAXES. The Lessee agrees to pay when due all taxes lawfully assessed and levied pursuant to state or Federal law upon improvements, output of mines, and other interests, property, and assets of the Lessee in or upon the Property.

XX. ASSIGNMENT. The Lessee agrees that no transfer of this Lease, or of any interest therein or claim thereunder, by assignment, sublease, operating agreement, or otherwise, shall occur unless and until approved in writing by the Realty Officer.

XXI. RELINQUISHMENT OF LEASE. This Lease may be surrendered by the Lessee upon the Lessee's filing with the DOE, and the Realty Officer's approval of, a written application for relinquishment. Approval of the application shall be contingent upon the delivery of the Property to the DOE in a condition satisfactory to the Realty Officer, in accordance with the terms of this Lease, and upon the continued liability of the Lessee to make payment of all royalty and other debts theretofore accrued and due the DOE.

XXII. CANCELLATION OF LEASE. DOE may cancel this Lease if the Realty Officer determines that the Lessee has failed to comply with any provision of this Lease including reasonable diligence. Failure of DOE to exercise its rights to cancel shall not be deemed to be a waiver thereof.

XXIII. DELIVERY OF PREMISES. At the expiration of this Lease, or upon its earlier relinquishment or cancellation as herein provided, the Lessee shall, within one hundred eighty (180) days or other period mutually agreed to by the Lessee and Realty Officer, surrender the Property in a condition satisfactory to the Realty Officer, and shall, unless otherwise directed by

April 2008

DE-RO01-08LM70XXX

the Realty Officer in writing, remove from the Property at Lessee's expense all structures, machinery, equipment, tools, and improvements placed thereon by the Lessee; provided, that the Lessee shall not remove any timbers or improvements which are determined by the Realty Officer to be required to be left in the mine workings to protect such workings as a mining property. Furthermore, prior to the surrender of the Property, the Lessee shall remove from the Property at Lessee's expense all stockpiles of ore and/or protore materials placed thereon by the Lessee and remit the required royalties to DOE in accordance with Article V "ROYALTIES" and Appendix "B". Otherwise, the Lessee shall at the Lessee's expense return all stockpiles of ore and/or protore materials to a suitable location within the underground mine workings on the Property or other location on the Property as designated by the Realty Officer.

#### XXIV. EXAMINATION OF RECORDS.

(a) The DOE and the Comptroller General of the United States or duly authorized representatives of either shall, until three (3) years after final payment under this Lease, have access to and the right to examine any of the Lessee's directly pertinent books, documents, papers, or other records involving transactions related to this Lease. The Lessee shall make these records and documents available to the Government, at the Lessee's offices, at all reasonable times, without any charge.

(b) The Lessee agrees to include in first-tier subcontracts under this Lease a clause to the effect that the DOE or the Comptroller General or duly authorized representatives of either shall, until three (3) years after final payment under the subcontract, have access to and the right to examine any of the subcontractor's directly pertinent books, documents, papers, or other records involving transactions related to the subcontract.

(c) The periods of access and examination in paragraphs (a) and (b) above for records relating to (1) appeals under Article XXVII "DISPUTES", (2) litigation or settlement of claims arising from the performance of this Lease, or (3) costs and expenses of this Lease to which the DOE or the Comptroller General or duly authorized representatives of either has taken exception shall continue until such appeals, litigation, claims, or exceptions are disposed of.

XXV. OFFICIALS NOT TO BENEFIT. No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this Lease, or to any benefit arising from it. However, this clause does not apply to this Lease to the extent that this Lease is made with a corporation for the corporation's general benefit.

XXVI. COVENANT AGAINST CONTINGENT FEES. The Lessee warrants that no person or selling agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Lessee for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to cancel this Lease without liability, or in its discretion to require the Lessee to pay to DOE the full amount of such commission, percentage, brokerage, or contingent fee.

April 2008

DE-RO01-08LM70XXX

XXVII. DISPUTES.

(a) Except as otherwise provided in this Lease, any dispute concerning a question of fact arising under this Lease which is not disposed of by agreement shall be decided by the Realty Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Lessee. The decision of the Realty Officer shall be final and conclusive unless within 30 days from the date of receipt of such copy, the Lessee mails or otherwise furnishes to the Realty Officer a written appeal addressed to the DOE. The decision of the DOE for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Lessee shall be afforded an opportunity to be heard, and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Lessee shall abide by the Realty Officer's decision.

(b) The provisions of paragraph (a) above does not preclude consideration of questions of law; provided, that nothing in this Lease shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

XXVIII. HEIRS AND SUCCESSORS-IN-INTEREST. Each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Lease, effective as of the date first above written, intending to be legally bound thereby.

UNITED STATES OF AMERICA  
UNITED STATES DEPARTMENT OF ENERGY \_\_\_\_\_ (LESSEE)

By \_\_\_\_\_ By \_\_\_\_\_  
Title Realty Officer Title \_\_\_\_\_  
Date \_\_\_\_\_ Date \_\_\_\_\_

April 2008

DE-RO01-08LM70XXX

APPENDIX A

DESCRIPTION OF LEASED PROPERTY

The leased property described herein was referred to as “MINING LEASE NO. AT(05-1)-ML-60.8-\_\_\_\_” during the period from 1974 to the enactment of this Lease.

*A full legal description of the lease premises along with all other site-specific and/or lease-specific information will be included in this Appendix “A”.*

April 2008

DE-RO01-08LM70XXX

## APPENDIX B

ROYALTIES

(a) At the beginning of each lease year during the term of this Lease, there shall become due and payable to the DOE an annual royalty of \$ \_\_\_\_\_. Annual royalties paid pursuant to this article shall be credited against base royalties and royalty bid payments which become payable during the term of this Lease. Annual royalties so paid shall not be refunded upon the expiration, relinquishment, or cancellation of this Lease. Additionally, annual royalty payments made during the lease term of MINING LEASE NO. AT(05-1)-ML-60.8-C-X-X that have not been applied against past production royalty payments, shall be brought forward and credited against base royalties and royalty bid payments which become payable during the term of this Lease.

(b) The Lessee agrees to pay to the DOE a base royalty, per dry ton of ore delivered from the Property to a mill or other receiving station, determined as provided in paragraph (h) of this Appendix "B", in the amount of (a) Two percent (2%) of the value per dry ton up to and including a value of Fifty Dollars (\$50.00) per dry ton, plus (b) Ten percent (10%) of the value per dry ton in excess of Fifty Dollars (\$50.00) per dry ton and up to and including One Hundred Twenty-Five Dollars (\$125.00) per dry ton, plus (c) Fourteen percent (14%) of the value per dry ton in excess of a value of One Hundred Twenty-Five Dollars (\$125.00) per dry ton.

(c) The Lessee agrees to pay to the DOE, in addition to the base royalty required to be paid pursuant to paragraph (b) of this Appendix "B", a royalty bid payment, per dry ton of ore delivered from the Property to a mill or other receiving station, in the amount of \_\_\_\_\_ percent (\_\_\_%) of the value per dry ton, determined as provided in paragraph (g) of this Appendix "B"; provided, that such royalty bid payments shall not be payable with respect to ores mined from the Property and delivered to a mill or other receiving station after royalty bid payments have been made for ores containing a total of \_\_\_\_\_ pounds of U<sub>3</sub>O<sub>8</sub> so delivered by the Lessee from the Property.

(d) Unless otherwise authorized by DOE in writing, all ores mined from the Property shall be stockpiled on the Property until such time as they are delivered to a mill or other receiving station.

(e) With respect to ores which are mined from the Property and delivered to a mill or other receiving station which is owned or controlled by the Lessee, the Lessee agrees to make base royalty and royalty bid payments, for all lots of such ore assayed or fed to process during each calendar month, within twenty (20) calendar days after the end of such calendar month. Such base royalty and royalty bid payments shall be treated as provisional payments with respect to any lot of ore for which the DOE requests an umpire assay, and an appropriate adjustment shall be made in the first base royalty and royalty bid payment following Lessee's receipt of the results of such umpire assay for such lot of ore.



April 2008

DE-RO01-08LM70XXX

(f) With respect to ores which are mined from the Property and delivered to a mill or other receiving station not owned or controlled by the Lessee, the Lessee agrees:

(1) That the DOE may receive base royalty and royalty bid payments directly from the owner or controller of the mill or other receiving station to which such ores are shipped by the Lessee if the DOE makes arrangements therefore satisfactory to the Lessee.

(2) That, in the absence of such arrangements, the Lessee shall make base royalty and royalty bid payments for all lots of such ore assayed or fed to process (includes delivery of such ore to an ore-buying station or sample plant) during each calendar month, within twenty (20) calendar days after payment for such lots is mailed to the Lessee; provided, that an appropriate extension of such twenty (20) day period shall be granted by the Realty Officer for any undue delay in the mails which causes a delay in delivery to the Lessee of payment for such lots of ore. Such base royalty and royalty bid payments shall be treated as provisional payments with respect to any lot of ore for which the DOE requests an umpire assay, and an appropriate adjustment shall be made in the first base royalty and royalty bid payment following finalization of payment to the Lessee for such ore.

(g) Payments of base royalty and royalty bid amounts due the DOE shall be deemed to have been made when received at the DOE Legacy Management Office in Grand Junction, Colorado.

(h) DOE shall establish the prices for uranium and vanadium that shall be used to calculate the fair-market value of lease tract ores. These prices shall be established on a quarterly basis, on or before the twentieth (20<sup>th</sup>) day after the end of the previous calendar quarter (in January, April, July, and October), and shall remain in effect during the calendar quarter in which they are established. DOE shall establish these prices as follows:

(1) Using an Excel spreadsheet, DOE shall monitor, record, and track the spot-market and long-term-market prices for uranium (quoted as dollars per pound  $U_3O_8$ ) as reported weekly in *U<sub>x</sub> Weekly*. The spreadsheet will then (i) automatically calculate the monthly and quarterly arithmetic average prices for uranium (both spot-market and long-term-market), and (ii) automatically calculate a quarterly weighted-average price for uranium by applying the appropriate purchase contract percentages to the respective quarterly average prices. Using this spreadsheet, DOE shall also monitor, record, and track the Total Purchased (Weighted-Average Price) for uranium as reported annually by the Energy Information Administration in Table S1b. *Weighted-Average Price of Uranium Purchased by Owners and Operators of U.S. Civilian Nuclear Power Reactors (quoted as Dollars per Pound  $U_3O_8$  Equivalent)*. The spreadsheet will then automatically calculate the arithmetic average between the quarterly weighted-average price for uranium and the Total Purchased (Weighted-Average Price) for uranium. The resulting figure is reported as the annualized quarterly weighted-average price for uranium.

(2) Using the same Excel spreadsheet, DOE shall monitor, record, and track the market price of vanadium (quoted as dollars per pound  $V_2O_5$ ) as reported twice weekly in *Metal Bulletin (Non-Ferrous Primary Metals, Noble Alloys and Ores, Vanadium pentoxide)*. The

April 2008

DE-RO01-08LM70XXX

spreadsheet will then (i) automatically calculate the monthly and quarterly arithmetic average prices for vanadium, and (ii) automatically apply an adjustment factor of one-half (0.5) to each quarterly arithmetic average price for vanadium. The resulting figure is reported as the adjusted quarterly average price for vanadium.

(3) Paragraphs (h)(1) and (h)(2) can be summarized by the following three equations:

$$U = (Q_{WA} + TP_{WA}) / 2 \quad (1)$$

where:

U = Annualized Quarterly Weighted-Average Price for Uranium

Q<sub>WA</sub> = Quarterly Weighted-Average Price for Uranium

TP<sub>WA</sub> = Total Purchased (Weighted-Average Price) for Uranium

$$Q_{WA} = Q_{SM} * P_{SM} + Q_{LTM} * P_{LTM} \quad (2)$$

where:

Q<sub>SM</sub> = Quarterly Arithmetic Average Price for the Uranium Spot Market

P<sub>SM</sub> = Purchase Contract Percentage for the Uranium Spot Market

Q<sub>LTM</sub> = Quarterly Arithmetic Average Price for the Uranium Long Term Market

P<sub>LTM</sub> = Purchase Contract Percentage for the Uranium Long Term Market

$$V = Q_{WA} * 0.5 \quad (3)$$

April 2008

DE-RO01-08LM70XXX

where:

V = Annualized Quarterly Weighted-Average Price for Vanadium

Q<sub>WA</sub> = Quarterly Weighted-Average Price for Vanadium

(i) The Lessee shall be notified of these prices (annualized quarterly weighted-average price for uranium and adjusted quarterly average price for vanadium) by formal written correspondence. The Lessee shall use these prices to calculate the fair-market value of the ore in dollars per dry ton (calculated to the nearest cent [\$0.01]), for all lots of such ore assayed during any calendar month. This fair-market value shall be determined by:

(1) Computing the number of recoverable pounds of contained U<sub>3</sub>O<sub>8</sub> and V<sub>2</sub>O<sub>5</sub> per dry ton of ore in the lots so assayed by (i) multiplying the total number of pounds of U<sub>3</sub>O<sub>8</sub> and V<sub>2</sub>O<sub>5</sub>, respectively, contained in the lots of ore so assayed during such calendar month, by factors of 0.96 and 0.79, respectively (the average milling facility's recovery rates for U<sub>3</sub>O<sub>8</sub> and V<sub>2</sub>O<sub>5</sub>, respectively, as acknowledged by DOE) and (ii) dividing each of the resulting numbers by the total number of dry tons of ore contained in the lots so assayed during such calendar month, and carrying the results to three decimal places for U<sub>3</sub>O<sub>8</sub> and two decimal places for V<sub>2</sub>O<sub>5</sub>; and

(2) Adding together the dollar amounts obtained by (i) multiplying the number of recoverable pounds of U<sub>3</sub>O<sub>8</sub> per dry ton of ore in the lots so assayed by the price per pound of U<sub>3</sub>O<sub>8</sub> established by DOE and (ii) multiplying the number of recoverable pounds of V<sub>2</sub>O<sub>5</sub> per dry ton of ore in the lots so assayed by the price per pound of V<sub>2</sub>O<sub>5</sub> established by DOE.

(j) For ores that have been mined from the Property and delivered to a mill or other receiving station, but not assayed or fed to process, the Lessee shall estimate the value of said ores using standard industry practices, and shall make base royalty and royalty bid payments to DOE equal to or greater than 95 percent (95%) of the estimated value of the base royalty and royalty bid payments due to DOE. Such base royalty and royalty bid payments shall be treated as provisional payments with respect to said ores until such time that said ores are assayed or fed to process and the final base royalty and royalty bid payments due to DOE are calculated and final base royalty and royalty bid payments are made.

(k) If price quotations for vanadium pentoxide become unavailable, the DOE and the Lessee will negotiate to establish a method of determining an appropriate market price per pound of V<sub>2</sub>O<sub>5</sub> to be used in determining that portion of the value per dry ton of ore attributable to vanadium. Pending agreement on such method, the last prices established by paragraph (h)(2) above shall be used in determining the portion of the value per dry ton of ore attributable to vanadium, for the purpose of computing royalties under this Lease. If the parties fail to reach

April 2008

DE-RO01-08LM70XXX

agreement on an applicable method, the matter shall constitute a dispute to be decided in accordance with the Article XXVII "DISPUTES" of this Lease.

(l) The parties hereto agree that if the Lessee is paid for any constituent, other than uranium or vanadium, contained in ores mined from the Property, all amounts so paid shall be held in trust by the Lessee for the DOE until the Lessee and the DOE agree upon a base royalty to be paid to the DOE with respect to Lessee's sale of such constituent.

(m) Consistent with Article XXIII "DELIVERY OF PREMISES", the Lessee agrees, that within one hundred eighty (180) days following the expiration, relinquishment, or termination of this Lease as herein provided, all royalties associated with this lease (annual royalty, base royalty, and bid royalty) shall become due and payable to the DOE. For ores that have been mined from the Property, but not assayed or fed to process, the Lessee shall estimate the value of said ores using standard industry practices, and shall make base royalty and royalty bid payments to DOE equal to or greater than 95 percent (95%) of the estimated value of the base royalty and royalty bid payments due to DOE. Such base royalty and royalty bid payments shall be treated as provisional payments with respect to said ores until such time that said ores are assayed or fed to process and the final base royalty and royalty bid payments due to DOE are calculated and final base royalty and royalty bid payments are made.

April 2008

DE-RO01-08LM70XXX

WEIGHING, SAMPLING, AND ASSAYING.

With respect to ores which are mined from the Property and delivered to a mill or other receiving station, the Lessee agrees to the following provisions:

- (a) The Lessee shall weigh, or cause to be weighed, each lot of ore delivered from the Property to its mill or other receiving station and shall furnish the DOE a record of the weight of such lot. The scales used in weighing such ore shall be balanced daily and checked once each week or more often, as appears necessary, by either standard weights or by check-weighing against another scale. Scale platforms will be kept clean and free of the sides of the pit, and the scales shall be inspected and certified every six months by the appropriate entity of the state in which the mill or receiving station is located, if such inspection is available; otherwise, a biannual inspection shall be made by a competent organization which is acceptable to both the Lessee and the DOE.
- (b) The Lessee shall sample, or cause to be sampled, each lot of ore according to standard and accepted practices in ore sampling, and such sampling shall be final and binding on both parties to this Lease. The DOE or its representative may be present at the sampling of such ore. The Lessee shall ensure that moisture determinations are made according to standard practices in ore sampling. The Lessee shall ensure that each final sample is divided into four (4) pulps, one of which shall be promptly furnished to the DOE, one of which shall be retained by the Lessee for assay purposes, and two of which shall be held in reserve by the Lessee for possible umpire analysis. The Lessee shall promptly assay, or cause to be assayed, its pulp for  $U_3O_8$  and  $V_2O_5$  content and shall transmit the assay results to the DOE, together with weight and moisture certificates for the lot sampled. For the purpose of such reporting, all assays for  $U_3O_8$  shall be adjusted to the nearest 0.001% and all assays for  $V_2O_5$  shall be adjusted to the nearest 0.01%.
- (c) The DOE may assay its pulps at its own expense. In case of disagreement with the Lessee's assay with respect to either  $U_3O_8$  or  $V_2O_5$  content, the DOE may, within 30 calendar days after receiving its pulp, mail to the Lessee a written request for an umpire assay. Upon receipt of such written request, the Lessee shall promptly submit one of the pulps held in reserve to an assayer, whom the parties hereto shall agree upon, for umpire assay. With respect to both  $U_3O_8$  and  $V_2O_5$  content, if the assay of the umpire is within the assays of the two parties, it shall be final. If not, the assay which is nearer to that of the umpire shall prevail. The party whose assay for  $U_3O_8$  is further from that of the umpire shall pay the cost of the umpire's assay. In the event that the umpire's assay for  $U_3O_8$  is equally distant from the assay of each party, the cost shall be split equally.
- (d) The quantity of ore comprising a lot, as used herein, shall be determined by the Lessee, except that no lot shall exceed one thousand (1,000) tons of ore except as otherwise agreed in writing by the Realty Officer.

April 2008

DE-RO01-08LM70XXX

## APPENDIX C

1. SPECIFIC REQUIREMENTS AND STIPULATIONS

The Lessee agrees to comply with all applicable statutes and regulations, including but not limited to the following items:

(a) Prior to resuming operations on the Property that were previously approved by DOE, the Lessee shall notify the Realty Officer in writing of its intentions to resume such operation and shall include any changes, additions, or modifications to the original plan that are now proposed. Upon receipt of such notification, the Realty Officer shall review the approved plan along with any new information provided by the Lessee and determine if additional stipulations are warranted. When all pertinent requirements are satisfied, DOE shall provide the Lessee with a written approval to proceed.

(b) All existing serviceable improvements not associated with the Lessee's operation, such as fences, gates, cattle guards, roads, trails, culverts, pipelines, bridges, and water development and control structures, authorized for use by the Lessee, shall be maintained in serviceable condition by the Lessee. Such improvements (if not owned by the Lessee) which are damaged or destroyed by the Lessee's operations shall be replaced, restored, or compensated for by the Lessee.

(c) The Lessee's operations shall not disturb public land survey corner markers or monuments or Atomic Energy Commission (AEC) survey markers without the prior written approval of the Realty Officer. Additionally, the Lessee shall pay all costs associated with the surveys required to preserve or reestablish the true point of any such marker or monument and the replacement of such marker or monument.

(d) Housing and other buildings and support facilities related to community development shall be constructed or located on the Property only upon the prior written approval of the Realty Officer. In constructing and locating such housing, other buildings, and support facilities, the Lessee shall comply with applicable county planning and zoning regulations, subdivision regulations, and mobile home regulations, and shall furnish evidence of such compliance to the Realty Officer upon request.

(e) Prior to any surface disturbing activity, the Lessee shall file a "Notice of Intent to Conduct Prospecting Operations" (Notice) or "Reclamation Permit Application" (Application), whichever is appropriate, with the Colorado Mined Land Reclamation Board (MLRB) in accordance with "Mineral Rules and Regulations" of the Colorado MLRB, as these rules may be amended. All subsequent modifications to the Notice or Application shall be addressed in accordance with the "Mineral Rules and Regulations" of the Colorado MLRB. The Lessee shall provide the Realty Officer with copies of all pertinent approval documentation including permits issued.

April 2008

DE-RO01-08LM70XXX

(f) Prior to any surface disturbing activity, the Lessee shall consult with the U.S. Department of Interior—Bureau of Land Management (BLM), the U.S. Department of Interior—Fish and Wildlife Service (USFWS), and/or the Colorado Department of Natural Resources—Division of Wildlife (CDOW), as appropriate, to determine whether threatened or endangered, or sensitive plant or wildlife species occur in the area to be disturbed or whether the agencies have other plant or wildlife concerns in the area to be disturbed. If required, the Lessee shall conduct surveys or provide other documentation to resolve this concern. The Lessee shall provide the Realty Officer with copies of all documents pertaining to this issue.

(g) Prior to any surface disturbing activity, the Lessee shall perform a cultural and historical survey of the area to be disturbed. If cultural or historical resources are found to exist, the Lessee shall consult with the State Historical Preservation Officer for the appropriate measures to be taken. If required, the Lessee shall prepare a mitigation plan to address the protection of the cultural or historical resources. The Lessee shall provide the Realty Officer with copies of all documents pertaining to this issue.

(h) Prior to any surface disturbance activity in a potential floodplain or wetland area, the Lessee shall consult with the U.S. Army Corps of Engineers, the U.S. Environmental Protection Agency, and the appropriate state agency to determine whether a jurisdictional floodplain or wetland exists in the area to be disturbed. If required, the Lessee shall prepare a Floodplain/Wetlands Assessment that proposes mitigation measures to be taken to resolve this concern. The Lessee shall provide the Realty Officer with copies of all documents pertaining to this issue.

(i) The Lessee shall use existing roads where practicable, and shall conduct activities employing wheel or track vehicles in such a manner as to minimize surface damage. The Lessee shall wash all tracked vehicles or equipment prior to their being mobilized to the Property. The Lessee shall promptly repair any road damage resulting from the Lessee's operations, restoring such road to its previous condition or to a condition acceptable to the Realty Officer. Where existing access roads across the Property are used principally by the Lessee, the Lessee shall construct surface-water control and drainage structures (culverts, water bars, or grade dips) on such roads to minimize erosion. Plans for such structures shall be included in all Exploration Plans and Mining Plans submitted to the Realty Officer pursuant to Articles XII "EXPLORATION PLAN" and XIII "MINING PLAN" hereof, respectively. The Lessee shall construct new roads and trails on the Property only at locations and to specifications approved in advance in writing by the Realty Officer or an authorized representative of the Realty Officer, and shall construct and maintain such roads and trails in a manner that will minimize channeling and other erosion. The Realty Officer's approval of plans for new access road construction, culverts, water bars, or grade dips will be guided by standards established by BLM or the U.S. Department of Agriculture—Forest Service (USFS), where appropriate.

(j) The Lessee shall conduct all operations so as to protect all natural resources and the environment including streams, lakes, ponds, waterholes, seeps, and marshes, and protect fish and wildlife resources as required by applicable laws and regulations. The Lessee shall control all mine wastes, contaminants and pollutants, and sediments associated with stormwater runoff in

April 2008

DE-RO01-08LM70XXX

accordance with existing regulations, and shall comply with all environmental regulations regarding discharge into, or degradation of water resources including streams, springs, stock waters, or groundwater. The Lessee shall not use water from any water source without the written consent of the person having the rights to the use of such water source.

(k) Lessee shall keep the clearing of timber, stumps and snags, and any ground cover to a minimum consistent with the conduct of exploration, development, and mining activities approved hereunder. The Lessee shall abide by any restrictions concerning the bulk removal of vegetation (primarily piñon pine) that are established by the Realty Officer. The Lessee shall use due care to avoid scarring or removal of vegetative ground cover in areas not involved in such operations. Open parks (areas where there is a grass, shrub, and/or sagebrush cover) shall be disturbed as little as possible. If the shrub or brush cover is too high and must be cleared, it shall be cleared at or above ground level. The Lessee shall return all disturbed areas to their original condition or a condition acceptable to the Realty Officer promptly after damage to such areas has occurred and operations under this Lease are no longer being conducted in the disturbed areas.

(l) The Lessee agrees that all underground mine openings shall be supported by pillars, timber, or other ground support devices approved by the Federal or state agencies having jurisdiction over such underground workings. The Lessee further agrees, during the term of this Lease, to substantially fence or permanently close all mine openings/portals, subsidence holes, surface excavations, or other workings resulting from the Lessee's operation that may be considered hazardous to human health or the environment. Such protective measures shall be maintained in a proper and safe condition during the term of this Lease. Prior to abandoning operations, the Lessee shall submit a mine-site reclamation plan to the Realty Officer for approval. Such plan shall include the proposed method(s) of permanent closure for all mine openings/portals including shafts, adits, inclines/declines, ventilation shafts, and water discharge points. No underground workings or any part thereof shall be permanently abandoned and rendered inaccessible without the prior written approval of the Realty Officer. All mine-site reclamation shall be performed to the satisfaction of the Realty Officer in accordance with the approved reclamation plan

(m) Surface drill holes and associated disturbances resulting from exploration or development activities shall be abandoned in accordance with existing regulations and in a manner that will protect the surface. All disturbed areas identified by the Lessee as not being needed for future operational activities shall be promptly reclaimed by the Lessee. The Realty Officer, by written notice to the Lessee, shall designate any other areas where reclamation must be undertaken as a result of disturbances caused by the Lessee's operations.

(n) If antiquities or other objects of historic or scientific interest, including but not limited to historic or prehistoric features or ruins, artifacts, or vertebrate fossils are discovered by the Lessee in the performance of operations under this Lease, the Lessee shall cease operations in the vicinity of such discovery and immediately take appropriate steps to protect and save such objects of historic or scientific interest and shall notify the Realty Officer of such discovery. The Realty Officer shall assess the values involved and prescribe such protective measures as deemed necessary.



April 2008

DE-RO01-08LM70XXX

(o) The Lessee shall make every effort to prevent, control, or suppress any fire in the operating area and to report any uncontrolled fire to the appropriate BLM or USFS official, as designated by the Realty Officer.

(p) The Lessee shall provide detailed haul route information to the Realty Officer for review prior to commencement of any haul activities. The haul route information shall include, at a minimum, expected routes from the mine site to the proposed mill or other facility accepting material from the mine, expected number of trucks per day, size and approximate weights of the ore being shipped, and expected production rates and mining life timeframes. It is expected that the Lessee will utilize only the specified routing. The lessee shall notify the Realty Officer of any significant changes to the haul route plan.

(q) The Lessee shall comply with Colorado State Access Code Section 43-2-147(4), C.R.S., and Section 24-4-103., C.R.S., effective 8/31/98. Pursuant to said code, the Lessee may be required to participate in a Highway Access Pre-Consultation meeting with DOE and the Colorado Department of Transportation after the completion and submittal to DOE of the approved permit from the Colorado MLRB. The details provided within the Mining Plan and permit, and the information provided under paragraph (p) above shall be used to determine the need for the Pre-Consultation meeting and to determine the potential impacts to county and state roads, highways and intersections from the Lessee's operations, and any resulting mitigation requirements from these impacts. Any revisions or amendments to the permit, or any conversion from one permit type to another approved by the Colorado MLRB shall also be provided to the Realty Officer. The permit revision, modification or conversion may be used to determine any additional impacts to the county roads or state highways from the Lessee's operations, and any resulting mitigation requirements from these additional impacts. Access permits required under this requirement shall be provided to the Realty Officer.

(r) The Lessee shall attend and participate in meetings between DOE and other Federal, state, and local agencies, as required.

(s) Prior to entry into any existing lease tract mines or mine workings (or the resumption of mining operations therein), where mitigative measures have been previously undertaken to conserve potentially critical habitat for BLM-listed sensitive bat species, the Lessee shall consult with BLM and CDOW to mitigate the impacts of the Lessee's activities to the references bat species.

April 2008

DE-RO01-08LM70XXX

## 2. EXPLORATION PLAN FORMAT

It is not DOE's intent to require the Lessee to prepare multiple documents for submittal to the appropriate agencies for review and approval. Consequently, at the Lessee's discretion, a copy of the "Notice of Intent to Conduct Prospecting Operations" filed with the Colorado MLRB may be submitted to DOE for review and approval. That document will meet DOE's requirement for submittal of an Exploration Plan providing it contains, at a minimum, the following information:

- a. Map showing general area to be explored
  1. Tentative location of drill holes or other exploration activity
  2. Location of roads (existing and proposed)
- b. Approximate starting date and duration of drilling
- c. Drilling information
  1. Type of drilling and/or other exploration equipment
  2. Size of hole and core, if any, to be recovered
  3. Type of logging
  4. Target horizon and depth
- d. Road construction necessary for exploration
  1. Location of roads and drill sites
  2. Measures to be taken for erosion control
- e. Abandonment
  1. Procedures for plugging drill holes including the disposition of drill hole cuttings
  2. Surface restoration (grading, revegetation, erosion control measures, etc.)
- f. Provisions made to conform with existing state and federal regulations regarding control of fire, pollution of water and air, protection of other natural resources, and public health and safety, both during and upon abandonment of exploration activities
- g. Specific measures to be taken to assure compliance with environmental and surface use stipulations of this Lease including the preparation of a site-specific environmental document that assures compliance with NEPA and other environmental regulations.

April 2008

DE-RO01-08LM70XXX

### 3. MINING PLAN FORMAT

It is not DOE's intent to require the Lessee to prepare multiple documents for submittal to the appropriate agencies for review and approval. Consequently, at the Lessee's discretion, a copy of the "Reclamation Permit Application" filed with the Colorado MLRB may be submitted to DOE for review and approval. That document will meet DOE's requirement for submittal of a Mining Plan providing it contains, at a minimum, the following information:

- a. Map showing location of:
  1. Ore body and proposed entry
  2. Any new roads required
  3. Mine plant and associated structures and facilities
  4. Waste dumps and ore storage areas
- b. Mining
  1. Initial development plans
    - A. Type of entry and haulage method proposed
    - B. Stoping method
    - C. Estimated rate of daily ore production and mine-life expectations
    - D. Provisions to handle mine water
  2. Proposed ventilation and radiation control methods
- c. Surface Plant
  1. Buildings, utility lines, and storage/stockpile areas
  2. Sewage and refuse disposal
  3. Compliance with any applicable county planning and zoning regulations
  4. Compliance with EPA stormwater discharge regulations
- d. Surface restoration plans
  1. Topsoil removal and storage
  2. Grading and backfilling

April 2008

DE-RO01-08LM70XXX

3. Control of stormwater runoff
  4. Revegetation (if required)
- e. Abandonment
1. Permanent closure of all mine openings/portals resulting from, or utilized during, the Lessee's operations.
  2. Removal of structures and associated features
  3. Disposition of mine wastes (contouring, leveling, use for backfill, etc.)
- f. Provisions made to conform with existing state and federal regulations regarding control of fire, pollution of water and air, protection of other natural resources, and public health and safety, both during and upon abandonment of mining activities.
- g. Specific measures to be taken to assure compliance with environmental and surface use stipulations of the Lease including the preparation of a site-specific environmental document that assures compliance with NEPA and other environmental regulations.

June 2008

DE-RO01-08LM70XXX

## URANIUM MINING LEASE

## UNITED STATES DEPARTMENT OF ENERGY

THIS LEASE AGREEMENT, effective as of this \_\_\_ day of \_\_\_\_\_, 2008, by and between the UNITED STATES OF AMERICA (hereinafter "Government"), represented by the UNITED STATES DEPARTMENT OF ENERGY (hereinafter "DOE"), whose principal place of business for the purpose of this Lease is 2597 B <sup>3</sup>/<sub>4</sub> Road, Grand Junction, Colorado 81503 and \_\_\_\_\_ whose principal place of business for the purpose of this Lease is \_\_\_\_\_ (hereinafter "Lessee"):

## WITNESSETH THAT:

DOE represents that it is in possession of certain Government owned uranium mining property in Montrose County, Colorado, more particularly described as Lease Tract C-X-X in Appendix "A" which is attached hereto and hereby made a part this Agreement (the "Property").

DOE desires that said Property be explored, developed, and operated for the production of uranium-bearing ores.

This Lease is authorized by Section 67 of the Atomic Energy Act of 1954, as amended, and is issued pursuant to the provisions of the DOE's regulations governing the issuance of leases for mining deposits of uranium in lands held by the DOE (10 CFR Part 760).

NOW, THEREFORE, the parties do hereby agree as follows:

I. GRANT OF LEASE.

For considerations hereinafter stated and performance by the Lessee of the terms and conditions hereinafter provided, the DOE does hereby lease to the Lessee, for the purposes of exploring for, developing, mining, and removing deposits of uranium, vanadium, and associated minerals, the Property described in Appendix "A", which is attached hereto and hereby made a part hereof, subject to the terms and conditions hereinafter set forth. The rights hereby granted are limited to exploration, development, mining, and removal of ore from within the vertical planes of the boundary lines of the Property, and the Lessee shall have no right hereunder to extend its workings beyond such vertical planes. Access to the Property is not guaranteed by the Government. The Lessee shall be responsible for securing such access.

II. TERM. This Lease shall remain in effect for a period of ten (10) years from the aforementioned effective date, except as it may be sooner relinquished or cancelled pursuant to other provisions of this Lease. Near the end of that 10-year period, DOE will re-evaluate the leasing program to determine if the leases/leasing program should continue.

June 2008

DE-RO01-08LM70XXX

III. DEFINITIONS. As used herein:

(a) The term “Government” means the Government of the United States of America, including its authorized representatives associated with the Uranium Leasing Program.

(b) The term “DOE” means the United States Department of Energy, or duly authorized representatives thereof, including the Realty Officer except for the purpose of deciding an appeal under Article XXVII “DISPUTES”.

(c) The term “Realty Officer” means a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the Realty Officer acting within the limits of their authority as delegated by the Realty Officer.

(d) The term “associated minerals” means any minerals, other than the minerals covered by this Lease, which are (i) so intermingled with the deposits of the mineral or minerals for which this Lease is issued that separate development is, in the opinion of the Realty Officer, not warranted for mining or for economic reasons, or (ii) of such poor quality and in such small quantity that separate development is, in the opinion of the Realty Officer, undesirable for mining or for economic reasons.

(e) The term “applicable statutes and regulations” means all applicable Federal, state, and local statutes, rules, regulations, and standards as they may be amended or replaced from time to time. These statutes include but are not limited to, those relating to mine safety; radiation; air, water, and land pollution; disposal of liquid and solid waste; and workmen's and unemployment compensation.

(f) The term “Exploration Plan” as described in Article XII “EXPLORATION PLAN” and Appendix “C” means a plan of activity proposed by the Lessee for the purpose of conducting approved operations to explore, test, or prospect for minerals covered by this Lease.

(g) The term “Mining Plan” as referenced in Article XIII “MINING PLAN” and Appendix “C” means a plan of activity proposed by the Lessee for the purpose of conducting surface and underground operations to develop or extract the minerals covered by this Lease.

(h) Article “Titles and Headings” as used throughout this Lease are inserted for convenience only, and shall not be deemed to be a part of this Lease or considered in construing this Lease.

IV. GENERAL PERFORMANCE REQUIREMENT. The Lessee shall conduct all activities in accordance with the terms and conditions of this Lease and with those in 10 CFR Part 760. Furthermore, the Lessee shall conduct exploration, development, and mining activities on the Property with all reasonable diligence, skill, and care, as is required to systematically advance lease operations toward, and ultimately achieve and maintain, production of uranium ore consistent with good and safe mining practice, and in accordance with market conditions.

June 2008

DE-RO01-08LM70XXX

Reasonable diligence shall be assessed by the Realty Officer at his sole discretion on the basis of the Lessee's ongoing lease activities or the lack thereof. Site permitting activities and the performance of cultural resource surveys and/or threatened and endangered species surveys shall be accepted by the Realty Officer as evidence supporting reasonable diligence.

V. ROYALTIES. The Lessee shall pay or cause to be paid, as directed by the DOE, the royalties specified in Appendix "B", which is attached hereto and hereby made a part hereof, at the rates and in the manner set forth therein.

VI. INTEREST ON OVERDUE PAYMENTS — FORFEITURE FOR NON-PAYMENT.

(a) All amounts that become payable by the Lessee to the Government under this Lease shall bear simple interest from the date due until paid unless paid within thirty (30) days of becoming due. The interest rate shall be established by DOE (on a quarterly basis as required) as the Federal Short-Term Rate (applied to and applicable to the calendar quarter in which the amount becomes due) plus three (3) percent. The Federal Short-Term Rate is the rate published monthly by the Internal Revenue Service pursuant to Section 1274(d) of the Internal Revenue Code. Additional interest shall be assessed for each subsequent calendar quarter until the amount is paid.

(b) Amounts shall be due at the earlier of the following dates:

- (1) The date fixed under this Lease.
- (2) The date of the first written demand for payment consistent with this Lease, including any demand resulting from a default cancellation.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this Article VI, and irrespective of interest payments made by the Lessee to DOE pursuant thereto, the Realty Officer, in his sole discretion, may cancel this Lease for failure by the Lessee to pay the entire principle amount of any annual royalty, base royalty, or bid royalty within sixty (60) calendar days after payment thereof is due from the Lessee to the DOE under the terms of this Lease. Such cancellation shall be effective upon Lessee's receipt of a written notice thereof from the Realty Officer. Failure of DOE to exercise its right to cancel shall not be deemed to be a waiver thereof.

VII. USE OF SURFACE.

(a) Subject to the other provisions of this Lease, the rights granted to the Lessee herein include the right to use so much of the surface of the Property as is required for the exploration for, and development, mining, and removal of ore, including the right to erect such buildings and other structures and install such machinery and other facilities as may be required for such operations; provided, that the Lessee shall recognize existing uses and commitments in the form of grazing, timbering, Bureau of Land Management special use permits, and public recreation, and improvements such as water developments, ditches, roads, trails, pipelines, telephone,

June 2008

DE-RO01-08LM70XXX

telegraph, and power lines, fences, and rights-of-way; and Lessee shall conduct its operations so as to interfere as little as possible with such existing uses and improvements.

(b) The Property shall at all times be subject to other lawful uses heretofore or hereafter granted by the Government, through any authorized agency; provided, that such uses shall not prevent, obstruct, or unduly interfere with any right granted under this Lease.

VIII. LEASES FOR OTHER MINERALS. The granting of this Lease shall not preclude the issuance by the Government of other leases of the Property for the purposes of mining and extracting oil, gas, oil shale, coal, phosphate, potassium, sodium, sulphur, or other minerals which are or may in the future be leasable pursuant to Federal mineral leasing laws; provided, that any such leases hereafter issued shall provide that operations under such leases shall not prevent, obstruct, or unduly interfere with any right granted under this Lease.

IX. USE OF SALABLE MINERALS. No salable minerals, such as sand, gravel, or stone, found on the Property shall be used by the Lessee in its operations unless such salable minerals have been purchased from the Government under the provisions of the Materials Act of July 31, 1947, 30 U.S.C. 601, as amended, or from the owner of such salable minerals if other than the Government.

X. SECURITY AND SAFETY. The Lessee shall secure and post all areas that might reasonably be considered hazardous to the general public, including, but not limited to ore stockpile areas, loading areas, mining openings, and mine-rock waste piles, in accordance with all applicable statutes and regulations and specific requirements and stipulations set forth in Appendix "C". If necessary, the Lessee agrees to construct fences or other barriers around the perimeter of safety-hazard areas to minimize the potential for intrusion by humans, livestock, and wildlife. Radioactive materials exposed by the Lessee's operation shall be managed to ensure that the exposure of humans and ecosystems is as low as reasonably achievable.

XI. ENVIRONMENTAL REQUIREMENTS. The Lessee, at the Lessee's expense, shall comply with all applicable statutes and regulations and abide by the specific requirements and stipulations set forth in Appendix "C", which is attached hereto and hereby made a part hereof.

XII. EXPLORATION PLAN.

(a) Prior to commencing any surface-disturbing operations to explore, test, or prospect for minerals covered by this Lease, the Lessee shall file with the Realty Officer three (3) copies of a plan for the proposed exploration activities and shall obtain the Realty Officer's approval of such plan. The Exploration Plan shall be consistent with the "Notice of Intent to Conduct Prospecting Operations" (hereinafter "Notice") to be filed with the Colorado Mined Land Reclamation Board (hereinafter MLRB) in accordance with "Rule 5" of the "Mineral Rules and Regulations" of the Colorado MLRB, as these rules may be amended. The Exploration Plan shall include all information required by the "Notice", and in addition, must specifically include the following information:



June 2008

DE-RO01-08LM70XXX

- (1) A site-specific environmental analysis;
- (2) A description of specific measures to be taken to assure compliance with the requirements of Article XI “ENVIRONMENTAL REQUIREMENTS”, including methods of reclamation contemplated by the Lessee; and
- (3) The specific information outlined in Appendix “C” of this Lease.

(b) All Exploration Plans submitted to the Realty Officer pursuant to this Article XII and all proposed activities contained therein shall be reviewed by DOE in accordance with 10 CFR Part 1021 “National Environmental Policy Act Implementing Procedures”.

(c) If preparation and filing of an Exploration Plan for the entire operation is dependent upon factors which cannot or will not be determined except during the progress of exploration activities, partial plans may be submitted and approved from time to time; provided however, that the Lessee shall not perform exploration activities not described in an approved plan.

(d) Changes may be made in the approved Exploration Plan by mutual written agreement of the Lessee and the Realty Officer. Approval is contingent upon the Lessee notifying all other appropriate agencies (as outlined in Appendix “C”) of the proposed changes.

### XIII. MINING PLAN.

(a) Prior to constructing any surface installation or commencing mine development on the Property, the Lessee shall file with the Realty Officer three (3) copies of a plan for the proposed mining operations and shall obtain the Realty Officer’s approval of such plan. Such mining plan shall be consistent with the “Reclamation Permit Application” (hereinafter “Application”) to be filed with the Colorado MLRB in accordance with “Rule 1.4” and “Rule 6” of the “Mineral Rules and Regulations” of the Colorado MLRB, as these rules may be amended. The Mining Plan shall include all information required by the “Application”, and in addition, must specifically include the following information:

- (1) A site-specific environmental analysis;
- (2) A description of specific measures to be taken to assure compliance with the requirements of Article XI “ENVIRONMENTAL REQUIREMENTS”, including methods of reclamation contemplated by the Lessee; and
- (3) The specific information outlined in Appendix “C” of this Lease.

(b) All Mining Plans submitted to the Realty Officer pursuant to this Article XIII and all proposed activities contained therein shall be reviewed by DOE in accordance with 10 CFR Part 1021 “National Environmental Policy Act Implementing Procedures”.

June 2008

DE-RO01-08LM70XXX

(c) If preparation and filing of a Mining Plan for the entire operation is dependent on factors which cannot or will not be determined except during the progress of mining activities, a partial plan may be submitted and approved from time to time; provided however, that the Lessee shall not perform mining activities not described in an approved plan.

(d) Changes may be made in the approved Mining Plan by mutual written agreement of the Lessee and the Realty Officer. Approval is contingent upon the Lessee notifying all other appropriate agencies (as outlined in Appendix "C") of the proposed changes.

#### XIV. PERFORMANCE BOND.

(a) Upon approval of an Exploration Plan or Mining Plan, and prior to commencing any surface-disturbing operations, the Lessee shall be required to file a suitable performance bond of not less than \$ \_\_\_\_\_ with satisfactory surety, payable to the United States Department of Energy, and the bond shall be conditioned upon the faithful compliance with all applicable statutes and regulations, the terms and conditions of this Lease, and any Exploration Plans and Mining Plans, including amendments and supplements thereto, which have been approved by the Realty Officer.

(b) The Realty Officer shall set the amount of the initial bond and may, from time to time, require an increase or allow a decrease in the amount of the bond, as in his judgment the circumstances may require. In determining the amount of the bond, the Realty Officer shall take into consideration all applicable statutes and regulations and the character and nature of the reclamation requirements of the Lease, including the requirements of any approved Exploration Plans and Mining Plans and partial or supplementary plans, and the estimated costs of such reclamation.

(c) The Lessee and his sureties shall be liable for any damage to the Government resulting from the Lessee's failure to complete any work required upon the expiration, relinquishment, or cancellation of this Lease.

XV. INSPECTION. The DOE reserves the right, through its officers, employees, agents, and contractors, to enter upon the Property and into all parts of any of Lessee's mines therein at all reasonable times for inspection and other purposes subject to the Lessee's standard operating procedures.

XVI. GOOD FAITH NEGOTIATIONS. At the request of the Realty Officer, the Lessee will negotiate in good faith with the DOE to reach an agreement under which the Lessee, for appropriate compensation, would correct undesirable conditions existing on the Property as a result of pre-1974 mining activities and such other conditions that may be identified from time to time by the Realty Officer. If for any reason, the Lessee is unable to perform the work required to correct such conditions in a timely manner, DOE reserves the right to contract with another entity to enter upon the Property and perform said work.

June 2008

DE-RO01-08LM70XXX

### XVII. INDEMNIFICATION OF GOVERNMENT.

(a) The Government, including its employees, all tiers of contractors, agents, and authorized representatives shall not be responsible for any mechanics' or miners' liens or other liens, encumbrances, or liabilities incurred by the Lessee in connection with the operation of the Property. The Lessee assumes all responsibility for and will hold the Government harmless from any and all claims and liability of any nature arising from the operation or occupancy of the Property.

(b) The Lessee agrees to protect and indemnify the Government against any payroll taxes or contributions imposed with respect to any employee of the Lessee by any applicable law dealing with old age pensions, unemployment compensation, accident compensation, health insurance and related subjects. The Lessee also agrees, at its own cost and expense, to insure to each person employed in, about, or upon the Property the compensation provided for by law with respect to workmen's compensation and employer's liability insurance, properly safeguarding the Government, including its employees, all tiers of contractors, agents, and authorized representatives, against liability for injuries to persons, including injuries resulting in death, and loss of and damage to property in policies and amounts acceptable to the DOE and to furnish to the DOE written evidence of such insurance.

### XVIII. REPORTING REQUIREMENTS.

(a) The Lessee shall provide the Realty Officer with copies of all permits and correspondence from local, state, or other Federal agencies or entities which pertain to the Lessee's activities on the Property.

(b) The Lessee shall provide to the Realty Officer, within twenty calendar days after the end of each month, an accurate record of the tonnage and U<sub>3</sub>O<sub>8</sub> and V<sub>2</sub>O<sub>5</sub> grades of each lot of ore delivered from the Property to a mill, buying station, or other purchaser during the previous month, including copies of all settlement sheets furnished to the Lessee for ores so delivered.

(c) The Lessee shall provide to the Realty Officer as soon as practicable after the end of each calendar quarter, the following documents, records, and/or maps:

- (1) A formal (written and signed) summary of all activities conducted on the Property during such calendar quarter that, among other things, documents the Lessee's reasonable diligence required by Article IV "GENERAL PERFORMANCE REQUIREMENT".
- (2) A map or maps showing the location of all exploration holes drilled on the Property during such calendar quarter, together with copies of any logs and assay records applicable to such drill holes.

June 2008

DE-RO01-08LM70XXX

- (3) A mine map or maps showing the progress of mining on the Property as of the end of such calendar quarter.
- (4) Lessee's estimate of the tonnage and U<sub>3</sub>O<sub>8</sub> and V<sub>2</sub>O<sub>5</sub> grades of all ores stockpiled on the Property as of the end of such calendar quarter.
- (5) If no activity occurs on the Property during a calendar quarter, a letter submitted to the Realty Officer stating that no activity has occurred shall satisfy this reporting requirement.

(d) The Lessee further agrees to provide to the Realty Officer the results of any inspections of Lessee's mines or other facilities located on the Property, conducted by personnel of local, state, or other Federal agencies under applicable statutes and regulations. Furthermore, the Lessee agrees to notify the Realty Officer of any planned or scheduled inspections to be performed by local, state, or other federal agencies as soon as such schedule is known so that the Realty Officer may participate in said inspection if so desired.

(e) The Lessee is hereby notified that information obtained by DOE from the Lessee under this section shall be subject to the provisions of the Freedom of Information Act (5 U.S.C. 552).

XIX. TAXES. The Lessee agrees to pay when due all taxes lawfully assessed and levied pursuant to state or Federal law upon improvements, output of mines, and other interests, property, and assets of the Lessee in or upon the Property.

XX. ASSIGNMENT. The Lessee agrees that no transfer of this lease, or of any interest therein or claim thereunder, by assignment shall occur within the first 30-month period of this lease. Additionally, no transfer of this lease, or of any interest therein or claim thereunder, by assignment, sublease, operating agreement, or otherwise, shall occur unless and until approved in writing by the Realty Officer.

XXI. RELINQUISHMENT OF LEASE. This Lease may be surrendered by the Lessee upon the Lessee's filing with the DOE, and the Realty Officer's approval of, a written application for relinquishment. Approval of the application shall be contingent upon the delivery of the Property to the DOE in a condition satisfactory to the Realty Officer, in accordance with the terms of this Lease, and upon the continued liability of the Lessee to make payment of all royalty and other debts theretofore accrued and due the DOE.

XXII. CANCELLATION OF LEASE. DOE may cancel this Lease if the Realty Officer determines that the Lessee has failed to comply with any provision of this Lease including reasonable diligence. Failure of DOE to exercise its rights to cancel shall not be deemed to be a waiver thereof.

XXIII. DELIVERY OF PREMISES. At the expiration of this Lease, or upon its earlier relinquishment or cancellation as herein provided, the Lessee shall, within one hundred eighty

June 2008

DE-RO01-08LM70XXX

(180) days or other period mutually agreed to by the Lessee and Realty Officer, surrender the Property in a condition satisfactory to the Realty Officer, and shall, unless otherwise directed by the Realty Officer in writing, remove from the Property at Lessee's expense all structures, machinery, equipment, tools, and improvements placed thereon by the Lessee; provided, that the Lessee shall not remove any timbers or improvements which are determined by the Realty Officer to be required to be left in the mine workings to protect such workings as a mining property. Furthermore, prior to the surrender of the Property, the Lessee shall remove from the Property at Lessee's expense all stockpiles of ore and/or protore materials placed thereon by the Lessee and remit the required royalties to DOE in accordance with Article V "ROYALTIES" and Appendix "B". Otherwise, the Lessee shall at the Lessee's expense return all stockpiles of ore and/or protore materials to a suitable location within the underground mine workings on the Property or other location on the Property as designated by the Realty Officer.

#### XXIV. EXAMINATION OF RECORDS.

(a) The DOE and the Comptroller General of the United States or duly authorized representatives of either shall, until three (3) years after final payment under this Lease, have access to and the right to examine any of the Lessee's directly pertinent books, documents, papers, or other records involving transactions related to this Lease. The Lessee shall make these records and documents available to the Government, at the Lessee's offices, at all reasonable times, without any charge.

(b) The Lessee agrees to include in first-tier subcontracts under this Lease a clause to the effect that the DOE or the Comptroller General or duly authorized representatives of either shall, until three (3) years after final payment under the subcontract, have access to and the right to examine any of the subcontractor's directly pertinent books, documents, papers, or other records involving transactions related to the subcontract.

(c) The periods of access and examination in paragraphs (a) and (b) above for records relating to (1) appeals under Article XXVII "DISPUTES", (2) litigation or settlement of claims arising from the performance of this Lease, or (3) costs and expenses of this Lease to which the DOE or the Comptroller General or duly authorized representatives of either has taken exception shall continue until such appeals, litigation, claims, or exceptions are disposed of.

XXV. OFFICIALS NOT TO BENEFIT. No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this Lease, or to any benefit arising from it. However, this clause does not apply to this Lease to the extent that this Lease is made with a corporation for the corporation's general benefit.

XXVI. COVENANT AGAINST CONTINGENT FEES. The Lessee warrants that no person or selling agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Lessee for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to cancel this Lease without liability, or in its

June 2008

DE-RO01-08LM70XXX

discretion to require the Lessee to pay to DOE the full amount of such commission, percentage, brokerage, or contingent fee.

XXVII. DISPUTES.

(a) Except as otherwise provided in this Lease, any dispute concerning a question of fact arising under this Lease which is not disposed of by agreement shall be decided by the Realty Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Lessee. The decision of the Realty Officer shall be final and conclusive unless within 30 days from the date of receipt of such copy, the Lessee mails or otherwise furnishes to the Realty Officer a written appeal addressed to the DOE. The decision of the DOE for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Lessee shall be afforded an opportunity to be heard, and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Lessee shall abide by the Realty Officer's decision.

(b) The provisions of paragraph (a) above does not preclude consideration of questions of law; provided, that nothing in this Lease shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

XXVIII. HEIRS AND SUCCESSORS-IN-INTEREST. Each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

XXIX. MEMORANDUM FOR RECORDING. If the Lessee so requests, the parties agree to execute a mutually agreeable written memorandum of even date herewith sufficient to be entitled to be recorded under the laws of the State of Colorado, reciting that all of their right, title, and interest in and to the Property is held subject to this Lease, and that DOE has reserved the royalties described in this Lease, which memorandum Lessee may place of record in the appropriate County. Upon termination of this lease, lessee agrees to execute documentation, which will also be recorded appropriately, showing the lease has terminated.

XXX. NOTICE. Any notice, election, report, or other correspondence ("Documents") required or permitted hereunder shall be in writing and shall be addressed to the party to whom directed as follows:

(a) If to Lessee:

Company Name

Address (for US Mail and parcel delivery)

City, State, Zip Code

June 2008

DE-RO01-08LM70XXX

Attention:

Telephone:

Facsimile:

(b) If to DOE:

U.S. Department Of Energy

11025 Dover Street, Suite 1000

Westminster, CO 80021-5573

Attention: Steven R. Schiesswohl, Realty Officer

Telephone: (720) 377-9683

Facsimile: (720) 377-3829

Time-sensitive Documents shall be (i) sent by registered or certified United States mail, postage prepaid, return receipt requested; (ii) sent by a reputable overnight courier, or (iii) sent by facsimile transmission with confirmation of receipt. All other Documents can be delivered or sent as indicated above, or may be sent by regular United States mail.

Either party may, from time to time, change its address for the delivery of future documents hereunder by notice in accordance with this Section XXX. Except as provided for royalty payments in Appendix "B" paragraph (g), all documents generated in accordance with this Lease shall be deemed complete and effective on the date that the document was issued.

XXXI. SURVIVAL. The following shall survive termination of this Lease: Articles V, VII (a), X, XI, XIV, XV, XVII, XVIII, XIX, XXII, XXIII, XXIV, and XXX and the Appendices.

June 2008

DE-RO01-08LM70XXX

IN WITNESS WHEREOF, the parties hereto have executed this Lease, effective as of the date first above written, intending to be legally bound thereby.

UNITED STATES OF AMERICA  
UNITED STATES DEPARTMENT OF ENERGY \_\_\_\_\_ (LESSEE)

By _____	By _____
Title <u>Realty Officer</u>	Title _____
Date _____	Date _____



June 2008

DE-RO01-08LM70XXX

APPENDIX A

DESCRIPTION OF LEASED PROPERTY

The leased Property described herein was referred to as “MINING LEASE NO. AT(05-1)-ML-60.8-C-X-X” during the period from 1974 to the enactment of this Lease.

*Lease-specific legal description will be inserted here.*

June 2008

DE-RO01-08LM70XXX

## APPENDIX B

ROYALTIES

(a) At the beginning of each lease year during the term of this Lease, there shall become due and payable to the DOE an annual royalty of \$ \_\_\_\_\_. Annual royalties paid pursuant to this article shall be credited against royalty bid payments which become payable during the term of this Lease. Annual royalties so paid shall not be refunded upon the expiration, relinquishment, or cancellation of this Lease.

(b) The Lessee agrees to pay to the DOE a royalty bid payment, per dry ton of ore delivered from the Property to a mill or other receiving station, in the amount of \_\_\_\_\_ percent (\_\_\_\_%) of the value per dry ton, determined as provided in paragraph (g) of this Appendix "B". This royalty shall apply to all ores produced from the Property during the term of this Lease.

(c) Unless otherwise authorized by DOE in writing, all ores mined from the Property shall be stockpiled on the Property until such time as they are delivered to a mill or other receiving station.

(d) With respect to ores which are mined from the Property and delivered to a mill or other receiving station which is owned or controlled by the Lessee, the Lessee agrees to make royalty bid payments, for all lots of such ore assayed or fed to process during each calendar month, within twenty (20) calendar days after the end of such calendar month. Such royalty bid payments shall be treated as provisional payments with respect to any lot of ore for which the DOE requests an umpire assay, and an appropriate adjustment shall be made in the first royalty bid payment following Lessee's receipt of the results of such umpire assay for such lot of ore.

(e) With respect to ores which are mined from the Property and delivered to a mill or other receiving station not owned or controlled by the Lessee, the Lessee agrees:

(1) That the DOE may receive royalty bid payments directly from the owner or controller of the mill or other receiving station to which such ores are shipped by the Lessee if the DOE makes arrangements therefore satisfactory to the Lessee.

(2) That, in the absence of such arrangements, the Lessee shall make royalty bid payments for all lots of such ore assayed or fed to process (includes delivery of such ore to an ore-buying station or sample plant) during each calendar month, within twenty (20) calendar days after payment for such lots is mailed to the Lessee; provided, that an appropriate extension of such twenty (20) day period shall be granted by the Realty Officer for any undue delay in the mails which causes a delay in delivery to the Lessee of payment for such lots of ore. Such royalty bid payments shall be treated as provisional payments with respect to any lot of ore for which DOE requests an umpire assay, and an appropriate adjustment shall be made in the first royalty bid payment following finalization of payment to the Lessee for such ore.

June 2008

DE-RO01-08LM70XXX

(f) Royalty bid payments due the DOE shall be deemed to have been made when received at the DOE Legacy Management Office in Grand Junction, Colorado.

(g) DOE shall establish the prices for uranium and vanadium that shall be used to calculate the fair-market value of lease tract ores. These prices shall be established on a quarterly basis, on or before the twentieth (20<sup>th</sup>) day after the end of the previous calendar quarter (in January, April, July, and October), and shall remain in effect during the calendar quarter in which they are established. DOE shall establish these prices as follows:

(1) Using an electronic spreadsheet, DOE shall monitor, record, and track the spot-market and long-term-market prices for uranium (quoted as dollars per pound  $U_3O_8$ ) as reported weekly in *U<sub>x</sub> Weekly*. The spreadsheet will then (i) automatically calculate the monthly and quarterly arithmetic average prices for uranium (both spot-market and long-term-market), and (ii) automatically calculate a quarterly weighted-average price for uranium by applying the appropriate purchase contract percentages to the respective quarterly average prices. Using this spreadsheet, DOE shall also monitor, record, and track the Total Purchased (Weighted-Average Price) for uranium as reported annually by the Energy Information Administration in Table S1b. *Weighted-Average Price of Uranium Purchased by Owners and Operators of U.S. Civilian Nuclear Power Reactors (quoted as Dollars per Pound  $U_3O_8$  Equivalent)*. The spreadsheet will then automatically calculate the arithmetic average between the quarterly weighted-average price for uranium and the Total Purchased (Weighted-Average Price) for uranium. The resulting figure is reported as the annualized quarterly weighted-average price for uranium.

(2) Using the same electronic spreadsheet, DOE shall monitor, record, and track the market price of vanadium (quoted as dollars per pound  $V_2O_5$ ) as reported twice weekly in *Metal Bulletin (Non-Ferrous Primary Metals, Noble Alloys and Ores, Vanadium pentoxide)*. The spreadsheet will then (i) automatically calculate the monthly and quarterly arithmetic average prices for vanadium, and (ii) automatically apply an adjustment factor of one-half (0.5) to each quarterly arithmetic average price for vanadium. The resulting figure is reported as the adjusted quarterly average price for vanadium.

(3) Paragraphs (g)(1) and (g)(2) can be summarized by the following three equations:

$$U = (Q_{WA} + TP_{WA}) / 2 \quad (1)$$

where:

U = Annualized Quarterly Weighted-Average Price for Uranium

$Q_{WA}$  = Quarterly Weighted-Average Price for Uranium

June 2008

DE-RO01-08LM70XXX

$TP_{WA}$  = Total Purchased (Weighted-Average Price) for Uranium

$$Q_{WA} = Q_{SM} * P_{SM} + Q_{LTM} * P_{LTM} \quad (2)$$

where:

$Q_{SM}$  = Quarterly Arithmetic Average Price for the Uranium Spot Market

$P_{SM}$  = Purchase Contract Percentage for the Uranium Spot Market

$Q_{LTM}$  = Quarterly Arithmetic Average Price for the Uranium Long Term Market

$P_{LTM}$  = Purchase Contract Percentage for the Uranium Long Term Market

$$V = Q_{WA} * 0.5 \quad (3)$$

where:

$V$  = Annualized Quarterly Weighted-Average Price for Vanadium

$Q_{WA}$  = Quarterly Weighted-Average Price for Vanadium

(h) The Lessee shall be notified of these prices (annualized quarterly weighted-average price for uranium and adjusted quarterly average price for vanadium) by formal written correspondence. The Lessee shall use these prices to calculate the fair-market value of the ore in dollars per dry ton (calculated to the nearest cent [\$0.01]), for all lots of such ore assayed during any calendar month. This fair-market value shall be determined by:

(1) Computing the number of recoverable pounds of contained  $U_3O_8$  and  $V_2O_5$  per dry ton of ore in the lots so assayed by (i) multiplying the total number of pounds of  $U_3O_8$  and  $V_2O_5$ , respectively, contained in the lots of ore so assayed during such calendar month, by factors of 0.96 and 0.79, respectively (the average milling facility's recovery rates for  $U_3O_8$  and  $V_2O_5$ , respectively, as acknowledged by DOE) and (ii) dividing each of the resulting numbers by the

June 2008

DE-RO01-08LM70XXX

total number of dry tons of ore contained in the lots so assayed during such calendar month, and carrying the results to three decimal places for  $U_3O_8$  and two decimal places for  $V_2O_5$ ; and

(2) Adding together the dollar amounts obtained by (i) multiplying the number of recoverable pounds of  $U_3O_8$  per dry ton of ore in the lots so assayed by the price per pound of  $U_3O_8$  established by DOE and (ii) multiplying the number of recoverable pounds of  $V_2O_5$  per dry ton of ore in the lots so assayed by the price per pound of  $V_2O_5$  established by DOE.

(i) For ores that have been mined from the Property and delivered to a mill or other receiving station, but not assayed or fed to process, the Lessee shall estimate the value of said ores using standard industry practices, and shall make royalty bid payments to DOE equal to or greater than 95 percent (95%) of the estimated value of the royalty bid payments due to DOE. Such royalty bid payments shall be treated as provisional payments with respect to said ores until such time that said ores are assayed or fed to process and the final royalty bid payments due to DOE are calculated and final royalty bid payments are made.

(j) If price quotations for vanadium pentoxide become unavailable, the DOE and the Lessee will negotiate to establish a method of determining an appropriate market price per pound of  $V_2O_5$  to be used in determining that portion of the value per dry ton of ore attributable to vanadium. Pending agreement on such method, the last prices established by paragraph (g)(2) above shall be used in determining the portion of the value per dry ton of ore attributable to vanadium, for the purpose of computing royalties under this Lease. If the parties fail to reach agreement on an applicable method, the matter shall constitute a dispute to be decided in accordance with the Article XXVII "DISPUTES" of this Lease.

(k) The parties hereto agree that if the Lessee is paid for any constituent, other than uranium or vanadium, contained in ores mined from the Property, all amounts so paid shall be held in trust by the Lessee for the DOE until the Lessee and the DOE agree upon a base royalty to be paid to the DOE with respect to Lessee's sale of such constituent.

(l) Consistent with Article XXIII "DELIVERY OF PREMISES", the Lessee agrees, that within one hundred eighty (180) days following the expiration, relinquishment, or termination of this Lease as herein provided, all royalties associated with this Lease (annual royalty, base royalty, and bid royalty) shall become due and payable to the DOE. For ores that have been mined from the Property, but not assayed or fed to process, the Lessee shall estimate the value of said ores using standard industry practices, and shall make royalty bid payments to DOE equal to or greater than 95 percent (95%) of the estimated value of the royalty bid payments due to DOE. Such royalty bid payments shall be treated as provisional payments with respect to said ores until such time that said ores are assayed or fed to process and the final royalty bid payments due to DOE are calculated and royalty bid payments are made.

June 2008

DE-RO01-08LM70XXX

WEIGHING, SAMPLING, AND ASSAYING.

With respect to ores which are mined from the Property and delivered to a mill or other receiving station, the Lessee agrees to the following provisions:

- (a) The Lessee shall weigh, or cause to be weighed, each lot of ore delivered from the Property to a mill or other receiving station and shall furnish the DOE a record of the weight of such lot. The scales used in weighing such ore shall be balanced daily and checked once each week or more often, as appears necessary, by either standard weights or by check-weighing against another scale. Scale platforms will be kept clean and free of the sides of the pit, and the scales shall be inspected and certified every six months by the appropriate entity of the state in which the mill or receiving station is located, if such inspection is available; otherwise, a biannual inspection shall be made by a competent organization which is acceptable to both the Lessee and the DOE.
- (b) The Lessee shall sample, or cause to be sampled, each lot of ore according to standard and accepted practices in ore sampling, and such sampling shall be final and binding on both parties to this Lease. The DOE or its representative may be present at the sampling of such ore. The Lessee shall ensure that moisture determinations are made according to standard practices in ore sampling. The Lessee shall ensure that each final sample is divided into four (4) pulps, one of which shall be promptly furnished to the DOE, one of which shall be retained by the Lessee for assay purposes, and two of which shall be held in reserve by the Lessee for possible umpire analysis. The Lessee shall promptly assay, or cause to be assayed, its pulp for  $U_3O_8$  and  $V_2O_5$  content and shall transmit the assay results to the DOE, together with weight and moisture certificates for the lot sampled. For the purpose of such reporting, all assays for  $U_3O_8$  shall be adjusted to the nearest 0.001% and all assays for  $V_2O_5$  shall be adjusted to the nearest 0.01%.
- (c) The DOE may assay its pulps at its own expense. In case of disagreement with the Lessee's assay with respect to either  $U_3O_8$  or  $V_2O_5$  content, the DOE may, within 30 calendar days after receiving its pulp, mail to the Lessee a written request for an umpire assay. Upon receipt of such written request, the Lessee shall promptly submit one of the pulps held in reserve to an assayer, whom the parties hereto shall agree upon, for umpire assay. With respect to both  $U_3O_8$  and  $V_2O_5$  content, if the assay of the umpire is within the assays of the two parties, it shall be final. If not, the assay which is nearer to that of the umpire shall prevail. The party whose assay for  $U_3O_8$  is further from that of the umpire shall pay the cost of the umpire's assay. In the event that the umpire's assay for  $U_3O_8$  is equally distant from the assay of each party, the cost shall be split equally.
- (d) The quantity of ore comprising a lot, as used herein, shall be determined by the Lessee, except that no lot shall exceed one thousand (1,000) tons of ore except as otherwise agreed in writing by the Realty Officer.

June 2008

DE-RO01-08LM70XXX

## APPENDIX C

SPECIFIC REQUIREMENTS AND STIPULATIONS

The Lessee agrees to comply with all applicable statutes and regulations, including but not limited to the following items:

(a) Prior to resuming operations on the Property that were previously approved by DOE, the Lessee shall notify the Realty Officer in writing of its intentions to resume such operation and shall include any changes, additions, or modifications to the original plan that are now proposed. Upon receipt of such notification, the Realty Officer shall review the approved plan along with any new information provided by the Lessee and determine if additional stipulations are warranted. When all pertinent requirements are satisfied, DOE shall provide the Lessee with a written approval to proceed.

(b) All existing serviceable improvements such as fences, gates, cattle guards, roads, trails, culverts, pipelines, bridges, and water development and control structures, authorized for use by the Lessee, shall be maintained in serviceable condition by the Lessee. Improvements damaged or destroyed by the Lessee's operations shall be replaced, restored, or compensated for by the Lessee.

(c) The Lessee's operations shall not disturb public land survey corner markers or monuments or Atomic Energy Commission (AEC) survey markers without the prior written approval of the Realty Officer. Additionally, the Lessee shall pay all costs associated with the surveys required to preserve or reestablish the true point of any such marker or monument and the replacement of such marker or monument.

(d) Housing and other buildings and support facilities related to community development shall be constructed or located on the Property only upon the prior written approval of the Realty Officer. In constructing and locating such housing, other buildings, and support facilities, the Lessee shall comply with applicable county planning and zoning regulations, subdivision regulations, and mobile home regulations, and shall furnish evidence of such compliance to the Realty Officer upon request.

(e) Prior to any surface disturbing activity, the Lessee shall file a "Notice of Intent to Conduct Prospecting Operations" (Notice) or "Reclamation Permit Application" (Application), whichever is appropriate, with the Colorado Mined Land Reclamation Board (MLRB) in accordance with "Mineral Rules and Regulations" of the Colorado MLRB, as these rules may be amended. All subsequent modifications to the Notice or Application shall be addressed in accordance with the "Mineral Rules and Regulations" of the Colorado MLRB. The Lessee shall provide the Realty Officer with copies of all pertinent approval documentation including permits issued.

(f) Prior to any surface disturbing activity, the Lessee shall consult with the U.S. Department of Interior—Bureau of Land Management (BLM), the U.S. Department of Interior—

June 2008

DE-RO01-08LM70XXX

Fish and Wildlife Service (USFWS), and/or the Colorado Department of Natural Resources—Division of Wildlife (CDOW), as appropriate, to determine whether threatened or endangered, or sensitive plant or wildlife species occur in the area to be disturbed or whether the agencies have other plant or wildlife concerns in the area to be disturbed. If required, the Lessee shall conduct surveys or provide other documentation to resolve this concern. The Lessee shall provide the Realty Officer with copies of all documents pertaining to this issue.

(g) Prior to any surface disturbing activity, the Lessee shall perform a cultural and historical survey of the area to be disturbed. If cultural or historical resources are found to exist, the Lessee shall consult with the State Historical Preservation Officer for the appropriate measures to be taken. If required, the Lessee shall prepare a mitigation plan to address the protection of the cultural or historical resources. The Lessee shall provide the Realty Officer with copies of all documents pertaining to this issue.

(h) Prior to any surface disturbance activity in a potential floodplain or wetland area, the Lessee shall consult with the U.S. Army Corps of Engineers, the U.S. Environmental Protection Agency, and the appropriate state agency to determine whether a jurisdictional floodplain or wetland exists in the area to be disturbed. If required, the Lessee shall prepare a Floodplain/Wetlands Assessment that proposes mitigation measures to be taken to resolve this concern. The Lessee shall provide the Realty Officer with copies of all documents pertaining to this issue.

(i) The Lessee shall use existing roads where practicable, and shall conduct activities employing wheel or track vehicles in such a manner as to minimize surface damage. The Lessee shall wash all tracked vehicles or equipment prior to their being mobilized to the Property. The Lessee shall promptly repair any road damage resulting from the Lessee's operations, restoring such road to its previous condition or to a condition acceptable to the Realty Officer. Where existing access roads across the Property are used principally by the Lessee, the Lessee shall construct surface-water control and drainage structures (culverts, water bars, or grade dips) on such roads to minimize erosion. Plans for such structures shall be included in all Exploration Plans and Mining Plans submitted to the Realty Officer pursuant to Articles XII "EXPLORATION PLAN" and XIII "MINING PLAN" hereof, respectively. The Lessee shall construct new roads and trails on the Property only at locations and to specifications approved in advance in writing by the Realty Officer or an authorized representative of the Realty Officer, and shall construct and maintain such roads and trails in a manner that will minimize channeling and other erosion. The Realty Officer's approval of plans for new access road construction, culverts, water bars, or grade dips will be guided by standards established by BLM or the U.S. Department of Agriculture—Forest Service (USFS), where appropriate.

(j) The Lessee shall conduct all operations so as to protect all natural resources and the environment including streams, lakes, ponds, waterholes, seeps, and marshes, and protect fish and wildlife resources as required by applicable statutes and regulations. The Lessee shall control all mine wastes, contaminants and pollutants, and sediments associated with stormwater runoff in accordance with existing regulations, and shall comply with all environmental regulations regarding discharge into, or degradation of water resources including streams,



June 2008

DE-RO01-08LM70XXX

springs, stock waters, or groundwater. The Lessee shall not use water from any water source without the written consent of the person having the rights to the use of such water source.

(k) Lessee shall keep the clearing of timber, stumps and snags, and any ground cover to a minimum consistent with the conduct of exploration, development, and mining activities approved hereunder. The Lessee shall abide by any restrictions concerning the bulk removal of vegetation (primarily piñon pine) that are established by the Realty Officer. The Lessee shall use due care to avoid scarring or removal of vegetative ground cover in areas not involved in such operations. Open parks (areas where there is a grass, shrub, and/or sagebrush cover) shall be disturbed as little as possible. If the shrub or brush cover is too high and must be cleared, it shall be cleared at or above ground level. The Lessee shall return all disturbed areas to their original condition or a condition acceptable to the Realty Officer promptly after damage to such areas has occurred and operations under this Lease are no longer being conducted in the disturbed areas.

(l) The Lessee agrees that all underground mine openings shall be supported by pillars, timber, or other ground support devices approved by the Federal or state agencies having jurisdiction over such underground workings. The Lessee further agrees, during the term of this Lease, to substantially fence or permanently close all mine openings/portals, subsidence holes, surface excavations, or other workings resulting from the Lessee's operation that may be considered hazardous to human health or the environment. Such protective measures shall be maintained in a proper and safe condition during the term of this Lease. Prior to abandoning operations, the Lessee shall submit a mine-site reclamation plan to the Realty Officer for approval. Such plan shall include the proposed method(s) of permanent closure for all mine openings/portals including shafts, adits, inclines/declines, ventilation shafts, and water discharge points. No underground workings or any part thereof shall be permanently abandoned and rendered inaccessible without the prior written approval of the Realty Officer. All mine-site reclamation shall be performed to the satisfaction of the Realty Officer in accordance with the approved reclamation plan.

(m) Surface drill holes and associated disturbances resulting from exploration or development activities shall be abandoned in accordance with existing regulations and in a manner that will protect the surface. All disturbed areas identified by the Lessee as not being needed for future operational activities shall be promptly reclaimed by the Lessee. The Realty Officer, by written notice to the Lessee, shall designate any other areas where reclamation must be undertaken as a result of disturbances caused by the Lessee's operations.

(n) If antiquities or other objects of historic or scientific interest, including but not limited to historic or prehistoric features or ruins, artifacts, or vertebrate fossils are discovered by the Lessee in the performance of operations under this Lease, the Lessee shall cease operations in the vicinity of such discovery and immediately take appropriate steps to protect and save such objects of historic or scientific interest and shall notify the Realty Officer of such discovery. The Realty Officer shall assess the values involved and prescribe such protective measures as deemed necessary.

June 2008

DE-RO01-08LM70XXX

(o) The Lessee shall make every effort to prevent, control, or suppress any fire in the operating area and to report any uncontrolled fire to the appropriate BLM or USFS official, as designated by the Realty Officer.

(p) The Lessee shall provide detailed haul route information to the Realty Officer for review prior to commencement of any haul activities. The haul route information shall include, at a minimum, expected routes from the mine site to the proposed mill or other facility accepting material from the mine, expected number of trucks per day, size and approximate weights of the ore being shipped, and expected production rates and mining life timeframes. It is expected that the Lessee will utilize only the specified routing. The lessee shall notify the Realty Officer of any significant changes to the haul route plan.

(q) The Lessee shall comply with Colorado State Access Code Section 43-2-147(4), C.R.S., and Section 24-4-103., C.R.S., effective 8/31/98. Pursuant to said code, the Lessee may be required to participate in a Highway Access Pre-Consultation meeting with DOE and the Colorado Department of Transportation after the completion and submittal to DOE of the approved permit from the Colorado MLRB. The details provided within the Mining Plan and permit, and the information provided under paragraph (p) above shall be used to determine the need for the Pre-Consultation meeting and to determine the potential impacts to county and state roads, highways and intersections from the Lessee's operations, and any resulting mitigation requirements from these impacts. Any revisions or amendments to the permit, or any conversion from one permit type to another approved by the Colorado MLRB shall also be provided to the Realty Officer. The permit revision, modification or conversion may be used to determine any additional impacts to the county roads or state highways from the Lessee's operations, and any resulting mitigation requirements from these additional impacts. Access permits required under this requirement shall be provided to the Realty Officer.

(r) The Lessee shall attend and participate in meetings between DOE and other Federal, state, and local agencies, as required.

June 2008

DE-RO01-08LM70XXX

EXPLORATION PLAN FORMAT

It is not DOE's intent to require the Lessee to prepare multiple documents for submittal to the appropriate agencies for review and approval. Consequently, at the Lessee's discretion, a copy of the "Notice of Intent to Conduct Prospecting Operations" filed with the Colorado MLRB may be submitted to DOE for review and approval. That document will meet DOE's requirement for submittal of an Exploration Plan providing it contains, at a minimum, the following information:

- a. Map showing general area to be explored
  1. Tentative location of drill holes or other exploration activity
  2. Location of roads (existing and proposed)
- b. Approximate starting date and duration of drilling
- c. Drilling information
  1. Type of drilling and/or other exploration equipment
  2. Size of hole and core, if any, to be recovered
  3. Type of logging
  4. Target horizon and depth
- d. Road construction necessary for exploration
  1. Location of roads and drill sites
  2. Measures to be taken for erosion control
- e. Abandonment
  1. Procedures for plugging drill holes including the disposition of drill hole cuttings
  2. Surface restoration (grading, revegetation, erosion control measures, etc.)
- f. Provisions made to conform with existing state and federal regulations regarding control of fire, pollution of water and air, protection of other natural resources, and public health and safety, both during and upon abandonment of exploration activities
- g. Specific measures to be taken to assure compliance with environmental and surface use stipulations of this Lease including the preparation of a site-specific environmental document that assures compliance with NEPA and other environmental regulations.

June 2008

DE-RO01-08LM70XXX

MINING PLAN FORMAT

It is not DOE's intent to require the Lessee to prepare multiple documents for submittal to the appropriate agencies for review and approval. Consequently, at the Lessee's discretion, a copy of the "Reclamation Permit Application" filed with the Colorado MLRB may be submitted to DOE for review and approval. That document will meet DOE's requirement for submittal of a Mining Plan providing it contains, at a minimum, the following information:

- a. Map showing location of:
  1. Ore body and proposed entry
  2. Any new roads required
  3. Mine plant and associated structures and facilities
  4. Waste dumps and ore storage areas
- b. Mining
  1. Initial development plans
    - A. Type of entry and haulage method proposed
    - B. Stoping method
    - C. Estimated rate of daily ore production and mine-life expectations
    - D. Provisions to handle mine water
  2. Proposed ventilation and radiation control methods
- c. Surface Plant
  1. Buildings, utility lines, and storage/stockpile areas
  2. Sewage and refuse disposal
  3. Compliance with any applicable county planning and zoning regulations
  4. Compliance with EPA stormwater discharge regulations
- d. Surface restoration plans
  1. Topsoil removal and storage
  2. Grading and backfilling

June 2008

DE-RO01-08LM70XXX

3. Control of stormwater runoff
4. Revegetation (if required)
- e. Abandonment
  1. Permanent closure of all mine openings/portals resulting from, or utilized during, the Lessee's operations.
  2. Removal of structures and associated features
  3. Disposition of mine wastes (contouring, leveling, use for backfill, etc.)
- f. Provisions made to conform with existing state and federal regulations regarding control of fire, pollution of water and air, protection of other natural resources, and public health and safety, both during and upon abandonment of mining activities.
- g. Specific measures to be taken to assure compliance with environmental and surface use stipulations of the Lease including the preparation of a site-specific environmental document that assures compliance with NEPA and other environmental regulations.

June 2008

DE-RO01-08LM70XXX

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