



May 16, 2013

Wisconsin Department of Natural Resources
Mining Coordinator – WA/5
101 South Webster Street
PO Box 7921
Madison, WI 53707-7921

Dear Director:

Re: Exploration License
Wisconsin Statutes 295.44

Gogebic Taconite, LLC submits to your agency an Application for Exploration License per the requirements of the above standard for the period starting June 1 to June 30, 2013. A renewal application will be provided for the period of July 1, 2013 to June 30, 2014.

Included in this submittal, you will find:

- A General Drilling Map
- An Aerial Photo Map
- An Exploration Plan
- A Reclamation Plan
- A Certificate of Insurance
- An Exploration License Fee in the amount of \$300.00
- A Reclamation Cost Estimate
- A Reclamation Surety Bond

This application replaces the application dated May 9, 2013.

Any questions should be directed to our Hurley office at (715) 561-2601. Our mailing address is:

Gogebic Taconite, LLC
402 Silver Street
Hurley, WI 54534

Sincerely,

A handwritten signature in blue ink that reads "Timothy J Myers".

Timothy J Myers
Engineer

295.44 (2) EXPLORATION LICENSE

May 16, 2013

OVERVIEW

Gogebic Taconite, LLC is hereby applying for an Exploration License as described in Wisconsin Statutes 295.44 for the current period ending June 30, 2013. A renewal application will follow to extend the exploration project. The following pages address the requirements of the statute.

This Exploration Project will occur in an area of previous exploration and prospecting. Activity in the area dates back to the 1850's with core drilling occurring as early as the 1920's with as many as 240 recorded sites. This new activity will serve to supplement the pre-existing geologic data to gain a better understanding of the deposit. Also, the rock samples that will be generated will provide site specific information to meet the requirements of a modern mining permit application.

This Exploration Project will consist of the drilling of 8 holes. The drilling method will use hollow center wireline corehole techniques. The drilling method will use BTW size coring tools which will drill a 2.36 inch diameter hole. The rock sample will be 1.654 inch diameter. The rock samples will be collected and analyses will be performed offsite.

The target geologic formation for the drilling is the Ironwood Iron Formation. This formation is a sedimentary rock formation of Paleoproterozoic age.

The drillholes will be drilled on an approximate 45 degree angle from horizontal to penetrate the ore body at near perpendicular to the bedding. The formation dips at 60 to 70 degrees from the horizontal in a north by northwest direction.

Wisconsin Statutes 295.44 requires that a person seeking an exploration license shall file an application that includes all of the following:

- Statute 295.44 (2)(a) An Exploration Plan – See Page 2
- Statute 295.44 (2)(b) A Reclamation Plan – See Page 11
- Statute 295.44 (2)(c) an Exploration License Fee – See Page 13
- Statute 295.44 (2)(d) A Bond – See Page 13
- Statute 295.44 (2)(e) A Certificate of Insurance – See Page 13
- Statute 295.44 (2)(f) Financial Assurance – See Page 13
- Statute 295.44 (2m) Confidentiality – See Page 14
- Statute 295.44 (3) Surety Bond Requirements – See Page 14

295.44 (2)(a) Exploration Plan

295.44 (2)(a)(1)

A description of the site where the exploration will take place and a map of that area showing the locations of the exploration.

The project site is located in Ashland and Iron Counties of Wisconsin on privately owned lands. The project area has been commercially forested and existing roads will be used to access the drilling sites as well as serving as locations for the drilling sites.

Drillhole	Legal Description	Easting (Feet)	Northing (Feet)	Elevation (Ft)	Target Depth
608-2	T44N R1W S01 NE SE	1860855	421125	1758	600
646-3	T44N R1W S06 SW NE	1864605	421955	1846	420
674-2	T44N R1W S05 NWNW	1867588	423449	1758	500
706-1	T45N R1W S32 NE SE	1870586	424980	1560	1143
706-2	T45N R1W S32 SE SE	1870580	424132	1684	500
726-1	T45N R1W S33 NW SW	1872574	425413	1548	350
148R	T45N R1W S33 NW SW	1873644	426130	1530	916
746-1	T45N R1W S33 SW NE	1874580	426693	1526	830

Refer to the General Drilling Map for a map of the area showing locations of the exploration.

295.44 (2)(a)(2)

A description of the means and method that will be used for the exploration.

METHOD

The drilling rig employs a diamond-impregnated hollow drill bit to bore into bedrock strata which produces a cylindrical rock sample. The rock sample provides an indication of strata conditions and provides materials for rock mechanics and geochemical testing.

The surface soils will be drilled to the top of bedrock. A steel pipe casing will be installed into the bedrock to serve as a surface casing. This steel casing serves to isolate the bedrock from the surface strata and to prevent groundwater cross contamination. At the end of drilling, the steel casing will remain open to allow additional studies from the exploration hole such as video scoping, static water elevation and hydrologic testing. The casing will be welded closed or provided with a locking device to prevent interference from the surface.

The hollow center drill bit and drill steel is inserted through the larger diameter surface casing to access the bedrock. Drill water is pumped through the center of the drill steel to cool and lubricate the drill bit. Only the use of DNR Bureau of Drinking Water and Groundwater approved additives will be used for lubricants. The proposed drilling lubricant to be used is the NSF-approved Baroid product EZ Mud.

Rock cuttings are flushed out between the outside of the drill steel and the bedrock. A rock core sample remains in the interior of the drill steel and is removed by wireline methods. The BTW sized drilling tools create a 2.36-inch diameter hole and produce a 1.654-inch diameter rock sample.

A drill sump equipped with a solids pump will be located at the drillhole collar to pump the drill water and rock cuttings into a mobile collection tank. The drill cuttings will consist of surface sands and gravels, pulverized bedrock and drilling polymers. The overflow water will be reused by discharging the overflow water into the drilling sump. The drill cuttings will be retained in the mobile collection tank. The drill cuttings will be removed from the drill site by means of the mobile collection tank.

The exploration holes and the drill sites will be temporarily abandoned upon completion of the drilling. Groundwater and geophysical tests will require that the exploration holes be left open for data gathering. Each exploration hole will have a welded or locking cap installed to prevent contamination from the surface.

At the end of the drilling phase, the drilling sump will be bermed to prevent surface runoff from entering the sump. The water in the drilling sump will be allowed 30 days to disperse into the glacial materials. If the drilling sump is located in a soils material that does not disperse the drilling water after 30 days, the drilling water will be transported to the Collection Tank Central Location where the soils will allow dispersion. As a last alternative, the drilling water can be disposed of in a municipal waste water system. Documentation of a drained sump with the date and time of inspection will be provided by the Permittee. The sump will be backfilled after water has been removed. Temporary seeding and mulching will be provided after the sump has been backfilled.

The mobile collection tank will be used to transport the cuttings material to the Collection Tank Central Location within the project area. The Collection Tank Central Location will be provided with two temporary storage tanks, a Cuttings Tank and a Water Tank. The mobile collection tank will be emptied in the Cuttings Tank. The heavier solids will deposit and the clarified water will be pumped into the Water Tank. The Water Tank is used to provide further sedimentation. Clarified water from the Water Tank will be pumped to a minimum 40 feet wide by 40 feet long by 4 feet deep dispersion sump to allow water to disperse into the glacial material. As a last alternative, the drilling water can be disposed of in a municipal treatment facility for disposal.

The drill cuttings will be disposed of off-site in approved licensed landfills in accordance with applicable regulations.

Rock samples collected from the drilling will be removed from the site for further processing.

A Safety Fence will be provided around each actively disturbed drill site to protect the public. The drill project is located on private lands enrolled under the Managed Forestland regulations (Wisconsin Statutes 77.83 (2)). These company lands are open to the public for hunting, fishing, hiking, sight-seeing and cross-country skiing. Any other activities on these lands, including camping and operation of unauthorized engine driven vehicles are prohibited.

295.44 (2)(a)(3)

A description of the grading and stabilization of the excavation, sides, and benches that will be conducted.

All excavations shall be graded as to provide stable slopes. Sumps will be filled in to blend into the surrounding surface contours.

295.44 (2)(a)(4)

A description of how the grading and stabilization of any deposits of refuse will be conducted.

Cuttings materials produced from the drilling activity are proposed to be removed from the drill site area. Therefore, grading and stabilization of deposits of refuse does not apply.

Drill cuttings will be directed to a mobile onsite collection tank. The collection tank will be used to transport the materials to the Collection Tank Central Location within the project area. The Collection Tank Central Location will be provided with temporary storage tanks to collect the cuttings. The cuttings will be allowed to settle and water will be pumped off and placed into the dispersion sump. Any water that does not disperse into the glacial overburden will be transported to a municipal treatment facility for disposal.

The drill cuttings will be disposed of off-site in approved licensed landfills in accordance with applicable regulations.

BTW size coring produces approximately 1.55 cubic feet of drill cutting per 100 feet of depth.

295.44 (2)(a)(5)

A description of how any diversion and drainage of water from the exploration site will be conducted.

Surface Runoff shall be diverted away from the drill site by means of ditches, sediment fence, hay bale dikes and/or earthen berms. See the attached drawing "Typical Site Plan" for an example of surface runoff diversions. No new culverts are proposed.

295.44 (2)(a)(6)

A description of how any backfilling will be conducted.

It is proposed to leave the drillholes open after drilling to allow future access for groundwater testing. See response to 295.44 (2)(a)(2) on page 3 of this application.

Each drillhole shall be grouted with neat cement or fine concrete grout following the requirements of Wisconsin Statutes 295.44 (5). The proposed method is to pump the neat cement or concrete grout through a conductor pipe and allow the neat cement or

concrete grout to fill the cavity from the bottom of the hole towards the surface. The conductor pipe will be incrementally moved towards the surface during the grouting operation. The bottom end of the conductor pipe will be submerged in concrete grout or neat cement at all times when concrete grout or neat cement grout is being placed under water. The drillhole will be filled at the same time that all or part of the drillhole casing is removed from an unconsolidated formation, such as sand or gravel, that the drillhole will not remain open upon abandonment and the end of the casing will be kept below the surface of the fill material throughout the operation.

Each drill site shall be regraded as to remove any unstable slopes. The drill site shall be regraded as to blend into the original contour that was in place prior to the exploration activity taking place.

295.44 (2)(a)(7)

A description of how any pollutant-bearing minerals or materials will be covered.

Any pollutant-bearing minerals or materials will be removed from the drill site prior to backfilling. All sources of hydrocarbons will have spill containment and absorbent materials placed beneath them, and upon abandonment, will be removed from the drill site and disposed of by approved methods prior to regrading and reclamation activities occurring.

295.44 (2)(a)(8)

A description of how the topsoils will be removed and stockpiled or how other measures will be taken to protect topsoils before exploration.

Since the proposed activity occurs on previously disturbed areas, topsoil is expected to have been excavated by heavy equipment during the construction of the roads and comingled with subsoil materials.

If a topsoil horizon is encountered, the topsoil will be removed and stockpiled. The topsoil would be used for final reclamation after the exploration activities have been completed.

295.44 (2)(a)(9)

A description of how vegetative cover will be provided.

Temporary seeding and mulching will occur after the drilling sump has been backfilled. Final reclamation will occur within 30 days of the completion of testing procedures at the exploration holes.

In the event that any topsoil that had been stockpiled, it will be returned to the site and spread once regrading is completed.

All sites shall be seeded to establish vegetation. Composite soil samples will be collected. The samples will be submitted to the local agronomy center for available nutrient analysis. The analysis will provide a recommended fertilizer application rate.

Soil preparation may include raking, discing or harrowing to loosen the soil to a minimum depth of 4 inches. This activity would provide a means to loosen the soil from the compaction effort originating from the timbering activity as well as the exploration activity.

A seed mix approved by Wisconsin Department of Natural Resources will be used. The seed mix will not contain invasive species. The proposed seed mix may be changed (with DNR approval) to address any shortages in availability of specific species.

The proposed seed mix consists of:

- 68% Common Oats
- 14% Annual Rye
- 4% Timothy
- 7% Virginia Wild Rye
- 7% Canada Wild Rye
- 0.25% Black-eyed Susan

Seed will be planted at a rate of 73.25 pounds per acre.

A temporary cover mix will consist of Common Oats or Annual Rye.

Once fertilizer and seed have been applied, the seeded area will be raked, disked, harrowed or other methods utilized in order to cover the seed to a depth of not more than 1-1/2 inches.

Mulching material shall consist of straw or hay in an air-dry condition, wood excelsior fiber or wood chips. Mulch shall be spread at a thickness of ½ to 1-1/2 inches. Compacted bales are to be broken and scattered to create a loose blanket over the seeded area.

The roads utilized for this activity are preexisting and will be left in place for future use by the landowner. A large portion of the roads have had extensive use in the past and are aggregate covered. The roads have been constructed and maintained to manage highway logging trucks to transport logs to market. Road maintenance will be performed as necessary, maintaining the maintenance activity within the preexisting dimensions of the roadway. Existing culverts will be left in place.

295.44 (2)(a)(10)

A description of how any water impoundment will be accomplished.

No water impoundment is anticipated.

295.44 (2)(a)(11)

Identification of the means and method that will be used to prevent significant environmental pollution to the extent practicable.

The drilling contractor will use compact core drilling machines to fit the size constraints of the existing roads. It is not proposed to create new roads for accessing the drilling project.

ROAD MAINTENANCE

The existing roads associated with this application are found along the ridgeline and on an abandoned railroad grade. The roads have been used extensively by the forestry industry in the area and are capable of supporting highway legal logging trucks.

Much of the roadbeds have aggregate or are near bedrock. Road maintenance will be performed within the limits of the existing disturbances. Road maintenance may include grading as necessary, aggregate placement, timber mat placement for wet areas or

other methods that would focus on making the minimal impact to the environment. No new culverts are proposed.

Any of the following methods or a combination of methods is proposed to minimize the sedimentation load on access roads allow drainage to continue to cross the existing roads and to minimize the sedimentation load:

- Use the existing road surface where the existing road conditions would not create a sediment load from vehicular traffic; or,
- Install temporary timber mats to isolate the vehicular traffic from the drainage; or,
- Construct a rock cobble road that allows the drainage to flow beneath the traffic level. A course of crushed rock is placed over clean cobbles to form a running surface.

The road identified as Access Road No. 1 on the attached map is used for logging and has been based with aggregate. Since the road is in a condition that disturbance is not necessary, the acreage has not been included within the disturbed area calculation. Access Road No. 1 has been used for highway trucks to take the harvested timber to market. The road is located near the top of the ridge and minimal drainage activity is needed to maintain this road. The drillsite for Coreholes 608-2, 646-3, 674-2 and 706-2 are located on this road. Access Road No. 1 may also be used for logging activity during the time frame of the drilling project. This road is approximately 20,000 feet long.

The road identified as Access Road No. 3 is a former railroad grade that had serviced the Tyler's Fork Mine in the 1880's. It has been used for commercial logging in the past. Any of the methods listed above may be used to allow drainage to cross the road with minimal impact from vehicular traffic. Access Road No. 3 is approximately 11,000 feet long. Coreholes 706-1, 726-1, 148R and 746-1 are located on Access Road No. 3.

DRILL SITES

The drill sites will each be approximately 25 feet wide by 60 feet long in size.

Site preparation would include stockpiling any topsoil material from the drill site area. Since the sites are located on existing disturbances, it is anticipated that no topsoil will be encountered.

Drill cuttings will be collected on site in a mobile collection tank and transported to the Collection Tank Central Location where dewatering will occur. The drill cuttings will be disposed of off- site in approved licensed landfills in accordance with applicable

regulations. See the narrative on Page 4 addressing the requirements of Wisconsin Statutes 295.44 (2)(a)(2).

The site will be provided with grading and drainage control as described below.

DRAINAGE CONTROL

Surface Runoff will be controlled by diverting stormwater away from the drilling site by the use of siltation fence, berms, hay bale dikes and/or ditches.

On site drainage will be diverted to the drilling sump. The drilling sump is used to store water for the drilling activity and to recirculate drill water for reuse. The drill sump is a minimum 80 cubic feet excavation.

See "Typical Site Plan" sketch for conceptual detail. A separate site plan has been prepared to Site 674-2 to illustrate the arrangement for the Collection Tank Central Location.

WATER SOURCE

From Wisconsin NR141.15, drilling water must be from a known safe source free of bacterial and chemical contamination.

Water will be purchased from the municipal water system at the City of Mellen. This method would use a highway licensed water truck to bring the water to the project.

295.44 (2)(b) RECLAMATION PLAN

A reclamation plan, designed to minimize adverse effects to the environment to the extent practicable, that includes all of the following:

295.44 (2)(b)(1)

A description of how all toxic and hazardous wastes and other solid waste will be disposed of in solid or hazardous waste disposal facilities licensed under ch. 289 or 291 or otherwise in an environmentally sound manner.

Any materials identified as toxic or hazardous waste as defined by Wisconsin statutes 291.05(1), 291.05(2) or 291.05(4) will be disposed of at a licensed hazardous waste disposal facility.

Drill cuttings will be pumped to a mobile onsite collection tank. The collection tank will be used to transport the materials to the Collection Tank Central Location within the project area. The Collection Tank Central Location will be provided with temporary storage tanks to collect the drill cuttings. The drill cuttings will be allowed to settle and water will be pumped off and placed into a dispersion sump. Any water that does not disperse into the glacial overburden will be transported to a municipal treatment facility for disposal.

The drill cuttings will be disposed of off-site in approved licensed landfills in accordance with applicable regulations.

295.44 (2)(b)(2)

A description of how topsoil will be preserved for purposes of future use in reclamation.

Since the proposed activity occurs on previously disturbed areas, topsoil is not anticipated to be encountered. Existing roads that were constructed for use in the forestry industry are expected to have had the topsoil excavated and comingled with subsoil materials.

If topsoil is encountered, the topsoil will be removed and stockpiled. The topsoil would be used for final reclamation after the activities have been completed.

295.44 (2)(b)(3)

A description of how revegetation will be conducted to stabilize disturbed soils and prevent air and water pollution to the extent practicable.

Refer to the response to Wisconsin Statutes 295.44 (2)(a)(9) above for the final site reclamation revegetation.

Site vegetation will occur concurrently with site regrading activities.

295.44 (2)(b)(4)

A description of how disturbance to wetlands will be minimized to the extent practicable.

This application addresses a project with all roads and drillsites located on pre-existing disturbances. No wetland disturbances are proposed.

295.44 (2)(b)(5)

A statement that all drillholes will be abandoned in compliance with 295.44 (5).

Drillholes will be abandoned as described in Wisconsin Statutes 295.44 (5).

295.44 (2)(c) EXPLORATION LICENSE FEE

295.44 (2)(c) Exploration License Fee of \$300.00

A check in the amount of \$300 has been provided.

295.44 (2)(d) SURETY BOND

295.44 (2)(d) Surety Bond

A bond, as provided in 295.44 (3)(a).

The Surety Bond is addressed in the response to 295.44 (3) found below.

295.44 (2)(e) CERTIFICATE OF INSURANCE

295.44 (2)(e) Certificate of Insurance

A certificate of insurance showing that the applicant has in force a liability insurance policy issued by an insurance company licensed to do business in this state covering all exploration conducted or contracted for by the explorer in this state and affording personal injury and property damage protection in a total amount determined to be adequate by the department, but not more than \$1,000,000 and not less than \$50,000.

A copy of the Certificate of Insurance follows this page.

295.44 (2)(f) FINANCIAL ASSURANCE

295.44 (2)(f) Financial

A copy of the applicant's most recent annual report to the federal securities and exchange commission on form 10-K, or, if this is not available, a report of the applicant's current assets and liabilities or other data necessary to establish that the applicant is competent to conduct exploration in this state.

See the Balance Sheet following this page.

295.44 (2m) CONFIDENTIALITY

295.44 (2m) CONFIDENTIALITY

The department and the state geologist shall protect as confidential any information, other than effluent data, contained in an application for an exploration license, upon a showing that the information is entitled to protection as a trade secret, as defined in s. 134.90 (1)(c), and any information relating to the location, quality, or quantity of a ferrous mineral deposit, to production and sales figures, or to processes or production unique to the applicant or that would tend to adversely affect the competitive position of the applicant if made public.

No items contained within this application would require consideration under 295.44 (2m).

295.44 (3) SURETY BOND

295.44 (3) Bond

An applicant shall submit, as part of the application for an exploration license, a bond in the amount of \$5,000 that is conditioned on faithful performance of the requirements of this section, that is issued by a surety company licensed to do business in this state, and that provides that the bond may not be canceled by the surety, except after not less than 90 days' notice to the department in writing by registered or certified mail.

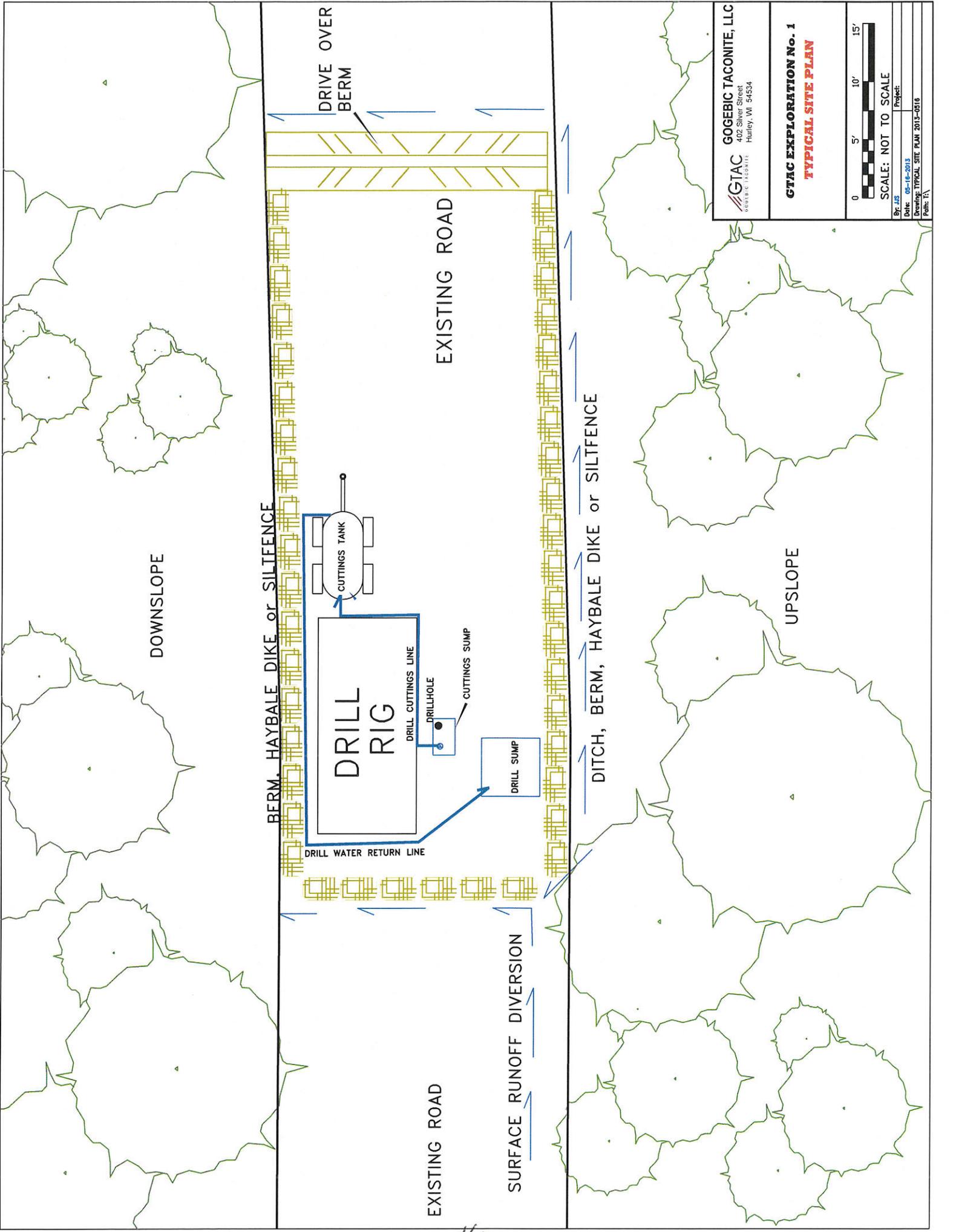
The Reclamation Surety Bond dated April 10, 2013 by Gogebic Taconite, LLC was submitted within a previous application that has been withdrawn. The bond amount is \$41,534.00 and exceeds the requirements of the reclamation costs.

295.44 (3)(d)

The department may require that the amount of the bond submitted under this subsection be increased at any time, if the department determines that the level of activity by the explorer makes it likely that the bond would be inadequate to fund the termination of all drillholes for which the explorer is responsible.

A Reclamation Cost Estimate has been included. See the attachment to 295.44 (3)(d) that follows this page.

ATTACHMENT TO RESPONSE FOR s.295.44 (2)(a)(11)
TYPICAL SITE PLAN



GTAC
 GOGEBIC TACONITE, LLC
 402 Silver Street
 Hurley, WI 54534

GTAC EXPLORATION No. 1
TYPICAL SITE PLAN

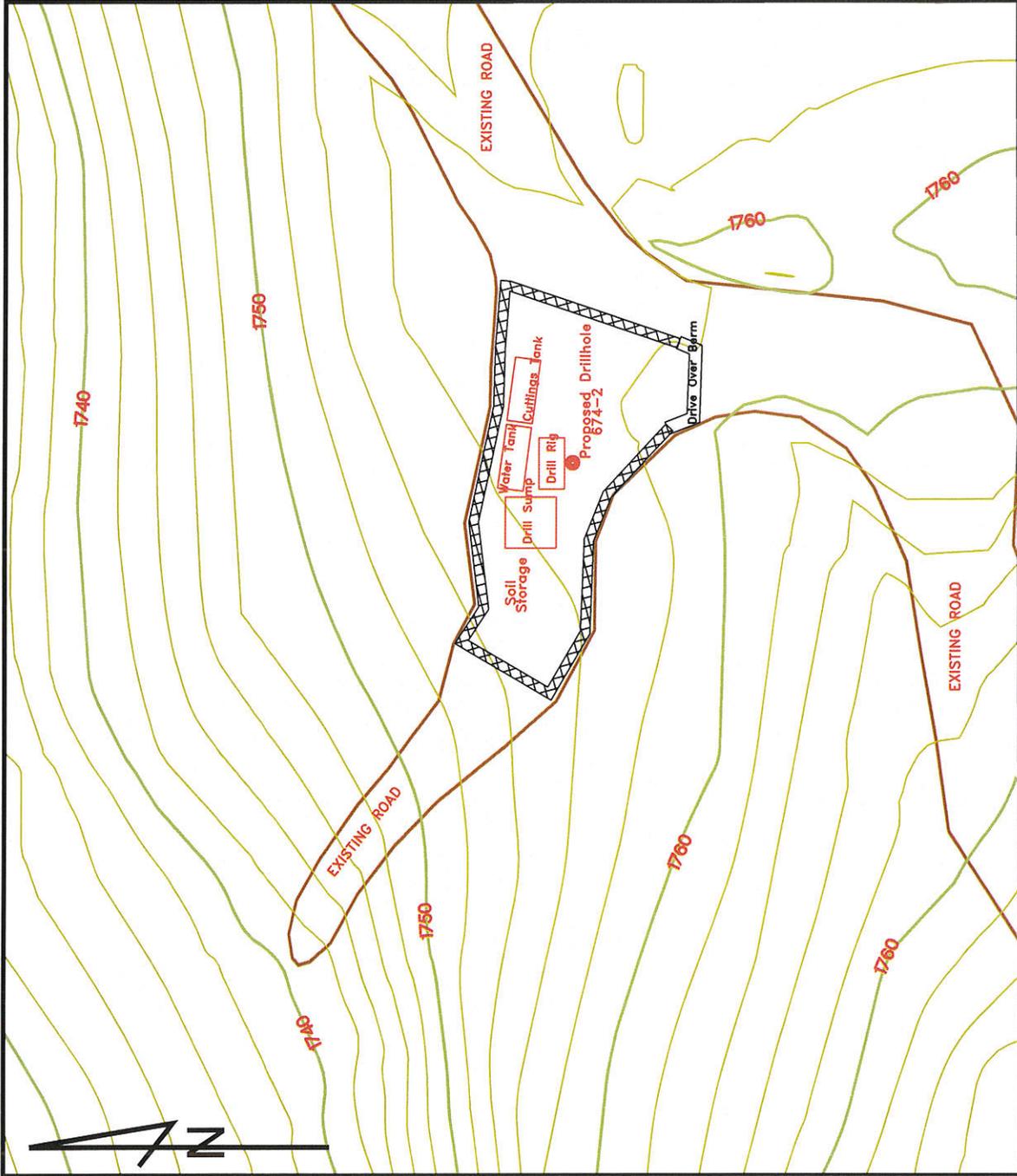
0 5' 10' 15'

SCALE: NOT TO SCALE

By: JJS
 Date: 05-16-2013
 Drawing: TYPICAL SITE PLAN 2013-0516
 Path: 1\

SITE LOCATION
 Township 44 North, Range 1 West
 NW NW Section 5

Disturbed Acreage 0.13 Acres



Gogebic Taconite
 402 Silver Street
 Hurley, WI 54534

GTAC EXPLORATION NO. 1
COLLECTION TANK CENTRAL LOC.
PLAN VIEW



SCALE: 1" = 50'

By: TJM	Project:
Date: 05-16-2013	
Drawing: Drill Site 674-2 Layout	
Path: T:\EXPLORATION 2013-0516 SUBMITTAL	

ATTACHMENT TO RESPONSE FOR s.295.44 (2)(e)
CERTIFICATE OF LIABILITY INSURANCE

ATTACHMENT TO RESPONSE FOR s.295.44 (2)(f)
BALANCE SHEET

Balance Sheet
As of 12/31/2012

Gogebic Taconite, LLC (GTL)

ASSETS

Local Imprest Fund	\$45,579.34
Petty Cash	\$915.57
Other Prepaid Expenses	\$240,000.00
Machinery/Equip/Buildings	\$13,064.46
Accumulated Depreciation	<u>-\$11,916.84</u>
TOTAL ASSETS	\$287,642.53

LIABILITIES

Accrued Payroll Taxes	\$168.00
Long-Term Debt	<u>\$6,365,000.00</u>
TOTAL LIABILITIES	\$6,365,168.00

EQUITY

Member Equity	\$1,175,000.00
Retained Earnings	<u>-\$7,252,525.47</u>
TOTAL EQUITY	-\$6,077,525.47

TOTAL LIABILITY AND EQUITY **\$287,642.53**

ATTACHMENT TO RESPONSE FOR s.295.44 (3)
SURETY BOND

COPY

State of Wisconsin
Department of Natural Resources

FERROUS METALLIC MINERAL EXPLORATION BOND

KNOW ALL PERSONS BY THESE PRESENTS, that GOGEBIC TACONITE, LLC
(the Explorer)

of 402 SILVER STREET, HURLEY, WI 54534, as Principal, and
(Address)

U.S. SPECIALTY INSURANCE COMPANY, a surety company organized and
(Name of Surety Company)

existing under the laws of the State of TEXAS and duly authorized to do surety business
in the State of Wisconsin, as Surety, are held and firmly bound unto the State of Wisconsin Department of
Natural Resources, as Oblige, in the penal sum of FORTY-ONE THOUSAND FIVE HUNDRED THIRTY-FOUR
AND 00/100 dollars

(\$ 41,534.00) for payment of which the Principal and the Surety bind themselves, their heirs, executors,
administrators, successors and assigns jointly and severally.

WHEREAS, this bond is written to satisfy the requirements of section 295.44(3) Stats., to ensure compliance with the
ferrous metallic mineral exploration licensing requirements, and shall inure to the benefit of the Oblige.

The insolvency or bankruptcy of the Principal shall not constitute a defense to the Surety with regard to any claim of
liability on the obligation of this bond.

The Surety hereby waives notification of any failure on the part of the Principal or any successor in interest to faithfully
comply with the requirements of s. 295 Stats. and lack of notice from the Oblige will not bar or limit recovery against
the Surety.

This bond is effective on the 10TH day of APRIL, 2013, and shall continue in force until
terminated as hereinafter provided. As long as any obligation of the Principal or any successor in interest for the ferrous
metallic mineral exploration license exists, this bond shall not be cancelled by the Surety unless a replacement bond
acceptable to the Oblige is provided to the Oblige. If the Surety proposes to cancel this bond, notice shall be provided
to the Oblige and the Principal in writing by registered or certified mail not less than 90 days prior to the proposed
cancellation date. Not less than 30 days prior to the expiration of the 90 day notice period, the Principal shall deliver to
the Oblige a replacement bond. In the absence of the delivery of a replacement bond, all exploration shall cease.

Signed, sealed and dated this 10TH day of APRIL, 2013.

GOGEBIC TACONITE, LLC

William Wilham
Principal



U.S. SPECIALTY INSURANCE COMPANY

Surety

Janice Fennell
Attorney in Fact JANICE FENNEL

Bond Number 1000904050

COPY

POWER OF ATTORNEY

AMERICAN CONTRACTORS INDEMNITY COMPANY U.S. SPECIALTY INSURANCE COMPANY

KNOW ALL MEN BY THESE PRESENTS: That American Contractors Indemnity Company, a California corporation, and U.S. Specialty Insurance Company, a Texas corporation (collectively, the "Companies"), do by these presents make, constitute and appoint:

Jeremy C. Rose, Richard C. Rose, Janice Fennell or Tara W. Mealer of Knoxville, Tennessee

its true and lawful Attorney(s)-in-fact, each in their separate capacity if more than one is named above, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include riders, amendments, and consents of surety, providing the bond penalty does not exceed *****Seventy Five Million***** Dollars (\$ **75,000,000.00**).

This Power of Attorney shall expire without further action on March 18, 2015. This Power of Attorney is granted under and by authority of the following resolutions adopted by the Boards of Directors of the Companies:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and on behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings, including any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts, and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed end effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, The Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 3rd day of October, 2011.

AMERICAN CONTRACTORS INDEMNITY COMPANY U.S. SPECIALTY INSURANCE COMPANY

Corporate Seals



By:

[Signature] Daniel P. Aguilar, Vice President

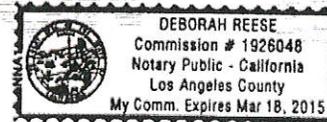
State of California

County of Los Angeles SS:

On this 3rd day of October, 2011, before me, Deborah Reese, a notary public, personally appeared Daniel P. Aguilar, Vice President of American Contractors Indemnity Company and U.S. Specialty Insurance Company who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.

Signature [Signature] (Seal)



I, Jeannie Lee, Assistant Secretary of American Contractors Indemnity Company and U.S. Specialty Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Companies, which is still in full force and effect; furthermore, the resolutions of the Boards of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seals of said Companies at Los Angeles, California this 10TH day of APRIL, 2013.

Corporate Seals



Bond No. 1000904050 Agency No. 16425

[Signature] Jeannie Lee, Assistant Secretary

To inquire about this bond, please write to us at surety-bond-inquiry@hcc.com

ATTACHMENT TO RESPONSE FOR s.295.44 (3)(d)
RECLAMATION COST ESTIMATE

Gogebic Taconite, LLC
 Notice of Intent to Drill
 Reclamation Cost Estimate
 May 16, 2013

Location	Activity	Number	Units	Unit Cost	Tot Cost	Location Cost
Grouting	Mobilization	1	lot	\$3,000	\$3,000	\$3,000
608-2	Grout	600	Feet	\$3	\$1,800	
	Pull Collar	1	lot	\$200	\$200	
	Regrading	2	Hours D6 dozer	\$110	\$220	
	Seed	1	Pounds Seed	\$235	\$235	
	Mulch	10	Straw Bales	\$10	\$100	
	Seed Labor	4	Hours Labor	\$50	\$200	
	TOTAL					
646-3	Grout	420	Feet	\$3	\$1,260	
	Pull Collar	1	lot	\$200	\$200	
	Regrading	2	Hours D6 dozer	\$110	\$220	
	Seed	1	Pounds Seed	\$235	\$235	
	Mulch	10	Straw Bales	\$10	\$100	
	Seed Labor	4	Hours Labor	\$50	\$200	
	TOTAL					
674-2	Grout	500	Feet	\$3	\$1,500	
	Pull Collar	1	lot	\$200	\$200	
	Regrading	2	Hours D6 dozer	\$110	\$220	
	Seed	1	Pounds Seed	\$235	\$235	
	Mulch	10	Straw Bales	\$10	\$100	
	Seed Labor	4	Hours Labor	\$50	\$200	
	TOTAL					
706-1	Grout	1143	Feet	\$3	\$3,429	
	Pull Collar	1	lot	\$200	\$200	
	Regrading	2	Hours D6 dozer	\$110	\$220	
	Seed	1	Pounds Seed	\$235	\$235	
	Mulch	10	Straw Bales	\$10	\$100	
	Seed Labor	4	Hours Labor	\$50	\$200	
	TOTAL					
706-2	Grout	500	Feet	\$3	\$1,500	
	Pull Collar	1	lot	\$200	\$200	
	Regrading	2	Hours D6 dozer	\$110	\$220	
	Seed	1	Pounds Seed	\$235	\$235	
	Mulch	10	Straw Bales	\$10	\$100	
	Seed Labor	4	Hours Labor	\$50	\$200	
	TOTAL					
726-1	Grout	350	Feet	\$3	\$1,050	
	Pull Collar	1	lot	\$200	\$200	
	Regrading	2	Hours D6 dozer	\$110	\$220	
	Seed	1	Pounds Seed	\$235	\$235	
	Mulch	10	Straw Bales	\$10	\$100	
	Seed Labor	4	Hours Labor	\$50	\$200	
	TOTAL					
Site 148R	Grout	916	Feet	\$3	\$2,748	
	Pull Collar	1	lot	\$200	\$200	
	Regrading	2	Hours D6 dozer	\$110	\$220	
	Seed	1	Pounds Seed	\$235	\$235	
	Mulch	10	Straw Bales	\$10	\$100	
	Seed Labor	4	Hours Labor	\$50	\$200	
	TOTAL					
746-1	Grout	830	Feet	\$3	\$2,490	
	Pull Collar	1	lot	\$200	\$200	
	Regrading	2	Hours D6 dozer	\$110	\$220	
	Seed	1	Pounds Seed	\$235	\$235	
	Mulch	10	Straw Bales	\$10	\$100	
	Seed Labor	4	Hours Labor	\$50	\$200	
	TOTAL					

TOTAL PROJECT ESTIMATED RECLAMATION COST

\$26,417