



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Phoenix District

Hassayampa Field Office

21605 North 7th Avenue

Phoenix, Arizona 85027

www.blm.gov/az/



In Reply Refer To:

3809(P010)

AZA-36808

CERTIFIED MAIL – RETURN RECEIPT NO. 7013 2630 0001 6598 4841

To: Arizona State Office, Lands and Minerals Operations (AZ9310)
Attention: Amy Thrower, Land Law Examiner

From: D. Remington Hawes
Field Manager, Hassayampa Field Office

Subject: Transmittal of Surface Management Surety Bond AZA-36808

Type of Financial Guarantee:

Individual X
Statewide
Nationwide

After review of the 43 CFR 3809 actions proposed, we have determined that a financial guarantee in the amount of \$18,294.00 is required to meet the requirements of 43 CFR 3809. In response to this determination, the operator for the proposed action has provided the following documents that are being forwarded for AZ9310 adjudication. Please find included the following documents:

1. Cover letter from bond submittal with contact information for Areta Zouvas (original)
2. Form 3809-1, dated September 3, 2015 (original)(Note: there are no TINs)
3. Power of Attorney from Zouvas Family Trust authorizing Areta Zouvas to submit documents to BLM (original)
4. Copy of page 2 from submitted Notice AZA-36808 with TIN for Kirkland Mining Co.

The review of these documents constitutes the final step in our approval of the subject 43 CFR 3809 action. Once AZ9310 determines that the financial documents are acceptable, please provide written notification to the claimant/operator and send a copy to this office.

If AZ9310 does not find the submitted financial documents acceptable or if further information is required, AZ9310 should contact Areta Zouvas as per the information on the included document.

If AZ9310 is unable to obtain an acceptable financial guarantee, please provide the operator a formal decision to that effect with a copy to this office. If you have any questions concerning this memo, please contact David Eddy at 623-580-5517.

DEddy:djb:9/14/15: aza-36808-3809_bond_transmittal

Kirkland Mining Company

3200 Fourth Avenue Ste: 101A

San Diego, CA. 92103

619-688-3939

September 9, 2015

Bureau Land Management, Phoenix District
Hassayampa Field Office
21605 North 7th Avenue
Phoenix, AZ 85027
Attn: David Eddy
RE: AZA-36808



David,

Please find the enclosed reclamation bond in the amount of \$18,294.00 in relation to the 43 CFR 3809 Notice Kirkland Mining Company submitted to you on August 11, 2015. Please confirm receipt of this document by email. Thank you for your time and consideration.

Best Regards,


Areta Zouvas
Kirkland Mining Company
3200 Fourth Ave. Ste 101A
San Diego, CA. 92103
619-846-4671
aret@kirklandmining.com

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SURFACE MANAGEMENT SURETY BOND

*Act of May 10, 1872, as amended (30 U.S.C. 22-54)
Act of December 29, 1916, as amended (39 Stat. 862)
Act of October 21, 1976, as amended (43 U.S.C. 1732-35, 1782)
Act of September 13, 1982 (31 U.S.C. 9301 et seq.)
Act of September 27, 1988 (102 Stat. 1776)
Act of April 16, 1993 (43 U.S.C. 299)*

FORM APPROVED
OMB No. 1004-0194
Expires: July 31, 2013

Surety Bond Number

1118543

Individual AZA-36808 or Statewide _____ or Nationwide _____
(Enter Bureau of Land Management (BLM) Serial No.) (Enter Name of the State, if applicable) (Enter "Yes" if applicable)

KNOW ALL BY THESE PRESENTS, THAT: Kirkland Mining Company

(name)

of 3200 Fourth Avenue, Suite 101A, San Diego, CA 92103

(address)

as principal; and Lexon Insurance Company

(name)

of 2307 River Road, Suite 200,

(address)

Louisville, KY 40206

as surety, are held firmly bound unto the United States of America in the

sum of Eighteen Thousand Two Hundred Ninety-Four and No/100

U.S. dollars (\$ 18,294.00)

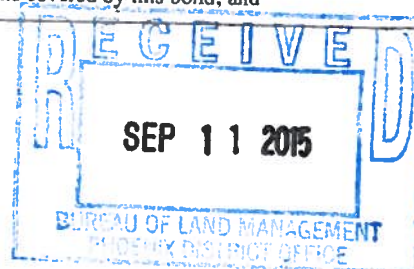
lawful money of the United States, which may be increased or decreased by a rider hereto executed in the same manner as this bond, for the payment of which sum the principal and surety bind themselves successors, and assigns, jointly and severally, by these presents.

The principal/surety will apply this bond for the faithful performance of any and all of the conditions and stipulations as set forth in this bond, the plan of operations/notice cited above, and the regulations cited at CFR 3802 and 43 CFR 3809. In the case of any default in the performance of the conditions and stipulations of such undertaking, it is agreed that the surety/principal will apply the bond or any portion thereof, to the satisfaction of any damages, reclamation, assessments, penalties, or deficiencies arising by reason of such default.

BOND CONDITIONS

1. WHEREAS, the principal has an interest in a mining claim(s), mill site(s), or tunnel site(s) and/or responsibility for operations on those mining claim(s), mill site(s), or tunnel site(s) or public lands under the Acts cited in this bond; and
2. WHEREAS, the principal has filed an acceptable notice with the United States Department of the Interior, BLM and/or received approval from the BLM of the plan of operations cited above, and said plan of operations/notice contains certain stipulations and conditions; and
3. WHEREAS, the principal has promised to deliver to the United States a bond substantially in the form hereof upon the approval and/or acceptance of the above referenced plan of operations and/or notice by the BLM to secure the performance of the terms and conditions contained in said plan of operations/notice and/or associated reclamation plan;
4. WHEREAS, the principal and surety agree that, with notice to the surety, the coverage of this bond, in addition to the present holdings of and/or authorization(s) granted to the principal, will extend to and include:
 - a. Any transfer of operating rights under the plan of operations and/or notice hereafter entered into or acquired by the principal affecting mining claim(s), mill site(s), or tunnel site(s) or public lands; and
 - b. Any activity subsequent hereto of the principal as operator under a plan of operations and/or notice issued pursuant to the Acts cited in this bond;Provided, that for Statewide and Nationwide bonds only, the surety may elect to terminate the additional coverage authorized under this paragraph. Such termination will become effective 30 days after the BLM receives notice of the election to terminate. After the termination becomes effective, the additional interests identified in this paragraph will not be covered by this bond; and
5. WHEREAS, the principal and surety agree that with notice to the surety this bond will remain in full force and effect notwithstanding: Any assignment(s) of an undivided interest in any part or all of the mining claim(s), mill site(s), or tunnel site(s) or public lands covered by the plan of operations/notice in which event the assignee(s) will be considered to be coprincipal(s) on this bond as fully and to the same extent as though their duly authenticated signatures appeared thereon; and
6. WHEREAS, the principal/surety hereby waives any right to notice of, and agrees that this bond will remain in full force and effect notwithstanding:
 - a. Any transfer(s) in whole or in part, or any of all of the land covered by the plan of operations and/or notice and further agrees to remain bound under this bond as to the interests in the plan of operations and/or notice retained by the principal; and
 - b. Any modification of the plan of operations/notice or obligations thereunder as provided in paragraph 4 herein; and
7. WHEREAS, the principal and surety hereby agree that notwithstanding the nullity, relinquishment, abandonment or forfeiture of any mining claim(s), mill site(s), or tunnel site(s) covered by this plan of operations and/or notice, whether by operation of law or otherwise, the bond will remain in full force and effect as to the terms and conditions of the plan of operations and/or notice and obligations covered by this bond; and

(Continued on page 2)



BOND CONDITIONS (CONTINUED)

8. WHEREAS, should the surety elect to cancel this bond, the surety agrees to give the principal and the BLM 90 days written notice by certified mail, return receipt requested, at their respective addresses as stated herein. The address for service to the BLM concerning this bond is the BLM Phoenix State Office located at 21605 North 7th Avenue, Phoenix, AZ 85027

The surety further agrees that in the event of such cancellation, this bond will remain in full force and effect as to all areas within the plan of operations/notice disturbed prior to the effective date of such cancellation, unless and until the principal should file a substitute bond or other acceptable instrument to protect the interests of the BLM and such bond or instrument is accepted by the BLM; and

9. WHEREAS, the principal and surety agree that in the event of any default under the plan of operations and/or notice, the bond may be forfeited and, the United States, through the BLM, may commence and prosecute any claim, suit, or other proceeding against the surety and principal, or either of them, without the necessity of joining the owner(s) of the mining claim(s), mill site(s), or tunnel site(s) covered by the plan of operations and/or notice; and
10. WHEREAS, if the principal fails to comply with the provisions of 43 CFR 3802 and 43 CFR 3809, the principal will be subject to the applicable provisions and penalties of Sections 303 and 305 of the Federal Land Policy and Management Act of 1976, as amended, (43 U.S.C. 1733 and 1735). This provision should not be construed to prevent the exercise by the United States of any other legal and equitable remedy, including the waiver of the default; and
11. WHEREAS, on the faith of the foregoing promises, representations, and appointments and in consideration of this bond, the United States has received a notice or approved the plan of operations referenced herein.
12. NOW, THEREFORE, the condition of this obligation is that if said principal, heirs, executors, administrators, successors, or assignees will, in all respects, faithfully comply with all of the provisions of the plan of operations and/or notice, and any amendments thereto, and the regulations at 43 CFR 3802 and 43 CFR 3809, then this obligation will be null and void; otherwise it will remain in full force and effect.

Executed this 3rd day of September, 2015:

Principal Kirkland Mining Company

Surety Lexon Insurance Company

By 
(Print Name)

Attorney-in-fact Bonnie J. Wortham
(Print Name)

Title President

Signature 

Business Address 3200 Fourth Avenue, Suite 101A
San Diego, CA 92103

Business Address 2307 River Road, Suite 200
Louisville, KY 40206

(TIN or SSN, if applicable)

(TIN)

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction

This bond must bear the seal of the surety company. If this bond is signed by a corporation, it should bear the seal of the corporation, if applicable.

NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) require that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 22 et seq.; 43 U.S.C. 1732(b) and 1782(c); 31 U.S.C. 9301 et seq.; 43 CFR 3802 and 3809.

PRINCIPAL PURPOSE Information is being used to establish financial responsibility for surface disturbance on public lands.

ROUTINE USES: BLM will only disclose the information according to the regulations at 43 CFR 2.56 (d).

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is necessary to obtain or retain a benefit. Failure to disclose this information may result in BLM's rejection of your application.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to grant the right to conduct exploration and mining activities on public lands.

Response to this request is required to obtain or retain a benefit.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB Control Number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to: U.S. Department of the Interior, Bureau of Land Management (1004-0194), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Room 2134LM, Washington, D.C. 20240.

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: Brook T. Smith, Raymond M. Hundley, Jason D. Cromwell, James H. Martin, Barbara Duncan, Sandra L. Fusinetti, Mark A. Guidry, Jill Kemp, Jackie C. Koestel, Lynnette Long, Amy Meredith, Deborah Neichter, Jessica Nowlin, Theresa Pickerrell, Sheryon Quinn, Bonnie J. Wortham its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$ 4,000,000.00, Four Million dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 27th day of July, 2015.



LEXON INSURANCE COMPANY

BY

David E. Campbell
David E. Campbell
President

ACKNOWLEDGEMENT

On this 27th day of July, 2015, before me, personally came David E. Campbell to me known, who be duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY L. TAYLOR
Notary Public- State of Tennessee
Davidson County
My Commission Expires 01-09-16

BY

Amy L. Taylor
Amy L. Taylor
Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Seal at Mount Juliet, Tennessee this 3rd Day of September, 2015.



BY

Andrew Smith
Andrew Smith
Assistant Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

Zouvas Family Trust

August 18, 2014

RE: Power of Attorney for Bureau Of Land Management Documents

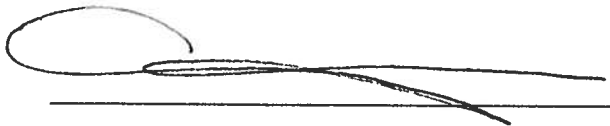
POWER OF ATTORNEY TO EXECUTE DOCUMENTS SUBMITTED TO
BUREAU OF LAND MANAGEMENT

KNOW ALL MEN BY THESE PRESENTS THAT I, PETER S. ZOUVAS, AND ANNE ZOUVAS AS TRUSTEE FOR THE ZOUVAS FAMILY TRUST,

Do hereby irrevocably constitute and appoint ARETA ZOUVAS, my true and lawful representative, for me and in my name and stead to make, sign and execute any and all necessary documents pertaining to the Bureau of Land Management, and hereby ratify and confirm all the said Power of Attorney shall lawfully do by virtue thereof.

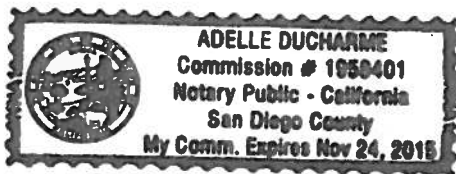
Dated this 18th day of August, 2014

WITNESS TO SIGNATURE OF TRANSFER



Signature of Witness

Peter S. Zouvas, Trustee
Signature of Transferor 8-18-14
Anne Zouvas Trustee 8-18-14
Signature of Transferor



Peter S. Zouvas, Trustee, Zouvas Family Trust

PETER S. ZOUVAS
Print Name of Transferor:

Anne Zouvas, Trustee, Zouvas Family Trust

ANNE ZOUVAS
Print Name of Transferor:

ACKNOWLEDGMENT

State of California

County of San Diego

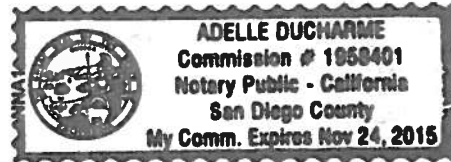
On August 18, 2014 before me, Adelle DuCharme
(insert name and title of the officer)

personally appeared Peter S. Zouvas and Anne Zouvas
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) 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 _____



(Seal)

2.0 OPERATOR INFORMATION

Operator and owner of the claims:

Kirkland Mining Company (KMC)
3200 Fourth Avenue, Suite 101A
San Diego, CA 92103

Point of contact:

Kirkland Mining Company
Areta Zouvas, President
3200 Fourth Avenue, Suite 101A
San Diego, CA 92103
(619) 688-3939
aret@kirklandmining.com

Taxpayer identification number: 86-0675180

Location of claims where disturbance would occur:

<u>Claim Name</u>	<u>BLM Serial Number</u>
Capital Two	AMC 428989
Capital Three	AMC 428990
Capital Six	AMC 428993
Capital Seven	AMC 428994
Capital Eight	AMC 428995

3.0 ACTIVITY DESCRIPTION

The operation would consist of sampling and core drilling, as discussed below. Figure 3 is a site plan showing the proposed access road, sampling sites and drill sites.

3.1 Stockpile Sampling

KMC's earthmoving contractor would excavate and load bulk samples from the existing stockpile into potential customers' trucks. The trucks would carry the samples to customers' testing facilities. KMC anticipates providing 50 to 200 ton samples to several different companies for testing.

Samples would be taken from a location on the side of the stockpile by a front-end loader. If vegetation is present, the loader would remove the surface layer and vegetation and set it aside to be used during reclamation. KMC would keep a log to record the number and capacity of loaded trucks to keep track of the tonnage removed.

Access to the stockpile would be via an existing road located on a right-of-way belonging to KMC and KMC's claims as shown in Figure 3. The existing road is located in Sections 28 and 29, Township 13 North, Range 4 West and intersects Iron Springs Road adjacent to a one acre parcel of private land owned by KMC (county parcel no. 205-25-034D) and continues eastward on the right-of-way to the boundary of the BLM land. The road then continues onto BLM land, entering the Capital Seven lode claim and continuing another approximately 1,000 feet to the stockpile where the samples would be excavated.