

Conversation Contents

RE: Kirkland Mining Company regarding locatable determination.

<areta@kirklandmining.com>

From: <areta@kirklandmining.com>
Sent: Mon Feb 01 2016 11:28:54 GMT-0700 (MST)
To: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Matthew Plis <mplis@blm.gov>, Al Burch
<burchservices1@aol.com>, (b) (6)
CC: <(b) (6)>, David Hawes <rhawes@blm.gov>, Mark Zouvas <(b) (6)>, Peter Zouvas <(b) (6)>
Subject: RE: Kirkland Mining Company regarding locatable determination.

Good Morning All,

I hope this email finds each of you well. Happy New Year to you all!! I hope you had great Holiday season and are having a great New Year.

I wanted to let you know our plans for drilling; we will be starting our drilling on Monday February 29th, 2016. I will be in Phoenix on February 23rd and 24th. I would like to set up a meeting on Wednesday February 24rd with Jeff and Matt to discuss testing the cores, our plans, and the progress in the testing with the third party companies. We have meetings from 12:30 to 3 with Drake and ASU; so it would have to be in the morning between 9 -11:30 or anytime after 3.

We want to make sure we are requesting the right test's from the labs to help us with the locatable determination of our material. As well as I believe Jeff you wanted to come up while we were drilling and get some samples.

Please let me know if you are available to meet with myself and my brother Mark. If the 24th doesn't work we could do the 23rd, let me know time and location.

Thank you for your continued time and consideration, we look forward to seeing you and updating you on our progress.

Best Regards,

Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: areta@kirklandmining.com

| ----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.
From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Date: Mon, August 31, 2015 6:09 am
To: <areta@kirklandmining.com>

Sorry, just got your e-mail. I was in Kingman on Thursday and was off on Friday.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Thu, Aug 27, 2015 at 12:43 PM, <areta@kirklandmining.com> wrote:
Hi Jeff,

Would it be possible to get the outline from you by tomorrow I have several people waiting to put bids together.

I know how busy you are and appreciate the time and consideration. Thanks

Best Regards,

Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: areta@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.
From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Date: Tue, August 25, 2015 2:13 pm
To: <areta@kirklandmining.com>
Cc: "Eddy, David" <deddy@blm.gov>, David Hawes <rhawes@blm.gov>,
"Frederick Conrath" <fconrath@blm.gov>, Mark Zouvas <(b) (6)>,
Peter Zouvas <(b) (6)>, (b) (6) <(b) (6)>, (b) (6) <(b) (6)>
<(b) (6)>

I think it would be better to provide an outline that you can work from, rather than attempt to explain everything in a conference call. I'll try to get you something in the next few days.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Tue, Aug 25, 2015 at 10:47 AM, <areta@kirklandmining.com> wrote:
Hello Everyone,

In reference to Dave's email below, I would like to set up a conference call to discuss the requirement's, guidelines and regulations in testing and completing

a market analysis for KMC to submit to the BLM for determining locatability for our Pozzolan material.

We are beginning to outline a test program, and need to specific in our request. We want to make sure that we meet all the BLM requirements for an examination. I would like to have a call with Jeff Garrett, Dave and Rem to discuss, or if you have a specific outline you can send me that will work as well.

Please let me know what works best for you, I realize you're all busy, and appreciate the time and consideration.

I have CC: (b) (6) and (b) (6) to keep them in the loop.

Best Regards,

Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: aretazouvas@kirklandmining.com

----- Original Message -----

Subject: your latest plan submittal for your Skull Valley location
From: "Eddy, David" <deddy@blm.gov>
Date: Wed, July 15, 2015 2:39 pm
To: <aretazouvas@kirklandmining.com>
Cc: David Hawes <rhawes@blm.gov>, "Verl (Jeff) Garrett" <jgarrett@blm.gov>, Frederick Conrath <fconrath@blm.gov>, David Eddy <deddy@blm.gov>

Areta,

We have begun reviewing your new proposal received in this office on July 8.

Having discussing the subject with the minerals staff in our State Office and HFO's management, we will be sending out a decision letter (which I will be drafting) rejecting your mineral materials sale application. This rejection is based on the statements in footnote 1 of your cover letter stating "...material sale application...is in no way an admission that the material is saleable as opposed to locatable. KMC intends to demonstrate the deposit is of uncommon variety..." and the regulations at 43 CFR § 3809.101 which prevent us from disposing of locatable minerals through mineral materials sales. Also applicable is Interior Board of Land Appeals decision 165 IBLA 140 (attached) which on 165 IBLA 143 states "...BLM could not authorize sale of the stone pursuant to the Common Varieties Act, 30 U.S.C. § 611 (2000), before conducting an examination to determine whether in fact the stone is common or uncommon."

One of our State Office folks has also discussed the matter with some other mineral experts in the BLM and they think that a full Common Variety Determination examination may not be necessary. If the sample analyses submitted by KMC provides the necessary data parameters and is considered reliable and adequate to meet our requirements, that may be sufficient for us to determine that the material is a locatable mineral rather than common variety material.

Therefore, if KMC submits a Mining Plan of Operations under the 43 CFR § 3809 regulations, we can initiate processing of the proposal using those regulations and guidelines, including possibly determining locatability of the deposit up front. Note that activities conducted under 3809 may occur pending final determination of locatability but that if production is initiated prior to that determination, an escrow account with payments deposited equivalent to the saleable value royalty will be required (43 CFR 3809.101(b)(3)).

We can discuss all of this in more detail in the teleconference tomorrow. Remember that BLM actions are constrained by laws, regulations, and case law which partition allowable actions into the locatable, saleable, and leaseable categories. The gray area is where some types of minerals fall, such as material used as pozzolan, which can be either saleable or locatable depending on a deposits properties.

Dave

--

David Eddy
Geologist
Bureau of Land Management
Hassayampa Field Office
21605 North 7th Avenue
Phoenix, AZ 85027
(623) 580-5517 (phone)
(623) 580-5580 (fax)

"Garrett, Verl (Jeff)" <jgarrett@blm.gov>

From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Sent: Mon Feb 01 2016 12:17:04 GMT-0700 (MST)
To: areta@kirklandmining.com
Matthew Plis <mplis@blm.gov>, Al Burch
<burchservices1@aol.com>, (b) (6)
CC: (b) (6), David Hawes <rhawes@blm.gov>,
Mark Zouvas (b) (6), Peter Zouvas
(b) (6)
Subject: Re: Kirkland Mining Company regarding locatable determination.

I'm not available the week of the week of February 22nd.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Mon, Feb 1, 2016 at 11:28 AM, <areta@kirklandmining.com> wrote:

Good Morning All,

I hope this email finds each of you well. Happy New Year to you all!! I hope you had great Holiday season and are having a great New Year.

I wanted to let you know our plans for drilling; we will be starting our drilling on Monday February 29th, 2016. I will be in Phoenix on February 23rd and 24th. I would like to set up a meeting on Wednesday February 24rd with Jeff and Matt to discuss testing the cores, our plans, and the progress in the testing with the third party companies. We have meetings from 12:30 to 3 with Drake and ASU; so it would have to be in the morning between 9 -11:30 or anytime after 3.

We want to make sure we are requesting the right test's from the labs to help us with the locatable determination of our material. As well as I believe Jeff you wanted to come up while we were drilling and get some samples.

Please let me know if you are available to meet with myself and my brother Mark. If the 24th doesn't work we could do the 23rd, let me know time and location.

Thank you for your continued time and consideration, we look forward to seeing you and updating you on our progress.

Best Regards,

Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: areta@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.

From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>

Date: Mon, August 31, 2015 6:09 am

To: <areta@kirklandmining.com>

Sorry, just got your e-mail. I was in Kingman on Thursday and was off on Friday.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Thu, Aug 27, 2015 at 12:43 PM, <areta@kirklandmining.com> wrote:

Hi Jeff,

Would it be possible to get the outline from you by tomorrow I have several people waiting to put bids together.

I know how busy you are and appreciate the time and consideration. Thanks

Best Regards,

Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: aret@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.
From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Date: Tue, August 25, 2015 2:13 pm
To: <aret@kirklandmining.com>
Cc: "Eddy, David" <deddy@blm.gov>, David Hawes <rhawes@blm.gov>,
"Frederick Conrath" <fconrath@blm.gov>, Mark Zouvas <(b) (6)>,
Peter Zouvas <(b) (6)>, (b) (6) <(b) (6)>, (b) (6)
<(b) (6)>

I think it would be better to provide an outline that you can work from, rather than attempt to explain everything in a conference call. I'll try to get you something in the next few days.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Tue, Aug 25, 2015 at 10:47 AM, <aret@kirklandmining.com> wrote:
Hello Everyone,

In reference to Dave's email below, I would like to set up a conference call to discuss the requirement's, guidelines and regulations in testing and completing a market analysis for KMC to submit to the BLM for determining locatability for our Pozzolan material.

We are beginning to outline a test program, and need to specific in our request. We want to make sure that we meet all the BLM requirements for an examination. I would like to have a call with Jeff Garrett, Dave and Rem to discuss, or if you have a specific outline you can send me that will work as well.

Please let me know what works best for you, I realize you're all busy, and appreciate the time and consideration.

I have CC: (b) (6) and (b) (6) to keep them in the loop.

Best Regards,

Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: aret@kirklandmining.com

----- Original Message -----

Subject: your latest plan submittal for your Skull Valley location

From: "Eddy, David" <deddy@blm.gov>

Date: Wed, July 15, 2015 2:39 pm

To: <areta@kirklandmining.com>

Cc: David Hawes <rhawes@blm.gov>, "Verl (Jeff) Garrett" <jgarrett@blm.gov>, Frederick Conrath <fconrath@blm.gov>, David Eddy <deddy@blm.gov>

Areta,

We have begun reviewing your new proposal received in this office on July 8.

Having discussing the subject with the minerals staff in our State Office and HFO's management, we will be sending out a decision letter (which I will be drafting) rejecting your mineral materials sale application. This rejection is based on the statements in footnote 1 of your cover letter stating "...material sale application...is in no way an admission that the material is saleable as opposed to locatable. KMC intends to demonstrate the deposit is of uncommon variety..." and the regulations at 43 CFR § 3809.101 which prevent us from disposing of locatable minerals through mineral materials sales. Also applicable is Interior Board of Land Appeals decision 165 IBLA 140 (attached) which on 165 IBLA 143 states "...BLM could not authorize sale of the stone pursuant to the Common Varieties Act, 30 U.S.C. § 611 (2000), before conducting an examination to determine whether in fact the stone is common or uncommon."

One of our State Office folks has also discussed the matter with some other mineral experts in the BLM and they think that a full Common Variety Determination examination may not be necessary. If the sample analyses submitted by KMC provides the necessary data parameters and is considered reliable and adequate to meet our requirements, that may be sufficient for us to determine that the material is a locatable mineral rather than common variety material.

Therefore, if KMC submits a Mining Plan of Operations under the 43 CFR § 3809 regulations, we can initiate processing of the proposal using those regulations and guidelines, including possibly determining locatability of the deposit up front. Note that activities conducted under 3809 may occur pending final determination of locatability but that if production is initiated prior to that determination, an escrow account with payments deposited equivalent to the saleable value royalty will be required (43 CFR 3809.101(b)(3)).

We can discuss all of this in more detail in the teleconference tomorrow. Remember that BLM actions are constrained by laws, regulations, and case law which partition allowable actions into the locatable, saleable, and leaseable categories. The gray area is where some types of minerals fall, such as material used as pozzolan, which can be either saleable or locatable depending on a deposits properties.

Dave

--
David Eddy
Geologist
Bureau of Land Management
Hassayampa Field Office
21605 North 7th Avenue
Phoenix, AZ 85027
(623) 580-5517 (phone)
(623) 580-5580 (fax)

<areta@kirklandmining.com>

From: <areta@kirklandmining.com>
Sent: Mon Feb 01 2016 12:21:27 GMT-0700 (MST)
To: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Matthew Plis <mplis@blm.gov>, Al Burch
<burchservices1@aol.com>, (b) (6)
CC: (b) (6) David Hawes <rhawes@blm.gov>,
Mark Zouvas (b) (6) >, Peter Zouvas
(b) (6)
Subject: RE: Kirkland Mining Company regarding locatable determination.

Do you want to do a site visit to the mine while we are drilling the following week?
I believe (b) (6) is going to join us for a day, not sure which day need to check with (b) (6).

Best Regards,
Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: areta@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.
From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Date: Mon, February 01, 2016 11:17 am
To: <areta@kirklandmining.com>
Cc: Matthew Plis <mplis@blm.gov>, Al Burch <burchservices1@aol.com>,
"(b) (6)" <(b) (6)>, David Hawes
<rhawes@blm.gov>, "Mark Zouvas" <(b) (6)>, Peter Zouvas
<(b) (6)>

I'm not available the week of the week of February 22nd.

Jeff Garrett

Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Mon, Feb 1, 2016 at 11:28 AM, <areta@kirklandmining.com> wrote:
Good Morning All,

I hope this email finds each of you well. Happy New Year to you all!! I hope you had great Holiday season and are having a great New Year.

I wanted to let you know our plans for drilling; we will be starting our drilling on Monday February 29th, 2016. I will be in Phoenix on February 23rd and 24th. I would like to set up a meeting on Wednesday February 24rd with Jeff and Matt to discuss testing the cores, our plans, and the progress in the testing with the third party companies. We have meetings from 12:30 to 3 with Drake and ASU; so it would have to be in the morning between 9 -11:30 or anytime after 3.

We want to make sure we are requesting the right test's from the labs to help us with the locatable determination of our material. As well as I believe Jeff you wanted to come up while we were drilling and get some samples.

Please let me know if you are available to meet with myself and my brother Mark. If the 24th doesn't work we could do the 23rd, let me know time and location.

Thank you for your continued time and consideration, we look forward to seeing you and updating you on our progress.

Best Regards,

Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: areta@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.
From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Date: Mon, August 31, 2015 6:09 am
To: <areta@kirklandmining.com>

Sorry, just got your e-mail. I was in Kingman on Thursday and was off on Friday.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Thu, Aug 27, 2015 at 12:43 PM, <areta@kirklandmining.com> wrote:
Hi Jeff,

Would it be possible to get the outline from you by tomorrow I have several people waiting to put bids together.

I know how busy you are and appreciate the time and consideration. Thanks

Best Regards,

Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: aret@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.

From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>

Date: Tue, August 25, 2015 2:13 pm

To: <aret@kirklandmining.com>

Cc: "Eddy, David" <deddy@blm.gov>, David Hawes
<rhawes@blm.gov>,

"Frederick Conrath" <fconrath@blm.gov>, Mark Zouvas

(b) (6),
Peter Zouvas (b) (6), (b) (6) <(b) (6)>,
(b) (6)
<(b) (6)>

I think it would be better to provide an outline that you can work from, rather than attempt to explain everything in a conference call. I'll try to get you something in the next few days.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Tue, Aug 25, 2015 at 10:47 AM, <aret@kirklandmining.com>
wrote:

Hello Everyone,

In reference to Dave's email below, I would like to set up a conference call to discuss the requirement's, guidelines and regulations in testing and completing a market analysis for KMC to submit to the BLM for determining locatability for our Pozzolan material.

We are beginning to outline a test program, and need to specific in our request. We want to make sure that we meet all the BLM requirements for an examination. I would like to have a call with Jeff Garrett, Dave and Rem to discuss, or if you have a specific outline you can send me that will work as well.

Please let me know what works best for you, I realize you're all busy, and appreciate the time and consideration.

I have CC: Fred Brost and Dawn Meidinger to keep them in the loop.

Best Regards,

Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: aret@kirklandmining.com

----- Original Message -----

Subject: your latest plan submittal for your Skull Valley location

From: "Eddy, David" <deddy@blm.gov>

Date: Wed, July 15, 2015 2:39 pm

To: <aret@kirklandmining.com>

Cc: David Hawes <rhawes@blm.gov>, "Verl (Jeff) Garrett" <jgarrett@blm.gov>, Frederick Conrath <fconrath@blm.gov>, David Eddy <deddy@blm.gov>

Areta,

We have begun reviewing your new proposal received in this office on July 8.

Having discussing the subject with the minerals staff in our State Office and HFO's management, we will be sending out a decision letter (which I will be drafting) rejecting your mineral materials sale application. This rejection is based on the statements in footnote 1 of your cover letter stating "...material sale application...is in no way an admission that the material is saleable as opposed to locatable. KMC intends to demonstrate the deposit is of uncommon variety..." and the regulations at 43 CFR § 3809.101 which prevent us from disposing of locatable minerals through mineral materials sales. Also applicable is Interior Board of Land Appeals decision 165 IBLA 140 (attached) which on 165 IBLA 143 states "...BLM could not authorize sale of the stone pursuant to the Common Varieties Act, 30 U.S.C. § 611 (2000), before conducting an examination to determine whether in fact the stone is common or uncommon."

One of our State Office folks has also discussed the matter with some other mineral experts in the BLM and they think that a full Common Variety Determination examination may not be necessary. If the sample analyses submitted by KMC provides the necessary data parameters and is considered reliable and adequate to meet our requirements, that may be sufficient for us to determine that the material is a locatable mineral rather than common variety material.

Therefore, if KMC submits a Mining Plan of Operations under the 43 CFR § 3809 regulations, we can initiate processing of the proposal using those regulations and guidelines, including possibly determining locatability of the deposit up front. Note that activities conducted under 3809 may occur

pending final determination of locatability but that if production is initiated prior to that determination, an escrow account with payments deposited equivalent to the saleable value royalty will be required (43 CFR 3809.101(b)(3)).

We can discuss all of this in more detail in the teleconference tomorrow. Remember that BLM actions are constrained by laws, regulations, and case law which partition allowable actions into the locatable, saleable, and leaseable categories. The gray area is where some types of minerals fall, such as material used as pozzolan, which can be either saleable or locatable depending on a deposits properties.

Dave

--

David Eddy
Geologist
Bureau of Land Management
Hassayampa Field Office
21605 North 7th Avenue
Phoenix, AZ 85027
(623) 580-5517 (phone)
(623) 580-5580 (fax)

"Garrett, Verl (Jeff)" <jgarrett@blm.gov>

From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Sent: Mon Feb 01 2016 12:26:51 GMT-0700 (MST)
To: areta@kirklandmining.com
Matthew Plis <mplis@blm.gov>, Al Burch
<burchservices1@aol.com>, (b) (6)
CC: (b) (6), David Hawes <rhawes@blm.gov>, Mark Zouvas (b) (6), Peter Zouvas (b) (6)
Subject: Re: Kirkland Mining Company regarding locatable determination.

Yes, I would like to visit the site while you are drilling.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Mon, Feb 1, 2016 at 12:21 PM, <areta@kirklandmining.com> wrote:

Do you want to do a site visit to the mine while we are drilling the following week?
I believe (b) (6) is going to join us for a day, not sure which day need to check with (b) (6).

Best Regards,
Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: aret@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.
From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Date: Mon, February 01, 2016 11:17 am
To: <aret@kirklandmining.com>
Cc: Matthew Plis <mplis@blm.gov>, Al Burch <burchservices1@aol.com>, "(b) (6)" <(b) (6)>, David Hawes <rhawes@blm.gov>, "Mark Zouvas" (b) (6), Peter Zouvas (b) (6)

I'm not available the week of the week of February 22nd.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Mon, Feb 1, 2016 at 11:28 AM, <aret@kirklandmining.com> wrote:
Good Morning All,

I hope this email finds each of you well. Happy New Year to you all!! I hope you had great Holiday season and are having a great New Year.

I wanted to let you know our plans for drilling; we will be starting our drilling on Monday February 29th, 2016. I will be in Phoenix on February 23rd and 24th. I would like to set up a meeting on Wednesday February 24rd with Jeff and Matt to discuss testing the cores, our plans, and the progress in the testing with the third party companies. We have meetings from 12:30 to 3 with Drake and ASU; so it would have to be in the morning between 9 -11:30 or anytime after 3.

We want to make sure we are requesting the right test's from the labs to help us with the locatable determination of our material. As well as I believe Jeff you wanted to come up while we were drilling and get some samples.

Please let me know if you are available to meet with myself and my brother Mark. If the 24th doesn't work we could do the 23rd, let me know time and location.

Thank you for your continued time and consideration, we look forward to seeing you and updating you on our progress.

Best Regards,

Areta Zouvas
Kirkland Mining Company

President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: areta@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.
From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Date: Mon, August 31, 2015 6:09 am
To: <areta@kirklandmining.com>

Sorry, just got your e-mail. I was in Kingman on Thursday and was off on Friday.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Thu, Aug 27, 2015 at 12:43 PM, <areta@kirklandmining.com> wrote:
Hi Jeff,

Would it be possible to get the outline from you by tomorrow I have several people waiting to put bids together.

I know how busy you are and appreciate the time and consideration. Thanks

Best Regards,

Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: areta@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.
From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Date: Tue, August 25, 2015 2:13 pm
To: <areta@kirklandmining.com>
Cc: "Eddy, David" <deddy@blm.gov>, David Hawes <rhawes@blm.gov>, "Frederick Conrath" <fconrath@blm.gov>, Mark Zouvas

(b) (6),
Peter Zouvas (b) (6), (b) (6)
<(b) (6)>, (b) (6)
<(b) (6)>

I think it would be better to provide an outline that you can work from, rather than attempt to explain everything in a conference call. I'll try to get you something in the next few days.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Tue, Aug 25, 2015 at 10:47 AM, <areta@kirklandmining.com> wrote:

Hello Everyone,

In reference to Dave's email below, I would like to set up a conference call to discuss the requirement's, guidelines and regulations in testing and completing a market analysis for KMC to submit to the BLM for determining locatability for our Pozzolan material.

We are beginning to outline a test program, and need to specific in our request. We want to make sure that we meet all the BLM requirements for an examination. I would like to have a call with Jeff Garrett, Dave and Rem to discuss, or if you have a specific outline you can send me that will work as well.

Please let me know what works best for you, I realize you're all busy, and appreciate the time and consideration.

I have CC: (b) (6) and (b) (6) to keep them in the loop.

Best Regards,

Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: areta@kirklandmining.com

----- Original Message -----

Subject: your latest plan submittal for your Skull Valley location

From: "Eddy, David" <deddy@blm.gov>

Date: Wed, July 15, 2015 2:39 pm

To: <areta@kirklandmining.com>

Cc: David Hawes <rhawes@blm.gov>, "Verl (Jeff) Garrett"

<jgarrett@blm.gov>, Frederick Conrath

<fconrath@blm.gov>, David Eddy

<deddy@blm.gov>

Areta,

We have begun reviewing your new proposal received in this office on July 8.

Having discussing the subject with the minerals staff in our State Office and HFO's management, we will be sending out a decision letter (which I will be drafting) rejecting your mineral materials sale application. This rejection is based on the statements in footnote 1 of your cover letter stating "...material sale application...is in no way an admission that the material is saleable as opposed to locatable. KMC intends to demonstrate the deposit is of uncommon variety..." and the regulations at 43 CFR § 3809.101 which prevent us from disposing of locatable minerals through mineral materials sales. Also applicable is Interior Board of Land Appeals decision 165 IBLA 140 (attached) which on 165 IBLA 143 states "...BLM could not authorize sale of the stone pursuant to the Common Varieties Act, 30 U.S.C. § 611 (2000), before conducting an examination to determine whether in fact the stone is common or uncommon."

One of our State Office folks has also discussed the matter with some other mineral experts in the BLM and they think that a full Common Variety Determination examination may not be necessary. If the sample analyses submitted by KMC provides the necessary data parameters and is considered reliable and adequate to meet our requirements, that may be sufficient for us to determine that the material is a locatable mineral rather than common variety material.

Therefore, if KMC submits a Mining Plan of Operations under the 43 CFR § 3809 regulations, we can initiate processing of the proposal using those regulations and guidelines, including possibly determining locatability of the deposit up front. Note that activities conducted under 3809 may occur pending final determination of locatability but that if production is initiated prior to that determination, an escrow account with payments deposited equivalent to the saleable value royalty will be required (43 CFR 3809.101(b)(3)).

We can discuss all of this in more detail in the teleconference tomorrow. Remember that BLM actions are constrained by laws, regulations, and case law which partition allowable actions into the locatable, saleable, and leaseable categories. The gray area is where some types of minerals fall, such as material used as pozzolan, which can be either saleable or locatable depending on a deposits properties.

Dave

--

David Eddy
Geologist
Bureau of Land Management
Hassayampa Field Office
21605 North 7th Avenue
Phoenix, AZ 85027
(623) 580-5517 (phone)
(623) 580-5580 (fax)

<areta@kirklandmining.com>

From: <areta@kirklandmining.com>
Sent: Mon Feb 01 2016 12:30:25 GMT-0700 (MST)
To: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Matthew Plis <mplis@blm.gov>, Al Burch
<burchservices1@aol.com>, (b) (6)
CC: <(b) (6)>, David Hawes <rhawes@blm.gov>,
Mark Zouvas <(b) (6)>, Peter Zouvas
<(b) (6)>
Subject: RE: Kirkland Mining Company regarding locatable determination.

Okay, we begin on Monday Feb. 29th and they're estimating 3 to 5 days so please let me know when you would like to come up. We will be happy to have you. Thanks

Best Regards,
Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: areta@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.
From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Date: Mon, February 01, 2016 11:26 am
To: <areta@kirklandmining.com>
Cc: Matthew Plis <mplis@blm.gov>, Al Burch <burchservices1@aol.com>,
"(b) (6)" <(b) (6)>, David Hawes
<rhawes@blm.gov>, "Mark Zouvas" <(b) (6)>, Peter Zouvas
(b) (6)

Yes, I would like to visit the site while you are drilling.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Mon, Feb 1, 2016 at 12:21 PM, <areta@kirklandmining.com> wrote:

Do you want to do a site visit to the mine while we are drilling the following week?
I believe Ted Iyde is going to join us for a day, not sure which day need to check with Karl.

Best Regards,
Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: aret@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.
From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Date: Mon, February 01, 2016 11:17 am
To: <aret@kirklandmining.com>
Cc: Matthew Plis <mplis@blm.gov>, Al Burch <burchservices1@aol.com>, "(b) (6)" <(b) (6)>, David Hawes <rhawes@blm.gov>, "Mark Zouvas" <(b) (6)>, Peter Zouvas <(b) (6)>

I'm not available the week of the week of February 22nd.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Mon, Feb 1, 2016 at 11:28 AM, <aret@kirklandmining.com> wrote:
Good Morning All,

I hope this email finds each of you well. Happy New Year to you all!! I hope you had great Holiday season and are having a great New Year.

I wanted to let you know our plans for drilling; we will be starting our drilling on Monday February 29th, 2016. I will be in Phoenix on February 23rd and 24th. I would like to set up a meeting on Wednesday February 24rd with Jeff and Matt to discuss testing the cores, our plans, and the progress in the testing with the third party companies. We have meetings from 12:30 to 3 with Drake and ASU; so it would have to be in the morning between 9 -11:30 or anytime after 3.

We want to make sure we are requesting the right test's from the labs to help us with the locatable determination of our material. As well as I believe Jeff you wanted to come up while we were drilling and get some samples.

Please let me know if you are available to meet with myself and my brother Mark. If the 24th doesn't work we could do the 23rd, let me know time and location.

Thank you for your continued time and consideration, we look forward to seeing you and updating you on our progress.

Best Regards,

Areta Zouvas
Kirkland Mining Company

President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: areta@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.

From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>

Date: Mon, August 31, 2015 6:09 am

To: <areta@kirklandmining.com>

Sorry, just got your e-mail. I was in Kingman on Thursday and was off on Friday.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Thu, Aug 27, 2015 at 12:43 PM, <areta@kirklandmining.com> wrote:

Hi Jeff,

Would it be possible to get the outline from you by tomorrow I have several people waiting to put bids together.

I know how busy you are and appreciate the time and consideration.
Thanks

Best Regards,

Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: areta@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.

From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>

Date: Tue, August 25, 2015 2:13 pm

To: <areta@kirklandmining.com>

Cc: "Eddy, David" <deddy@blm.gov>, David Hawes
<rhawes@blm.gov>,

"Frederick Conrath" <fconrath@blm.gov>, Mark Zouvas
<(b) (6)>,

Peter Zouvas (b) (6), (b) (6)

<(b) (6)>, (b) (6)
<(b) (6)>

I think it would be better to provide an outline that you can work from, rather than attempt to explain everything in a conference call. I'll try to get you something in the next few days.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Tue, Aug 25, 2015 at 10:47 AM,
<areta@kirklandmining.com> wrote:

Hello Everyone,

In reference to Dave's email below, I would like to set up a conference call to discuss the requirement's, guidelines and regulations in testing and completing a market analysis for KMC to submit to the BLM for determining locatability for our Pozzolan material.

We are beginning to outline a test program, and need to specific in our request. We want to make sure that we meet all the BLM requirements for an examination. I would like to have a call with Jeff Garrett, Dave and Rem to discuss, or if you have a specific outline you can send me that will work as well.

Please let me know what works best for you, I realize you're all busy, and appreciate the time and consideration.

I have CC: (b) (6) and (b) (6) to keep them in the loop.

Best Regards,

Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: areta@kirklandmining.com

----- Original Message -----

Subject: your latest plan submittal for your Skull Valley location

From: "Eddy, David" <deddy@blm.gov>

Date: Wed, July 15, 2015 2:39 pm

To: <areta@kirklandmining.com>

Cc: David Hawes <rhawes@blm.gov>, "Verl (Jeff) Garrett"

<jgarrett@blm.gov>, Frederick Conrath

<fconrath@blm.gov>, David Eddy

[<deddy@blm.gov>](mailto:deddy@blm.gov)

Areta,

We have begun reviewing your new proposal received in this office on July 8.

Having discussing the subject with the minerals staff in our State Office and HFO's management, we will be sending out a decision letter (which I will be drafting) rejecting your mineral materials sale application. This rejection is based on the statements in footnote 1 of your cover letter stating "...material sale application...is in no way an admission that the material is saleable as opposed to locatable. KMC intends to demonstrate the deposit is of uncommon variety..." and the regulations at 43 CFR § 3809.101 which prevent us from disposing of locatable minerals through mineral materials sales. Also applicable is Interior Board of Land Appeals decision 165 IBLA 140 (attached) which on 165 IBLA 143 states "...BLM could not authorize sale of the stone pursuant to the Common Varieties Act, 30 U.S.C. § 611 (2000), before conducting an examination to determine whether in fact the stone is common or uncommon."

One of our State Office folks has also discussed the matter with some other mineral experts in the BLM and they think that a full Common Variety Determination examination may not be necessary. If the sample analyses submitted by KMC provides the necessary data parameters and is considered reliable and adequate to meet our requirements, that may be sufficient for us to determine that the material is a locatable mineral rather than common variety material.

Therefore, if KMC submits a Mining Plan of Operations under the 43 CFR § 3809 regulations, we can initiate processing of the proposal using those regulations and guidelines, including possibly determining locatability of the deposit up front. Note that activities conducted under 3809 may occur pending final determination of locatability but that if production is initiated prior to that determination, an escrow account with payments deposited equivalent to the saleable value royalty will be required (43 CFR 3809.101(b)(3)).

We can discuss all of this in more detail in the teleconference tomorrow. Remember that BLM actions are constrained by laws, regulations, and case law which partition allowable actions into the locatable, saleable, and leaseable categories. The gray area is where some types of minerals fall, such as material used as pozzolan, which can be either saleable or locatable depending on a deposits properties.

Dave

--
David Eddy
Geologist
Bureau of Land Management
Hassayampa Field Office
21605 North 7th Avenue
Phoenix, AZ 85027
(623) 580-5517 (phone)
(623) 580-5580 (fax)

"Garrett, Verl (Jeff)" <jgarrett@blm.gov>

From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Sent: Mon Feb 01 2016 12:53:00 GMT-0700 (MST)
To: areta@kirklandmining.com
Matthew Plis <mplis@blm.gov>, Al Burch
<burchservices1@aol.com>, (b) (6)
CC: <(b) (6)>, David Hawes <rhawes@blm.gov>, Mark Zouvas <(b) (6)>, Peter Zouvas <(b) (6)>
Subject: Re: Kirkland Mining Company regarding locatable determination.

I'd like to make it the day that (b) (6) is there. If you can let me know what day that will be, when you know.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Mon, Feb 1, 2016 at 12:30 PM, <areta@kirklandmining.com> wrote:

Okay, we begin on Monday Feb. 29th and they're estimating 3 to 5 days so please let me know when you would like to come up. We will be happy to have you. Thanks

Best Regards,
Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: areta@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.

From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>

Date: Mon, February 01, 2016 11:26 am

To: <areta@kirklandmining.com>

Cc: Matthew Plis <mplis@blm.gov>, Al Burch <burchservices1@aol.com>, "(b) (6)" <(b) (6)>, David Hawes

<rhawes@blm.gov>, "Mark Zouvas" <(b) (6)>, Peter Zouvas <(b) (6)>

Yes, I would like to visit the site while you are drilling.

Jeff Garrett

Geologist

Arizona State Office

One North Central Ave., Ste. 800

Phoenix AZ 85004

(602)417-9349

On Mon, Feb 1, 2016 at 12:21 PM, <areta@kirklandmining.com> wrote:

Do you want to do a site visit to the mine while we are drilling the following week?

I believe (b) (6) is going to join us for a day, not sure which day need to check with (b) (6).

Best Regards,

Areta Zouvas

Kirkland Mining Company

President

3200 Fourth Ave STE 101A

San Diego, CA. 92103

OFFICE: 619-688-3939

CELL: 619-846-4671

FAX: 619-688-9585

EMAIL: areta@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.

From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>

Date: Mon, February 01, 2016 11:17 am

To: <areta@kirklandmining.com>

Cc: Matthew Plis <mplis@blm.gov>, Al Burch <burchservices1@aol.com>, "(b) (6)" <(b) (6)>, David Hawes

<rhawes@blm.gov>, "Mark Zouvas" <(b) (6)>, Peter Zouvas <(b) (6)>

I'm not available the week of the week of February 22nd.

Jeff Garrett

Geologist

Arizona State Office

One North Central Ave., Ste. 800

Phoenix AZ 85004

(602)417-9349

On Mon, Feb 1, 2016 at 11:28 AM, <areta@kirklandmining.com> wrote:

Good Morning All,

I hope this email finds each of you well. Happy New Year to you all!! I hope

you had great Holiday season and are having a great New Year.

I wanted to let you know our plans for drilling; we will be starting our drilling on Monday February 29th, 2016. I will be in Phoenix on February 23rd and 24th. I would like to set up a meeting on Wednesday February 24rd with Jeff and Matt to discuss testing the cores, our plans, and the progress in the testing with the third party companies. We have meetings from 12:30 to 3 with Drake and ASU; so it would have to be in the morning between 9 -11:30 or anytime after 3.

We want to make sure we are requesting the right test's from the labs to help us with the locatable determination of our material. As well as I believe Jeff you wanted to come up while we were drilling and get some samples.

Please let me know if you are available to meet with myself and my brother Mark. If the 24th doesn't work we could do the 23rd, let me know time and location.

Thank you for your continued time and consideration, we look forward to seeing you and updating you on our progress.

Best Regards,

Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: aret@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.

From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>

Date: Mon, August 31, 2015 6:09 am

To: <aret@kirklandmining.com>

Sorry, just got your e-mail. I was in Kingman on Thursday and was off on Friday.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Thu, Aug 27, 2015 at 12:43 PM, <aret@kirklandmining.com> wrote:

Hi Jeff,

Would it be possible to get the outline from you by tomorrow I have several people waiting to put bids together.

I know how busy you are and appreciate the time

and consideration. Thanks

Best Regards,

Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: aret@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.

From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>

Date: Tue, August 25, 2015 2:13 pm

To: <aret@kirklandmining.com>

Cc: "Eddy, David" <deddy@blm.gov>, David Hawes

<rhawes@blm.gov> ,

"Frederick Conrath" <fconrath@blm.gov>, Mark Zouvas

<(b) (6)> ,

Peter Zouvas (b) (6) , (b) (6)

<(b) (6)> , (b) (6)

<(b) (6)>

I think it would be better to provide an outline that you can work from, rather than attempt to explain everything in a conference call. I'll try to get you something in the next few days.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Tue, Aug 25, 2015 at 10:47 AM,
<aret@kirklandmining.com> wrote:

Hello Everyone,

In reference to Dave's email below, I would like to set up a conference call to discuss the requirement's, guidelines and regulations in testing and completing a market analysis for KMC to submit to the BLM for determining locatability for our Pozzolan material.

We are beginning to outline a test program, and need to specific in our request. We want to make sure that we meet all the BLM requirements for an examination. I would like to have a call with Jeff Garrett, Dave and Rem to discuss, or if you have a specific outline you can send me that will work as well.

Please let me know what works best for you, I realize you're all busy, and appreciate the time and consideration.

I have CC: (b) (6) and (b) (6) to keep them in the loop.

Best Regards,

Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: aretazouvas@kirklandmining.com

----- Original Message -----

Subject: your latest plan submittal for your Skull Valley location

From: "Eddy, David" <deddy@blm.gov>

Date: Wed, July 15, 2015 2:39 pm

To: <aretazouvas@kirklandmining.com>

Cc: David Hawes <rhawes@blm.gov>, "Verl (Jeff) Garrett"

<jgarrett@blm.gov>, Frederick Conrath

<fconrath@blm.gov>, David Eddy

<deddy@blm.gov>

Areta,

We have begun reviewing your new proposal received in this office on July 8.

Having discussing the subject with the minerals staff in our State Office and HFO's management, we will be sending out a decision letter (which I will be drafting) rejecting your mineral materials sale application. This rejection is based on the statements in footnote 1 of your cover letter stating "...material sale application...is in no way an admission that the material is saleable as opposed to locatable. KMC intends to demonstrate the deposit is of uncommon variety..." and the regulations at 43 CFR § 3809.101 which prevent us from disposing of locatable minerals through mineral materials sales. Also applicable is Interior Board of Land Appeals decision 165 IBLA 140 (attached) which on 165 IBLA 143 states "...BLM could not authorize sale of the stone pursuant to the Common Varieties Act, 30 U.S.C. § 611 (2000), before conducting an examination to determine whether in fact the stone is common or uncommon."

One of our State Office folks has also discussed the matter with some other mineral experts in the BLM and they think that a full Common Variety Determination examination may not be necessary. If the sample analyses submitted by KMC provides the necessary data

parameters and is considered reliable and adequate to meet our requirements, that may be sufficient for us to determine that the material is a locatable mineral rather than common variety material.

Therefore, if KMC submits a Mining Plan of Operations under the 43 CFR § 3809 regulations, we can initiate processing of the proposal using those regulations and guidelines, including possibly determining locatability of the deposit up front. Note that activities conducted under 3809 may occur pending final determination of locatability but that if production is initiated prior to that determination, an escrow account with payments deposited equivalent to the saleable value royalty will be required (43 CFR 3809.101(b)(3)).

We can discuss all of this in more detail in the teleconference tomorrow. Remember that BLM actions are constrained by laws, regulations, and case law which partition allowable actions into the locatable, saleable, and leaseable categories. The gray area is where some types of minerals fall, such as material used as pozzolan, which can be either saleable or locatable depending on a deposits properties.

Dave

--

David Eddy
Geologist
Bureau of Land Management
Hassayampa Field Office
21605 North 7th Avenue
Phoenix, AZ 85027
(623) 580-5517 (phone)
(623) 580-5580 (fax)

<areta@kirklandmining.com>

From: <areta@kirklandmining.com>
Sent: Mon Feb 01 2016 13:03:45 GMT-0700 (MST)

To: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Matthew Plis <mplis@blm.gov>, Al Burch
<burchservices1@aol.com>, (b) (6)
CC: (b) (6), David Hawes <rhawes@blm.gov>, Mark Zouvas (b) (6), Peter Zouvas (b) (6)
Subject: RE: Kirkland Mining Company regarding locatable determination.

will do thx

Best Regards,
Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: aretakirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.
From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Date: Mon, February 01, 2016 11:53 am
To: <aretakirklandmining.com>
Cc: Matthew Plis <mplis@blm.gov>, Al Burch <burchservices1@aol.com>, (b) (6) <(b) (6)>, David Hawes <rhawes@blm.gov>, "Mark Zouvas" <(b) (6)>, Peter Zouvas <(b) (6)>

I'd like to make it the day that (b) (6) is there. If you can let me know what day that will be, when you know.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Mon, Feb 1, 2016 at 12:30 PM, <aretakirklandmining.com> wrote:

Okay, we begin on Monday Feb. 29th and they're estimating 3 to 5 days so please let me know when you would like to come up. We will be happy to have you. Thanks

Best Regards,
Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: aretakirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.

From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Date: Mon, February 01, 2016 11:26 am
To: <areta@kirklandmining.com>
Cc: Matthew Plis <mplis@blm.gov>, Al Burch <burchservices1@aol.com>, "(b) (6)" <(b) (6)>, David Hawes <rhawes@blm.gov>, "Mark Zouvas" <(b) (6)>, Peter Zouvas <(b) (6)>

Yes, I would like to visit the site while you are drilling.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Mon, Feb 1, 2016 at 12:21 PM, <areta@kirklandmining.com> wrote:
Do you want to do a site visit to the mine while we are drilling the following week?
I believe (b) (6) is going to join us for a day, not sure which day need to check with (b) (6).

Best Regards,
Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: areta@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.

From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Date: Mon, February 01, 2016 11:17 am
To: <areta@kirklandmining.com>
Cc: Matthew Plis <mplis@blm.gov>, Al Burch <burchservices1@aol.com>, "(b) (6)" <(b) (6)>, David Hawes <rhawes@blm.gov>, "Mark Zouvas" <(b) (6)>, Peter Zouvas <(b) (6)>

I'm not available the week of the week of February 22nd.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Mon, Feb 1, 2016 at 11:28 AM, <areta@kirklandmining.com> wrote:

Good Morning All,

I hope this email finds each of you well. Happy New Year to you all!!

I hope you had great Holiday season and are having a great New Year.

I wanted to let you know our plans for drilling; we will be starting our drilling on Monday February 29th, 2016. I will be in Phoenix on February 23rd and 24th. I would like to set up a meeting on Wednesday February 24rd with Jeff and Matt to discuss testing the cores, our plans, and the progress in the testing with the third party companies. We have meetings from 12:30 to 3 with Drake and ASU; so it would have to be in the morning between 9 -11:30 or anytime after 3.

We want to make sure we are requesting the right test's from the labs to help us with the locatable determination of our material. As well as I believe Jeff you wanted to come up while we were drilling and get some samples.

Please let me know if you are available to meet with myself and my brother Mark. If the 24th doesn't work we could do the 23rd, let me know time and location.

Thank you for your continued time and consideration, we look forward to seeing you and updating you on our progress.

Best Regards,

Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: aret@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.

From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>

Date: Mon, August 31, 2015 6:09 am

To: <aret@kirklandmining.com>

Sorry, just got your e-mail. I was in Kingman on Thursday and was off on Friday.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Thu, Aug 27, 2015 at 12:43 PM,
<aret@kirklandmining.com> wrote:

Hi Jeff,

Would it be possible to get the outline from you by tomorrow I have several people waiting to put bids

together.

I know how busy you are and appreciate the time and consideration. Thanks

Best Regards,

Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: aret@kirklandmining.com

----- Original Message -----

Subject: Re: Kirkland Mining Company regarding locatable determination.

From: "Garrett, Verl (Jeff)" <jgarrett@blm.gov>

Date: Tue, August 25, 2015 2:13 pm

To: <aret@kirklandmining.com>

Cc: "Eddy, David" <deddy@blm.gov>, David Hawes <rhawes@blm.gov>,

"Frederick Conrath" <fconrath@blm.gov>, Mark Zouvas <(b) (6)> ,

Peter Zouvas <(b) (6)> , (b) (6)

(b) (6) (b) (6) , (b) (6)
<(b) (6)>

I think it would be better to provide an outline that you can work from, rather than attempt to explain everything in a conference call. I'll try to get you something in the next few days.

Jeff Garrett
Geologist
Arizona State Office
One North Central Ave., Ste. 800
Phoenix AZ 85004
(602)417-9349

On Tue, Aug 25, 2015 at 10:47 AM,
<aret@kirklandmining.com> wrote:
Hello Everyone,

In reference to Dave's email below, I would like to set up a conference call to discuss the requirement's, guidelines and regulations in testing and completing a market analysis for KMC to submit to the BLM for determining locatability for our Pozzolan material.

We are beginning to outline a test program, and need to specific in our request. We want to make sure that we meet all the BLM requirements for an examination. I would like to have a call with Jeff Garrett, Dave and Rem to discuss, or if you have a specific outline you

can send me that will work as well.

Please let me know what works best for you, I realize you're all busy, and appreciate the time and consideration.

I have CC: (b) (6) and (b) (6) to keep them in the loop.

Best Regards,

Areta Zouvas
Kirkland Mining Company
President
3200 Fourth Ave STE 101A
San Diego, CA. 92103
OFFICE: 619-688-3939
CELL: 619-846-4671
FAX: 619-688-9585
EMAIL: areta@kirklandmining.com

----- Original Message -----

Subject: your latest plan submittal for your Skull Valley location
From: "Eddy, David"
<deddy@blm.gov>
Date: Wed, July 15, 2015 2:39 pm
To: <areta@kirklandmining.com>
Cc: David Hawes <rhawes@blm.gov>, "Verl (Jeff) Garrett" <jgarrett@blm.gov>, Frederick Conrath <fconrath@blm.gov>, David Eddy <deddy@blm.gov>

Areta,

We have begun reviewing your new proposal received in this office on July 8. Having discussing the subject with the minerals staff in our State Office and HFO's management, we will be sending out a decision letter (which I will be drafting) rejecting your mineral materials sale application. This rejection is based on the statements in footnote 1 of your cover letter stating "...material sale application...is in no way an admission that the material is saleable as opposed to locatable. KMC intends to demonstrate the deposit is of uncommon variety..." and the regulations at 43 CFR § 3809.101 which prevent us from disposing of locatable minerals through mineral materials sales. Also applicable is Interior Board of Land Appeals decision 165 IBLA 140 (attached) which on 165 IBLA 143 states "...BLM could not authorize sale of the stone pursuant to

the Common Varieties Act, 30 U.S.C. § 611 (2000), before conducting an examination to determine whether in fact the stone is common or uncommon."

One of our State Office folks has also discussed the matter with some other mineral experts in the BLM and they think that a full Common Variety Determination examination may not be necessary. If the sample analyses submitted by KMC provides the necessary data parameters and is considered reliable and adequate to meet our requirements, that may be sufficient for us to determine that the material is a locatable mineral rather than common variety material.

Therefore, if KMC submits a Mining Plan of Operations under the 43 CFR § 3809 regulations, we can initiate processing of the proposal using those regulations and guidelines, including possibly determining locatability of the deposit up front. Note that activities conducted under 3809 may occur pending final determination of locatability but that if production is initiated prior to that determination, an escrow account with payments deposited equivalent to the saleable value royalty will be required (43 CFR 3809.101(b)(3)).

We can discuss all of this in more detail in the teleconference tomorrow. Remember that BLM actions are constrained by laws, regulations, and case law which partition allowable actions into the locatable, saleable, and leaseable categories. The gray area is where some types of minerals fall, such as material used as pozzolan, which can be either saleable or locatable depending on a deposits properties.

Dave

--

David Eddy
Geologist
Bureau of Land Management
Hassayampa Field Office
21605 North 7th Avenue
Phoenix, AZ 85027
(623) 580-5517 (phone)
(623) 580-5580 (fax)

(b) (6) <(b) (6)>

From: (b) (6) <(b) (6)>
Sent: Tue Feb 02 2016 13:23:37 GMT-0700 (MST)
To: "areta@kirklandmining.com" <areta@kirklandmining.com>,
"Garrett, Verl (Jeff)" <jgarrett@blm.gov>
Matthew Plis <mplis@blm.gov>, Al Burch
<burchservices1@aol.com>, David Hawes <rhawes@blm.gov>,
CC: Mark Zouvas <(b) (6)>, Peter Zouvas
(b) (6)
Subject: Re: Kirkland Mining Company regarding locatable determination.