GTAC
GOGEBIC TACONITE

June 17, 2013

Wisconsin Department of Natural Resources
Bureau of Drinking Water & Groundwater DG/5
PO Box 7921
Madison, WI 53707-7921

Mr. Larry Lynch:

Re: Exploration License
Wisconsin Statutes 295.44 (6)
Renewal Application

Gogebic Taconite, LLC submits to your agency an Exploration License Renewal Application. Included within this application are the following:

- A Renewal License Fee of $150.00;
- Copy of the Surety Bond that remains in effect;
- Copy of the Certificate of Insurance;
- Copy of the Recent Assets and Liabilities Statement;

Exploration License 41001 was issued on May 30, 2013. No changes are being proposed to the exploration plan and reclamation plan previously approved by the department.

Drilling on the Exploration License started on Tuesday, June 11, 2013 at Drill Site 674-1. That hole has been completed and the casing has been secured. The equipment is being moved to the next site to continue the drilling campaign.

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,

Timothy J Myers

Timothy J Myers
Engineer

Associated Bank

# CASHIER'S CHECK - CUSTOMER COPY

2005496249

DATE: 06/17/13

**PAY** *One Hundred Fifty and 00/100ths Dollars*

***$150.00

**TO THE ORDER OF** ***WISCONSIN DEPT OF NATURAL RESOURCES***

REMITTER: TIMOTHY MYERS

**NON-NEGOTIABLE**

THIS DOCUMENT CONTAINS SECURITY FEATURES INCLUDING THERMOCHROMIC INK, ARTIFICIAL WATERMARK, DETAILS ON BACK.
IF YOU DO NOT SEE THESE SECURITY FEATURES, DO NOT CASH THE CHECK.

Associated Bank

# CASHIER'S CHECK

2005496249

$150.00

→→→ DOLLAR ONE FIVE ZERO PERIOD ZERO ZERO →→→

79-57
759

**PAY** *One Hundred Fifty and 00/100ths Dollars*

DATE: 06/17/13

***$150.00

**TO THE ORDER OF** ***WISCONSIN DEPT OF NATURAL RESOURCES***

REMITTER: TIMOTHY MYERS

AUTHORIZED SIGNATURE

M1502 (10/10)

⑈2005496249⑈ ⑆075900575⑆ 90000034⑈

ATTACHMENT TO RESPONSE FOR s.295.44 (2)(e)

CERTICATE OF LIABILITY INSURANCE

210173

ACORD®

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 3/18/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

| PRODUCER | CONTACT NAME: Cheryl Vandermosten | |
|---|---|---|
| Commercial Lines - (304) 327-3421<br>Wells Fargo Insurance Services of West Virginia Inc.<br>320 Federal Street<br>Bluefield, WV 24701-3006 | PHONE (A/C, No, Ext): 865-450-1910 | FAX (A/C, No): 877-870-2914 |
| | E-MAIL ADDRESS: cheryl.vandermosten@wellsfargo.com | |
| | INSURER(S) AFFORDING COVERAGE | NAIC # |
| | INSURER A : Federal Insurance Company | 20281 |
| INSURED<br>Gogebic Taconite of Michigan, LLC<br>402 Silver Street<br>Hurley, WI 54534 | INSURER B : | |
| | INSURER C : | |
| | INSURER D : | |
| | INSURER E : | |
| | INSURER F : | |

COVERAGES CERTIFICATE NUMBER: 5745816 REVISION NUMBER: See below

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE | ADDL INSR | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS | |
|---|---|---|---|---|---|---|---|---|
| A | GENERAL LIABILITY | | | 37114535 | 12/31/2012 | 12/31/2013 | EACH OCCURRENCE | $ 1,000,000 |
| | [X] COMMERCIAL GENERAL LIABILITY | | | | | | DAMAGE TO RENTED PREMISES (Ea occurrence) | $ 1,000,000 |
| | [ ] CLAIMS-MADE [X] OCCUR | | | | | | MED EXP (Any one person) | $ 10,000 |
| | | | | | | | PERSONAL & ADV INJURY | $ 1,000,000 |
| | | | | | | | GENERAL AGGREGATE | $ 2,000,000 |
| | GEN'L AGGREGATE LIMIT APPLIES PER: | | | | | | PRODUCTS - COMP/OP AGG | $ 2,000,000 |
| | [X] POLICY [ ] PRO-JECT [ ] LOC | | | | | | | $ |
| | AUTOMOBILE LIABILITY | | | | | | COMBINED SINGLE LIMIT (Ea accident) | $ |
| | [ ] ANY AUTO | | | | | | BODILY INJURY (Per person) | $ |
| | [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS | | | | | | BODILY INJURY (Per accident) | $ |
| | [ ] HIRED AUTOS [ ] NON-OWNED AUTOS | | | | | | PROPERTY DAMAGE (Per accident) | $ |
| | | | | | | | | $ |
| | [ ] UMBRELLA LIAB [ ] OCCUR | | | | | | EACH OCCURRENCE | $ |
| | [ ] EXCESS LIAB [ ] CLAIMS-MADE | | | | | | AGGREGATE | $ |
| | [ ] DED [ ] RETENTION $ | | | | | | | $ |
| | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N | | | | | | [ ] WC STATU-TORY LIMITS [ ] OTH-ER | |
| | ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] N / A (Mandatory in NH) | | | | | | E.L. EACH ACCIDENT | $ |
| | If yes, describe under DESCRIPTION OF OPERATIONS below | | | | | | E.L. DISEASE - EA EMPLOYEE | $ |
| | | | | | | | E.L. DISEASE - POLICY LIMIT | $ |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Evidence of insurance with respects to any and all permits held by the Named Insured (s)

| CERTIFICATE HOLDER | CANCELLATION |
|---|---|
| Wisconsin Department of Natural Resources<br>101 S Webster Street<br>PO Box 7921<br>Madison, WI 53707 | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.<br>AUTHORIZED REPRESENTATIVE |

The ACORD name and logo are registered marks of ACORD © 1988-2010 ACORD CORPORATION. All rights reserved.

ACORD 25 (2010/05)

(This certificate replaces certificate # 5460394 issued on 1/8/2013)

# 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 | | -$11,916.84 |
| | TOTAL ASSETS | $287,642.53 |
| LIABILITIES | | |
| Accrued Payroll Taxes | | $168.00 |
| Long-Term Debt | | $6,365,000.00 |
| | TOTAL LIABILITIES | $6,365,168.00 |
| EQUITY | | |
| Member Equity | | $1,175,000.00 |
| Retained Earnings | | -$7,252,525.47 |
| | 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 (Address), as Principal, and

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

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 Obligee 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 Obligee is provided to the Obligee. If the Surety proposes to cancel this bond, notice shall be provided to the Obligee 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 Obligee 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 J. Williams

Principal

CORPORATE SEAL

U.S. SPECIALTY INSURANCE COMPANY

Surety

Janice Fennell

Attorney in Fact JANICE FENNELL

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: _____
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 Deborah Reese (Seal)

DEBORAH REESE
Commission # 1926048
Notary Public - California
Los Angeles County
My Comm. Expires Mar 18, 2015

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

_____
Jeannie Lee, Assistant Secretary

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