EF-560-B-R06-0806-17000698-1

BOE-560-B (S1F) REV. 6 (8-06)

20_____ MINING PRODUCTION REPORT (INCLUDES DIATOMITE, IRON, RARE EARTHS, GOLD, TALC, TUNGSTEN, AND OTHER MINERALS)

OFFICIAL REQUIREMENT

A report submitted on this form is required of you by section 441(a) of the Revenue and Taxation Code (Code). The statement must be completed according to the instructions and filed with the Assessor on or before April 1, 20 . Failure to file it on time will compel the Assessor's Office to estimate the value of your property from other information in its possession and add a penalty of 10 percent as required by Code section 463.

This statement is not a public document. The information contained herein will be held secret by the Assessor (Code section 451); it can be disclosed only to the district attorney, grand jury, and other agencies specified in Code section 408. Attached schedules are considered to be part of the statement.

Richard Ford
County Assessor-Recorder
Lake County Courthouse
255 North Forbes Street
Lakeport, CA 95453
Assessor's Office Phone: 707-263-2302
Recorder's Office Phone: 707-263-2293
Fax: 707-263-3703

Carefully read and follow the accompanying instructions. If additonal detail is necessary, attach separate page. (Make necessary corrections to printed name and mailing address)

1. NAME AND MAILING ADDRESS

2. LOCATION OF THE PROPERTY:
   Mine or quarry name _____
   Sec. _____ Twp. _____ Range _____
3. PARCEL NUMBER
   Tax rate area _____
   Legal description of property _____
4. PHONE NUMBER OF PERSON COMPLETING FORM
   ( )

5a. STATEMENT OF LAST CALENDAR YEAR'S MINE OPERATION

LIST TYPE OF ORES MINED	PRODUCTION VOLUME (show unit of measurement)	SALES VOLUME (show unit of measurement)	GROSS INCOME	ROYALTY PAID PER UNIT	PRICE ON JANUARY 1 OF THIS YEAR	PROVED RESERVES AS OF DECEMBER 31 OF LAST YEAR (show units)	
						QUANTITY	GRADE
			$	$	$		
		TOTALS	$				

5b. STATEMENT OF LAST CALENDAR YEAR'S PROCESSING OR MILLING OPERATION

LIST ALL PRODUCTS MILLED OR PROCESSED	PRODUCTION VOLUME (show unit of measurement)	SALES VOLUME (show unit of measurement)	GROSS INCOME	ROYALTY PAID PER UNIT	PRICE ON JANUARY 1 OF THIS YEAR	ASSESSOR'S USE ONLY
			$	$	$	
		TOTALS	$			

5c. STATEMENT OF LAST CALENDAR YEAR'S OPERATING COSTS*

MINING AND HAULING	$
PROCESSING AND/OR MILLING	
REPAIRS AND MAINTENANCE	
INSURANCE	
OVERHEAD	
UTILITIES	
SUPPLIES AND MATERIALS	
OTHER (itemize)	
TOTALS	$

*DO NOT INCLUDE depletion, depreciation, amortization, interest on loans, franchise and property taxes, state and federal income taxes, or royalty payments.

6. ESTIMATED DATE FOR BEGINNING MINING OPERATIONS ON PROPERTY OWNED BY YOU OR UNDER LEASE BUT NOT NOW BEING MINED.
   _____
7. a. Ore cut-off grade _____
   b. Current recovery factor _____

8. COMPANY RESERVES IN ALL CATEGORIES

CATEGORY	GRADE

9. ARE YOU THE ☐ OWNER OR ☐ LESSEE OF THIS PROPERTY?
   (If you own part and lease part check here ☐.)
10. IS THIS PROPERTY IN WHOLE OR PART:
    A. A GOVERNMENT LEASE? ☐ Yes ☐ No
    B. UNPATENTED CLAIMS? ☐ Yes ☐ No (If yes, list claims under item 17.)
11. IF THE PROPERTY IS UNDER LEASE WHAT IS THE DATE OF THE LAST LEASE AGREEMENT? _____
    HAS THE LEASE BEEN AMENDED SINCE THIS DATE? ☐ Yes ☐ No
    TOTAL RENTAL PAID LAST YEAR $ _____
12. IF THE PROPERTY IS UNDER LEASE WHAT IS THE DATE OF THE LAST ROYALTY AGREEMENT? _____
    HAS THE ROYALTY AGREEMENT BEEN AMENDED SINCE THIS DATE?
    ☐ Yes ☐ No TOTAL ROYALTY PAID LAST YEAR $ _____
    Note: If the lease or royalty agreement has been renegotiated since January 1 last year, attach a copy to this report.
13. ARE ANY OTHER FEES PAID FOR PROPERTY USAGE OTHER THAN THOSE SHOWN ABOVE? _____
14. USE — RESTRICTIONS AFFECTING PROPERTY VALUE _____
    _____
    _____
    USE PERMIT NO. _____ DATE _____
15. HAS AN ENVIRONMENTAL IMPACT REPORT BEEN FILED ON THIS PROPERTY?
    ☐ Yes ☐ No (If filed in past year, attach copy) DATE _____

THIS REPORT SUBJECT TO AUDIT

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16. BUILDINGS OR LEASEHOLD IMPROVEMENTS: (enter additions or retirements of your buildings or leasehold improvements since January 1 last year)

DESCRIBE IN DETAIL	DATE ACQUIRED	INSTALLED COST	REMARKS

17. REMARKS: _____

DECLARATION BY ASSESSEE

Note: The following declaration must be completed and signed. If you do not do so, it may result in penalties.

I declare under penalty of perjury under the laws of the State of California that I have examined this production report, including accompanying schedules, statements or other attachments, and to the best of my knowledge and belief it is true, correct, and complete and includes all production and all property required to be reported which is owned, claimed, possessed, controlled, or managed by the person named as the assessee in this statement at 12:01 a.m. on January 1, 20 _____.

OWNERSHIP TYPE (3)	SIGNATURE OF ASSESSEE OR AUTHORIZED AGENT*		DATE
Proprietorship ☐	NAME OF ASSESSEE OR AUTHORIZED AGENT* (typed or printed)		TITLE
Partnership ☐	NAME OF LEGAL ENTITY (other than DBA) (typed or printed)		FEDERAL EMPLOYER ID NUMBER
Corporation ☐	PREPARER'S NAME AND ADDRESS (typed or printed)	TELEPHONE NUMBER ( )	TITLE
Other _____ ☐			

*Agent: see page S2B for Declaration by Assessee instructions.

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INSTRUCTIONS FOR COMPLETING MINING PRODUCTION REPORT

If this report is prepared prior to January 1, any change in real property between the date the report is prepared and January 1 must be reported to the Assessor on a supplemental report.

All personal property, excluding stockpiles, owned by the respondent and any property belonging to others at this location as of January 1 must be reported to the Assessor on a Business Property Statement form.

A separate production report must be filed for each location and/or operation. A single report may cover several leases or parcels if all have the same geological characteristics and are operated as a unit.

Maps or aerial photos should be submitted for every year in which changes have occurred in the development of the property. Attach a map to describe and locate the property clearly. Include a plot plan that shows pit site, railroad spur lines, plant site, location of reserves, etc.

Line numbers listed in these instructions refer to identical line numbers printed on the form. At top of form fill in the year of the lien date for which this report is made.

LINE 1. NAME AND MAILING ADDRESS

a. NAME
If the name is preprinted, check the spelling and correct any error. In the case of an individual, enter the last name first, then the first name and middle initial. Partnerships must enter at least two names, showing the last name, first name and middle initial for each partner. Corporation names should be complete so they will not be confused with fictitious or DBA (Doing Business As) names.

b. DBA OR FICTITIOUS NAME
Enter the DBA name under which you are operating in this county below the name of the sole owner, partnership or corporation.

c. MAILING ADDRESS
Enter the mailing address of the legal entity shown in line 1b above. This may be either a street address or a post office box number. It may differ from the actual location of the property. Include the city, state and ZIP code.

LINE 2. LOCATION OF THE PROPERTY
Fill in the mine or quarry name and the section, township and range in which the mine or quarry is located.

LINE 3. PARCEL NUMBER
List the parcel number and tax rate area number, if known. Give legal description only if parcel number is not used. Also give legal description for any year in which there has been a change in lease boundaries.

LINE 4. PHONE NUMBER
Enter the phone number where we may contact you or your authorized representative for information regarding the subject property.

LINE 5a. COMMENTS ON "MINE OPERATION STATEMENT"

a. If a mine is not producing, make the notation "No Production" on the "Mining Operation Statement."

b. Ore refers to whatever rock or mineral commodity is produced for sale or processing and includes talc, etc. as well as metallic and other true ores. Gold production, for example, would be reported in ounces. Gold reserves, however, should be reported as tons of reserves of "xx" grade. See (e) below for the definition of reserves to be reported on this line.

c. If the ore is not sold, but is processed or milled by you or someone else, also complete Section 5b. In that case it is not necessary to complete "Sales Volume," "Gross Income," or "Price." If royalty is paid on the basis of ore produced, complete "Royalty Paid." "Sales Volume" means volume sold and/or volume retained by owners or producers in the form of a valuable commodity.

d. Gross Income is income before deducting royalty payments.

e. Reserve definitions:

Mineable reserves means those reserves in a mineral deposit for which extraction of the ore or mineral is economically feasible.

Proved reserves means those minerals measured by volume or weight which geological and engineering information indicate with reasonable certainty to be recoverable in the future, taking into account reasonably projected physical and economic operating conditions. Proved reserves include all minerals which satisfy the conditions of the preceding sentence without regard to how the term is used in the industry.

Note: Reserves, for property tax purposes, do not include stockpiled ore. (For property tax purposes, ore, once severed from the land, is no longer real property.)

Grade refers to the undiluted percentage of mineral content in the ore.

Ore is defined as a mineral or group of minerals of sufficient value as to quality and quantity which may be mined with profit. If the definitions described here are not the same as those used by you, attach a copy of the ones you use for reporting your reserves in this Section (5a).

LINE 5b. COMMENT ON "PROCESSING OR MILLING OPERATION STATEMENT"

The name of the product milled or processed is the name given to the marketed product at the first stage in processing at which it is sold. Sales Volume means volume sold and/or volume retained by owners or producers in the form of a valuable commodity.

LINE 5c. COMMENTS ON "OPERATING COST STATEMENT"

If this section is not adequate for detail necessary, attach a schedule which provides the detail.

a. Mining and Hauling is the direct cost incurred in drilling, blasting, mucking, shoveling, dredging, etc., and hauling to the primary crusher or other point of first processing.

b. Processing and/or Milling refers to the reduction, refining, and sale in the case of metallic ores, and generally to costs incurred in crushing, screening and washing.

c. Repairs and Maintenance is all other costs incurred at the mine or quarry which are not included in (5a) or (5b).

d. Insurance relates to any insurance — fire, casualty, or other — incidental to the mining operation.

e. Overhead is cost of engineering and accounting expense, compensation of officers, and other costs attributable to the mining operation, but incurred away from the mine or quarry.

f. Utilities includes water, power and expensed fuel.

g. Supplies and Materials includes operating and maintenance supplies and materials such as processing chemicals, stored fuel, and spare parts.

LINE 6. If you have future plans to begin mining in an area not reported to the Assessor in prior years, enter the date on which you plan such operation.

LINE 7. a. Ore cut-off grade: The lowest grade of mineralized material that qualifies as ore, if applicable.

b. Current recovery factor: The percentage of mineral derived from the ore, if applicable.

LINE 8. Report all reserves in all categories (e.g., "Proved," "Probable," and "Possible," etc.) on this property. Use the Remarks section (line 17) to describe the method used by your company in classifying reserve estimates, including reserve definitions used within the company. (Reserves reported on line 5a are reported in conformance with the definition specified by Property Tax Rule 469. Reserves reported on line 8 are in conformance with definitions used within the company.)

LINE 9. Indicate whether you own or lease the property.

LINE 10. If the property is wholly or partially a government lease, so indicate. If it is in whole or in part an unpatented claim, so indicate.

LINE 13. Show fees paid for property usage in the last calendar year other than those shown elsewhere on this report. For example, road access or trespass fees which may sometimes be paid on a tonnage basis.

LINE 14. If there are governmental use-restrictions which affect your ability to operate efficiently, enumerate them here. For example, restrictions on hours of operation or on the type of equipment permitted to be used.

Note: Milling equipment, mining equipment, materials, and supplies must be reported on a Business Property Statement form.

DECLARATION BY ASSESSEE

The law requires that this production report, regardless of where it is executed, shall be declared to be true under penalty of perjury under the laws of the State of California. The declaration must be signed by the assessee, a duly appointed fiduciary, or a person authorized to sign on behalf of the assessee. In the case of a corporation, the declaration must be signed by an officer or by an employee or agent who has been designated in writing by the board of directors, by name or by title, to sign the declaration on behalf of the corporation. In the case of a partnership, the declaration must be signed by a partner or an authorized employee or agent. In the case of a Limited Liability Company (LLC), the declaration must be signed by an LLC manager, or by a member where there is no manager, or by an employee or agent designated by the LLC manager or by the members to sign on behalf of the LLC.

When signed by an employee or agent, other than a member of the bar, a certified public accountant, a public accountant, an enrolled agent or a duly appointed fiduciary, the assessee's written authorization of the employee or agent to sign the declaration on behalf of the assessee must be filed with the Assessor. The Assessor may at any time require a person who signs a production report and who is required to have written authorization to provide proof of authorization.

A production report that is not signed and executed in accordance with the foregoing instructions is not validly filed. The penalty imposed by section 463 of the Revenue and Taxation Code for failure to file is applicable to unsigned production reports.