

ROYAL MINERALS, INC
P.O. BOX 920
DUNCAN, AZ. 85534



GRO28ME
Center Mine
mod 17-1

January 6, 2017

Energy, Minerals and Natural Resources Dept.
Mining and Minerals Division

Dear (DJ)David,

We are enclosing a check in the amount of \$250.00 for application fee. We will get a CD for \$1560.00 at Chase Bank next week.. This estimate is based on approximately 3.25 acres which includes the borrow area, former tailings and former pond. We understand that this fee will release our \$28K surety and the \$12K CD obligation with Mining and Minerals(MMD)/BLM.

Sincerely,
Bill Hanson

Subject: Center Mine - Financial Assurance Release
From: Ennis, David, EMNRD (David.Ennis@state.nm.us)
To: rmigold@yahoo.com;
Date: Tuesday, December 20, 2016 9:21 AM

Hi Bill,

As we discussed this morning, it looks like MMD can release additional financial assurance at the Center Mine due to BLM's letter dated Dec 12, 2016.

In order for MMD to release additional financial assurance for the site, I will need:

1. A \$250 application fee and brief letter requesting release of additional financial assurance;
2. A CD or another financial assurance instrument in the amount of \$1,560.00 based on the attached breakdown. This estimate is based on approximately 3.25 acres of reclamation, which includes the borrow area, former tailings, and former pond. MMD is required to retain this amount of financial assurance for revegetation costs associated with a 12-year regrowth period.

Once I have the above, we may conduct a site visit and then we can release the ~\$28k surety and the \$12k CD we are currently holding.

If you have any questions, please let me know.

Best wishes,

DJ

DJ Ennis, P.G.

Mining and Minerals Division / 1220 S. St. Francis Drive / Santa Fe, NM 87505

(505) 476-3434 / _____