

SOUTH T-BAR RANCH PROPERTY OWNERS ASSOCIATION

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January 31, 2008

TO: South T-Bar Ranch POA Members
FR: Jim Greenwood, President, Board of Directors
RE: Outcomes of January 19th Special Meeting of the Members

Hi, Everyone:

I wanted to briefly summarize the outcomes of the January 19, 2008 Special Meeting of the Members of the South T-Bar Ranch (STB) Property Owners Association (POA). We had 89 parcels represented in person or by proxy and six persons who participated via conference call.

The first question considered at the meeting was a vote to decide whether the POA would continue to move forward with pursuing mining at STB, or try to prevent mining given our probable ownership of 100% of the Hansen Ore Body mineral rights. The vote went overwhelmingly in favor of mining with 83 votes favoring mining and 4 favoring no mining.

The second question considered was a survey question regarding which mining scenarios were preferable to POA members. POA members indicated that they prefer the two scenarios that involve preparing and disseminating a Request for Proposals to mining companies and other interested parties. Of these two scenarios, the one in which the POA's position is that we definitely own 51% of the mineral rights and have a strong legal position on the other 49% was favored (54 Preferred, 28 Acceptable, 0 Unacceptable) over an RFP that strongly claimed all 100% of the rights (31 Preferred, 47 Acceptable, 2 Unacceptable). Other scenarios that involved getting court involvement or negotiating with a single company were not preferred.

The third question considered was a survey question that asked POA members to express their preferences for funding the mining-related efforts. Extending the current line of credit scored the highest (80 favorable ratings), followed by using LLC membership fees (75 favorable) and increasing LLC membership fees above the \$1,000 amount approved at the October 20, 2007 POA meeting (72 favorable). The lowest scores were for a loan from the law firm of Dufford & Brown (75 unfavorable), and selling additional memberships in the LLC to investors (77 unfavorable).

During the course of the meeting, a motion from the floor was made to authorize the Board to increase the current Line of Credit by up to \$200,000 in addition to the current \$200,000, for a total LOC not to exceed \$400,000, with any future increases in the LOC requiring approval by the POA membership. This motion passed unanimously. The Board will proceed with securing the additional Line of Credit to fund immediate needs, to continue formation of the LLC and to move the mining effort forward.

There were two additional survey questions that were posed at the meeting to determine if the membership supported (a) increasing the LLC membership fee and (b) requiring full payment of the LLC membership fee "up front" (instead of allowing payments over time). There was strong support for increasing the LLC membership fee (61 supported this, versus only 6 who were opposed). This will be considered as formation of the LLC moves forward. There was more modest support for requiring full payment of the LLC membership fee (with 42 in favor and 23 opposed). However, the Board wants to re-emphasize that funding from LLC memberships is not an immediate source of funds, since it is not available until after the LLC is formed and capitalized. Further, we do not want to deny any POA member an opportunity to join the LLC by charging an excessive membership fee and/or requiring an up front payment.

I very much appreciate the involvement by so many POA members, both in person, via conference call, and via proxy, who participated in this important meeting. And a special thanks to all who volunteered to help on the 19th, with registration, counting votes and surveys, managing the conference call, and other important tasks.

-Jim