



March 15, 2011

Wisconsin Department of Natural Resources  
Mining Coordinator – WA/5  
101 South Webster Street  
PO Box 7921  
Madison, WI 53707-7921

Dear Director:

Re: Exploration License Application  
Wisconsin Administrative Code NR 130.05

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

- A completed and signed copy of Form 2700-05.
- A License Fee of \$300.00
- A Surety Bond in the amount of \$5,000.00
- A Certificate of Insurance of no less than \$50,000.00
- A copy of the Applicant's current assets and liabilities.
- A copy of the Certification or Authority or Registration issued by the State of Wisconsin – Department of Financial Institutions.

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,

A handwritten signature in blue ink that reads "William T. Williams".

William T. Williams  
President

State of Wisconsin  
Department of Natural Resources  
Waste and Materials Management  
PO Box 7921  
Madison WI 53707-7921  
dnr.wi.gov

## Metallic Mineral Exploration License Application

Form 2700-005 (R 12/10)

- ☒ Original Application  
☐ Renewal Application

For License Period Expiring June 30, 2011

**Notice:** Use of this form is required by the DNR pursuant to Chapter 293, Wis. Stats., and Chapter NR 130, Wis. Adm. Code. Personal information collected will be used for administrative purposes and may be provided to requesters to the extent required by Wisconsin's Open Records Law [ss. 19.31-19.39, Wis. Stats.].

**Instructions:** Please submit two completed copies of this application to the above address.

### General Information

Applicant Name			Applicant is: (select one)	
Gogebic Taconite, LLC			<input type="radio"/> Applicant <input type="radio"/> Partnership	
Address			<input type="radio"/> Sole Proprietorship <input type="radio"/> Corporation	
402 Silver Street			<input checked="" type="radio"/> Other - Explain <u>Limited Liability Company</u>	
City	State	ZIP Code		
Hurley	WI	54534		

Is applicant a ☐ Division or ☐ Subsidiary of another corporation? ☐ Yes ☒ No

If yes, Parent Corporation Name

Address	City	State	ZIP Code

If applicant is a corporation, is it incorporated under Wisconsin law? ☐ Yes ☒ No

If applicant is incorporated outside Wisconsin, does it hold a valid certificate of authority to do business in Wisconsin issued by the Secretary of State? ☒ Yes ☐ No

### Financial Responsibility

1. Attach one copy each of the applicant's and parent company's (where applicable) most recent annual report and most recent Form 10-K as filed with the Securities and Exchange Commission. If these are not available, attach a report of the applicant's current assets and liabilities and other necessary data to establish that the applicant is competent to conduct exploration in a manner consistent with the requirements of Chapter 293, Wis. Stats.
2. Attach a bond payable to the Department of Natural Resources in the amount of \$5,000 or another amount specified by the Department conditioned on faithful performance of the provisions of Chapter NR 130, Wis. Adm. Code and Chapter 293, Wis. Stats. The bond shall comply with all provisions enumerated in s. NR 130.05(2)(b), Wis. Adm. Code.
3. Attach a certificate of insurance certifying that the applicant has in force a liability insurance policy issued by an insurance company authorized to do business in this state covering all exploration of the applicant in this state and affording personal injury and property damage protection in a total amount deemed adequate by the Department but not less than \$50,000.

### Fee

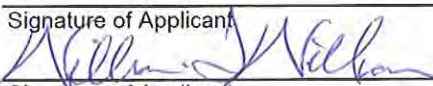
Attached is a check or money order in the amount of: ☒ \$300 for original application ☐ \$150 for renewal application made payable to the Department of Natural Resources to cover the annual license fee.

### Applicant's Statement

(Must be signed by the individual applicant; by all partners if a partnership; by a corporation officer if a corporation; or by a responsible official if other than the above.)

I/We hereby certify that the foregoing statements are true to the best of my/our knowledge and belief.

I/We hereby execute the foregoing application as officer(s) of the Gogebic Taconite, LLC  
by its authority. Corporation Name

Signature of Applicant	Date Signed	Title
	03/15/11	President
Signature of Applicant	Date Signed	Title

ATTACHMENT A – NR 130.05

Requirements for an Application for an Exploration License

NR 130.05 Application for an Exploration License.

- a. A fee of \$300 for the exploration license.  
**A check in the amount of \$300 is enclosed.**
- b. A bond payable to the department in the amount of \$5,000 conditioned on faithful performance of the provision of this code.  
**A Surety Bond in the amount of \$5,000 is enclosed.**
- c. A Certificate of Insurance .... In force a liability insurance policy .... Personal injury and property damage protection in a total amount deemed adequate by the department but not less than \$50,000.  
**A Certificate of Insurance is enclosed.**
- d. A report of the applicant's current assets and liabilities or other necessary data to establish that the applicant is competent to conduct exploration in this state.  
**A statement of Gogebic Taconite's Liabilities and Assets is enclosed.**



KNOW ALL PERSONS BY THESE PRESENTS, that GOGEBIC TACONITE, LLC  
(the Explorer)

of 402 SILVER STREET, HURLEY, WI 54534, as Principal, and  
(Address)

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

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 FIVE THOUSAND AND NO/100\*\*\*\* dollars

(\$ 5,000.00) 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 NR 130.05(2)(b), Wisconsin Administrative Code,  
as amended, to ensure compliance with the 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. 293 Stats. and Chapter NR 130, Wis. Adm. Code, and lack of notice from the Obligee  
will not bar or limit recovery against the Surety.

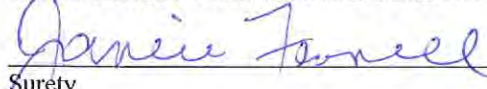
This bond is effective on the 1ST day of MARCH, 2011, and shall continue in force until  
terminated as hereinafter provided. As long as any obligation of the Principal or any successor in interest for the metallic  
mineral exploration license exists, this bond shall not be cancelled by the Surety unless 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 1ST day of MARCH, 2011.

GOGEBIC TACONITE, LLC

  
Principal

U.S. SPECIALTY INSURANCE COMPANY

  
Surety

JANICE FENNELL  
Attorney in Fact

Bond Number 1000828416

# POWER OF ATTORNEY

(To be used with bonds issued on behalf of U.S. SPECIALTY INSURANCE COMPANY)

Know All Men by These Presents That, U.S. SPECIALTY INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Jeremy C. Rose, Richard C. Rose or Janice Fennell of Knoxville, Tennessee

its true and lawful Attorney(s)-in-fact, 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\*\*\*) and to bind the Company thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the U. S. Specialty Insurance Company:

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 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 and 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. (Adopted by unanimous written consent in lieu of meeting on July 7, 2003.)

In Witness Whereof, U. S. SPECIALTY INSURANCE COMPANY has caused these presents to be signed by its Vice President, and its corporate seal to be hereto affixed this 2nd day of January, 2008.

Corporate Seal



U.S. SPECIALTY INSURANCE COMPANY

By

*Adam S. Pessin*

Adam S. Pessin, Vice President

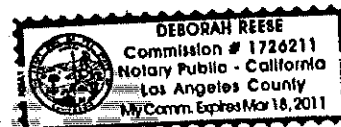
State of California

County of Los Angeles ss:

On this 2nd day of January, 2008, before me, Deborah Reese, a notary public, personally appeared Adam S. Pessin, Vice President of U.S. Specialty Insurance Company, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) 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. I witness my hand and official seal.

Signature *Deborah Reese* (Seal)



I, Jeannie Kim, Assistant Secretary of 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 Company, which is still in full force and effect; furthermore, the resolutions of the Board 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 seal of said Company at Los Angeles, California this 1st day of MARCH, 2011.

Corporate Seal



*Jeannie Kim*

Jeannie Kim, Assistant Secretary

Bond No. 1000828416

Agency No. 16425

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



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
2/28/2011

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).

<b>PRODUCER</b> Commercial Lines - (304) 252-6375 Wells Fargo Insurance Services of West Virginia Inc. 41 Eagles Road Beckley, WV 25801-3643	<b>CONTACT NAME:</b> <b>PHONE (A/C, No, Ext):</b> <b>FAX (A/C, No):</b> <b>E-MAIL:</b> <b>ADDRESS:</b> <b>PRODUCER:</b> <b>CUSTOMER ID #:</b> MA176486000
<b>INSURED</b> Gogebic Taconite, LLC 402 Silver Street  Hurley, WI 54534	<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Federal Insurance Company <b>INSURER B:</b> <b>INSURER C:</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b> <b>NAIC #</b> 20281

## COVERAGES

CERTIFICATE NUMBER: 2417064

REVISION NUMBER: See below

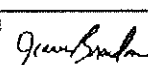
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE 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	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			37114468	12/31/2010	12/31/2011	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
	<b>UMBRELLA LIAB</b> <b>EXCESS LIAB</b> <b>DEDUCTIBLE</b> <b>RETENTION \$</b>						EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ 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 101 S Webster Street PO Box 7921 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.  AUTHORIZED REPRESENTATIVE 
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Balance Sheet  
As of 12/31/2010

Gogebic Taconite LLC (GTL)

Assets

Local Imprest Fund

1000-000-00	Cash-Huntington Banks	\$ 17,460.42	
	<b>Total Local Imprest Fund:</b>		\$ 17,460.42

Other Prepaid Expenses

1545-000-00	Lease Payments	\$ 200,000.00	
	<b>Total Other Prepaid Expenses:</b>		\$ 200,000.00

Machinery/Equip/Buildings

2000-000-00	Machinery & Equipmen	\$ 5,665.65	
	<b>Total Machinery/Equip/Buildings:</b>		\$ 5,665.65

Accumulated Depreciation

2050-000-00	Accumulated Deprecia	\$-392.93	
	<b>Total Accumulated Depreciation:</b>		\$-392.93

<b>Total Assets:</b>			<b>\$ 222,733.14</b>
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Liabilities

3000-000-00	Vouchers Payable	\$ 213,205.37	
	<b>Total Liabilities:</b>		\$ 213,205.37

Equity

Member Equity

4500-000-00	Member Equity	\$ 765,000.00	
	<b>Total Member Equity:</b>		\$ 765,000.00

Retained Earnings

4530-000-00	Retained Earnings-Current Year	\$-755,472.23	
4530-000-00	Retained Earnings	\$ 0.00	
	<b>Total Retained Earnings:</b>		\$-755,472.23

<b>Total Equity:</b>			<b>\$ 9,527.77</b>
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<b>Total Liabilities &amp; Equity:</b>			<b>\$ 222,733.14</b>
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United States of America

State of Wisconsin

DEPARTMENT OF FINANCIAL INSTITUTIONS



**CERTIFICATE OF AUTHORITY or REGISTRATION**

Issued to

**GOGEBIC TACONITE, LLC**

an organization formed under the laws of **Delaware**,

authorizing the organization to transact business in this state, effective **January 21, 2011**,

as a

- ☐ Foreign limited liability partnership, under sec. 178.45, Wis. Stats.
- ☐ Foreign limited partnership, under sec. 179.82, Wis. Stats.
- ☐ Foreign corporation, under sec. 180.1503, 180.1504, 181.1503 or 181.1504, Wis. Stats.
- ☒ Foreign limited liability company, under sec. 183.1004 or 183.1006, Wis. Stats.



Date of Issue: **January 24, 2011.**

A handwritten signature in black ink, appearing to read 'Ray Allen'.

RAY ALLEN, Deputy Secretary  
Department of Financial Institutions

See reverse for more information



## CONTINUING REQUIREMENTS

### **Maintain a Registered Agent and Office in Wisconsin**

Each foreign organization licensed or registered to transact business in Wisconsin must continuously maintain a registered agent and office in Wisconsin. If such agent is a natural person, the agent must be a resident of Wisconsin. Or, the agent may be some other domestic or licensed foreign organization qualified to act under the appropriate statutes. The organization may not name itself as its own registered agent.

### **File an Annual Report**

Each foreign corporation and limited liability company licensed to transact business in Wisconsin is obliged to file an annual report. Report forms are distributed during January to the organization's registered agent and office in Wisconsin, and are due March 31. The initial annual report is due March 31<sup>st</sup> the year after the entity becomes licensed. Failure to file the report sets grounds for revocation of the organization's authority to transact business in Wisconsin. There is no annual report filing requirement for foreign limited partnerships or foreign limited liability partnerships.

### **File for an Amended Certificate of Authority**

Promptly file for an amended certificate of authority or registration to reflect a change in the name of the entity or other changes to information set forth in the original application.

For additional information and blank forms, contact

Department of Financial Institutions  
Division of Corporate & Consumer Services  
P O Box 7846  
Madison, Wisconsin 53707-7846

Phone (608) 261-7577  
Website: [www.wdfi.org](http://www.wdfi.org)

Sec. 183.1004  
& 183.1006  
Wis. Stats.

RECEIVED  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
STATE OF WISCONSIN  
JAN 21 PM 12:56

State of Wisconsin  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Corporate & Consumer Services



FOREIGN LIMITED LIABILITY COMPANY - CERTIFICATE OF  
REGISTRATION APPLICATION

Indicate (X) below if the application is for a (A) ORIGINAL or (B) for an AMENDED certificate.

1. <input checked="" type="checkbox"/> ORIGINAL certificate of registration Name of limited liability company <b>A</b> GOGEBIC TACONITE, LLC	STATE OF WISCONSIN FILED JAN 24 2011 DEPARTMENT OF FINANCIAL INSTITUTIONS	2. State or Country of Organization  DE
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OR

1. <input type="checkbox"/> AMENDED certificate of registration (If changed, enter the new name or new state or country of organization. Also, enter the old name in section A above, and complete all other items, <u>except item 8.</u> Name of limited liability company <b>B</b>	2. State or Country of Organization
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If the company's name does not satisfy sec. 183.0103(1) and (2), Wis. Stats., provide the fictitious name under which it proposes to register and transact business in Wisconsin. (See Instructions)

**C**

3. Name of Registered Agent in Wisconsin CSC-Lawyers Incorporating Service Company
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4. Street Address of Registered Office in Wisconsin 8040 Excelsior Drive, Suite 400		
City Madison	State WI	Zip Code 53717

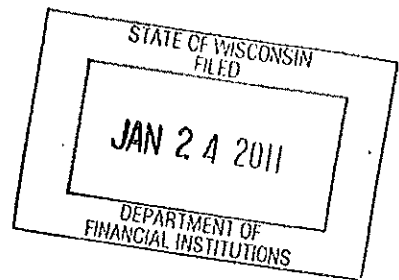
5. Address of Office (Complete address, including street & number, city, state and ZIP code, of the office the company is required by law to maintain in its state of organization. If no such office is required, provide the address of the company's principal office.)			
Address 3801 PGA Boulevard, Suite 903		PO Box	
City Palm Beach Gardens	State/Province FL	Country USA	Zip/Postal Code 33410

6. Date of Organization: June 15, 2010
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DFI/CORP/521 (09/05)

WI - DFI CORP  
FILE ID: #

6045393



7. Management of the foreign limited liability company is vested in:

☒ a manager or managers

☐ its members

8. Has the company transacted business in Wisconsin without holding a certificate of registration?

☒ No ☐ Yes If yes, state the period \_\_\_\_\_ and complete the supplement below. (see instructions)

SUPPLEMENT	
Basic registration fee	\$ 100.00
PLUS annual report fee for each year (each calendar year X fee)	
1995 through 2001, \$50 each year;	
2002 thru _____ \$80 each year	\$ _____
Subtotal	\$ _____
Calculate and ADD a 50% penalty to the subtotal, or \$5,000, whichever is less	\$ _____
TOTAL FILING FEE (post to Item 9)	\$ _____

9. Remit the one appropriate **FILING FEE**, payable to Department of Financial Institutions:

ORIGINAL Certificate \$ 100.00	OR	ORIGINAL Certificate, from Supplemental above \$ _____	OR	AMENDED Certificate \$ 40.00
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10. I certify that the applicant is a foreign limited liability company.

Executed on January 20, 2011  
(Date)

(Signature)

Title: ☐ Member OR ☒ Manager  
(Select and mark (X) the appropriate title)

Donald R. Holcomb, Vice President of

(Printed name)  
Cline Resource and Development Company,  
Sole Member of Gogebic Taconite, LLC