

NYCO Minerals Inc. Exploratory Drilling, Lot 8 Jay Mountain Wilderness Area
SPECIAL TERMS & CONDITIONS

In addition to the aforementioned Standard Terms & Conditions, this permit is subject to the following Special Terms & Conditions. Failure of the Permittee to comply with any Terms and Conditions will void this permit.

1. If the work allowed by this permit is transferred to a third-party work crew, NYCO shall notify the primary Department of Environmental Conservation (Department) contact for this permit, Robert Daley (518) 897 - 1369, and provide a copy of this permit with all terms and conditions to the third-party work crew.
2. Site disturbance activities including tree cutting will be prohibited before July 16, 2014. No physical disturbance will be permitted within 100 meters of the adjacent Jay Mountain Wilderness UMP boundary. One (1) week prior to commencing any tree cutting pursuant to this permit, the crew performing the onsite work shall contact the above Department contact to discuss the scope of the work, in order to ensure the crew understands the limited scope of the cutting allowed and to discuss the location in which the crew will be working.
3. Trees shall not be felled if the potential interference with the permitted access corridor may be avoided through the pruning of tree limbs.
4. The work crew is allowed to cut up to 1254 tallied trees within the permitted access corridors as listed in the attached "Lot 8 Exploratory Tree Tally." These trees are larger than 3" DBH and have been marked and tallied by DEC Forester Tate Connor.

Since work will be done in three phases, with phases two and three being dependant on the results of phase one, the tree tally has been broken into three phases as well (see below). Total trees for all phases equals 1254.

Phase one: 530 trees

Phase two: 209 trees

Phase three 515 trees

5. Stumps of the above permitted trees shall be confined to a height of 6" or less.
6. Woody plants with a DBH less than 3" may be cut if they are within any permitted access corridor. To avoid creating public safety hazards, all woody growth less than 3" DBH shall have level stumps not to exceed 3" above ground.
7. All limbs shall be cut/pruned perpendicular to the branch outside the branch collar. All pruning shall conform to *ANSI 300 (Part 1) Tree Pruning Standards*. Limbs on every felled evergreen tree must be removed to a point from the trunk where such limbs are 3" in diameter or less.
**Mechanical pruning is prohibited.*
8. All cut material shall be dispersed onsite within two (2) days of being cut in consultation with the Department.

9. No part of any tree felled or pruned pursuant to this permit shall be removed from Lot 8 after it has been dispersed on site.
10. Any tree to be felled or pruned pursuant to this permit shall not be accessed via motor vehicle outside of any permitted access corridor.
11. Department staff will be on-site when access corridors and drill pad sites are being developed to ensure that disruption of vegetation is kept to the minimum necessary.
12. Motor vehicles may be used only as specified in the attached "Work Plan for Exploration of Lot 8 located in the Jay Mountain Wilderness" (Work Plan).
13. Any additional required permits must remain current for the extent of the work to be completed under this permit. This includes a Stormwater Pollution Prevention Plan (SWPPP) approved by the Department Division of Water.
14. Any disturbed soil must be stabilized, seeded and restored to an appropriate condition as required by the approved SWPPP and directed by Department personnel.
15. NYCO must keep in force a liability insurance policy in favor of the State of New York for the full duration of the permit. This permit is not valid whenever such policy is not in force.
16. To prevent the spread of invasive plants and animals the following BMPS will be followed:
 - Prevent introduction of invasive plants and animals to the site.
 - All tools and equipment used during this activity shall be sterilized before the initial site visit and before any subsequent site visits pursuant to standard best management practices provided by the Department.
 - Clean all clothing and boots prior to visiting the site.
 - Use native plants and weed free seed and mulch (straw, wood fiber)
 - Keep equipment on-site during the project. Equipment that leaves the site will need to be cleaned again before returning to the site.
 - Use uninfested areas for staging, parking, and cleaning equipment.
 - Contain and treat new invasive plants and animals.
 - Report new occurrences of plants and animals to the Department for identification.
 - Minimize transport of invasive plants and animals from infested to uninfested areas.
 - Avoid and minimize all types of travel through any infested areas identified by DEC.
 - Maintain desirable species. Suppress growth of invasive plants or prevent their establishment.
 - Maintain closed canopy to the extent possible (only trees approved by DEC may be cut).
 - Seed bare surfaces with approved weed free conservation mix as soon as work is completed on each pad site.
17. Drill pads shall be properly restored as specified in the attached Work Plan prior to leaving the site.
18. Drilling may not take place on more than one drill pad site at any one time. NYCO cannot develop drill pads in subsequent phases of the project until the previous phase has been completed and reclaimed in a manner consistent with the Work Plan and completed to satisfaction of Department Personnel.

19. Noise and/or lighting impacts associated with this project will be mitigated by maintaining a closed canopy to the extent possible and limiting lighting and drilling activity (noise) to one pad site at any one time. Complaints from neighboring landowners will need to be addressed by NYCO.
20. NYCO shall be responsible for posting the general area of work with safety notices acceptable to the Department. NYCO will also be responsible for maintaining each drilling site in a safe condition and establishing a safety barrier of signs, rope and caution tape around the site in accordance with the Work Plan.
21. The Department has the authority to stop work on this project at any time to address environmental, safety or other associated concerns.
22. This permit shall function under the performance bond, issued in the amount of \$125,000 for the faithful completion of the aforementioned terms and conditions.
23. NYCO shall provide all data and information derived from such drilling to the Department as deemed necessary for appraisal purposes.
24. Work will not be permitted on the site after 7:00 PM on Saturdays, all day on Sundays and all day on federal holidays.
25. This TRP may be revoked or suspended at any time at the sole discretion of the Department.
26. In the event that NYCO fails to comply with the terms and conditions of the TRP, the Department may take necessary action against NYCO to enforce such terms and conditions, including but not limited to requiring corrective action and/or site restoration. Upon determining that NYCO has failed to comply with the terms and conditions of this TRP, the Department may revoke or suspend the TRP immediately or may send to NYCO by certified mail, return receipt requested, a "Notice to Correct" specifying the corrective action, site restoration or other measures to be undertaken and completed. If the required work is not completed by the NYCO within 10 business days following such receipt of "Notice to Correct" and the NYCO is unable to demonstrate a good faith effort to complete such work to the Department's satisfaction, the TRP may be terminated for cause or the performance security may be forfeited, or both, at the Department's option.
27. NYCO will contain and remediate any spills. All spills must be reported to DEC immediately.
28. Drip plans will be used under all vehicles and drilling equipment.
29. TRP will be revoked if drilling additives other than additives listed in the approved work plan are used. Use of EZ Mud and EZ Mud Gold is prohibited.
30. Leftover drilling fluids must be disposed of by a hauler permitted under NYCRR Title 6, Part 364.
31. Marker pipes for core hole locations will be removed if the lands exchange does not occur.