



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

March 4, 2015

Mr. Kerry Vinci
Aspen Mineral Resources, Inc.
P.O. Box 1309
Rancho Santa Fe, CA 92067

Re: Sooner Lucky Strike Mine Ltd, Permit No. M-1982-020, Amendment Approval, Revision No. AM-1

Dear Mr. Vinci,

On March 2, 2015 the Division of Reclamation, Mining and Safety approved the Amendment application submitted to the Division on September 16, 2014, addressing the following:

Environmental Protection Plan for DMO

The terms of the Amendment No. 1 approved by the Division are hereby incorporated into Permit No. M-1982-020. All other conditions and requirements of Permit No. M-1982-020 remain in full force and effect.

Please be aware that this amendment approval carries with it an increase in the required bond amount for this operation. The updated costs are shown in the enclosed reclamation cost summary packet. I recommend that you review the figures and notify me promptly if you notice any errors.

The current amount of bond posted is \$43,094.43. The updated estimate of the reclamation costs is \$49,992.54, indicating that an additional amount of \$6,898.11 must be provided. If you have not already done so, please submit additional bond in the amount of \$6,898.11, by submitting it with one of the warranty forms available on the Division's website (<http://mining.state.co.us>). The additional bond is to be mailed to the Division's Denver office. If you have questions about the bond forms or submitting the bond increase, please contact our bond specialist, Barbara Coria, in our Denver office. Her direct phone is 303-866-3567 x 8148.

Please note that the revision will not be final, and no mining or milling may occur, until the bond is approved by the Division. Also note that the additional bond amount must be received by the Division within 60 days of the date of this approval.

If you have any questions about this amendment or the enclosed cost figures, please contact me at the Division's Durango Field Office: 970-247-5193 or bob.oswald@state.co.us.

(Cont.)



March 4, 2015

Sincerely,

A handwritten signature in cursive script, appearing to read "Bob Oswald".

Bob Oswald

Environmental Protection Specialist

Enclosure: 3/4/15 bond recalculation packet

Ec: Russ Means, DRMS Grand Junction
Barbara Coria, DRMS Denver
John McGrath, Aspen Mineral Resources (via email)
Tony Smithdorf, Aspen Mineral Resources (via email)

(c:\15-03 docs\M1982-020 AM-1 Appr & FW/rco)

COST SUMMARY WORK

Task description: Reclamation cost summary

Site: Sooner Lucky Strike Mine Ltd

Permit Action: AM-1 EPP

Permit/Job#: M1982020

PROJECT IDENTIFICATION

Task #: 100

State: Colorado

Abbreviation: None

Date: 3/4/2015

County: Gunnison

Filename: M020-100

User: RCO

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
101	Dewater lined pond	PUMPING	1	1.99	\$91.00
102	Remove and dispose of chemicals and debris	DEMOLISH	1	20.00	\$8,148.75
103	Seal shafts	MINESEAL	1	8.00	\$3,428.00
104	Backfill and grade pond	DOZER	1	18.85	\$3,939.00
105	Push overburden over tailings pond area	DOZER	1	33.52	\$7,002.00
106	Distribute topsoil	DOZER	1	19.89	\$4,155.00
107	Revegetate disturbed areas	REVEGE	1	4.00	\$5,873.00
108	Mobilize reclamation crew and equipment	MOBILIZE	1	3.14	\$2,879.00
<u>SUBTOTALS:</u>				109.39	\$35,516

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02%

Total = \$717.42

Performance bond: 1.05%

Total = \$372.92

Job superintendent: 54.70 hrs

Total = \$4,110.88

Profit: 10.00%

Total = \$3,551.60

TOTAL O & P = \$8,752.82

CONTRACT AMOUNT (direct + O & P) = \$44,268.82

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): 500.00

Total = 500.00

Engineering work and/or contract/bid preparation: 6.80%

Total = \$3,010.28

Reclamation management and/or administration: 5.00%

\$2,213.44

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$14,476.54

TOTAL BOND AMOUNT (direct + indirect) = \$49,992.54

PUMPING WORK

Task description: Dewater lined pond

Site: Sooner Lucky Strike Mine Ltd

Permit Action: AM-1 EPP

Permit/Job#: M1982020

PROJECT IDENTIFICATION

Task #: 101
Date: 3/4/2015
User: RCO

State: Colorado
County: Gunnison

Abbreviation: None
Filename: M020-101

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

	Description	Quantity
Make and Model:	Centrifugal pump - 90M, 6 in.	1
Attachment 1:	Suction hose - 6 in. diam., 25 ft.	2
Attachment 2:	Discharge hose - 6 in. D., 25 ft.	4
Labor Unit 1:	Pump operator	1

Horsepower: 65
Shift Basis: 1 per day
Weight: 1.05
(US Tons)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$6.45	NA
Operating Cost/Hour:	\$16.41	100
Operator Cost/Hour:	\$22.49	NA
Total Unit Cost/Hour:	\$45.35	
Total Fleet Cost/Hour:	\$45.35	

PUMPING QUANTITIES

Initial Pond Volume:	28,800.00		Conversion factor:	7.4805
Final Pond Volume:	215,438.40	gallons		
Total Pond Inflow Surface Area:	520	Sq. ft.	Unit inflow rate in gph/sq. ft.:	0.0000
Total Pond Inflow Volume per Hour:	0.00	gallons		

Source of estimated volume: Approx. 180' x 80' x 2' (avg. depth)

PUMPING TIME

Maximum Pump Capacity:	90,000	gph/pump
Estimated Suction Head:	2	feet
Estimated Discharge Head:	0	feet
Total Head:	2	feet
CPB Pump Capacity:	90,000	gph/pump
Site Altitude:	9,150	feet

Adjusted Pumping Capacity:	90,000	gph
Initial Unadjusted Pumping Time:	2.39	hours
Inflow during Initial Pumping:	0	gallons
Net Unadjusted Pumping Time:	2.39	Hours
Altitude Adjustment Factor:	0.9100	(3% rule)
Pump Efficiency Factor:	0.9167	(55 min./hr.)
Total Adjusted Pumping Time:	2.00	hours

JOB TIME AND COST

Total job time: 2.00 Hours

Unit cost: \$0.000420 /Gallon

Total job cost: \$91

DEMOLITION WORK

Task description: Remove and dispose of chemicals and debris

Site: Sooner Lucky Strike Mine Ltd

Permit Action: AM-1 EPP

Permit/Job#: M1982020

PROJECT IDENTIFICATION

Task #: 102
Date: 3/4/2015
User: RCO

State: Colorado
County: Gunnison

Abbreviation: None
Filename: M020-102

Agency or organization name: DRMS

UNIT COSTS

Location adjustment: 92.10 %

Structure or Item Description	Dimensions	Demolition Menu Selection	Quantity	Unit	Unit Cost	Total Cost
Remove and haul (inert) items from mill	35 cy	Loading and 2 mile haul, no salvage - Hand loading	35.00	CY	\$41.90	\$1,466.50
Chem & hydrocarbon disposal	55 gal drum	Hazardous waste removal - Drum solids/liquids, per drum, (7+ drum job)	22.00	DRUM	\$335.51	\$7,381.22

Job Hours: 20.00

Subtotal
(unadjusted): \$8,847.72

Total Cost
(adjusted for location): \$8,148.75

Notes for final reclamation:

1. Mill structure will remain onsite as permanent building.
2. Select mill-related items (certain vats, pumps, valves, belting, for example) that are inert and/or are subject to degradation will be removed and disposed of at licensed facility.
3. The operator will maintain all chemicals and hydrocarbons in their original packaging, with legible labels.
4. All mill-related chemicals and hydrocarbons will be removed from the site.
5. All unopened drums and bags will be returned to the supplier, with no net charge for removal.
6. All opened drums and bags will be removed by licensed contractor, and disposed of in licensed facility for hazardous or contaminated materials.
7. Assume average package to remove is 55-gallon drum, dry or liquid contents, drum is intact and labeled with no need for testing or use of overpack drum for transportation.
8. Used oil will be pumped to 55-gallon drums and properly disposed of.
9. Bulk diesel fuel will be pumped to tank truck and returned to supplier, no net charge.

SAFEGUARDING UNDERGROUND OPENINGS

Task description: Seal shafts

Site: Sooner Lucky Strike Mine Ltd

Permit Action: AM-1 EPP

Permit/Job#: M1982020

PROJECT IDENTIFICATION

Task #: 103
Date: 3/4/2015
User: RCO

State: Colorado
County: Gunnison

Abbreviation: None
Filename: M020-103

Agency or organization name: DRMS

UNIT COSTS

Opening Description	Dimensions	Closure Method	Quantity	Unit	Unit Cost	Total Cost
Shafts (primary and escapeway)	10' x 10'	Shaft closure - backfilling (per opening)	2.00	EA	\$1,714.00	\$3,428.00

Job Hours: 8.00

Total Cost: \$3,428.00

BULLDOZER WORKTask description: Backfill and grade pondSite: Sooner Lucky Strike Mine
LtdPermit Action: AM-1 EPPPermit/Job#: M1982020**PROJECT IDENTIFICATION**Task #: 104
Date: 3/4/2015
User: RCOState: Colorado
County: GunnisonAbbreviation: None
Filename: M020-104Agency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D8T - 8U
Horsepower: 310
Blade Type: Universal
Attachment: NA
Shift Basis: 1 per day
Data Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	<u>\$62.67</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$108.22</u>	<u>100</u>
Ripper op. Cost/Hour:	<u>\$0.00</u>	<u>0</u>
Operator Cost/Hour:	<u>\$38.01</u>	<u>NA</u>

Total unit Cost/Hour: \$208.90
Total Fleet Cost/Hour: \$208.90**MATERIAL QUANTITIES**Initial Volume: 5,000
Swell factor: 1.125
Loose volume: 5,625 LCYSource of estimated volume: Division of Reclamation, Mining & Safety
Source of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 200 feet
Unadjusted hourly production: 515.8 LCY/hrMaterials consistency description: Loose stockpile 1.2Average push gradient: -5 %
Average site altitude: 9,150 feetMaterial weight: 2,650 lbs/LCYWeight description: Decomposed rock - 25% Rock, 75% Earth**Job Condition Correction Factor**

		<u>Source</u>
Operator Skill:	<u>0.750</u>	<u>(AVG.)</u>
Material consistency:	<u>1.200</u>	<u>(CAT HB)</u>
Dozing method:	<u>1.000</u>	<u>(GEN.)</u>
Visibility:	<u>1.000</u>	<u>(AVG.)</u>

Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.800	(FND-RF)
Push gradient:	1.115	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.868	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.5784

Adjusted unit production: 298.34 LCY/hr

Adjusted fleet production: 298.34 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$0.700/LCY

Total job time: 18.85 Hours
Total job cost: \$3,939

BULLDOZER WORKTask description: Push overburden over tailings pond areaSite: Sooner Lucky Strike Mine
LtdPermit Action: AM-1 EPPPermit/Job#: M1982020**PROJECT IDENTIFICATION**Task #: 105
Date: 3/4/2015
User: RCOState: Colorado
County: GunnisonAbbreviation: None
Filename: M020-105Agency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D8T - 8U
Horsepower: 310
Blade Type: Universal
Attachment: NA
Shift Basis: 1 per day
Data Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	<u>\$62.67</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$108.22</u>	<u>100</u>
Ripper op. Cost/Hour:	<u>\$0.00</u>	<u>0</u>
Operator Cost/Hour:	<u>\$38.01</u>	<u>NA</u>

Total unit Cost/Hour: \$208.90
Total Fleet Cost/Hour: \$208.90**MATERIAL QUANTITIES**Initial Volume: 8,889
Swell factor: 1.125
Loose volume: 10,000 LCYSource of estimated volume: Division of Reclamation, Mining & Safety
Source of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 200 feet
Unadjusted hourly production: 515.8 LCY/hrMaterials consistency description: Loose stockpile 1.2Average push gradient: -5 %
Average site altitude: 9,150 feetMaterial weight: 2,650 lbs/LCYWeight description: Decomposed rock - 25% Rock, 75% Earth**Job Condition Correction Factor**

		<u>Source</u>
Operator Skill:	<u>0.750</u>	<u>(AVG.)</u>
Material consistency:	<u>1.200</u>	<u>(CAT HB)</u>
Dozing method:	<u>1.000</u>	<u>(GEN.)</u>
Visibility:	<u>1.000</u>	<u>(AVG.)</u>

Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.800	(FND-RF)
Push gradient:	1.115	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.868	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.5784

Adjusted unit production: 298.34 LCY/hr

Adjusted fleet production: 298.34 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.700/LCY

Total job time: 33.52 Hours

Total job cost: \$7,002

BULLDOZER WORKTask description: Distribute topsoilSite: Sooner Lucky Strike Mine LtdPermit Action: AM-1 EPPPermit/Job#: M1982020**PROJECT IDENTIFICATION**Task #: 106
Date: 3/4/2015
User: RCOState: Colorado
County: GunnisonAbbreviation: None
Filename: M020-106Agency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D8T - 8U
Horsepower: 310
Blade Type: Universal
Attachment: NA
Shift Basis: 1 per day
Data Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	<u>\$62.67</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$108.22</u>	<u>100</u>
Ripper op. Cost/Hour:	<u>\$0.00</u>	<u>0</u>
Operator Cost/Hour:	<u>\$38.01</u>	<u>NA</u>

Total unit Cost/Hour: \$208.90
Total Fleet Cost/Hour: \$208.90**MATERIAL QUANTITIES**Initial Volume: 8,815
Swell factor: 1.000
Loose volume: 8,815 LCYSource of estimated volume: Division of Reclamation, Mining & Safety
Source of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 200 feet
Unadjusted hourly production: 515.8 LCY/hrMaterials consistency description: Loose stockpile 1.2Average push gradient: 0 %
Average site altitude: 9,150 feetMaterial weight: 1,600 lbs/LCYWeight description: Top Soil**Job Condition Correction Factor**

		<u>Source</u>
Operator Skill:	<u>0.750</u>	<u>(AVG.)</u>
Material consistency:	<u>1.200</u>	<u>(CAT HB)</u>
Dozing method:	<u>1.000</u>	<u>(GEN.)</u>
Visibility:	<u>1.000</u>	<u>(AVG.)</u>

Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.800	(FND-RF)
Push gradient:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	1.438	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.8593

Adjusted unit production: 443.23 LCY/hr

Adjusted fleet production: **443.23** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$0.471/LCY

Total job time: **19.89** Hours
Total job cost: **\$4,155**

Note: Topsoil will be respread only on areas to be revegetated, 4 acres.

REVEGETATION WORKTask description: Revegetate disturbed areasSite: Sooner Lucky Strike Mine
LtdPermit Action: AM-1 EPPPermit/Job#: M1982020PROJECT IDENTIFICATIONTask #: 107
Date: 3/4/2015
User: RCOState: Colorado
County: GunnisonAbbreviation: None
Filename: M020-107Agency or organization name: DRMSFERTILIZINGMaterials

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
6-24-24, 10-20-10, 15-15-15	200.00	pound	\$0.26	\$52.80
			Total Fertilizer Materials Cost/Acre	\$52.80

Application

Description	Cost /Acre
Tractor towed spreader (MEANS 32 01 90.13 0120)	\$52.71
Total Fertilizer Application Cost/Acre	\$52.71

TILLING

Description	Cost /Acre
Chisel plowing {DMG}	\$88.58
Weed control spraying (MEANS 31 31 16.13 3100)	\$145.20
Total Tilling Cost/Acre	\$233.78

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Arizona Fescue - Redondo	1.00	11.48	\$11.03
Bitterbrush, Antelope	2.00	0.62	\$40.52
Crested Wheatgrass - Fairway	2.40	11.02	\$5.81
Pubescent Wheatgrass - Luna	7.20	14.88	\$16.13
Totals Seed Mix	12.60	37.99	\$73.49

Application

Description	Cost /Acre
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Drill seeding (DRMS Cost Data)	\$88.20
Total Seed Application Cost/Acre	\$88.20

MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Herbicide - Curtail @ 4.0 pt/ac	1.00	ACRE	\$16.24	\$16.24
Straw, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$265.00	\$530.00
Total Mulch Materials Cost/Acre				\$546.24

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$65.89
Weed spray, truck, non-aquatic area, nox. [DMG]	\$61.49
Total Mulch Application Cost/Acre	\$127.38

NURSERY STOCK PLANTING

Common Name	No / Acre	Type and Size	Planting Cost	Fertilizer Pellet Cost	Cost /Acre
					\$
Totals Nursery Stock Cost / Acre					\$0.00

JOB TIME AND COST

No. of Acres: 4 Cost /Acre: \$1,174.60
 Estimated Failure Rate: 25% Cost /Acre*: \$1,174.60
 *Selected Replanting Work Items: FERTILIZING, TILLING, SEEDING,
MULCHING

Initial Job Cost: \$4,698.40
 Reseeding Job Cost: \$1,174.60
 Total Job Cost: \$5,873
 Job Hours: 4.00

EQUIPMENT MOBILIZATION/DEMobilIZATIONTask description: Mobilize reclamation crew and equipmentSite: Sooner Lucky Strike Mine LtdPermit Action: AM-1 EPPPermit/Job#: M1982020PROJECT IDENTIFICATIONTask #: 108State: ColoradoAbbreviation: NoneDate: 3/4/2015County: GunnisonFilename: M020-108User: RCOAgency or organization name: DRMSEQUIPMENT TRANSPORT RIG COSTShift basis: 1 per day
Cost Data Source: CRG DataTruck Tractor Description: GENERIC ON-HIGHWAY TRUCK TRACTOR, 6X4, DIESEL POWERED, 400 HP (2ND HALF, 2006)Truck Trailer Description: GENERIC FOLDING GOOSENECK, DROP DECK EQUIPMENT TRAILER (25T, 50T, AND 100T)Cost Breakdown:

Available Rig Capacities	0-25 Tons	26-50 Tons	51+ Tons
Ownership Cost/Hour:	\$16.63	\$18.37	\$22.33
Operating Cost/Hour:	\$44.38	\$46.13	\$50.07
Operator Cost/Hour:	\$27.66	\$27.66	\$27.66
Helper Cost/Hour:	\$0.00	\$25.39	\$25.39
Total Unit Cost/Hour:	\$88.67	\$117.55	\$125.45

NON ROADABLE EQUIPMENT:

Machine Description	Weight/ Unit (TONS)	Owner ship Cost/hr/ unit	Haul Rig Cost/hr/unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet	DOT Permit Cost/ fleet
Cat D8T - 8U	48.33	\$58.56	\$117.55	1	\$176.11	\$117.55	\$250.00
CAT 972H	28.00	\$36.70	\$117.55	1	\$154.25	\$117.55	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$39.59	\$88.67	1	\$128.26	\$88.67	\$250.00

Subtotals: **\$458.62** **\$323.77** **\$750.00**ROADABLE EQUIPMENT:

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Light Duty Pickup, 4x4, 1 T. Crew	\$25.30	1	\$25.30	\$25.30

Subtotals: **\$25.30** **\$25.30**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	GUNNISON	
Total one-way travel distance:	10.00	miles
Average Travel Speed:	35.00	mph

Total Non-Roadable Mob/Demob Cost *	\$2,864.32
** two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	\$14.46
** one round trip, no haul rig:	

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.29	0.29
Return Time (Hours):	0.29	0.29
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	1.57	0.57

JOB TIME AND COST

Total job time:	3.14	Hours
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Total job cost:	\$2,879
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