

April 10, 2020

Stephen Bahgdadi
CRG Mining, LLC
510 S. Wisconsin Street
Gunnison, CO 81230



1313 Sherman Street, Room 215
Denver, CO 80203

RE: Raymond Mine, File No.M-2020-013, Hard Rock/Metal Mining Limited Impact Operation (110(2)) Reclamation Permit Application Decision Letter – Financial and Performance Warranty Request

Mr. Bahgdadi:

On April 10, 2020, the Division of Reclamation, Mining and Safety (Division) approved the above noted permit application.

The amount of financial warranty set by the Division for this operation is an amount of **(\$20,586.00)**. A financial warranty of the entire amount, as well as a performance warranty, must be submitted to the Division before a Reclamation Permit may be issued. Please select a type of financial warranty from those detailed in Rule 4.3 and download the applicable financial warranty and performance warranty forms from the Division's website.

Please make arrangements with Gabriel Benvenuti at the Division of Reclamation, Mining and Safety Denver Office, phone no. 303.866.3567, ext. 8148 for submittal of the financial and performance warranties. Any questions regarding completion, execution and/or submittal of financial and/or performance warranty forms should also be directed to Mr. Benvenuti.

PLEASE NOTE THAT MINING OPERATIONS MAY NOT COMMENCE UNTIL A PERMIT HAS BEEN ISSUED BY THE DIVISION AFTER RECEIPT OF THE FINANCIAL AND PERFORMANCE WARRANTIES. A PERMIT WILL NOT BE ISSUED UNTIL THE ADEQUACY OF BOTH THE FINANCIAL WARRANTY AND PERFORMANCE WARRANTY ARE VERIFIED BY THE DIVISION.

If you require additional information, or have questions or concerns, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Dustin Czapla'.

Dustin Czapla

Environmental Protection Specialist
Division of Reclamation, Mining and Safety
Phone: (303) 866-3567, ext. 8188



COST SUMMARY WORK

Task description: Reclamation Cost Estimate

Site: Raymond Mine

Permit Action: 2020-03-18

Permit/Job#: M2020013

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 3/18/2020

County: Gunnison

Filename: M013-000

User: DMC

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Backfill 4 openings	MINESEAL	1	32.00	\$8,421
01b	Finish Grade Disturbances	LOADER	1	9.31	\$947
02a	Revegetate Disturbances	REVEGE	1	8.00	\$5,404
03a	Mobilize Reclamation Crew and Equipment	MOBILIZE	1	4.50	\$916
<u>SUBTOTALS:</u>				53.81	\$15,688

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02
Performance bond: 1.05
Job superintendent: 26.91
Profit: 10.00

Total = \$317

Total = \$165

Total = \$1,867

Total = \$1,569

TOTAL O & P = \$3,917

CONTRACT AMOUNT (direct + O & P) = \$19,605

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): \$0

Total = \$0

Engineering work and/or contract/bid preparation: 0.00

Total = \$0

Reclamation management and/or administration: 5.00

\$980

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$4,898

TOTAL BOND AMOUNT (direct + indirect) = \$20,586

SAFEGUARDING UNDERGROUND OPENINGS

Task description: Backfill 4 openings

Site: Raymond Mine

Permit Action: 2020-03-18

Permit/Job#: M2020013

PROJECT IDENTIFICATION

Task #: 01A

State: Colorado

Abbreviation: None

Date: 3/18/2020

County: Gunnison

Filename: M013-01a

User: DMC

Agency or organization name: DRMS

UNIT COSTS

Opening Description	Dimensions	Closure Method	Quantity	Unit	Unit Cost	Total Cost
Backfill Unompleted Mine Openings	NA	Adit closure - backfilling (per opening)	4.00	EA	\$2,105.30	\$8,421.20

Job Hours: 32.00

Total Cost: \$8,421.20

WHEEL LOADER – LOAD AND CARRY WORKTask description: **Finish Grade Disturbances**Site: **Raymond Mine** Permit Action: **2020-03-18** Permit/Job#: **M2020013****PROJECT IDENTIFICATION**

Task #: **01B** State: **Colorado** Abbreviation: **None**
 Date: **3/18/2020** County: **Gunnison** Filename: **M013-01b**
 User: **DMC**

Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**

Basic Machine: **CAT 450E** Horsepower: **101**
 Attachment 1: **ROPS Cab** Shift Basis: **1 per day**
 Data Source: **(CRG)**

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$29.73	NA
Operating Cost/Hour:	\$31.22	100
Operator Cost/Hour:	\$40.65	NA
Total Unit Cost/Hour:	\$101.60	
Total Fleet Cost/Hour:	\$101.60	

MATERIAL QUANTITIES

Initial volume: **1,000** CCY Swell factor: **1.000**
 Loose volume: **1,000** LCY

Source of estimated volume: **Division of Reclamation, Mining & Safety**
 Source of estimated swell factor: **Cat Handbook**

HOURLY PRODUCTION

Loader Cycle Time: Unadjusted Basic Cycle Time (load, dump, maneuver): **0.475** minutes

Cycle Time Factors		Factor (min.)	Source
Material:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Stockpile:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Truck Ownership:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Operation:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Dump Target:	Nominal target 0.00	0.000	(Cat HB)
Net Cycle Time Adjustment:		0.000	minutes
Adjusted Basic Cycle Time:		0.475	minutes

Rolling Resistance – Road Conditions

Haul: **Rutted dirt, little maintenance, no water, 2" tire penetration 5.0**
 Return: **Rutted dirt, little maintenance, no water, 2" tire penetration 5.0**

Haul and Return Time

	Length (feet)	Grade Res. (%)	Rolling Res. (%)	Total Res. (%)	Travel Time (minutes)	Source
Haul Route:	50	0.00	5.00	5.00	0.0353	(Cat HB)

Return Route:	50	0.00	5.00	5.00	0.0353	(Cat HB)
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Total Travel Time: 0.0705 minutes
Total Cycle Time: 0.5455 minutes

Load Bucket Capacity

Rated Capacity: 1.50 LCY (heaped)
Bucket Fill Factor: 0.825 Blasted rock - avg. blasted (75 - 90%) 0.825
Adjusted Capacity: 1.24 LCY

Job Condition Correction Factors

Site Altitude: 10000 feet

		Source
Altitude Adj:	<u>0.95</u>	(CAT HB)
Job Efficiency:	<u>0.83</u>	(1 shift/day)
Net Correction:	<u>0.79</u>	multiplier

Unadjusted Hourly Unit Production: 136.10 LCY/Hour
Adjusted Hourly Unit Production: 107.32 LCY/Hour
Adjusted Hourly Fleet Production: 107.32 LCY/Hour

JOB TIME AND COST

Fleet size: 1 Loader(s) Total job time: 9.32 Hours
Unit cost: \$0.947 /LCY Total job cost: \$947

REVEGETATION WORKTask description: **Revegetate Disturbances**Site: **Raymond Mine**Permit Action: 2020-03-18Permit/Job#: M2020013**PROJECT IDENTIFICATION**Task #: 02AState: ColoradoAbbreviation: NoneDate: 3/18/2020County: GunnisonFilename: M013-02aUser: DMCAgency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
			Total Fertilizer Materials Cost/Acre	\$0.00

Application

Description	Cost /Acre
	\$
Total Fertilizer Application Cost/Acre	\$0.00

TILLING

Description	Cost /Acre
Weed control spraying (MEANS 31 31 16.13 3100)	\$193.60
Total Tilling Cost/Acre	\$193.60

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Crested Wheatgrass - Nordan	5.00	22.96	\$19.50
Sandberg Bluegrass - VNS	0.90	19.11	\$7.56
Smooth Brome - Manchar	6.50	21.64	\$21.61
Streambank Wheatgrass - Sodar	4.40	14.34	\$25.08
Canada Bluegrass - Reubens	0.90	51.65	\$5.85
Totals Seed Mix	17.70	129.70	\$79.60

Application

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Description	Cost /Acre
Broadcast seeding [DMG]	\$267.22
Total Seed Application Cost/Acre	\$267.22

MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
Total Mulch Materials Cost/Acre				\$0.00

Application

Description	Cost /Acre
	\$
Total Mulch Application Cost/Acre	\$0.00

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:	8	Cost /Acre:	\$540.42
Estimated Failure Rate:	25%	Cost /Acre*:	\$540.42
*Selected Replanting Work Items:	TILLING,SEEDING		
Initial Job Cost:	\$4,323.36		
Reseeding Job Cost:	\$1,080.84		
Total Job Cost:	\$5,404		
Job Hours:	8.00		

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mobilize Reclamation Crew and Equipment**Site: **Raymond Mine**Permit Action: **2020-03-18**Permit/Job#: **M2020013****PROJECT IDENTIFICATION**Task #: **03A**State: **Colorado**Abbreviation: **None**Date: **3/18/2020**County: **Gunnison**Filename: **M013-03a**User: **DMC**Agency or organization name: **DRMS****EQUIPMENT TRANSPORT RIG COST**Shift basis: **1 per day**Cost Data Source: **CRG Data**Truck 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:	\$17.20	\$29.63	\$38.69
Operating Cost/Hour:	\$26.56	\$47.02	\$55.69
Operator Cost/Hour:	\$23.63	\$23.63	\$23.63
Helper Cost/Hour:	\$0.00	\$23.53	\$23.53
Total Unit Cost/Hour:	\$67.39	\$123.81	\$141.54

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 450E	9.80	\$29.73	\$67.39	1	\$97.12	\$67.39	\$250.00
Subtotals:					\$97.12	\$67.39	\$250.00

ROADABLE EQUIPMENT:

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Light Duty Pickup, 4x4, 3/4 T.	\$12.96	1	\$12.96	\$12.96
Subtotals:			\$12.96	\$12.96

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	<u>GUNNISON</u>	
Total one-way travel distance:	<u>25.00</u>	miles
Average Travel Speed:	<u>40.00</u>	mph

Total Non-Roadable Mob/Demob Cost *	<u>\$899.88</u>
'* two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	<u>\$16.20</u>
'** one round trip, no haul rig:	

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>0.63</u>	<u>0.63</u>
Return Time (Hours):	<u>0.63</u>	<u>0.63</u>
Loading Time (Hours):	<u>0.50</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.50</u>	<u>NA</u>
Subtotals:	<u>2.25</u>	<u>1.25</u>

JOB TIME AND COST

Total job time:	<u>4.50</u>	Hours
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Total job cost:	<u>\$916</u>
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