

July 28, 2020

Lance Baller
Titan Au, Inc.
Greenwood Village, CO 80111



1313 Sherman Street, Room 215
Denver, CO 80203

RE: Box Creek Placer Exploration, File No. P-2020-009, Prospecting NOI Financial Warranty Request

Mr. Baller:

The Division of Reclamation, Mining and Safety (Division) has approved your NOI application.

The amount of financial warranty set by the Division for this operation is \$31,310. This amount is based on the proposed disturbance area of less than 10 acres and approximately 1,000 cubic yards of material excavated. The reclamation cost estimate is included with this letter.

The financial warranty, in the amount of thirty one thousand three hundred ten dollars (\$31,310.00), must be submitted to the Division prior to entry upon the lands for the purpose of prospecting. Please note that the Division may terminate the NOI file if the Financial Warranty is not received within sixty days.

Please make arrangements with Jeff Thompson at the Division of Reclamation, Mining and Safety Denver Office, phone no. 303.866.3567, ext. 8138 for submittal of the financial warranty.

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



Cc:

Katie Todt
Greg Lewicki and Associates
3375 West Powers Circle
Littleton, CO 80123

COST SUMMARY WORK

Task description: Reclamation Cost Estimate

Site: Box Creek Placer Exploration

Permit Action: 2020-07-28

Permit/Job#: P2020009

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 7/28/2020

County: Lake

Filename: P009-000

User: DMC

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Backfill grading	DOZER	1	6.96	\$1,195
02a	Topsoil Surfacing	DOZER	1	20.34	\$3,494
03a	Revegetation	REVEGE	1	10.00	\$17,903
04a	Mobilization	MOBILIZE	1	3.10	\$2,538
<u>SUBTOTALS:</u>				40.4	\$25,130

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02
Performance bond: 1.05
Job superintendent: 20.20
Profit: 10.00

Total = \$508

Total = \$264

Total = \$1,405

Total = \$2,513

TOTAL O & P = \$4,689

CONTRACT AMOUNT (direct + O & P) = \$29,819

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): \$0
Engineering work and/or contract/bid preparation: 0.00
Reclamation management and/or administration: 5.00

Total = \$0

Total = \$0

\$1,491

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$6,180

TOTAL BOND AMOUNT (direct + indirect) = \$31,310

BULLDOZER WORK

Task description: **Backfill grading**

Site: **Box Creek Placer Exploration** Permit Action: 2020-07-28 Permit/Job#: P2020009

PROJECT IDENTIFICATION

Task #: 01A State: Colorado Abbreviation: None
 Date: 7/28/2020 County: Lake Filename: P009-01a
 User: DMC

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D6T LGP
 Horsepower: 200
 Blade Type: Straight
 Attachment: NA
 Shift Basis: 1 per day
 Data Source: (CRG)

Cost Breakdown:

		<u>Utilization %</u>
Ownership Cost/Hour:	\$71.95	NA
Operating Cost/Hour:	\$58.55	100
Ripper own.	\$0.00	NA
Cost/Hour:		
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$41.30	NA
Total unit Cost/Hour:	\$171.79	
Total Fleet Cost/Hour:	\$171.79	

MATERIAL QUANTITIES

Initial Volume: 1,000
 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

Average push distance: 100 feet
 Unadjusted hourly production: 303.3 LCY/hr

Materials consistency description: Loose stockpile 1.2

Average push gradient: 0 %
 Average site altitude: 9,400 feet

Material weight: 2,900 lbs/LCY

Weight description: Decomposed rock - 50% Rock, 50% Earth

<u>Job Condition Correction Factor</u>	<u>Source</u>
Operator Skill: <u>0.750</u>	<u>(AVG.)</u>

Material consistency:	1.200	(CAT HB)
Dozing method:	1.000	(GEN.)
Visibility:	1.000	(AVG.)
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:	0.793	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.4739

Adjusted unit
production: 143.73 LCY/hr
Adjusted fleet
production: **143.73 LCY/hr**

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$1.195/LCY

Total job time: **6.96 Hours**
Total job cost: **\$1,195**

BULLDOZER WORK

Task description: Topsoil Surfacing

Site: Box Creek Placer Exploration Permit Action: 2020-07-28 Permit/Job#: P2020009

PROJECT IDENTIFICATION

Task #: 02A State: Colorado Abbreviation: None
 Date: 7/28/2020 County: Lake Filename: P009-02a
 User: DMC

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D6T LGP
 Horsepower: 200
 Blade Type: Straight
 Attachment: NA
 Shift Basis: 1 per day
 Data Source: (CRG)

Cost Breakdown:

		<u>Utilization %</u>
Ownership Cost/Hour:	\$71.95	NA
Operating Cost/Hour:	\$58.55	100
Ripper own.	\$0.00	NA
Cost/Hour:		
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$41.30	NA
Total unit Cost/Hour: <u>\$171.79</u>		
Total Fleet Cost/Hour: <u>\$171.79</u>		

MATERIAL QUANTITIES

Initial Volume: 5,300
 Swell factor: 1.000
 Loose volume: 5,300 LCY

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

HOURLY PRODUCTION

Average push distance: 100 feet
 Unadjusted hourly production: 303.3 LCY/hr

Materials consistency description: Loose stockpile 1.2

Average push gradient: 0 %
 Average site altitude: 9,400 feet

Material weight: 1,600 lbs/LCY

Weight description: Top Soil

<u>Job Condition Correction Factor</u>	<u>Source</u>
Operator Skill: <u>0.750</u>	<u>(AVG.)</u>

Material consistency:	1.200	(CAT HB)
Dozing method:	1.000	(GEN.)
Visibility:	1.000	(AVG.)
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: 260.63 LCY/hr
Adjusted fleet
production: 260.63 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$0.659/LCY

Total job time: 20.34 Hours
Total job cost: \$3,494

REVEGETATION WORKTask description: RevegetationSite: Box Creek Placer ExplorationPermit Action: 2020-07-28Permit/Job#: P2020009PROJECT IDENTIFICATIONTask #: 03AState: ColoradoAbbreviation: NoneDate: 7/28/2020County: LakeFilename: P009-03aUser: DMCAgency or organization name: DRMSFERTILIZINGMaterials

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
Disc harrowing, 6" deep (MEANS 32 91 13.23 6100)	\$107.16
Weed control spraying (MEANS 31 31 16.13 3100)	\$193.60
Total Tilling Cost/Acre	
	\$300.76

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Birdsfoot Trefoil - Empire	0.25	2.40	\$2.59
Big Bluegrass - Sherman	0.50	10.33	\$4.24
Bluebunch Wheatgrass - Secar	1.00	3.21	\$10.88
Mountain Brome - Bromar	3.00	4.82	\$11.40
Red Clover - Medium	0.50	3.10	\$6.66
White Dutch Clover - VNS	0.25	4.88	\$1.42
Sheep Fescue - Bighorn	0.50	7.81	\$2.20
Slender Wheatgrass - San Luis	2.00	7.30	\$8.50
Needlegrass, Green - Lodorm	2.00	8.31	\$23.55
Parry's Oatgrass	2.00	4.13	\$44.00
Prairie Junegrass	0.15	7.97	\$3.90
Timothy, Alpine - Native	0.25	7.46	\$6.06
Totals Seed Mix		12.40	71.72
			\$125.40

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: MobilizationSite: Box Creek Placer ExplorationPermit Action: 2020-07-28Permit/Job#: P2020009PROJECT IDENTIFICATION

Task #: 04A State: Colorado Abbreviation: None
 Date: 7/28/2020 County: Lake Filename: P009-04a
 User: DMC

Agency or organization name: DRMSEQUIPMENT 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:

<u>Available Rig Capacities</u>	<u>0-25 Tons</u>	<u>26-50 Tons</u>	<u>51+ Tons</u>
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:

<u>Machine Description</u>	<u>Weight/ Unit (TONS)</u>	<u>Owner ship Cost/hr/ unit</u>	<u>Haul Rig Cost/hr/unit</u>	<u>Fleet Size</u>	<u>Haul Trip Cost/hr/ fleet</u>	<u>Return Trip Cost/hr/ fleet</u>	<u>DOT Permit Cost/ fleet</u>
Cat D6T LGP	26.87	\$71.95	\$123.81	1	\$195.76	\$123.81	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$6.72	\$67.39	1	\$74.11	\$67.39	\$250.00
Power Mulcher (Bowie LD-90)	6.00	\$11.19	\$67.39	1	\$78.58	\$67.39	\$250.00

Subtotals: **\$348.45** **\$258.59** **\$750.00**ROADABLE EQUIPMENT:

<u>Machine Description</u>	<u>Total Cost/hr/ unit</u>	<u>Fleet Size</u>	<u>Haul Trip Cost/hr/ fleet</u>	<u>Return Trip Cost/hr/ fleet</u>
Light Duty Pickup, 4x4, 3/4 T.	\$13.23	1	\$13.23	\$13.23

Subtotals: **\$13.23** **\$13.23**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region: LEADVILLE
 Total one-way travel distance: 11.00 miles
 Average Travel Speed: 40.00 mph

Total Non-Roadable Mob/Demob Cost * \$2,530.77
 * * two round trips with haul rig:
 Total Roadable Mob/Demob Cost * * \$7.28
 * * one round trip, no haul rig:

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.28	0.28
Return Time (Hours):	0.28	0.28
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	1.55	0.55

JOB TIME AND COST

Total job time: 3.10 Hours

Total job cost: \$2,538