

July 31, 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) approved your NOI application on July 28, 2020.

The reclamation cost estimate has been updated based on using a broadcast seeding method for reclamation. The amount of financial warranty set by the Division for this operation is now \$19,741. 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 nineteen thousand seven hundred forty one dollars (\$19,741.00), 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	\$8,895
04a	Mobilization	MOBILIZE	1	3.10	\$1,801
<u>SUBTOTALS:</u>				40.4	\$15,385

INDIRECT COSTS

OVERHEAD AND PROFIT:

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

Total = \$311

Total = \$162

Total = \$1,405

Total = \$1,538

TOTAL O & P = \$3,416

CONTRACT AMOUNT (direct + O & P) = \$18,801

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

\$940

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$4,356

TOTAL BOND AMOUNT (direct + indirect) = \$19,741

BULLDOZER WORKTask description: **Backfill grading**Site: **Box Creek Placer Exploration**Permit Action: **2020-07-28**Permit/Job#: **P2020009****PROJECT IDENTIFICATION**Task #: **01A**
Date: **7/28/2020**
User: **DMC**State: **Colorado**
County: **Lake**Abbreviation: **None**
Filename: **P009-01a**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. Cost/Hour:	\$0.00	NA
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 QUANTITIESInitial 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****Job Condition Correction Factor**Operator Skill: **0.750**Source
(AVG.)

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 WORKTask description: Topsoil SurfacingSite: Box Creek Placer ExplorationPermit Action: 2020-07-28Permit/Job#: P2020009**PROJECT IDENTIFICATION**Task #: 02A
Date: 7/28/2020
User: DMCState: Colorado
County: LakeAbbreviation: None
Filename: P009-02aAgency 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:	<u>\$71.95</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$58.55</u>	<u>100</u>
Ripper own. Cost/Hour:	<u>\$0.00</u>	<u>NA</u>
Ripper op. Cost/Hour:	<u>\$0.00</u>	<u>0</u>
Operator Cost/Hour:	<u>\$41.30</u>	<u>NA</u>
Total unit Cost/Hour:	<u>\$171.79</u>	
Total Fleet Cost/Hour:	<u>\$171.79</u>	

MATERIAL QUANTITIESInitial Volume: 5,300
Swell factor: 1.000
Loose volume: 5,300 LCYSource 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/hrMaterials consistency description: Loose stockpile 1.2Average push gradient: 0 %
Average site altitude: 9,400 feetMaterial weight: 1,600 lbs/LCYWeight description: Top Soil**Job Condition Correction Factor**Operator Skill: 0.750 Source (AVG.)

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: **Revegetation**Site: **Box Creek Placer Exploration**Permit Action: 2020-07-28Permit/Job#: P2020009**PROJECT IDENTIFICATION**Task #: 03A
Date: 7/28/2020
User: DMCState: Colorado
County: LakeAbbreviation: None
Filename: P009-03aAgency 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
Birdsfoot Trefoil - Empire	0.50	4.80	\$5.18
Big Bluegrass - Sherman	1.00	20.66	\$8.48
Bluebunch Wheatgrass - Secar	2.00	6.43	\$21.75
Mountain Brome - Bromar	6.00	9.64	\$22.80
Red Clover - Medium	1.00	6.20	\$13.33
White Dutch Clover - VNS	0.50	9.76	\$2.85
Sheep Fescue - Bighorn	1.00	15.61	\$4.40
Slender Wheatgrass - San Luis	4.00	14.60	\$17.00
Needlegrass, Green - Lodorm	4.00	16.62	\$47.10
Parry's Oatgrass	4.00	8.26	\$88.00
Prairie Junegrass	0.30	15.95	\$7.80
Timothy, Alpine - Native	0.50	14.92	\$12.13
Totals Seed Mix	24.80	143.45	\$250.80

Application

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: 10 Cost /Acre: \$711.62
 Estimated Failure Rate: 25% Cost /Acre*: \$711.62
 *Selected Replanting Work Items: TILLING, SEEDING, MULCHING

Initial Job Cost: **\$7,116.20**
 Reseeding Job Cost: **\$1,779.05**
 Total Job Cost: **\$8,895**
 Job Hours: **10.00**

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mobilization**Site: **Box Creek Placer Exploration**Permit Action: **2020-07-28**Permit/Job#: **P2020009****PROJECT IDENTIFICATION**

Task #: **04A** State: **Colorado** Abbreviation: **None**
 Date: **7/28/2020** County: **Lake** Filename: **P009-04a**
 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 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
Subtotals:					\$269.87	\$191.20	\$500.00

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.	\$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:	<u>LEADVILLE</u>	
Total one-way travel distance:	<u>11.00</u>	miles
Average Travel Speed:	<u>40.00</u>	mph

Total Non-Roadable Mob/Demob Cost *	<u>\$1,793.33</u>
** two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	<u>\$7.28</u>
** one round trip, no haul rig:	

Transportation Cycle Time:

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

JOB TIME AND COST

Total job time:	<u>3.10</u>	Hours
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Total job cost:	<u>\$1,801</u>
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