

July 31, 2020

Lance Baller  
Titan Au, Inc.  
8480 East Orchard Road, Suite 4900  
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', is positioned below the word 'Sincerely,'.

***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
<b><u>SUBTOTALS:</u></b>				<b>40.4</b>	<b>\$15,385</b>

### 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 WORK**Task 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:	<b>\$171.79</b>	

**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****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 WORK**Task 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 QUANTITIES**Initial 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 WORK**Task 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
			\$	\$
<b>Total Fertilizer Materials Cost/Acre</b>				<b>\$0.00</b>

**Application**

Description	Cost /Acre
	\$
<b>Total Fertilizer Application Cost/Acre</b>	<b>\$0.00</b>

**TILLING**

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

**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
<b>Totals Seed Mix</b>	<b>24.80</b>	<b>143.45</b>	<b>\$250.80</b>



**Application**

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

**MULCHING and MISCELLANEOUS****Materials**

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

**Application**

Description	Cost /Acre
	\$
<b>Total Mulch Application Cost/Acre</b>	<b>\$0.00</b>

**NURSERY STOCK PLANTING**

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

**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/DEMOBILIZATION**Task description: **Mobilization**Site: **Box Creek Placer Exploration**Permit Action: 2020-07-28Permit/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:**

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

Total job cost:	<u>\$1,801</u>
-----------------	----------------