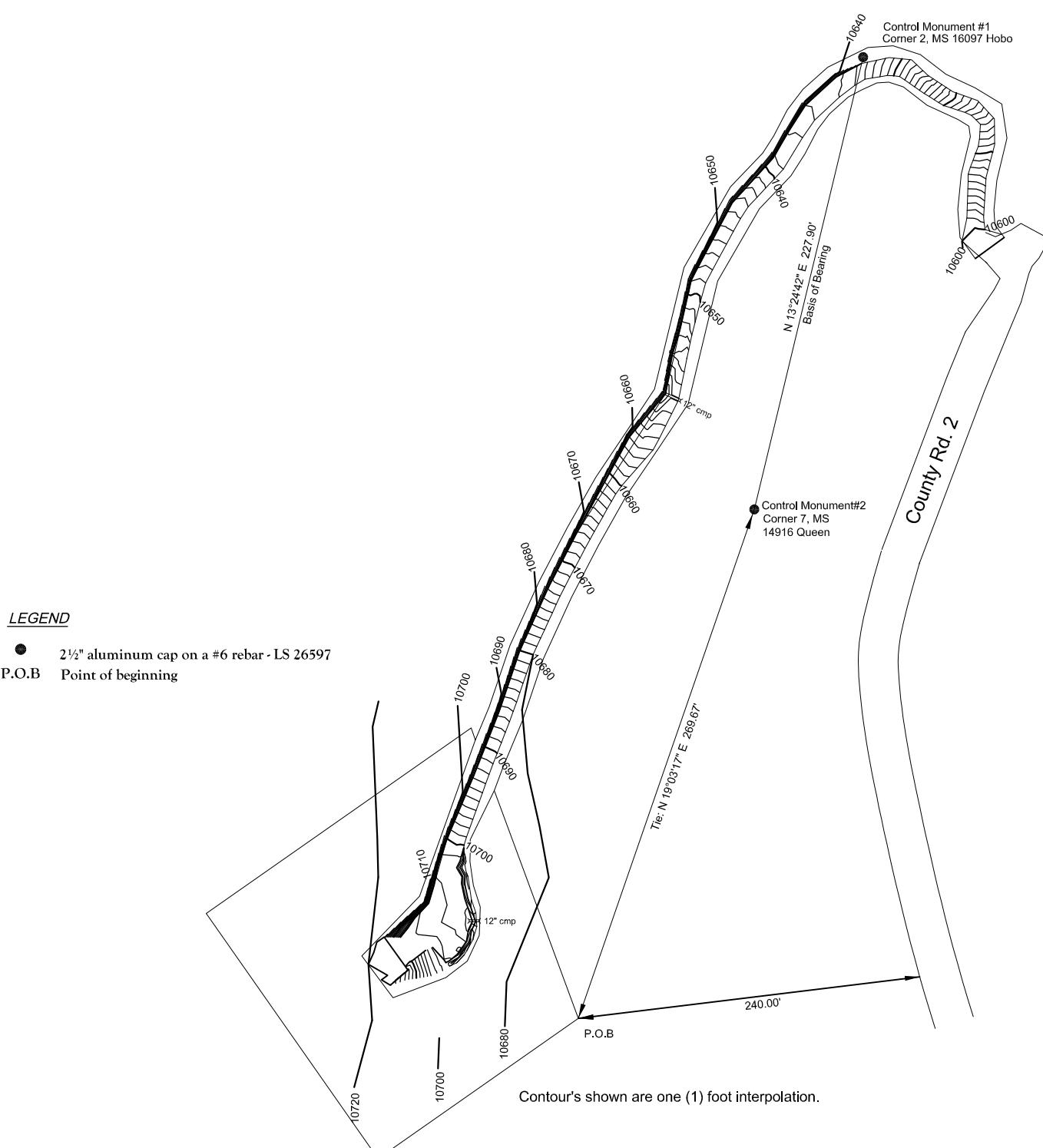


Permit Boundary & Mine Plan Map
Located in the NE1/4 and the NW1/4 of Section 17, in suspended T. 42 N., R. 6 W.,
New Mexico Principal Meridian, San Juan County, Colorado

Legal Description Permit area Hobo 2 mine

Basis of Bearing

The bearing between corner 2, MS 16097 Hobo monumented with a 2 1/2" aluminum cap on a #6 rebar, by LS 26597 and corner 7, MS 14916 Queen monumented 2 1/2" aluminum cap on a #6 rebar, by LS 26597 was found to bear S. 13°24'42" W.

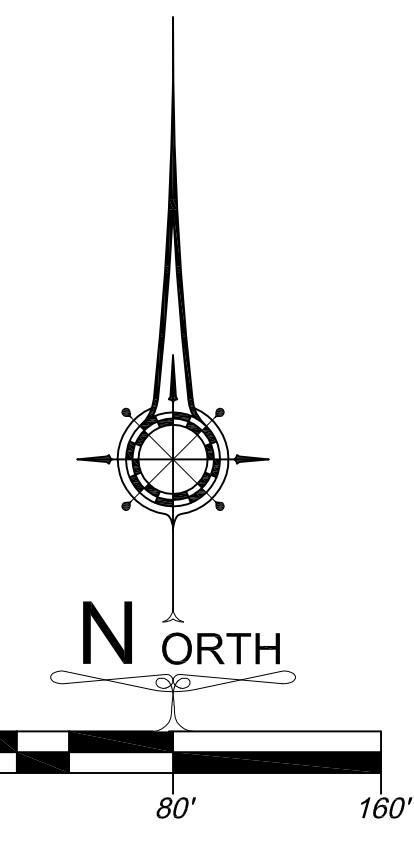
Beginning at a point whence corner 7, MS 14916 Queen bears N. 19°03'17" E., 269.67 ft. dist.; thence N. 20°16'31" W., 121.66 ft., dist.; thence N. 20°45'58" E., 12.97 ft., dist.; thence N. 22°36'49" E., 25.22 ft., dist.; thence N. 18°40'57" E., 32.35 ft., dist.; thence N. 24°31'38" E., 33.65 ft., dist.; thence N. 27°36'05" E., 29.69 ft., dist.; thence N. 29°59'50" E., 41.75 ft., dist.; thence N. 43°48'55" E., 25.88 ft., dist.; thence N. 33°33'59" E., 29.73 ft., dist.; thence N. 13°32'02" E., 63.24 ft., dist.; thence N. 29°59'50" E., 28.08 ft., dist.; thence N. 33°57'29" E., 22.92 ft., dist.; thence N. 32°51'29" E., 12.89 ft., dist.; thence N. 27°05'54" E., 13.92 ft., dist.; thence N. 37°24'13" E., 9.72 ft., dist.; thence N. 48°06'30" E., 12.71 ft., dist.; thence N. 62°27'39" E., 7.36 ft., dist.; thence N. 65°10'55" E., 8.56 ft., dist.; thence N. 85°50'46" E., 5.92 ft., dist.; thence S. 72°02'52" E., 7.68 ft., dist.; thence S. 52°22'14" E., 15.07 ft., dist.; thence S. 65°04'10" E., 17.07 ft., dist.; thence S. 59°00'21" E., 6.29 ft., dist.; thence S. 08°38'25" E., 5.35 ft., dist.; thence S. 13°37'32" W., 19.38 ft., dist.; thence S. 05°49'26" E., 17.74 ft., dist.; thence S. 04°23'24" E., 14.11 ft., dist.; thence S. 36°03'43" E., 13.01 ft., dist.; thence N. 53°56'17" E., 18.00 ft., dist.; thence N. 36°03'43" W., 7.90 ft., dist.; thence N. 04°23'24" W., 7.39 ft., dist.; thence N. 05°49'26" E., 14.90 ft., dist.; thence N. 13°37'32" E., 21.70 ft., dist.; thence N. 08°38'25" W., 17.36 ft., dist.; thence N. 59°00'21" W., 15.71 ft., dist.; thence N. 65°04'10" W., 16.02 ft., dist.; thence N. 52°22'14" W., 16.19 ft., dist.; thence N. 72°02'52" W., 14.32 ft., dist.; thence S. 85°50'46" W., 12.72 ft., dist.; thence S. 63°57'23" W., 22.32 ft., dist.; thence S. 48°06'30" W., 16.66 ft., dist.; thence S. 37°24'13" W., 13.03 ft., dist.; thence S. 27°05'54" W., 14.63 ft., dist.; thence S. 32°51'29" W., 10.26 ft., dist.; thence S. 43°48'55" W., 23.38 ft., dist.; thence S. 29°59'50" W., 46.53 ft., dist.; thence S. 13°32'02" W., 62.66 ft., dist.; thence S. 33°33'59" W., 26.49 ft., dist.; thence S. 33°57'29" W., 26.54 ft., dist.; thence S. 29°23'14" W., 29.08 ft., dist.; thence S. 27°36'05" W., 30.45 ft., dist.; thence S. 24°31'38" W., 35.05 ft., dist.; thence S. 18°40'57" W., 32.66 ft., dist.; thence S. 22°36'49" W., 17.74 ft., dist.; thence N. 20°16'31" W., 6.37 ft., dist.; thence S. 55°00'00" W., 161.86 ft., dist.; thence S. 35°00'00" E., 150.00 ft., dist.; thence N. 55°00'00" E., 122.44 ft., dist.; to the point of beginning. Containing 0.713 acres

- Proposed start date for mining activates August 30, 2018.
- Proposed ending date September 30, 2028
- An eighteen (18) inch safety berm will be constructed around the existing pad area.
- Storm water control devises such as water bars or drainage ditches will be installed and maintained on the existing road.
- Production will be seasonal and minimal. Removal of less than 500 lbs. of target material each season. Season will depend on access due to snow and conditions. Generally sometime between June and August. Removal of the stone will be done with the use of a jack-leg and the use of a non-Explosive Demolition Agent. IE: Expanding Grout. Holes will be drilled at a depth to provide the most efficient use of this product. Holes will be approximately 1 5/8 inch diameter. The material will be hand sorted. Material will be hauled on an existing road with an OHV. Material will not be stored on site. Material will be cut and processed off site.

Equipment:
Toyo 65# Jackleg.
Rented compressor.
Polaris ranger (Surface use only).

Note:

- Mining operation will not directly affect surface or ground water systems.



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| ITC Resources LLC | | (970) 387-0600 (970) 874-2880 |
| 1205 II Lane, Delta, CO 81416 | | email: kerschaaf@itcresources.us |
| Scale: 1"=80' | Date: 8/20/18 | Revisions: |
| McFarland Enterprises, Inc. 1081 Mineral St. Silverton Colorado 81433 | Drafter: KES | Job Number: 09-10 |
| Sheet 1 of 1 | | |