COLORADO
Division of Reclamation, Mining and Safety
Department of Natural Resources

1313 Sherman St. Room 215
Denver, CO 80203

September 10, 2021

Mr. Bryan L. Walker
Walker Ruby Mining Company, Inc.
5194 Northwest Newark Lane
Port St. Lucie, FL 34983

Re: Ruby Trust Mine, Permit No. M-1979-181, Financial Warranty Increase, Revision No. SI-1

Dear Mr. Walker:

In an effort to ensure the Financial Warranty for the above referenced site adequately reflects the actual current costs of fulfilling the requirements of the approved reclamation plan, the Colorado Division of Reclamation, Mining and Safety (Division) has updated the reclamation cost estimate (copy enclosed). ***Therefore, pursuant to Section 34–32–117(4) of the Colorado Land Reclamation Act, adequate Financial Warranty must be submitted to the Division within 60 days of the mailing date of this letter.*** The additional amount needs to be accepted prior to **Tuesday, November 09, 2021**. Please review the enclosed figures as soon as possible and contact our office if any calculation errors are noted.

Staff calculations estimate the cost to reclaim the above referenced site to be *$34,967.00*. This is an increase of ***$16,229.00*** over the *$18,738.00* currently held by the Division. This estimate is based on conditions observed during the August 23, 2021 inspection.

The Division ordered amendment of the current Financial Warranty, or submittal of a new Financial Warranty reflecting the increase, within 60 days from the date of this letter. If you wish to submit a different type of Financial Warranty, please contact me such that I may send you the applicable form.

If you have any questions, please contact me.

Sincerely,

Lucas J. West
Environmental Protection Specialist

cc: Sara M. Stevenson-Benn, DRMS

COST SUMMARY WORK

Task description: **Cost Summary**

Site: **Ruby Trust Mine** Permit Action: 2021 Update Permit/Job#: M1979181

PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None
Date: 9/10/2021 County: Ouray Filename: M181-000
User: LJW

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Remove or relocate equipment, parts, debris	DEMOLISH	1	32.00	$2,765
002	Pull up edge of benches and move sed ponds	EXCAVATE	1	27.19	$3,531
003	Haul out waste rock for backfill and shaping	LOADER	1	89.91	$7,102
004	Grade waste rock to 3:1	DOZER	1	29.25	$5,899
005	Haul reclamaiton equipment to and from site	MOBILIZE	1	7.00	$4,252
		SUBTOTALS:		**185.35**	**$23,549**

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance:	2.02	Total =	$476
Performance bond:	1.05	Total =	$247
Job superintendent:	92.68	Total =	$6,675
Profit:	10.00	Total =	$2,355
		TOTAL O & P =	$9,753
		CONTRACT AMOUNT (direct + O & P) =	$33,302

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		$1,665
CONTINGENCY:	0.00	Total =	$0
		TOTAL INDIRECT COST =	$11,418
		TOTAL BOND AMOUNT (direct + indirect) =	**$34,967**

DEMOLITION WORK

Task description: **Remove or relocate equipment, parts, debris**

Site: **Ruby Trust Mine** Permit Action: 2021 Update Permit/Job#: M1979181

PROJECT IDENTIFICATION

Task #: 001 State: Colorado Abbreviation: None
Date: 9/10/2021 County: Ouray Filename: M181-001
User: LJW

Agency or organization name: DRMS

UNIT COSTS **Location adjustment: 87.60 %**

Structure or Item Description	Dimensions	Demolition Menu Selection	Quantity	Unit	Unit Cost	Total Cost
Exterrior Milling Equipment	10x10x30	Conveyor, Inclined Belt, 10' rise with horizontal Loader, 27.5' length, 18" belt	1.00	EA	$3,125.00	$3,125.00
Parts, debris put inside Mill Portal	10x10x10 vol	Load/haul/dump demolished materials/debris into pit - Max. 1,000 ft. haul	37.00	CY	$0.85	$31.27

Job Hours: 32.00 **Subtotal (unadjusted): $3,156.27** **Total Cost (adjusted for location): $2,764.89**

HYDRAULIC EXCAVATOR WORK

Task description: **Pull up edge of benches and move sed ponds**

Site: **Ruby Trust Mine** Permit Action: 2021 Update Permit/Job#: M1979181

PROJECT IDENTIFICATION

Task #: 002 State: Colorado Abbreviation: None
Date: 9/10/2021 County: Ouray Filename: M181-002
User: LJW

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat 315D L 8'-6" Stick
Attachment 1: ROPS Cab

Horsepower: 115
Weight (MT): 17.32
Shift Basis: 1 per day
Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	$51.47	NA
Operating Cost/Hour:	$41.06	100
Operator Cost/Hour:	$37.32	NA
Total Unit Cost/Hour:	$129.85	

Total Fleet Cost/Hour: $129.85

MATERIAL QUANTITIES

Initial volume: 2,500 CCY Swell factor: 1.215
Loose volume: **3,038** LCY

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

HOURLY PRODUCTION

Excavator Cycle Time (load bucket, swing loaded, dump bucket, swing empty):

Basic Job Condition Description: AVERAGE
Secondary Job Condition within Basic Description: AVERAGE
Cycle Time Value: 0.256 minutes

Load Bucket Capacity

Bucket Size Class: Medium

Rated Capacity: 0.80 LCY (heaped)
Bucket Fill Factor: 0.825 Blasted rock - avg. blasted (75 - 90%) 0.825
Adjusted Capacity: **0.66** LCY

Job Condition Correction Factors Site Altitude: 10300 feet

		Source
Altitude Adj:	0.87	(CAT HB)
Job Efficiency:	0.83	(1 shift/day)
Net Correction:	0.72	multiplier

Unadjusted Hourly Unit Production: 154.69 LCY/Hour
Adjusted Hourly Unit Production: 111.70 LCY/Hour
Adjusted Hourly Fleet Production: **111.70** LCY/Hour

JOB TIME AND COST

Fleet size: 1 Excavator Total job time: **27.19** Hours

Unit cost: $1.162 /LCY Total job cost: **$3,531**

WHEEL LOADER – LOAD AND CARRY WORK

Task description: **Haul out waste rock for backfill and shaping**

Site: **Ruby Trust Mine** Permit Action: 2021 Update Permit/Job#: M1979181

PROJECT IDENTIFICATION

Task #: 003 State: Colorado Abbreviation: None
Date: 9/10/2021 County: Ouray Filename: M181-003
User: LJW

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: CAT 246C Horsepower: 73
Attachment 1: ROPS Cab Shift Basis: 1 per day
Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	$21.64	NA
Operating Cost/Hour:	$16.64	100
Operator Cost/Hour:	$40.71	NA
Total Unit Cost/Hour:	$78.99	

Total Fleet Cost/Hour: $78.99

MATERIAL QUANTITIES

Initial volume: 3,022 CCY Swell factor: 1.000
Loose volume: **3,022** 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): 0.425 minutes

Cycle Time Factors		Factor (min.)	Source
Material:	Material 3/4" to 6" diameter 0.00	0.000	(Cat HB)
Stockpile:	Dumped by truck 0.02	0.020	(Cat HB)
Truck Ownership:	Common ownership of trucks and loaders -0.04	-0.040	(Cat HB)
Operation:	Constant operation -0.04	-0.040	(Cat HB)
Dump Target:	Nominal target 0.00	0.000	(Cat HB)
	Net Cycle Time Adjustment:	-0.060	minutes
	Adjusted Basic Cycle Time:	0.365	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:	150	0.00	5.00	5.00	0.1058	(Cat HB)
Return Route:	150	0.00	5.00	5.00	0.1058	(Cat HB)

Total Travel Time:	0.2116	minutes
Total Cycle Time:	**0.5766**	minutes

Load Bucket Capacity

Rated Capacity:	0.53	LCY (heaped)
Bucket Fill Factor:	0.825	Blasted rock - avg. blasted (75 - 90%) 0.825
Adjusted Capacity:	**0.44**	LCY

Job Condition Correction Factors
Site Altitude: 10300 feet

		Source
Altitude Adj:	0.89	(CAT HB)
Job Efficiency:	0.83	(1 shift/day)
Net Correction:	0.74	multiplier

Unadjusted Hourly Unit Production:	45.50	LCY/Hour
Adjusted Hourly Unit Production:	33.61	LCY/Hour
Adjusted Hourly Fleet Production:	**33.61**	LCY/Hour

JOB TIME AND COST

Fleet size:	1	Loader(s)	Total job time:	**89.92**	Hours
Unit cost:	$2.350	/LCY	Total job cost:	**$7,102**	

BULLDOZER WORK

Task description: **Grade waste rock to 3:1**

Site: **Ruby Trust Mine** Permit Action: 2021 Update Permit/Job#: M1979181

PROJECT IDENTIFICATION

Task #:	004	State:	Colorado	Abbreviation:	None
Date:	9/10/2021	County:	Ouray	Filename:	M181-004
User:	LJW				

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine:	Cat D7R DS XR Series II
Horsepower:	240
Blade Type:	Semi-Universal
Attachment:	NA
Shift Basis:	1 per day
Data Source:	(CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	$81.02	NA
Operating Cost/Hour:	$79.33	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: $201.65
Total Fleet Cost/Hour: **$201.65**

MATERIAL QUANTITIES

Initial Volume:	3,227
Swell factor:	1.000
Loose volume:	**3,227** LCY

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

HOURLY PRODUCTION

Average push distance: 150 feet
Unadjusted hourly production: 518.9 LCY/hr

Materials consistency description: Rock, avg. ripped or blasted 0.7

Average push gradient: 0 %
Average site altitude: 10,300 feet

Material weight: 3,300 lbs/LCY

Weight description: Decomposed rock - 75% Rock, 25% Earth

Job Condition Correction Factor		Source
Operator Skill:	0.750	(AVG.)
Material consistency:	0.700	(CAT HB)
Dozing method:	1.000	(GEN.)
Visibility:	1.000	(AVG.)

Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.700	(FND-MF)
Push gradient:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.697	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.2126

Adjusted unit production: 110.32 LCY/hr
Adjusted fleet production: **110.32** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: $1.828/LCY

Total job time: **29.25** Hours
Total job cost: **$5,899**

EQUIPMENT MOBILIZATION/DEMOBILIZATION

Task description: **Haul reclamaiton equipment to and from site**

Site: **Ruby Trust Mine** Permit Action: 2021 Update Permit/Job#: M1979181

PROJECT IDENTIFICATION

Task #: 005 State: Colorado Abbreviation: None
Date: 9/10/2021 County: Ouray Filename: M181-005
User: LJW

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:	$21.28	$37.94	$47.67
Operating Cost/Hour:	$26.55	$50.48	$56.21
Operator Cost/Hour:	$20.54	$20.54	$20.54
Helper Cost/Hour:	$0.00	$23.53	$23.53
Total Unit Cost/Hour:	$68.37	$132.49	$147.95

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 D7R DS XR Series II	32.01	$81.02	$132.49	1	$213.51	$132.49	$250.00
Cat 315D L 8'-6" Stick	19.05	$51.47	$68.37	1	$119.84	$68.37	$250.00
CAT 246C	3.58	$21.64	$68.37	1	$90.01	$68.37	$250.00
Subtotals:					**$423.36**	**$269.23**	**$750.00**

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.	$12.93	1	$12.93	$12.93
Subtotals:			**$12.93**	**$12.93**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	OURAY	
Total one-way travel distance:	15.00	miles
Average Travel Speed:	20.00	mph

Total Non-Roadable Mob/Demob Cost * '* two round trips with haul rig:	$4,232.33
Total Roadable Mob/Demob Cost ** ** one round trip, no haul rig:	$19.40

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.75	0.75
Return Time (Hours):	0.75	0.75
Loading Time (Hours):	1.00	NA
Unloading Time (Hours):	1.00	NA
Subtotals:	3.50	1.50

JOB TIME AND COST

Total job time:	**7.00**	Hours
Total job cost:	**$4,252**	