

January 12, 2022

Dustin Czapla  
Colorado Division of Reclamation, Mining and Safety  
1313 Sherman Street, Room 215  
Denver, CO 80203  
303-866-3567

Delivered Via Email and Hard Copy

**RE: In the Matter of the Box Creek Placer Mine, Permit No. M-2018-053, Technical Revision-03**

Mr. Czapla:

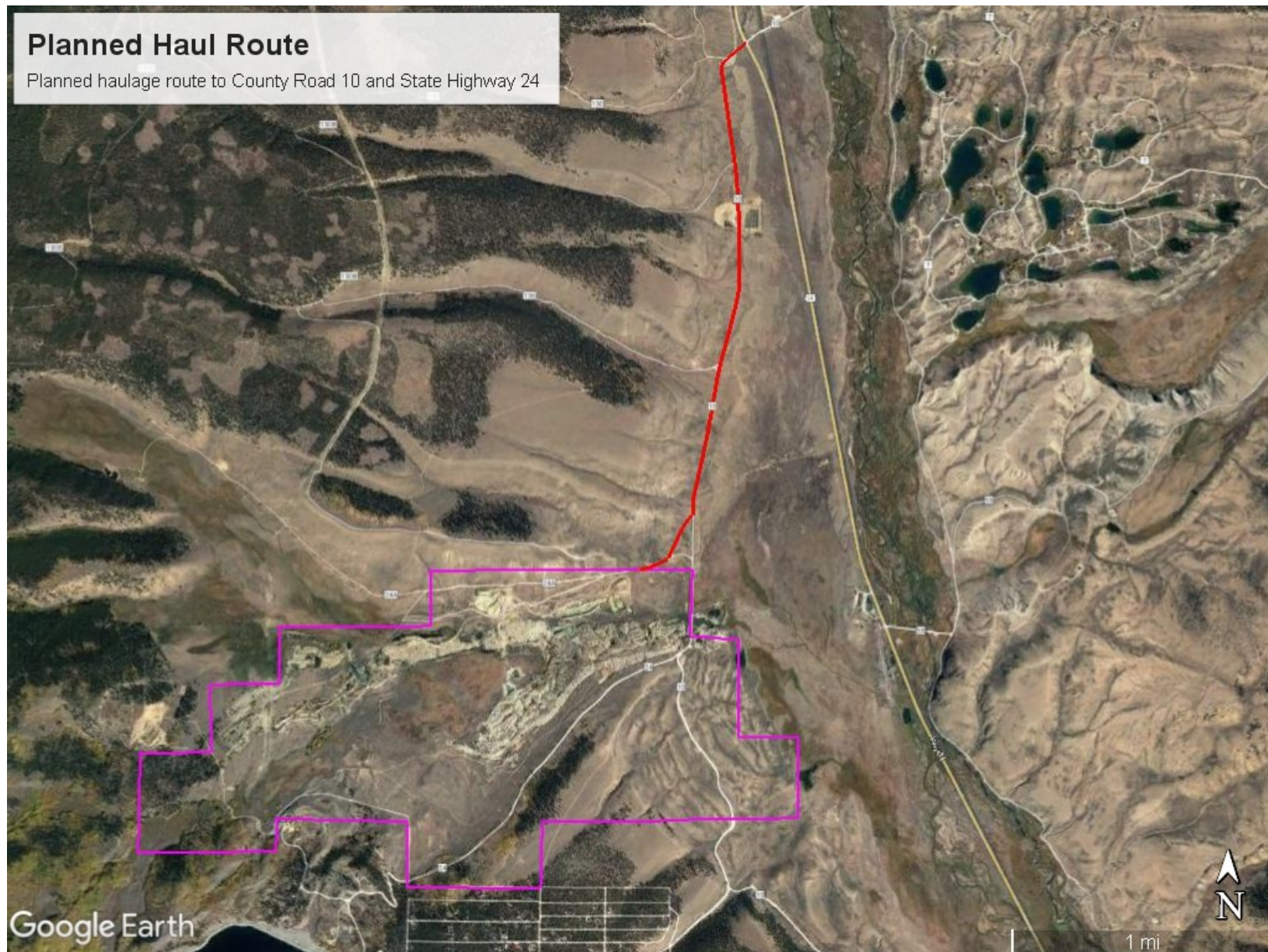
Titan Au, Inc. (Titan) would like to begin onsite processing of aggregate material produced as a byproduct of their placer mining operations. As noted in Section 1 of Exhibit D of the approved CDRMS permit, aggregate material from any step of the mining operation may be separated and sold as an aggregate byproduct. Titan would like to revise its CDRMS permit to allow for onsite crushing, screening, and washing of construction materials at the Box Creek Placer.

Current market conditions allow for beneficiation of the waste streams produced by the placer mining operation. It is anticipated that a maximum of 300,000 tons of construction materials would leave the site annually. A portable crushing, screening, and washing plant will be transported onsite and located adjacent to the active placer plant. As stated in the CDRMS permit, the placer plant will follow mining operations throughout the site to optimizing material movements. Sufficient backfill material will remain to fill all placer mining areas to at least 3 feet above the current water table. We do not believe that additional material processing will impact the bond calculation for the site.

We believe that the following permits or contracts will need to be revised to allow for this activity:

- Lake County CUP will require a revision to allow for offsite haulage.
- Substitute Water Supply Plan (SWSP) must be modified to account for moisture in the materials hauled offsite as well as any additional process consumption associated with construction materials.
- City of Pueblo Water lease will be increased to account for additional water consumption in the SWSP.
- CDPHE APEN will need to be revised to include construction material processing and additional haulage within the site roads.

We also plan to submit access permits for gravel hauling along County Road 10 as well as State Highway 24. The planned route is shown in the figure below. Lewicki & Associates has spoken with Lake County's Building and Land Use Department. We believe that the County permit revision is only sensitive to the haulage route. We anticipate that our access permits may include a dedicated haulage route to avoid adversely impacting the city of Leadville.



Thank you in advance and please do not hesitate to contact me with questions or concerns.

Regards,



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CC: Lance Baller (Titan Au, Inc.), Chris Townsend (Titan Au, Inc.)