

March 4, 2024

Craig Howell
Nuvemco, LLC
PO Box 297
Naturita, CO 81422



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

1313 Sherman Street, Room 215
Denver, CO 80203

RE: Last Chance #3 & #4, Permit # M-2008-012, Reclamation Costs Update

Dear Operator:

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) for this site. Division calculations estimate the cost to reclaim the site to be \$55,309.00. This is an increase of \$10,059.00 over the \$45,250.00 currently held by the Division.

Within 15 days, please review the attached estimate and notify me if any calculation errors are noted.

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", with a long horizontal flourish extending to the right.

Dustin Czapla
Environmental Protection Specialist
Division of Reclamation, Mining and Safety
Phone: (303) 866-3567, ext. 8188



COST SUMMARY WORK

Task description: 2024-02-16 Review

Site: Last Chance #3 & #4

Permit Action: 2024-02-16

Permit/Job#: M2008012

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 2/16/2024

County: Montrose

Filename: M012-000

User: DMC

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Haul ore stockpile base material into mine	LOADER	1	38.55	\$3,770
02a	Closure of mine openings	MINESEAL	1	16.00	\$6,063
03a	Removal of power line and mine debris	DEMOLISH	1	8.00	\$2,465
04a	Rip compacted areas (roads, waste piles, etc.)	RIPPER	1	10.27	\$4,606
05a	Establish final stormwater control features	DOZER	1	3.41	\$1,454
06a	Push topsoil over reclaim areas	DOZER	1	6.61	\$2,818
07a	Seal maximum 50 drill holes in permit area	BOREHOLE	1	25.00	\$2,811
08a	Revegetate 6 acres disturbed area	REVEGE	1	6.00	\$14,367
09a	Mobilize reclamation crew/equipment	MOBILIZE	1	4.28	\$4,833
<u>SUBTOTALS:</u>				118.12	\$43,187

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$872

Performance bond: 1.05

Total = \$453

Job superintendent: 59.06

Total = \$3,844

Profit: 10.00

Total = \$4,319

TOTAL O & P = \$9,488

CONTRACT AMOUNT (direct + O & P) = \$52,675

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

\$2,634

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$12,122

TOTAL BOND AMOUNT (direct + indirect) = \$55,309

WHEEL LOADER – LOAD AND CARRY WORKTask description: Haul ore stockpile base material into mineSite: Last Chance #3 & #4Permit Action: 2024-02-16Permit/Job#: M2008012**PROJECT IDENTIFICATION**

Task #: 01A State: Colorado Abbreviation: None
 Date: 2/16/2024 County: Montrose Filename: 01a
 User: DMC

Agency or organization name: DRMS**HOURLY EQUIPMENT COST**

Basic Machine: CAT 246C
 Attachment 1: ROPS Cab

Horsepower: 73
 Shift Basis: 1 per day
 Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$30.84	NA
Operating Cost/Hour:	\$26.25	100
Operator Cost/Hour:	\$40.71	NA
Total Unit Cost/Hour:	\$97.80	
Total Fleet Cost/Hour:	\$97.80	

MATERIAL QUANTITIES

Initial volume: 800 CCY Swell factor: 1.000
 Loose volume: 800 LCY

Source of estimated volume: 1/2 acre at 1' depth
 Source of estimated swell factor: Cat Handbook

HOURLY PRODUCTIONLoader Cycle Time: Unadjusted Basic Cycle Time (load, dump, maneuver): 0.425 minutes

Cycle Time Factors		Factor (min.)	Source
Material:	Mixed material 0.02	0.020	(Cat HB)
Stockpile:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Truck Ownership:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Operation:	Inconsistent 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:		0.485	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:	400	0.00	5.00	5.00	0.2822	(Cat HB)
Return Route:	400	0.00	5.00	5.00	0.2822	(Cat HB)

Total Travel Time: 0.5643 minutes
 Total Cycle Time: 1.0493 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: 6300 feet

		Source
Altitude Adj:	<u>1.00</u>	(CAT HB)
Job Efficiency:	<u>0.83</u>	(1 shift/day)
Net Correction:	<u>0.83</u>	multiplier

Unadjusted Hourly Unit Production: 25.00 LCY/Hour
 Adjusted Hourly Unit Production: 20.75 LCY/Hour
 Adjusted Hourly Fleet Production: 20.75 LCY/Hour

JOB TIME AND COST

Fleet size: 1 Loader(s) Total job time: 38.55 Hours
 Unit cost: \$4.713 /LCY Total job cost: \$3,770

SAFEGUARDING UNDERGROUND OPENINGS

Task description: **Closure of mine openings**

Site: **Last Chance #3 & #4** Permit Action: 2024-02-16 Permit/Job#: M2008012

PROJECT IDENTIFICATION

Task #: 02A State: Colorado Abbreviation: None
Date: 2/16/2024 County: Montrose Filename: 02a
User: DMC

Agency or organization name: DRMS

UNIT COSTS

Opening Description	Dimensions	Closure Method	Quantity	Unit	Unit Cost	Total Cost
Main portal closure	10' x 10'	Adit closure - backfilling (per opening)	1.00	EA	\$3,199.01	\$3,199.01
Main fan shaft closure	36 inch	Shaft closure - backfilling (per opening)	1.00	EA	\$2,864.29	\$2,864.29

Job Hours: 16.00 **Total Cost:** \$6,063.30

DEMOLITION WORK

Task description: Removal of power line and mine debris

Site: Last Chance #3 & #4

Permit Action: 2024-02-16

Permit/Job#: M2008012

PROJECT IDENTIFICATION

Task #: 03A

State: Colorado

Abbreviation: None

Date: 2/16/2024

County: Montrose

Filename: 03a

User: DMC

Agency or organization name: DRMS

UNIT COSTS

Location adjustment: 92.10 %

Structure or Item Description	Dimensions	Demolition Menu Selection	Quantity	Unit	Unit Cost	Total Cost
Power pole	1	Utility Poles, Wood 20' to 0' high (each pole)	1.00	EA	\$256.00	\$256.00
Power line	1	Powerline or utility line - Structural Steel Box Type Frame Structure Dismantle and Dispose	1.00	EA	\$2,060.50	\$2,060.50
Mine related debris	na	Push demolished materials/rubble/debris into pit - Max. 50 ft. push	500.00	CY	\$0.72	\$360.00

Job Hours: 8.00

Subtotal
(unadjusted): \$2,676.50

Total Cost
(adjusted for location): \$2,465.06

BULLDOZER RIPPING WORK

Task description: Rip compacted areas (roads, waste piles, etc.)

Site: Last Chance #3 & #4 Permit Action: 2024-02-16 Permit/Job#: M2008012

PROJECT IDENTIFICATION

Task #: 04A State: Colorado Abbreviation: None
Date: 2/16/2024 County: Montrose Filename: 04a
User: DMC

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D8T - 8SU Horsepower: 310
Ripper Attachment: 3-Shank Ripper Shift Basis: 1 per day
Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$241.38	NA
Operating Cost/Hour:	\$143.92	100
Ripper Ownership Cost/Hour:	\$14.11	NA
Ripper Operating Cost/Hour:	\$7.45	100
Operator Cost/Hour:	\$41.30	NA
Total Unit Cost/Hour:	\$448.16	
Total Fleet Cost/Hour:	\$448.16	

MATERIAL QUANTITIES

Selected estimating method: Area

Alternate Methods:

Seismic: NA Bank Volume: NA BCY NA
Area: 6.00 acres Rip Depth (ft): 2.00 Volume: 19,360 BCY or CCY

Source of estimated quantity: Mine, exploration area, roads

HOURLY PRODUCTION

Seismic:

Seismic Velocity: NA feet/second

Area:

Average Ripping Depth: 2.56 feet/pass
Average Ripping Width: 7.08 feet/pass
Average Ripping Length: 100.00 feet/pass
Average Dozer Speed: 88.00 feet/minute
Average Maneuver Time: 0.25 minutes/pass
Production per unit area: 0.703 acres/hour

Job Condition Correction Factors

Unadjusted Hourly Unit Production: 0.703 Acres/hr
Site Altitude: 6,300 feet
Altitude Adj: 1.00 (CAT HB)
Job Efficiency: 0.83 (1 shift/day)
Net Correction: 0.83 multiplier
Adjusted Hourly Unit Production: 0.58 Acres/hr
Adjusted Hourly Fleet Production: **0.58** Acres/hr

JOB TIME AND COST

Fleet size: 1 Grader(s) Total job time: **10.28** Hours

Unit cost: \$767.601 Per acre Total job cost: **\$4,606**

BULLDOZER WORKTask description: **Establish final stormwater control features**Site: **Last Chance #3 & #4**Permit Action: **2024-02-16**Permit/Job#: **M2008012****PROJECT IDENTIFICATION**Task #: **05A**State: **Colorado**Abbreviation: **None**Date: **2/16/2024**County: **Montrose**Filename: **05a**User: **DMC**Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**Basic Machine: **Cat D8T - 8SU**Horsepower: **310**Blade Type: **Semi-Universal**Attachment: **NA**Shift Basis: **1 per day**Data Source: **(CRG)****Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$241.38	NA
Operating Cost/Hour:	\$143.92	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: **\$426.60**Total Fleet Cost/Hour: **\$426.60****MATERIAL QUANTITIES**Initial Volume: **1,500**Swell factor: **1.000**Loose volume: **1,500 LCY**Source of estimated volume: **Estimate based on berms/sediment ponds/ditches**Source of estimated swell factor: **Cat Handbook****HOURLY PRODUCTION**Average push distance: **50 feet**Unadjusted hourly production: **1,400.0 LCY/hr**Materials consistency description: **Rock, avg. ripped or blasted 0.7**Average push gradient: **0 %**Average site altitude: **6,300 feet**Material weight: **2,550 lbs/LCY**Weight description: **Sandstone****Job Condition Correction Factor**

		<u>Source</u>
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:	0.800	(FND-RF)
Push gradient:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.902	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3144

Adjusted unit production: 440.16 LCY/hr

Adjusted fleet production: **440.16** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.969/LCY

Total job time: **3.41** Hours

Total job cost: **\$1,454**

BULLDOZER WORKTask description: Push topsoil over reclaim areasSite: Last Chance #3 & #4Permit Action: 2024-02-16Permit/Job#: M2008012**PROJECT IDENTIFICATION**Task #: 06AState: ColoradoAbbreviation: NoneDate: 2/16/2024County: MontroseFilename: 06aUser: DMCAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D8T - 8SUHorsepower: 310Blade Type: Semi-UniversalAttachment: NAShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$241.38	NA
Operating Cost/Hour:	\$143.92	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: \$426.60Total Fleet Cost/Hour: **\$426.60****MATERIAL QUANTITIES**Initial Volume: 4,840Swell factor: 1.000Loose volume: **4,840** LCYSource of estimated volume: 6 ac. x 6" coverSource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 100 feetUnadjusted hourly production: 852.6 LCY/hrMaterials consistency description: Loose stockpile 1.2Average push gradient: 0 %Average site altitude: 6,300 feetMaterial weight: 1,600 lbs/LCYWeight description: Top Soil**Job Condition Correction Factor**

		<u>Source</u>
Operator Skill:	0.750	(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: 732.64 LCY/hr

Adjusted fleet production: **732.64** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.582/LCY

Total job time: **6.61** Hours

Total job cost: **\$2,818**

BOREHOLE SEALING WORK

Task description: Seal maximum 50 drill holes in permit area

Site: Last Chance #3 & #4

Permit Action: 2024-02-16

Permit/Job#: M2008012

PROJECT IDENTIFICATION

Task #: 07A

State: Colorado

Abbreviation: None

Date: 2/16/2024

County: Montrose

Filename: 07a

User: DMC

Agency or organization name: DRMS

UNIT COSTS

Borehole Description	Sealing/Item Method	Diameter	Length	Quantity	Unit	Unit Cost	Total Cost
50 drill holes	General laborer - Colorado (total incl. fringes, empl. burden)	6	250	100.00	HR	\$23.53	\$2,353.00
3 foot poly foam seal	Polyurethane foam (CF, material cost only)	6	150	58.90	CF	\$7.78	\$458.11

Job Hours: 25.00

Total Cost: \$2,811.00

REVEGETATION WORKTask description: Revegetate 6 acres disturbed areaSite: Last Chance #3 & #4Permit Action: 2024-02-16Permit/Job#: M2008012**PROJECT IDENTIFICATION**Task #: 08AState: ColoradoAbbreviation: NoneDate: 2/16/2024County: MontroseFilename: 08aUser: DMCAgency 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
Chisel plowing {DMG}	\$100.40
Weed control spraying (MEANS 31 31 16.13 3100)	\$338.80
Total Tilling Cost/Acre	\$439.20

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Indian Ricegrass - Native	1.20	3.88	\$7.80
Sand Dropseed	0.04	4.78	\$0.39
Bottlebrush Squirreltail	3.20	14.10	\$51.92
Sandberg Bluegrass - VNS	0.60	12.74	\$5.04
Galleta	0.60	2.19	\$13.41
Western Wheatgrass - Arriba	5.60	14.14	\$36.40
Sweetvetch, Utah or Northern	0.20	0.09	\$15.00
Needle and Thread	0.80	2.11	\$33.48
Daisy or Sunflower, Maximillians	0.06	0.34	\$3.36

Sagebrush, Mountain or Big	0.10	5.28	\$1.98
Saltbush, Four Wing	0.06	0.08	\$0.75
Globemallow, Scarlet (or copper)	0.18	2.04	\$24.39
Winter Fat	0.10	0.25	\$2.05
Penstemon, Rocky Mountain	0.12	1.88	\$3.54
Yarrow, White	0.06	3.82	\$2.40
Totals Seed Mix	12.92	67.73	\$201.91

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
Straw, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$429.79	\$859.57
Total Mulch Materials Cost/Acre				\$859.57

Application

Description	Cost /Acre
Power mulcher (MEANS 32 91 13.16 0350)	\$147.67
Total Mulch Application Cost/Acre	\$147.67

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: 6 Cost /Acre: \$1,915.57
 Estimated Failure Rate: 25% Cost /Acre*: \$1,915.57
 *Selected Replanting Work Items: TILLING,SEEDING,MULCHING

Initial Job Cost: \$11,493.42
 Reseeding Job Cost: \$2,873.36
 Total Job Cost: \$14,367
 Job Hours: 6.00

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: Mobilize reclamation crew/equipmentSite: Last Chance #3 & #4Permit Action: 2024-02-16Permit/Job#: M2008012**PROJECT IDENTIFICATION**

Task #: 09A State: Colorado Abbreviation: None
 Date: 2/16/2024 County: Montrose Filename: 09a
 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:	\$20.26	\$36.04	\$47.05
Operating Cost/Hour:	\$39.51	\$76.08	\$82.85
Operator Cost/Hour:	\$22.52	\$22.52	\$22.52
Helper Cost/Hour:	\$0.00	\$23.53	\$23.53
Total Unit Cost/Hour:	\$82.29	\$158.17	\$175.95

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 246C	3.58	\$30.84	\$82.29	1	\$113.13	\$82.29	\$250.00
Cat D8T - 8SU	53.08	\$255.49	\$175.95	1	\$431.44	\$175.95	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$6.73	\$82.29	1	\$89.02	\$82.29	\$250.00
Power Mulcher (Bowie LD-90)	6.00	\$25.94	\$82.29	1	\$108.23	\$82.29	\$250.00
Subtotals:					\$741.82	\$422.82	\$1,000.00

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.	\$15.83	1	\$15.83	\$15.83
Subtotals:			\$15.83	\$15.83

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	NATURITA/NUCLA	
Total one-way travel distance:	20.00	miles
Average Travel Speed:	35.00	mph

Total Non-Roadable Mob/Demob Cost *	\$4,814.66
** two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	\$18.09
** one round trip, no haul rig:	

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.57	0.57
Return Time (Hours):	0.57	0.57
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	2.14	1.14

JOB TIME AND COST

Total job time: 4.29 Hours

Total job cost: \$4,833