



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

May 22, 2024

John Ryan
Fermi Uranium Corp.
250 Pehle Ave. Suite 200
Saddle Brook, NJ 07663

Re: Pitchfork Project, File No. P-2024-005, Notice of Deficiency- Request for Financial and Performance Warranties

Dear Mr. Ryan:

The Division of Reclamation, Mining and Safety (Division) has completed the review of the above listed Notice of Intent to Conduct Prospecting (NOI) and found that the submitted application materials meets the minimum requirements of the Act and Rules and Regulations.

Division Staff conducted a Reclamation Cost Estimate based on the details of your application. Staff calculations determined that the total cost to achieve reclamation of the project to be \$6,769.00 (Cost Estimation Worksheets Enclosed). To date, the Division has received the minimum bond required for filing of \$2,000.00. Please provide the Division with either a replacement Financial Warranty for the full amount or the **\$4,769.00** difference along with the appropriate Financial Warranty Form. In addition to the Financial Warranty, please execute and submit the Performance Warranty (Enclosed) and Affidavit of Authority (enclosed). Once the Financial and Performance Warranties are received and accepted by the Division your Notice can be accepted.

Please note, the Decision Date for your application is Wednesday June 28, 2024. To allow sufficient time for the submittal and acceptance of the Financial and Performance Warranties, please submit the requested documentation at least two weeks prior to your Decision Date. If you have any questions please feel free to contact me. Direct contact can be made at the Division's Grand Junction Field Office, by phone at 303-866-3567 Ext. 8187 or by email at lucas.west@state.co.us.

Sincerely,

Lucas J. West
Environmental Protection Specialist
Division of Reclamation, Mining and Safety

Cc: Travis Marshall, Senior Environmental Protection Specialist



Ec: Helen Thomas, FERMI Uranium Corp.

Encl. Reclamation Cost Estimate Worksheets
Performance Warranty (Blank)
Affidavit of Authority (Blank)
Financial Warranty Form (Blank)

COST SUMMARY WORK

Task description: _____

Site: Pitchfork Project

Permit Action: New App

Permit/Job#: P2024005

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 5/16/2024

County: San Miguel

Filename: P005-000

User: LJW

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	P & A (one hole, assume max depth, GW cond.)	BOREHOLE	1	8.00	\$2,756
002	Backfill Sumps	EXCAVATE	1	0.26	\$27
003	Roughen pads and replace topsoil	EXCAVATE	1	0.39	\$40
004	Revegetation	REVEGE	1	8.00	\$53
005	Mobilization	MOBILIZE	1	3.67	\$2,241
<u>SUBTOTALS:</u>				20.32	\$5,117

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$103

Performance bond: 1.05

Total = \$54

Job superintendent: 10.16

Total = \$661

Profit: 10.00

Total = \$512

TOTAL O & P = \$1,330

CONTRACT AMOUNT (direct + O & P) = \$6,447

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

\$322

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$1,652

TOTAL BOND AMOUNT (direct + indirect) = \$6,769

BOREHOLE SEALING WORK

Task description: P & A (one hole, assume max depth, GW cond.)

Site: Pitchfork Project

Permit Action: New App

Permit/Job#: P2024005

PROJECT IDENTIFICATION

Task #: 001

State: Colorado

Abbreviation: None

Date: 5/16/2024

County: San Miguel

Filename: P005-001

User: LJW

Agency or organization name: DRMS

UNIT COSTS

Borehole Description	Sealing/Item Method	Diameter	Length	Quantity	Unit	Unit Cost	Total Cost
Exploration hole	Portland cement grout - 4 in. (labor, equip, materials)	3	500	500.00	LF	\$5.51	\$2,755.50

Job Hours: 8.00

Total Cost: \$2,756.00

HYDRAULIC EXCAVATOR WORK

Task description: Backfill Sumps

Site: Pitchfork Project

Permit Action: New App

Permit/Job#: P2024005

PROJECT IDENTIFICATION

Task #: 002

State: Colorado

Abbreviation: None

Date: 5/16/2024

County: San Miguel

Filename: P005-002

User: LJW

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat 307D 7'-3" Stick

Horsepower: 56

Attachment 1: ROPS Cab

Weight (MT): 7.23

Shift Basis: 1 per day

Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$37.88	NA
Operating Cost/Hour:	\$27.05	100
Operator Cost/Hour:	\$37.32	NA
Total Unit Cost/Hour:	\$102.25	
Total Fleet Cost/Hour:	\$102.25	

MATERIAL QUANTITIES

Initial volume: 20

CCY

Swell factor: 1.000

Loose volume: 20

LCY

Source of estimated volume: 10*10*5 mud pit /27

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: 0.242 minutes

Load Bucket Capacity

Bucket Size Class: Medium

Rated Capacity: 0.40 LCY (heaped)

Bucket Fill Factor: 1.025 Rock - Earth Mixture (100%-105%) 1.025

Adjusted Capacity: 0.41 LCY

Job Condition Correction Factors

Site Altitude: 6450 feet

Altitude Adj:	0.90	Source (CAT HB)
Job Efficiency:	0.83	(1 shift/day)
Net Correction:	0.75	multiplier

Unadjusted Hourly Unit Production: 101.65 LCY/Hour

Adjusted Hourly Unit Production: 75.93 LCY/Hour

Adjusted Hourly Fleet Production: 75.93 LCY/Hour

JOB TIME AND COST

Fleet size: 1 Excavator Total job time: 0.26 Hours

Unit cost: \$1.347 /LCY Total job cost: \$27

HYDRAULIC EXCAVATOR WORK

Task description: Roughen pads and replace topsoil

Site: Pitchfork Project

Permit Action: New App

Permit/Job#: P2024005

PROJECT IDENTIFICATION

Task #: 003

State: Colorado

Abbreviation: None

Date: 5/16/2024

County: San Miguel

Filename: P005-003

User: LJW

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat 307D 7'-3" Stick

Horsepower: 56

Attachment 1: ROPS Cab

Weight (MT): 7.23

Shift Basis: 1 per day

Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$37.88	NA
Operating Cost/Hour:	\$27.05	100
Operator Cost/Hour:	\$37.32	NA
Total Unit Cost/Hour:	\$102.25	
Total Fleet Cost/Hour:	\$102.25	

MATERIAL QUANTITIES

Initial volume: 30

CCY

Swell factor: 1.000

Loose volume: 30

LCY

Source of estimated volume: .036 Ac @ 5" deep + 6yds for roughening

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: 0.242 minutes

Load Bucket Capacity

Bucket Size Class: Medium

Rated Capacity: 0.40 LCY (heaped)

Bucket Fill Factor: 1.025 Rock - Earth Mixture (100%-105%) 1.025

Adjusted Capacity: 0.41 LCY

Job Condition Correction Factors

Site Altitude: 6450 feet

Altitude Adj:	0.90	Source (CAT HB)
Job Efficiency:	0.83	(1 shift/day)
Net Correction:	0.75	multiplier

Unadjusted Hourly Unit Production: 101.65 LCY/Hour

Adjusted Hourly Unit Production: 75.93 LCY/Hour

Adjusted Hourly Fleet Production: 75.93 LCY/Hour

JOB TIME AND COST

Fleet size: 1 Excavator Total job time: 0.40 Hours

Unit cost: \$1.347 /LCY Total job cost: \$40

REVEGETATION WORKTask description: RevegetationSite: Pitchfork ProjectPermit Action: New AppPermit/Job#: P2024005**PROJECT IDENTIFICATION**Task #: 004State: ColoradoAbbreviation: NoneDate: 5/16/2024County: San MiguelFilename: P005-004User: LJWAgency 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
	\$
Total Tilling Cost/Acre	\$0.00

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Indian Ricegrass - Nespar	2.00	6.47	\$17.75
Arizona Fescue - Redondo	2.40	27.55	\$22.20
Blue Grama - Native	2.40	39.17	\$32.94
Sandberg Bluegrass - VNS	3.00	63.71	\$25.20
Galleta	2.00	7.30	\$44.70
Western Wheatgrass - Arriba	2.40	6.06	\$15.60
Totals Seed Mix	14.20	150.26	\$158.39

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	BALE	\$17.19	\$34.38
Tackifier, >=10 acres {Materials Only}	0.04	ACRE	\$1,655.28	\$59.59
Total Mulch Materials Cost/Acre				\$93.97

Application

Description	Cost /Acre
Weed spray, hand, non-aquatic area, nox. [DMG]	\$183.16
Total Mulch Application Cost/Acre	\$183.16

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: 0.05 Cost /Acre: \$702.74
 Estimated Failure Rate: 50% Cost /Acre*: \$702.74
 *Selected Replanting Work Items: SEEDING,MULCHING

Initial Job Cost: **\$35.14**
 Reseeding Job Cost: **\$17.57**
 Total Job Cost: **\$53**
 Job Hours: **8.00**

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mobilization**Site: **Pitchfork Project**Permit Action: **New App**Permit/Job#: **P2024005****PROJECT IDENTIFICATION**Task #: **005**State: **Colorado**Abbreviation: **None**Date: **5/16/2024**County: **San Miguel**Filename: **P005-005**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:	\$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 307D 7'-3" Stick	7.95	\$37.88	\$82.29	1	\$120.17	\$82.29	\$250.00
ATLAS COPCO ROC D3-01,3.0 in.	0.00	\$181.97	\$82.29	1	\$264.26	\$82.29	\$250.00

Subtotals: **\$384.43** **\$164.58** **\$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.	\$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
 Total one-way travel distance: 23.00 miles
 Average Travel Speed: 55.00 mph

Total Non-Roadable Mob/Demob Cost * \$2,228.03
 ** two round trips with haul rig:
 Total Roadable Mob/Demob Cost ** \$13.24
 ** one round trip, no haul rig:

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>0.42</u>	<u>0.42</u>
Return Time (Hours):	<u>0.42</u>	<u>0.42</u>
Loading Time (Hours):	<u>0.50</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.50</u>	<u>NA</u>
Subtotals:	<u>1.84</u>	<u>0.84</u>

JOB TIME AND COST

Total job time: 3.67 Hours

Total job cost: \$2,241



COLORADO

**Division of Reclamation,
Mining and Safety**

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

Documentation of Legal Authority to Execute Financial Warranty Documents

The Colorado Mined Land Reclamation Board (“Board”) has adopted the attached Affidavit of Authority to Execute Financial Warranty Documents pursuant to the Mined Land Reclamation Act (C.R.S. § 34-32-101 et. seq.) and the Land Reclamation Act for the Extraction of Construction Materials (C.R.S. § 34-32.5-101 et. seq.). The Board and the Division of Reclamation Mining and Safety (“Division”) have determined that, in order to carry out the financial warranty requirements set forth in C.R.S. §§ 34-32-117 and 34-32.5-117 with reasonable diligence, it is prudent to verify the legal authority of the individual signing all necessary documents.

Accordingly, you must provide confirmation of the legal authority of the individual signing all Financial Warranty Documents to the Division. You may do so either by submitting a resolution of the decision-making body of your company that authorizes an individual to sign the Financial Warranty Documents on the company’s behalf, or by completing and notarizing the attached affidavit. The Division reserves the right to require the attached affidavit in all circumstances. Please note that if you are a sole proprietor who is executing documents on your own behalf, documentation of legal authority is unnecessary.



Affidavit of Authority to Execute Financial Warranty Documents

Before me this day, the undersigned _____ [name of authorized person], in his/her capacity as _____ [title of authorized person] ("Affiant"), personally appeared and, being first duly sworn upon oath said:

1. This affidavit is being executed and submitted on behalf of _____ [name of business organization], a(n) _____ [legal form of business organization, *e.g.*, corporation, partnership, limited liability company, etc.], in good standing in the State of Colorado (the "Company").
2. It is in the interest of the Company to execute certain financial warranty documents associated with file number _____ (DRMS file number), which are required by the Colorado Mined Land Reclamation Board and Division of Reclamation Mining and Safety pursuant to Colorado law ("Financial Warranty Documents").
3. Affiant is duly authorized to sign such Financial Warranty Documents on behalf of the Company and to bind the Company to the same.
4. Affiant is not prohibited or limited by the Company's governing documents or by any applicable law from executing the Financial Warranty Documents.
5. Affiant will inform the Division of Reclamation Mining and Safety within thirty (30) days in the event that his/her authorization to execute Financial Warranty Documents on the Company's behalf is terminated.

Further, Affiant sayeth not.

Affiant's Name

Signature

STATE OF _____)
_____) ss.:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, _____,
by _____ as _____ of _____.

Notary Public _____

My Commission Expires _____

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY
Department of Natural Resources

1313 Sherman St., Room 215
Denver, Colorado 80203
Phone: (303) 866-3567
FAX: (303) 832-8106



ONE SITE EXPLORATION FINANCIAL WARRANTY **CHECK FOR DEPOSIT IN STATE TREASURY**

Exploration Financial Warranty No. _____

Notice of Intent No. _____

This form has been approved by the Mined Land Reclamation Board ("Board") pursuant to section 34-32.5-117, C.R.S., of the Colorado Land Reclamation Act for the Extraction of Construction Materials. Any alteration or modification of this form, without approval by the Board shall result in the financial warranty being invalid and result in the voiding of any permit issued in conjunction with such invalid financial warranty, and subject the Explorer to cease and desist orders and civil penalties for exploring without a permit pursuant to section 34-32.5-123, C.R.S., of the Colorado Land Reclamation Act for the Extraction of Construction Materials.

KNOW ALL MEN BY THESE PRESENTS, That we (I), _____,
of the County of _____, in the State of _____ as
Principal(s), are (am) held hereby and firmly bound unto the State of Colorado, acting through the Mined Land
Reclamation Board in the sum of _____ Dollars (\$_____) for the
payment of which sum, well and truly to be made, we (I) hereby bind ourselve(s), and each of our (my) legal
representatives, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has filed Notices of Intent to Conduct Exploration Operations with the Board on the premises indicated on the Notices of Intent filed with the Board which are attached hereto and thereby incorporated by reference, to wit:

NOW, THEREFORE, the conditions of this obligation are such that if the above-bounded Principal shall, in conducting such exploration operations, faithfully perform the provisions of the Notices of Intent to Conduct Exploration operations filed or to be filed with the Board and the requirements of the plan to implement reclamation measures to reclaim all of the lands affected throughout the State by such exploration operations, approved and modified by the Colorado Land Reclamation Act for the Extraction of Construction Materials, as amended, and the Rules and Regulations adopted pursuant thereto; upon the Board making the finding that all of the lands described in the Notices of Intent to Conduct Exploration Operations filed or to be filed with the Board which are attached hereto and hereby incorporated by reference have been satisfactorily reclaimed and approving the Explorer's request for a financial warranty release on such lands, then this obligation shall be exonerated and discharged and become null and void; otherwise to remain in full force and effect.

PROVIDED, however, the Warrantor shall not be liable under this financial warranty for an amount greater in the aggregate than the sum designated in the first paragraph hereof, unless increased by a later amendment, and shall not be liable as respects any obligation related to exploration and reclamation operations performed after the effective date of a cancellation of this financial warranty pursuant to the terms of Section 34-32.5-117(5), as amended. This financial warranty shall remain in force and effect as respects all obligations for all exploration and reclamation operations performed prior to the effective date of such cancellation unless the Principal files a substitute bond which: 1) assumes liability for all obligations for all exploration and reclamation operations performed during the effective dates of this financial warranty ; and 2) is acceptable to the Board; or unless the Board otherwise releases this financial warranty.

The Warrantor reserves the right to cancel this financial warranty, effective only upon an anniversary date, and only by giving written notice to that effect, mailed by Certified Mail, at least ninety (90) days prior to such anniversary date, addressed to both the Explorer at its address herein stated, and to the Board at the address herein stated. In the event of such cancellation, this financial warranty shall nevertheless remain in full force and effect as respects the reclamation of all areas disturbed prior to the effective date of such cancellation, unless and until the Explorer shall file a substitute financial warranty which: (1) assumes liability for all reclamation obligations which shall have arisen at any time while this financial warranty is in force; and (2) is accepted in writing by the Board.

Signed, sealed, and dated this _____ day of _____, _____.

Principal

Principal

By

By

Title

Title

Mailing Address

Mailing Address

APPROVED:

By _____
Division Director

Date



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

PERFORMANCE WARRANTY

Permittee/Operator: _____

Operation known as: _____

Permit Number: _____

This form is approved by the Colorado Mined Land Reclamation Board (“Board”) pursuant to C.R.S. 34-32-117 of the Colorado Mined Land Reclamation Act and C.R.S. 34-32.5-117 of the Colorado Land Reclamation Act for the Extraction of Construction Materials.

All parties are on Notice from this Document that:

The above listed Operator provides this warranty to the Board in conjunction with a reclamation Permit to conduct the above described mining operation on certain lands in Colorado. The “Affected Lands” are described in the above listed reclamation Permit, and include any Permit Amendment(s) approved by the Division of Reclamation Mining and Safety (“Division”).

The Colorado Mined Land Reclamation Act, C.R.S. 34-32-101 *et seq.* (“Hard Rock Act”), and the Colorado Land Reclamation Act for the Extraction of Construction Materials, C.R.S. 34-32.5-101 *et seq.* (“Construction Materials Act”), both require a permit issued by the Board to include a written promise by the Operator to comply with all requirements of the Hard Rock and Construction Materials Acts (referred to herein together as “Acts”).

Through the terms and conditions of this performance warranty and Permit, the Operator agrees to be bound by all requirements of the Acts and all Mineral Rules and Regulations of the Board for Hard Rock, Metal, and Designated Mining Operations (2 C.C.R. 407-1) and all Mineral Rules and Regulations of the Board for the Extraction of Construction Materials (2 C.C.R. 407-4) (referred to herein together as “Rules”).

The Operator hereby provides the Board warranties of performance pursuant to C.R.S. 34-32-117(2), (3), and (4)/C.R.S. 34-32.5-117(2), (3), and (4), and promises the Board it will comply with all applicable requirements of the Acts and Rules.

The Operator hereby promises the Board it will comply with all of the terms of the reclamation Permit, including any Permit Amendment(s) approved by the Division. This performance warranty obligation of the Operator shall continue until the Operator’s liability is released by the Board.

The Operator promises to be responsible for reclamation costs up to the amount established by the Board and incorporates its financial warranty to this performance warranty. The Operator agrees to maintain a financial warranty (or warranties) in good standing for the reclamation costs for the entire life of the



Permit. The amount of the financial warranty shall be sufficient to assure the completion of reclamation of affected lands if the Division has to complete such reclamation due to forfeiture. If the Board determines the Operator is in default under this performance warranty and the Operator fails to cure such default, the Operator's financial warranty shall be subject to forfeiture pursuant to C.R.S. 34-32-118/34-32.5-118.

This performance warranty by the Operator is perpetual and shall remain in full force and effect until all obligations have been met and all associated financial warranty is released by the Board. Any release of liability in a succession of Operators shall comply with C.R.S. 34-32-119/34-32.5-119.

The provisions hereof shall bind and inure to the benefit of the parties hereto and their successors and assigns.

SIGNED, SEALED AND DATED this _____ day of _____, 20_____.

Operator: _____

Signature: _____

Name: _____

Title: _____

NOTARIZATION OF OPERATOR'S ACKNOWLEDGEMENT

STATE OF _____)
) ss.

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____
(Day) (Month) (Year)

by _____ as _____
(Name) (Title)

of _____.
(Operator)

NOTARY PUBLIC

My Commission expires: _____

APPROVED:
State of Colorado
Mined Land Reclamation Board
Division of Reclamation, Mining and Safety

By: _____ Date: _____
Division Director