



October 16, 2024

Solitario Resources Corp.  
Attn: Sandor Ringhoffer  
4251 Kipling Street, Ste.390  
Wheat Ridge, Colorado 80033

**RE: Cat Creek Drilling Project, DRMS File No. P-2024-009, Notice of Intent to Conduct Mineral Prospecting, Adequacy Review #2**

Dear Sandor Ringhoffer,

On September 4<sup>th</sup>, 2024, the Colorado Division of Reclamation, Mining and Safety (“DRMS” or “Division”) received a Notice of Intent to Conduct Prospecting Operations for Hard Rock/Metal Mines (“NOI”) form. The Division sent an adequacy review letter on September 30, 2024 and on October 3, 2024 the Division received your response to the adequacy review for the Cat Creek Drilling Project NOI. The following adequacy items in the NOI application need to be addressed before the application can be approved.

**III. Project Description**

1. Item 5- Please revise the application under Item 5 and Item 6.B. to indicate that only four (4) boreholes will be drilled. The Operator will be required to submit and receive approval of a modification to the NOI in accordance with Rule 5.1.1(3) and additional warranty will need to be submitted at that time for any additional boreholes to be drilled.

**IV. Operation and Reclamation Measures**

2. Please revise the application pages Item 3 and Item 7B that indicate that mulching will not be conducted.

**Financial Warranty**

3. Enclosed is an updated reclamation cost estimate for the proposed operation on the basis of drilling four boreholes. Please review the estimate. If you concur with the estimate, please provide the financial warranty with all the applicable forms.



The decision date for the NOI is November 29, 2024. If this date arrives and the adequacy concerns have not been addressed and/or the additional financial warranty has not been submitted and accepted by the Division, the NOI will be denied. Please note that prospecting operations may not begin until authorized by the Division and until the Plan of Operations has been approved by the United States Forest Service.

If you have any questions, please contact me at [chris.girardi@state.co.us](mailto:chris.girardi@state.co.us) or at (720) 793-3041.

Sincerely,

A handwritten signature in blue ink that reads "Chris Girardi".

Chris Girardi  
Environmental Protection Specialist Intern

EC: Sandor Ringhoffer, Solitario Resources Corp. [ringhoffer@aol.com](mailto:ringhoffer@aol.com)  
Todd Christensen, Solitario Resources Corp.  
[tchristensen@solitariocorp.com](mailto:tchristensen@solitariocorp.com) Andrea Jones, USFS,  
[andrea.jones@usda.gov](mailto:andrea.jones@usda.gov)  
Jared Ebert, DRMS [jared.ebert@state.co.us](mailto:jared.ebert@state.co.us)  
Sara Stevensen-Benn, DRMS [sara.stevenson-benn@state.co.us](mailto:sara.stevenson-benn@state.co.us)

## COST SUMMARY WORK

Task description: Sealing of Boreholes and Reclaiming area

Cat Creek Prospecting  
Site: Operations

Permit Action:  
New NOI Application

Permit/Job#: P2024009

### PROJECT IDENTIFICATION

Task #: 000  
Date: 10/14/2024  
User: CMG

State: Colorado  
County: Conejos

Abbreviation: None  
Filename: P009-000

Agency or organization name: DRMS

### TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Sealing of Boreholes	BOREHOLE	1	234.00	\$100,595
002	Revegetation	REVEGE	1	8.00	\$184
003	Mobilization	MOBILIZE	1	3.40	\$1,296
<b><u>SUBTOTALS:</u></b>				<b>245.4</b>	<b>\$102,075</b>

### INDIRECT COSTS

#### OVERHEAD AND PROFIT:

Liability insurance:	2.02	Total =	<u>\$2,062</u>
Performance bond:	1.05	Total =	<u>\$1,072</u>
Job superintendent:	78.22	Total =	<u>\$6,200</u>
Profit:	10.00	Total =	<u>\$10,208</u>

TOTAL O & P = \$19,542

CONTRACT AMOUNT (direct + O & P) = \$121,617

#### LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs):	<u>\$0</u>	Total =	<u>\$0</u>
Engineering work and/or contract/bid preparation:	<u>2.00</u>	Total =	<u>\$2,432</u>
Reclamation management and/or administration:	<u>5.00</u>		<u>\$6,081</u>

CONTINGENCY: 0.00      Total = \$0

TOTAL INDIRECT COST = \$28,055

**TOTAL BOND AMOUNT (direct + indirect) = \$130,130**

BOREHOLE SEALING WORK

Task description: Sealing of Boreholes

Site: Cat Creek Prospecting Operations Permit Action: New NOI Application Permit/Job#: P2024009

**PROJECT IDENTIFICATION**

Task #: 001 State: Colorado Abbreviation: None  
Date: 10/15/2024 County: Conejos Filename: P009-001  
User: CMG

Agency or organization name: DRMS

**UNIT COSTS**

Borehole Description	Sealing/Item Method	Diameter	Length	Quantity	Unit	Unit Cost	Total Cost
Seal 4 Boreholes with Bentonite- 30%	Bentonite seal - 4 in. (labor, equip, materials)	3.76"	2800	3,360.00	LF	\$9.61	\$32,283.55
Seal 4 Boreholes with Cement- 70%	Portland cement grout - 4 in. (labor, equip, materials)	3.76"	2800	7,840.00	LF	\$8.71	\$68,311.49

Job Hours: 234.00 Total Cost: \$100,595.00

REVEGETATION WORK

Task description: Revegetation

Site: Cat Creek Prospecting Operations Permit Action: New NOI Application Permit/Job#: P2024009

### **PROJECT IDENTIFICATION**

Task #: 002 State: Colorado Abbreviation: None  
Date: 10/15/2024 County: Conejos Filename: P009-003  
User: CMG

Agency or organization name: DRMS

### **FERTILIZING**

#### **Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
			<b>Total Fertilizer Materials Cost/Acre</b>	<b>\$0.00</b>

#### **Application**

Description	Cost /Acre
	\$
<b>Total Fertilizer Application Cost/Acre</b>	<b>\$0.00</b>

### **TILLING**

Description	Cost /Acre
Hand raking (MEANS 32 91 13.23 0250)	\$1,698.84
<b>Total Tilling Cost/Acre</b>	<b>\$1,698.84</b>

### **SEEDING**

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Mountain Brome - Bromar	3.90	6.27	\$23.47
Slender Wheatgrass - San Luis	4.40	16.06	\$26.56
Streambank Wheatgrass - Sodar	4.60	15.00	\$38.19
<b>Totals Seed Mix</b>	<b>12.90</b>	<b>37.32</b>	<b>\$88.22</b>

#### **Application**

Description	Cost /Acre
Broadcast seeding [DMG]	\$272.56

<b>Total Seed Application Cost/Acre</b>	<b>\$272.56</b>
---	-----------------

### **MULCHING and MISCELLANEOUS**

#### **Materials**

<b>Description</b>	<b>Units / Acre</b>	<b>Unit</b>	<b>Cost / Unit</b>	<b>Cost /Acre</b>
			\$	\$
<b>Total Mulch Materials Cost/Acre</b>				<b>\$0.00</b>

#### **Application**

<b>Description</b>	<b>Cost /Acre</b>
	\$
<b>Total Mulch Application Cost/Acre</b>	<b>\$0.00</b>

### **NURSERY STOCK PLANTING**

<b>Common Name</b>	<b>No / Acre</b>	<b>Type and Size</b>	<b>Planting Cost</b>	<b>Fertilizer Pellet Cost</b>	<b>Cost /Acre</b>
					\$
<b>Totals Nursery Stock Cost / Acre</b>					<b>\$0.00</b>

### **JOB TIME AND COST**

No. of Acres:	0.08	Cost /Acre:	\$2,059.62
Estimated Failure Rate:	50%	Cost /Acre*:	\$360.78
*Selected Replanting Work Items:	SEEDING		

Initial Job Cost:	<b>\$164.77</b>
Reseeding Job Cost:	<b>\$14.43</b>
Total Job Cost:	<b>\$179</b>
Job Hours:	<b>8.00</b>

### **EQUIPMENT MOBILIZATION/DEMOBILIZATION**

Task description: **Mobilization**

Site: Cat Creek Prospecting Operations Permit Action: New NOI Application Permit/Job#: P2024009

### **PROJECT IDENTIFICATION**

Task #: 003 State: Colorado Abbreviation: None  
 Date: 9/23/2024 County: Conejos Filename: P009-004  
 User: CMG

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:**

<b>Available Rig Capacities</b>	<b>0-25 Tons</b>	<b>26-50 Tons</b>	<b>51+ Tons</b>
Ownership Cost/Hour:	\$10.44	\$22.18	\$23.94
Operating Cost/Hour:	\$26.48	\$54.55	\$55.65
Operator Cost/Hour:	\$22.52	\$22.52	\$22.52
Helper Cost/Hour:	\$0.00	\$23.53	\$23.53
Total Unit Cost/Hour:	\$59.44	\$122.78	\$125.64

### **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
ATLAS COPCO ROC D7-11,4.0 in.	0.00	\$191.64	\$59.44	1	\$251.08	\$59.44	\$250.00

Subtotals: 

<b>\$251.08</b>	<b>\$59.44</b>	<b>\$250.00</b>
-----------------	----------------	-----------------

### **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.	\$13.77	3	\$41.31	\$41.31
Water Tanker, 5,000 Gal.	\$101.92	1	\$101.92	\$101.92

Subtotals: 

<b>\$143.23</b>	<b>\$143.23</b>
-----------------	-----------------

### **EQUIPMENT HAUL DISTANCE and Time**

Nearest Major City or Town within project area region: MONTE VISTA  
 Total one-way travel distance: 27.00 miles  
 Average Travel Speed: 45.00 mph

Total Non-Roadable Mob/Demob Cost \*

‘\* two round trips with haul rig:

\$1,123.70

Total Roadable Mob/Demob Cost \*\*

\*\* one round trip, no haul rig:

\$171.88

Transportation Cycle Time:

	Non- Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.60	0.60
Return Time (Hours):	0.60	0.60
Loading Time (Hours):	0.25	NA
Unloading Time (Hours):	0.25	NA
Subtotals:	1.70	1.20

**JOB TIME AND COST**

Total job time: 3.40 Hours

Total job cost: \$1,296