

Broken Pick - Ojo Encino Mine Financial Assurance Calculation

Surface Disturbance

| | |
|--|---------------------|
| Total Acres: | 8.66 |
| First Acre: | \$ 8,900.00 |
| Next 7.66 Acres: | \$ 37,534.00 |
| FA Subtotal: | \$ 46,434.00 |
| TOTAL: With five year escalation at 2.5%: | \$ 52,535.81 |

Revegetation Failure @ 5%/year of \$800 per acre

| Acres | Years | \$ Per Acre | Cost | Note | Potential Release Date |
|--------------|-------|-------------|-----------------|----------|------------------------|
| 6.35 | 12 | \$480 | \$3,048 | Mod 23-1 | 2035 |
| 7.18 | 12 | \$480 | \$3,446 | Mod 19-1 | 2031 |
| 8.25 | 12 | \$480 | \$3,960 | Mod 17-1 | 2029 |
| <u>21.78</u> | | | \$10,454 | | |

Exploration Activities, phases of 10 boreholes

| Boreholes | Depth Each | Total Footage | Cost/Foot | Subtotal | Notes |
|-----------|------------|---------------|-----------|-------------|--|
| 25 | 20 | 500 | \$ 6.00 | \$ 3,000.00 | 500' of dry holes anticipated per drilling phase |

TOTAL FA REQUIRED: \$ 65,990.21

TOTAL FA Provided: \$ 62,964.64 CD 7120063336, April 2014

TOTAL FA Needed for Mod 23-1: \$ 3,025.57