M/001/039

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
801-359-3940 (Fax)
801-538-5319 (TDD)

FACSIMILE COVER SHEET

DATE: DEC. ~~32~~ 30, 1998

NUMBER OF PAGES INCLUDING THIS COVER SHEET: 3

TO: RICK HAVENSTRITE

PHONE (435) 867-0557

FAX NUMBER: 435-867-1724

FROM: TONY GALLEGOS PHONE (801) 538-5267

Minerals Reclamation and Development Program

PHONE: (801) 538-5291
FAX: (801) 359-3940

SUBJECT: M/001/039 OK MINE
RECLAMATION ESTIMATE FOR REDUCTION IN SCALE OF OPERATIONS

REMARKS: HERE IS MY DRAFT ESTIMATE FOR OPERATIONS LEACHING 2,000,000 TONS, RINSING 1,000,000 TONS AND APROXIMATELY 43% ~~REDUCTION~~ OF OTHER COSTS FOR FULL SCALE OPERATIONS. 1,000,000 SF OF LEACH PAD IS ~43% OF THE ORIGINAL LEACH PAD AREA (53 ACRES). CALL ME IF YOU WANT TO PURSUE THIS SCALED-DOWN PROPOSAL.

Should you encounter any problems with this copy, or do not receive all the pages, please call

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P.01

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FROM: TONY GALLEGOS PHONE (801) 538-5267

Minerals Reclamation and Development Program

PHONE: (801) 538-5301

RECLAMATION ESTIMATE — **DRAFT**
Centurion Mines Corporation — last revision 12/22/98
OK Mine - Reduced Scale Leaching — filename m01-39rd.wb2 — page "reduced98"
M/001/039 — Beaver County
Prepared by Utah State Division of Oil, Gas & Mining

Details of Final Reclamation

-This estimate is a revised version of the Division's Phase 1 estimate dated 03/21/97
-This estimate reflects a reduction in the leach pad area & volume of ore to be leached
-The reduced leach pad area is 1,000,000 SF or approximately 43% of the original leach pad area
-This draft estimate is not based on a detailed mine plan describing the reductions
-Items shaded in red are the only items to be revised as a result of this reduction
-This estimate assumes 2,000,000 tons of ore will be leached
-This estimate assumes regrading 43% of the leached ore area/volume
-This estimate assumes regrading 43% of the stockpile area & topsoil
-This estimate assumes rinsing of 1/2 leach pad during operations & final rinsing of 1/2 leach pad
-This estimate assumes all of the facilities will be in place & require reclamation
-All other reclamation treatments were assumed to remain unchanged
~~-20% of the total ore on the heap is assumed to require rinsing with water & lime at the time of final reclam~~
-Heap slopes at working angle sof 2.5h:1v will be graded to 3h:1v, topsoiled & seeded
-Dump slopes at the angle of repose will be graded to 3h:1v, topsoiled & seeded
-Solutions in the ponds will be evaoprated & remaining sludges analyzed & disposed of appropriately
-All structures & facilities will be demolished & removed; asphalt & concrete debris buried onsite
-Improved pre-existing roads will be reclaimed to a 15 foot width
-Road reclamation will included regrading, ripping, topsoiling & seeding
-All disturbances except pit highwalls will receive one foot of topsoil
-Pit bottoms & their access roads will receive topsoil & be seeded
-Pit highwalls will be allowed to remain at angles steeper than 45 degrees; no topsoil or seeding
-Proposed total disturbance for Phases 1-3 of the OK Mine = 275.00 acres
-Estimated total disturbed area for Phase 1 - OK Mine = acres
*-Total disturbed area to be reclaimed = ??? **acres***

Activity	Quantity	Units	$/unit	$	notes
Mobilization	ALL			636	(1)
Regrading	ADJUSTED			10,890	(2)
Removal of structures	ALL			42,950	(1)
Topsoil replacement	43%			73,128	(3)
Contour scarification	43%			3,980	(4)
Seed & planting	43%			6,523	(5)
Revegetation monitoring (none in Phase 1)				0	(1)
Project supervision	ALL			13,368	(1)
subtotal				**151,474**	

Leach Pad - 1,000,000 SF or ~43% of 53 acres
Rinse Heap - assumed rinsing 50% of ore using the volume/ton & rate shown below
ASSUMPTIONS: 1.25lb lime per ton of ore; 120 gal water per ton ore; apply water at 1,000 gpm

	tons ore	gal h2o/tn	h20 gpm	#days	#months
ore volume to be leached	2,000,000	120	1000	166.7	5.6
assume rinsing 50% of ore	1,000,000	120	1000	83.3	2.8

lime (1.25 lbs/ton)x($0.025/lb)x(tons of ore)		1,000,000	ton	0.031	31,250	(6)
generator rental		3	month	830	2,490	(7)
generator fuel, oil, maintenance		3	month	5,868	17,604	(8)
pump rental & maintenance		3	month	1,230	3,690	(9)
rinse supervisor		12	weeks	856	10,272	(6)
rinse laborers	2	3	month	2,588	15,528	(6)
miscellaneous supplies/piping/vehicles, etc.		3	month	1,000	3,000	(10)
subtotal for heap rinse & evaporation					**83,834**	
			Subtotal		235,308	
			10% Contingency		23,531	
			Subtotal		$258,839	
		Escalate for 5 years at 2.52% per yr			34,299	
			Total		$293,139	
	Rounded surety amount in yr 2002-$				**$293,000**	
Average cost per disturbed acre =	ERR				**43% PAD**	

DRAFT

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Average cost per disturbed acre =	ERR	**43% PAD**

RECLAMATION ESTIMATE
Centurion Mines Corporation
OK Mine - Reduced Scale Leaching
M/001/039
Prepared by Utah State Division of Oil, Gas & Mining

DRAFT
last revision **12/22/98**
filename m01-39rd.wb2 page "reduced98"
Beaver County

notes

(1)	taken from summary of reclamation cost page in Centurion estimate
(2)	dump 1 (2069.17)(.43) + heap (16993.22)(.43) + pond 2692.83
(1)	taken from summary of reclamation cost page in Centurion estimate
(3)	used 43% of phase 1 total $170,065
(4)	used 43% of phase 1 $9,256
(5)	used 43% of phase 1 $15,168
(1)	taken from summary of reclamation cost page in Centurion estimate
(1)	taken from summary of reclamation cost page in Centurion estimate

(6)	unit cost used in previous estimate M/037/088
(7)	Rental Rate Blue Book, 60KW, 107 hp, diesel generator, monthly rental
(8)	Rental Rate Blue Book, 60KW, 107 hp, diesel generator, monthly operating cost
(9)	Means Heavy Construction Cost Data 1997, 152-430-3180, 6"D x8"S, 60 hp pump
(6)	unit cost used in previous estimate M/037/088
(6)	unit cost used in previous estimate M/037/088
(10)	DOGM estimate

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