

URSA Gold Corporation

Sources and Uses of Funds

Source of Funds:

Common Stock Purchase (Investor).....	\$ 100,000
\$ 6,000,000 Note Payable to Investor	<u>4,750,000</u>
Total Sources of Funds.....	\$ <u>4,850,000</u>

Uses of Funds (Year 1 – Prototype Development and Validation):

Corporate and LLC formation and meetings – travel.....	18,000
Legal review, LLC and Corporate Formation.....	20,000
Consulting Fee for Investment Marketing	250,000
Escrow set-up and closure	<u>2,000</u>
Total Initial Uses of Funds.....	\$ <u>(290,000)</u>

Prototype Development Uses:

Terra Sonic International – Sonic Drill and Components:

TSi 150CC Compact Crawler Rig.....	\$ 610,000	
APHS (auto pipe handling sys with track mod)....	60,000	
Adapter, TSi Head Flange to TSi Spindle x 2	3,000	
Rod (4.25"OD x 3.75"ID), 600' w/6"x 4.25" spindle	57,000	
8" Core Barrel x 3	5,000	
8" Core Barrel Bits x 10	6,000	
4.25" x 8" Core Barrel Adaptor x 4.....	6,000	
Casing (9.25"OD x 8.4"ID x 10') x 600'	112,000	
9.25" Casing Shoe Bits x 10.....	6,000	
6" x 9.25" Casing Adaptors x 3.....	5,000	
Sonic Crew Special Training (3 weeks).....	30,000	
Trucking – to Grants Pass, Oregon.....	<u>100,000</u>	
Total Sonic Rig Investment		(1,000,000)

Research and Development (e.g. Educator Rod Couplings, Adaptor Vanes, Jetting Sub-Couplings, Heat Manifold, Manufacturing, Engineering, Professional Services.....		(400,000)
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Processing Plant and Ancillary Equipment:

Jet Pump with Driver and Pump Smart VFD with Accessories (e.g. Platform and Conduit)	330,000	
Processor (e.g. Centrifugal Concentrator, Pumps, Backfill Apparatus, Conduit).....	300,000	
Grinder (e.g. 30tph) of Slurry.....	20,000	
Water Filtration Unit (e.g. Bonchar, Zeolite)	50,000	
Gold Room (e.g. MSI 255 Shaking Table / 755 Enhancer with Facility/RV, Security)	100,000	
Reservoir (e.g. Tank, Dam, Pump, Well Structures, Well Pump).....	100,000	
Total Processing Plant and Equipment		<u>(900,000)</u>

Subtotal "Uses" Carried to Next Page.....		(2,590,000)
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Subtotal "Uses" Carried from Prior Page		(2,590,000)
Other Equipment:		
Scientific Analysis Technology:		
XRF Hand-Held Spectrometer, Training, Data		
Collection Software, Core Holders,		
Validity Fees	\$ 50,000	
Seismic and/or LIDAR integration	60,000	
Other	<u>40,000</u>	
Total		(150,000)
Heavy Equipment:		
Rental of Heavy Equipment when needed	20,000	
Morooka with Trailer/crane for Rods, Casing, Tools		
and Equipment	<u>130,000</u>	
Total		(150,000)
Facilities and Transportation:		
RV Living Quarters x 2	50,000	
ATV's x 2	8,000	
Haul Trailers x 2	30,000	
Containers x 2	12,000	
Other	<u>30,000</u>	
Total Facilities and Transportation		(130,000)
Administration, Supplies, Permits, Insurance, Payroll (Annual Expense):		
Payroll \$4,000 ea. including tax x 3 x 12 months	144,000	
Sonic Driller \$6,000 including tax x 1 x 12 months	72,000	
Officer's Wages \$6,000 including tax x 1 x 12 months	72,000	
Project Manager \$6,000 including tax x 1 x 12 months ...	72,000	
Insurance plus Workmen's Comp	50,000	
Fuel (variable)	50,000	
Rent	25,000	
Other	<u>25,000</u>	
Total Annual Administration and Other		(530,000)
Total Cash Uses for Prototype Development and Validation - Year 1		<u>(3,550,000)</u>
Cash Sources Available for Beta Conversion and Exploration - Year 2 (See Page 3)	\$	1,300,000

Total cash required for Prototype Development and validation is \$3,550,000. This amount needs to be placed in a bank account available for Corporate use. The balance \$1,300,000 will be placed in an interest bearing account requiring two signatures subject to conditional use to continue exploration and gold production.

Sources of Funds – Beta Exploration and Alpha Conversion (Year 2) – Three Hi-Value Target Properties

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Cash Available after Proof of Prototype		\$ <u>1,300,000</u>
 Uses of Funds – Five Months with One Month Working Capital for Alpha Conversion:		
Additional Equipment Requirements		\$ (100,000)
Site Evaluation and Preparation:		
Legal Contracts (Hydro-Mining Properties, LLC) ..	\$ 30,000	
Pre-site Evaluation – Professional Fees	50,000	
Site Historical Research.....	15,000	
Travel	<u>30,000</u>	
Total.....		(125,000)
Site Preparation and Set-up:		
Advance Crew with Preparation – to site	30,000	
Drill Rig, Special Sampling Equip – Transportation	<u>120,000</u>	
Total.....		(150,000)
Beta Drilling:		
Direct Costs –fuel, labor, maintenance x 5 months	500,000	
Sample Analysis	60,000	
Offsite Sample Analysis.....	60,000	
Evaluation for Alpha Conversion	10,000	
Other	<u>40,000</u>	
Total.....		(670,000)
Alpha Conversion:		
One month Working Capital Requirement	100,000	
Processing Equipment – Transportation.....	35,000	
Community Involvement:		
Security (one month)	5,000	
Reclamation, replanting contracts.....	5,000	
Food concessions	5,000	
Community promotions, environmental concerns	5,000	
Permitting, legal review	5,000	
Other....	<u>40,000</u>	
Total.....		<u>(200,000)</u>
 Total Cash Uses for Beta Exploration and Alpha Conversion - Year 2		 (1,245,000)
Cash Sources Available for Contingencies		\$ <u>55,000</u>