

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

1313 Sherman St., Room 215

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December 9, 2013

Mr. Don Coram
Gold Eagle Mining, Inc.
P.O. Box 3007
Montrose, CO 81401

John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta E. Piñeda
Director

Re: C-JD-5 Mine, Permit M-1977-248, Technical Revision TR-02, Technical Revision Adequate, Revision Approved

Dear Mr. Coram,

The Division has reviewed the Technical Revision referenced above, including the adequacy response letter and annotated map received by the Division on December 6, 2013 from Gold Eagle Mining, Inc. ("Gold Eagle" or "operator"). Review of the final materials shows that the requirements of the Division's Hard Rock and Metals Rule 3 and Rule 6.3 have been satisfied.

Except for the completion date proposed in Gold Eagle's submittal, the revised reclamation plan, as set forth in Technical Revision TR-02, has been approved by the Division, effective as of December 6, 2013.

The specific details of the revised reclamation plan address current conditions for disturbances created after issuance of the permit and are the basis of the Division's approval as discussed below.

1. Main shaft. The revised reclamation plan proposes to leave the existing steel grate that is welded in place at the shaft collar, with no shaft backfilling required, as the permanent closure. The Division has received no adverse comment from the DOE, and the Division therefore approves this method of safeguarding the shaft. The steel grate will be inspected to ensure that it fully covers all portions of the shaft opening, that it is securely welded to the imbedded anchors, and that the surrounding concrete collar is intact and competent.
2. Hoist house. The operator proposed to remove this building and its contents from the site. The removed materials are to be properly disposed of offsite. The Division approves this revision, therefore the concrete slab under the building's superstructure may be removed and buried, or broken in-place and capped (by a layer of overburden no less than 24 inches deep, and properly sloped). Note: The operator's revised Reclamation Map incorrectly indicated that the hoist house would not be removed, but the operator subsequently corrected that mistake, and clarified that the hoist house would be removed.
3. Wood and concrete ore bins, adjacent to hoist house. The operator proposed that the ore bins north of the hoist house (consisting of wood superstructure and concrete pad) would be

demolished and the disturbed footprint reclaimed. The Division approves this revision, and notes that the wood debris must be removed, and the concrete slab must be broken in place before it is capped. The overburden cap must not be less than 24 inches deep, and its margins must be contoured (to not exceed 3H:1V).

4. Wood cribbing and ore pad, near Mineral Joe claim. The wood cribbing and adjoining concrete ore pad are to be removed and the footprint reclaimed. If the concrete ore pad is to be left in place, it must be broken (such as by hydraulic hammer), covered by a cap of overburden no less than 24 inches deep, and margins properly sloped. All wood debris must be removed and properly disposed of.
5. Steel headframe, including the associated skips, cables and spools. The operator has proposed that these features remain permanently onsite since they can be regarded as historic structures. The Division has not received comment from the DOE that this would be unacceptable, and the Division therefore is approving this revision to the reclamation plan.
6. Overburden stockpiles. The piles of overburden have been in place long enough to have become vegetated by natural encroachment of local vegetation, despite the fact that their slopes are generally steeper than the required 3H:1V gradient. They are considered stable with no need to further grade or contour them. However, overburden material may be needed to cap or recontour reclamation areas, such as the concrete pads. As such, the redisturbed portions of the existing overburden piles must be graded to conform to the 3H:1V requirement.
7. Revegetation. The DOE-required seed mix has been approved to become part of your reclamation plan. There is no topsoil stockpile to be respread, but there is overburden available for reclamation earthwork. All surfaces that are affected or redisturbed during reclamation must be reseeded. The Division approves the DOE seed mix, and requires that the operator revegetate all areas affected by the reclamation of the permitted site.
8. Any radiometric measurements or limits that are required by the DOE must be complied with by the operator.

Please be aware that the Division is not approving any modification to the May 31, 2014 deadline by which Gold Eagle must complete all reclamation earthwork and initial seeding. The Division has approved the items and tasks in the revised reclamation plan, but the reclamation schedule that Gold Eagle has proposed in TR-02 does not comply with the May 31, 2014 deadline. Therefore, the proposed schedule for completion of the reclamation is not in conformance with Division's requirements. Failure to comply with the May 31, 2014 deadline may result in the Division bringing the possible violation before the Mined Land Reclamation Board for a formal hearing regarding the noncompliance.

Because the DOE is the primary oversight agency for lease tract permit reclamation, Gold Eagle must submit the DRMS-approved reclamation plan to DOE for its concurrence. If for any reason Gold Eagle cannot gain DOE approval or is legally precluded from completing the required reclamation by the May 31, 2014 deadline, Gold Eagle may file a Petition for Declaratory Order requesting a hearing before the Mined Land Reclamation Board to extend the completion deadline.

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If there are questions, please contact me at the Division's Durango Field Office: telephone 970-247-5193,
or by e-mail at bob.oswald@state.co.us.

Sincerely,

A handwritten signature in black ink that reads "Bob Oswald". The signature is written in a cursive, flowing style.

Bob Oswald
Environmental Protection Specialist

Ec: Russ Means, DRMS, Grand Junction
Tony Waldron, DRMS, Denver
Ed Cotter, U.S. DOE, Grand Junction

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