

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: Hawkeye Mine, Permit M-1978-311, Technical Revision TR-03, 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. 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-03, 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. Portal. The revised reclamation plan proposes to leave the existing steel grate that is anchored and welded in place at the portal, with no adit 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 fully covers all portions of the adit opening, it is securely welded to the imbedded anchors, and the surrounding sandstone face is intact and competent.
2. Steel ore bin. The revision proposes to leave the steel ore bin in place, due to its "historic value." The ore bin structure is stable and in good condition. The Division has received no comment from the DOE stating that the ore bin should be removed. The Division approves this part of the revised reclamation plan.
3. Wood cribbing. The operator has proposed that the wood cribbing remain permanently onsite due to its claimed value as a "historic structure." 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.

4. Stormwater runoff channel. The natural stormwater drainage channel which crosses the site will require earthwork construction to stabilize it. The operator has proposed in this revision to use boulders sourced onsite to construct and armor the channel and the sides (to act as containment berms). The channel will remain in its present alignment and steep gradient, but will be modified to consist of a series of drop structures, in effect creating small waterfalls. The riprap armoring will utilize large rocks and will not require grouting. The Division approves this important aspect of the revised reclamation plan.
5. Revegetation. The DOE-required seed mix has been approved to become part of your reclamation plan. All salvaged topsoil has already been respread during previous phases of reclamation. All surfaces that are affected or redisturbed during upcoming reclamation (such as the areas of the runoff channel earthwork, the boulder/rock source, and the stockpond footprint below the channel) must be stabilized or otherwise meet the 3H:1V maximum gradient limit. The old waste rock area that was seeded but was not successfully revegetated must also be reseeded. The operator must continue to treat any remaining tamarisk in the stockpond area until it is eliminated. The Division's approval of the revegetation plan requires that the operator adequately revegetate all areas affected by the reclamation of the permitted site.
6. 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-03 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.

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,



Bob Oswald
Environmental Protection Specialist

(cont.)

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

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