

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

1313 Sherman St., Room 215

Denver, Colorado 80203

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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: Ellison Mine, Permit M-1978-342, Technical Revision TR-04, 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-04, 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 current portal structure consists of a lockable, steel portal grate attached to the arched, steel portal cover. The structure is in good condition and provides secure safeguarding of the underground opening. The DOE has communicated no conflicting requirement regarding the portal. As such, there is no adit backfilling, modification or structural removal required.
2. Galvanized steel building. The building is in good condition, and is consistent with an agricultural post-mining land use. Since it appears to be in conformance with the DOE, it may remain as a permanent structure, with no modification or removal required.
3. Buried water tank. The tank may remain in place for later livestock use.
4. Steel storage containers. The two modular storage containers are in good condition and were not permitted to contain contaminants. One is owned by the DOE and one is owned by the operator. The DOE has provided no statement regarding the removal of the DOE-owned container, nor has DOE provided a letter indicating that the operator is required to remove its container. The containers are consistent with the proposed post-mining land use, and the revised reclamation plan is approved to allow both containers to remain permanently.

5. Grading and sloping of the waste rock dump. The out-slope of the waste rock pad will be reduced to a maximum gradient of 3H:1V by pulling up the edge materials and resspreading them on the top surface of the pad. After the reshaping and slop reduction tasks are finished, the construction of the new stormwater control berm may proceed, as described under item 6.
6. Topsoil replacement. After reshaping the waste rock pad and dump slopes, the topsoil that is presently stockpiled will be resspread uniformly across the new waste rock surfaces.
7. Stormwater berms. The site currently contains a stormwater control berm along the crest of the waste rock pad, and a stormwater control berm is now approved as a permanent feature on the site. Please note that the new berm will be established along the dump pad crest after the waste rock dump is regraded and topsoiled (see items 5 and 6).
8. Revegetation. The DOE-required seed mix has been approved to become part of Gold Eagle's reclamation plan. The revised Reclamation Map delineates the area to be revegetated as the reshaped waste rock dump (including slopes) and the portal area. Though the map did not indicate it, the footprint of the topsoil stockpile location will also need to be revegetated, after the stockpile has been removed and resspread. The Division approves the DOE seed mix and requires that the operator revegetate all areas affected by the reclamation of the permitted site.
9. It is noted that no uranium ores were produced at this mine site and/or stored on the surface. Any final reclamation radiometric measurements or limits that are required by the DOE must be complied with by the operator.
10. The Division acknowledges and concurs with other details shown on the revised Reclamation Map, including: fuel tanks and ore bins have been removed.

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-04 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, appearing to read "Bob Oswald", written over the printed name.

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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