

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: Burros Mine, Permit M-1977-297, Technical Revision TR-06, 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-06, 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 revision proposes to leave the existing lockable, steel portal grate in place, with no adit backfilling required. The present closure is stable and secure, and sufficiently provides safeguarding of the underground opening. The Division approves this aspect of the revision.
2. Vent shaft. The existing vent shaft, located along the access road to the upper shafts, is currently fenced and grated, and provides secure and adequate safeguarding. The DOE has expressed a desire to the Division that the shaft may remain in its present condition. The Division approves this part of the revised reclamation plan.
3. 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.
4. Stormwater berms. The revision proposed that the stormwater control berms will remain as permanent structures on the site. The operator indicated that the specific stormwater berms to be considered permanent are the berms near the portal and ore bin at the lower end of the site. The

operator further specified that the berms will be improved with boulders and other rocky materials found onsite; construction and monitoring will be consistent with the operator's stormwater management permit. The operator's updated "Exhibit E – Reclamation Map" shows the location of these features.

5. Revegetation. The DOE-required seed mix has been approved to become part of the revised reclamation plan. There is no topsoil stockpile to be respread over areas being reclaimed. However, the reclamation plan requires that all surfaces that are affected or redisturbed during reclamation must be reseeded. The revised reclamation map delineates the waste rock dump area east of the portal and ore bin as the area to be revegetated.
6. Clean-up of debris. There is wood and metal mining-related debris on the site, and all of it must be removed and properly disposed of as part of final reclamation.
7. Grading and sloping. Within the footprint of the permitted area, specifically around the portal, ore bin, debris areas, and the waste rock dump and pads, all affected areas will be graded and contoured to conform to the maximum gradient of 3H:1V.
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-06 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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