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110(2) Annual Report

According to C.R.S. 34-32.5-116 or 34-32-116, each year, on the anniversary date of the permit, an operator shall submit the Annual Fee, an Annual Report and Map showing the extent of current disturbances to affected land, required monitoring information, reclamation accomplished to date and during the preceding year, any new disturbance that is anticipated to occur during the upcoming year, any reclamation that will be performed during the upcoming year, the dates for the beginning of active operations, and the date active operations ceased for the year.

Information contained in this report will be reviewed by the Division upon receipt and prior to the next compliance inspection of the site. If, while completing this report, you learn that your site is not in compliance with the rules and the act, it is advisable that the issues be rectified promptly to avoid possible enforcement action.

- APRIL 2012

12. **Total acres** in various stages of reclamation, since permitted mining activities began:

Total acres in various stages of reclamation, since permitted mining activities began:							
Total acres backfilled:	0	Total acres seeded w/ approved mix:	1/2	Total acres w/topsoil replaced:	1/2	Total acres mulched w/ approved mulch:	1/2
Total acres graded:	1/2	Total acres fertilized w/ apvd fertilizer:	0	Topsoil replacement depth (in.):	8"	Mulch application rate (tons):	24
Seed application method:	BROADCAST SPREADER	Fertilizer application method:	0	Mulch application method:	HAND & RAKE		

13. Is weed control being conducted in accordance with an approved Weed Control Plan? YES ☒ NO ☒ N/A
If "YES", indicate the weed species, control area, control type, application rate and treatment date on the report map.
14. Is adequate topsoil reserved for reclamation, based on your approved permit? ☒ YES NO N/A
If "NO", please explain:
15. Is the reserved topsoil vegetated/stabilized in accordance with Rule 3.1.9(1)? ☒ YES NO N/A
If "NO" please explain:
16. If mining has exposed groundwater, is the site in compliance with the approved mining plan and Office of the State Engineer (Well Permit, S.W.S.P., and/or Permanent Augmentation Plan)? YES NO ☒ N/A
17. Are all hazardous materials stored within approved spill containment structures? ☒ YES NO N/A
18. Is your financial warranty value sufficient to cover the cost to complete reclamation? ☒ YES NO N/A
19. Is your basis for legal right to enter still valid? ☒ YES NO
20. Does your permit require you to submit monitoring information annually? YES ☒ NO N/A
If "Yes", please attach the required monitoring results to this Annual Report.
21. As required by Colorado Mined Land Reclamation Act and/or Colorado Land Reclamation Act for the Extraction of Construction Materials (C.R.S. 34-32-116 or 34-32.5-116), attach a map to this report that accurately depicts the permit boundary, current affected area boundary and location of the acreages specified in items 7- 12 and 14.
UPDATED MAP ATTACHED: YES 2 MAPS

Division records indicate the following permittee contact information. If this information is not current, please type or print **current** contact information:

Permittee Contact:	Thomas S. Hendricks	
Permittee Company:	Calais Resources Colorado, Inc.	
Address:	P.O. Box 653 Nederland, CO 80466-0653	
Phone Number:	(303) 258-3953	
Fax Number:	(303) 258-0402	NO FAX NUMBER
Email Address:	CF.PR.email	thomassh@EARTHlink.NET

I, the undersigned, hereby state that the information provided in this report is true and accurate, and that site operations are being conducted in accordance with the Division approved mining and reclamation plans.

Thomas S. Hendricks
Signature of Permittee, Corporate Officer, Owner, or Documented Designee

Nov 03-2014
Date

Cross Mine Permit Summary

- ☐ **Cross Mine – CDRMS – M 1977 410**
- ☐ **Existing permit allows 70,000 tons per year mining with processing offsite**
 - ☐ Boulder County Permit Expansion (Approved 2008 – SU-08-006) Allows processing on site
 - ☐ Colorado DRMS – Received Authorization for expanded on site operations – April 2012
 - ☐ Increases disturbance area to 9.5 acres
 - ☐ Increase cash reclamation bond to \$125,000.
- ☐ **Water Quality Discharge Permit CO-00322751**
 - ☐ Existing permit to discharge excess underground mine water after treatment with lime
- ☐ **Storm Water Discharge Permit - COR 040242**
- ☐ **Air Quality Permit - APEN - 09 BO – 0439 F**
- ☐ **Explosive License Number - 5-CO-013-33-1H-00625**
- ☐ **MSHA - ID Number – 0502730**

Upside Permitting

- ☐ **Colorado 112 Mine Expansion Permit Application (600 tpd)**
 - ☐ 1st Phase Approved – April 2012
 - ☐ Boulder County Revision – 3rd Q 2015
 - ☐ DRMS Approval 1st Q 2016

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DIVISION OF RECLAMATION
MINING AND SAFETY

CALAIS RESOURCES COLORADO, INC.

November 03, 2014

Division of Reclamation, Mining and Safety

1313 Sherman Street, Room 215

Denver, Colorado 80203

Reference: Cross Gold Mine, permit M-1977-410 – Annual Report /Maps /Check

Dear DRMS:

Please find attached our annual report for the period November 04, 2013 through November 03, 2014. Our annual fee for \$ 259 is also included with this report as well as two required maps.

No mining activity took place during this period. However, the mine was under seven day a week care and maintenance by myself along with my assistant Justin Short who works with me Monday through Friday at the mine sites. Dave Young also visited the mine at least one day per month during this period. We maintained all of our permits in a very professional and timely fashion. (See attached permit list.) We constructed a concrete weir in the Coon Track Creek above the mines point discharge per the requirements of the CDH/WQCD to track the daily above pt. discharge creek flows. We built a year round building over the weir approximately 4 feet wide X 10 feet long so flows could be taken daily during the winter months. We installed a continuous McCrometer flow meter in our final 8 inch discharge line to allow us to read daily continuous flow readings and with a total flow meter counter. Maintenance work on our clean water systems requires seven day a week work and significant record keeping. We received our new water discharge permit CO-00322751 in April of 2014.

All buildings, yards, roads, security signage, fences, gates, marques, were constantly maintained. We had quarterly MSHA mine inspections and passed without any citations. We had an annual ATF inspection and remain in full compliance with the ATF. Our new licenses and permits were issued by the ATF

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**DIVISION OF RECLAMATION
MINING AND SAFETY**

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November 03, 2014

Annual Report / DRMS / Permit Number: M 1977 410

in August of 2014. We continue to hold our safety training meetings and keep meticulous records at the mine office. The Front Range Mine Rescue team visited the Cross Gold Mine in September.

We fought a very costly and difficult legal battle with Tom Wiens and New West Capital during most of this reporting period. We were 100 percent victorious in this battle and a full settlement was reached in October of 2014. Over 22 sets of documents were signed and a full release of all law suits was approved by the courts in Boulder County and Douglas County memorializing this settlement. This battle is 100 percent over and Tom Wiens and New West Capital have no interest in our Cross/Caribou Gold District.

This victory will allow us to place the operations back on track which we will discuss during our meetings at your office on Thursday November 06, 2014.

Please make sure to contact me if you have any questions or require any additional information.

Sincerely,

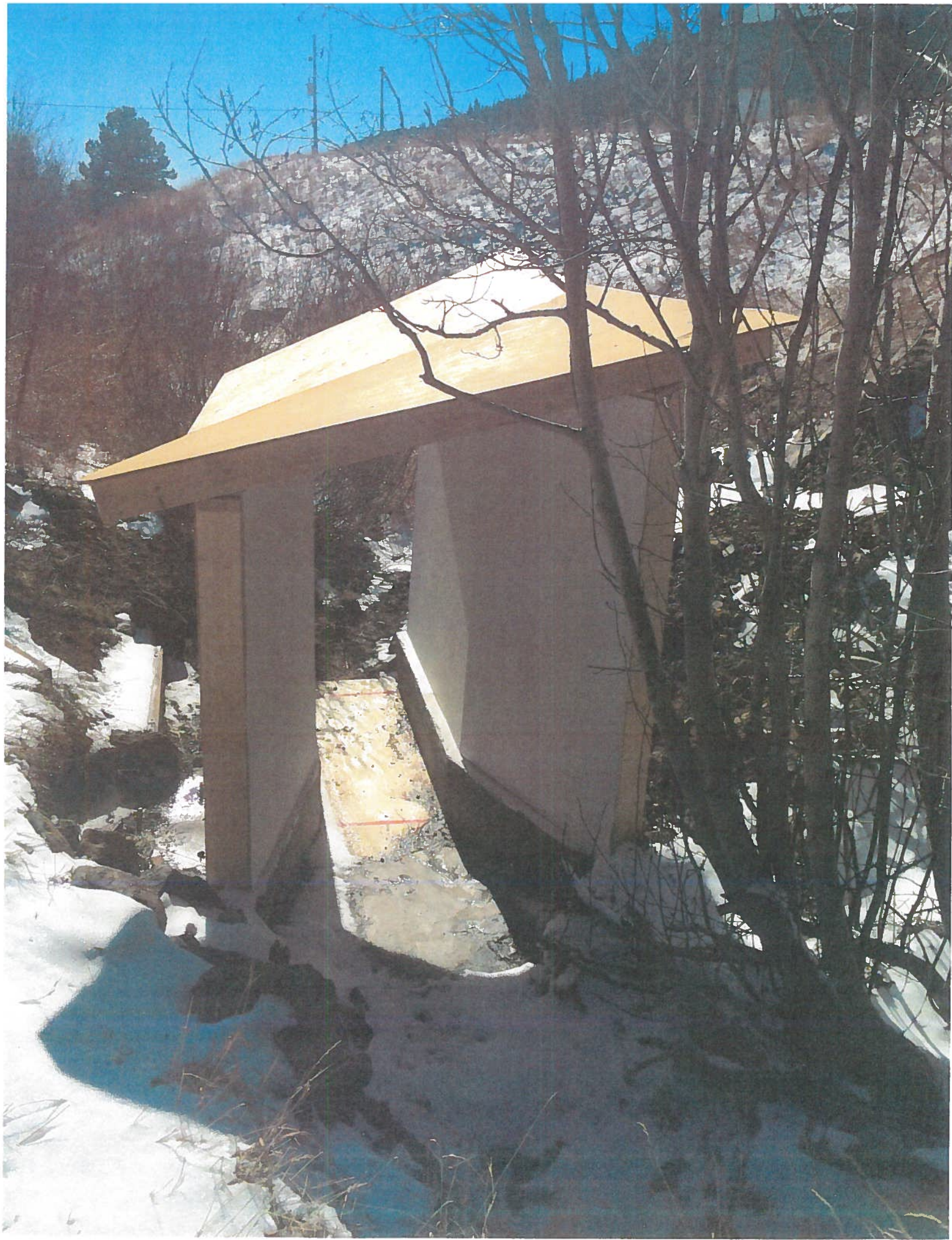

Thomas S. Hendricks / President / Calais Resources Colorado, Inc.

303 258-3953 thomassh@earthlink.net

CC: Mr. Dave Young / President / Calais Resources Inc.

Attachments: 2 maps, List of Active Permits, Photo of Coon Track Weir Construction, Annual Report

P. O. Box 653 Nederland, Colorado 80466



CROSS GOLD MINE / CARIBOU MINE PROPERTY MAP

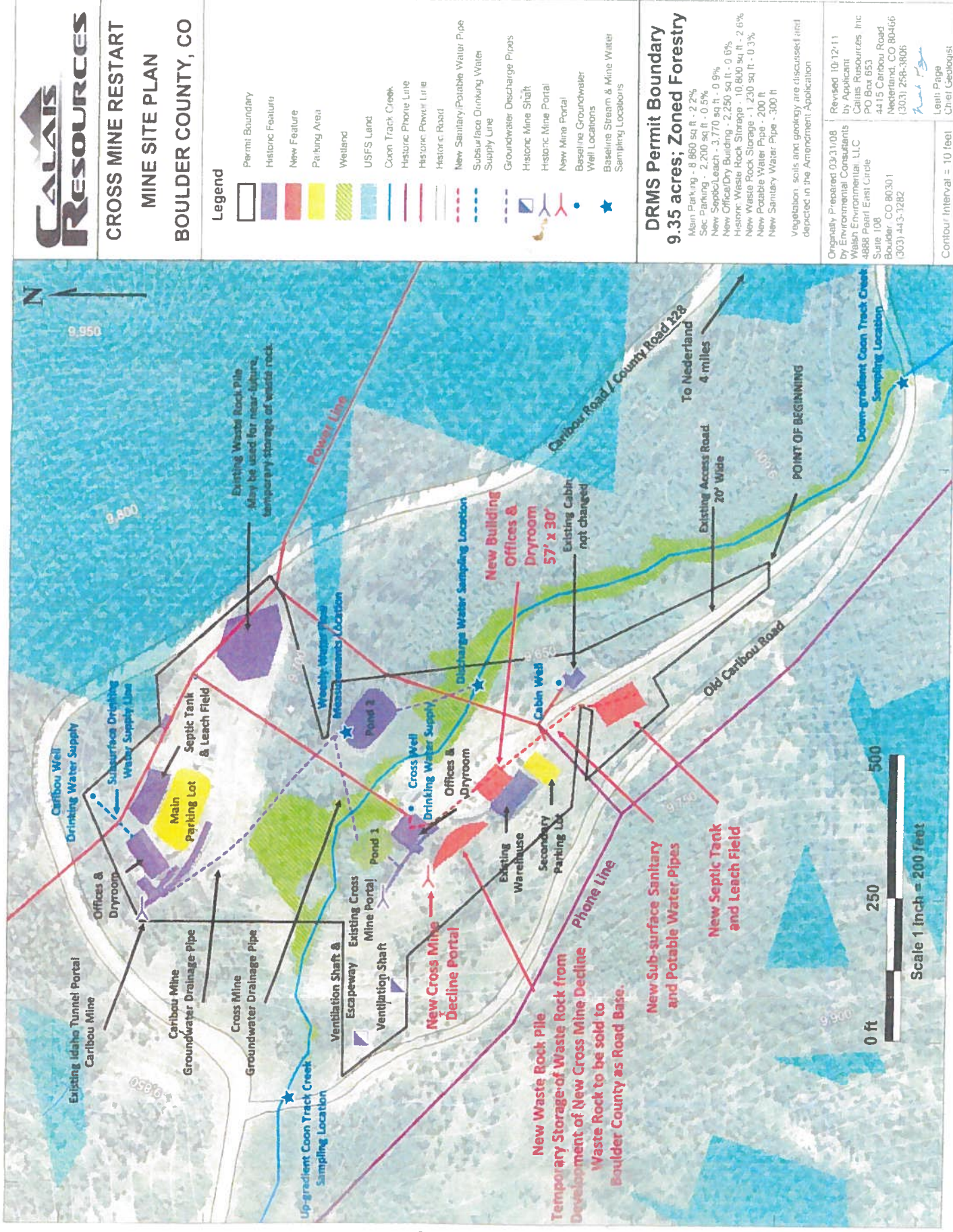
NOVEMBER 03, 2014 / NO CHANGES SINCE NOV. 03, 2013

PLEASE SEE ATTACHED ANNUAL REPORT FILED ON

NOVEMBER 06, 2014 IN PERSON.

ESTIMATED START UP DATE PER MINE PLANS -- FEBRUARY 2015

**BY: THOMAS S. HENDRICKS / PRESIDENT / CALAIS RESOURCES COLO.
INC. 303 258-3953 OR THOMASH@EARTHLINK.NET**



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M-1977-410