

Idarado Mining Company
311 Main Street
P.O. Box 584
Ouray, CO 81427

January 8, 2016

Lucas West
Environmental Protection Specialist
Colorado Division of Reclamation, Mining and Safety
Grand Junction Field Office
101 South 3rd, Suite 301
Grand Junction, CO 81501

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JAN 13 2016
GRAND JUNCTION FIELD OFFICE
DIVISION OF
RECLAMATION MINING & SAFETY

**Subject: Idarado Mining Company (Idarado) Red Mountain Shop Construction
DRMS Permit No. M-1977-403-HR**

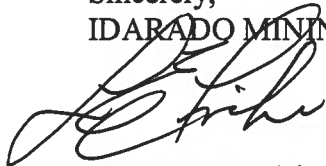
Dear Mr. West:

This letter provides an update to the Colorado Division of Mining Reclamation and Safety (DRMS) regarding Idarado's ongoing and planned activities for constructing a new maintenance shop at its Red Mountain property. As we briefly discussed during your October 21, 2015 site tour, Idarado is planning on constructing a new garage and shop facility on the Red Mountain property for use in safely maintaining the site in the future. The current shop poses physical and safety hazards, as well as structural issues that are not cost effective to mitigate. The current shop is slated to be demolished per the 1977 Reclamation Plan and according to DRMS regulations.

The site of the new shop is currently planned at the location of the previously demolished office and geology building. Upcoming activities associated with the construction include a geotechnical drilling investigation at the proposed site to assess depth to bedrock for micropile foundation design and construction of the new facility. Any materials excavated during this drilling investigation will be placed back into an excavated trench on the property and covered with clean borrow rock.

Should you have any questions, please contact me at (303) 837-5676, or Alfred Berry at (970) 596-5227.

Sincerely,
IDARADO MINING COMPANY



Lawrence E. Fiske
Director Legacy Sites Closure and Reclamation

CC: Alfred Berry (Red Mountain Site Manager) (e)
Sherm Worthington (WME) (e)
Camille Price (CDPHE) (e)