

June 1, 2016

Michael Cunningham Colorado Division of Reclamation, Mining, and Safety 1313 Sherman Street, Rm 215 Denver, CO 80203

RE: Alma Placer Mine; DRMS File No. M-1985-029; Technical Revision No. 11; Adequacy Review No. 1

On June 1 2016, High Mountain Mining Co, LLC. received the Division's adequacy review of TR-11 of the Alma Placer Mine DRMS permit. The following is an item by item response to each of the Division's concerns.

1. The proposed revision to the mine phases affects the Mining and Reclamation Plans. Please submit revised copies of the Mining and Reclamation Plan Maps which reflect the proposed changes. All maps must conform to the mapping criteria specified in Rule 6.2.1(2).

The attached Map C-2 and F-1 show the mining and reclamation plans as they are affected by this technical revision.

2. The Alma Placer mine is permitted for 216.10 acres. Within the permit area, the Operator is authorized to affect 136.80 acres of land. Please depict the total area of affected land (current disturbance and future disturbance) on a revised Mining Plan Map or on a separate map. In addition, the Division requests that the Operator select a line coloring which contrasts with the background of the map so that the individual phases and affected areas may be easily visible on the revised map(s).

According to the approved permit, as of Amendment 5, the total area to be reclaimed, and thus is disturbed, is 138.1 acres. This area is delineated on Map C-2. Map C-2 also shows the current disturbance limit as of 2016.

3. The Operator has shown the proposed changes to the affected area in Table J Revised New Disturbance Area. Please provide an accounting of the affected area for the gold operation which accounts for currently disturbed areas as well as any areas which will be disturbed in the future. The Operator may include an updated Gold Placer Disturbed Area Description table, which was previously submitted under Amendment No. 5.

Gold Placer Disturbed Area Description

Acreage

Mining Cut Areas	52.4
Berm along Highway 9	2.8
Prep Plant area, processing, stockpile areas	10.1
Pond 3 and 4 Area	3.60
Camp/Office/Fuel Storage Area	3.4
Site Roads	2.00
Total Disturbed Area	74.3

Some areas of the Gold Placer Disturbed Area have been removed (southern sediment ponds, now that Cut A performs the same task). The Mining Cut Areas category is unchanged by this technical revision. The only change to the mining cuts is their arrangement and orientation. See Map C-2.

4. The Operator committed to not exceeding a total disturbance of 34.1 acres for the gold operation under Amendment No. 5. Please confirm the total disturbance associated with the gold operation will not change as a result of redefining the mine phases.

In the approved Amendment 5, the Division approved a worst case disturbed area of 62.8 acres. In that worst case scenario, 34.1 acres was the gold operation, with the remainder being the gravel operation. As shown in the Combined Permit Area table in Amendment 5, the peak gold operation is expected to be no more than 48.0 acres. This is still the case. The worst case disturbed area is also still anticipated to be 62.8 acres.

5. The changes to the size of the phases are being made to account for MSHA requirements. Please specify the dimensions of the benches which will be used to minimize the height of the highwall. In addition, provide a brief description of how the benches will be constructed.

The benches will be constructed by first excavating the upper bench out to the phase boundary. The depth of this bench will be approximately half of the depth to the bedrock. A second bench will then be cut to the bedrock. The bench height will average 20-30 feet based on previous excavations at the site. The berm (catch bench) left between the two benches will be height of an individual bench (20-30'). This will force the overall wall angle to be 1H:1V or milder during excavation.

6. The Operator has proposed to change how stormwater will be managed at the site. Specifically, the Operator is proposing to remove a series of ditches and ponds. Please identify the ponds and ditches which will be eliminated. In addition, the Division requests a revised copy of the C-4 Hydrology Map, which was submitted under Amendment No. 5. The revised map should reflect the proposed changes, including the new diversion ditch. See the revised Map C-4, which is attached.

7. Under Amendment No. 5, the Operator committed to having no more than 3 phases active at any one time. The active phases would include a combination of topsoil stripping, active mining and active reclamation. Please clarify if the number of phases open at any given time will change.

The three phase activity that was approved in Amendment 5 has not changed.

8. The Operator has revised the mining phases and has changed the phase ID from a numeric system to a lettering system. Please identify the individual phases and specify the acreage associated with each in a table format.

Mining Cut	Area (acres)
Α	4.3
В	3.9
С	3.1
D	3.1
E	4.2
F	6.7
G	3.0
Η	3.4
I	4.4
J	2.3

Please contact our office with any further questions.

Sincerely,

Ben Langenfeld, P.E.

Greg Lewicki and Associates