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January 9, 2017

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

RE: Reason to Believe a Violation Exists for Katuska Pit (M-1991-037) – Permittee Response

Mr. Cunningham

This letter is in response to the notice regarding the possible violation of the reclamation permit at the Katuska Pit, operated by High Speed Mining, LLC. The Colorado Division of Reclamation, Mining, and Safety asserts that mining has occurred on site outside of the approved 110 reclamation permit boundary. According to the Division's letter dated December 21, 2016, this out-of-permit disturbance totals 2.4 acres.

High Speed Mining acknowledges that some activity has taken place south of the southern permit boundary of the current permit. This is the only area of outside the permit disturbance that has taken place on site, as shown on the attached site map. It is roughly 1.7 acres.

As of November 2016, High Speed Mining has been working on a 112 conversion of this permit in order to allow for mining of a greater size of this property. Surveying of the site is due to take place in late January 2017, due to surveyor availability. High Speed Mining proposes that it be allowed to complete and submit the 112 conversion application by March 30, 2017. This will rectify the violation attested to in the Division letter by expanding the permit to cover the affected area in question and increasing the bond to a sufficient level.

Regards,

Ben Langenfeld, P.E. Greg Lewicki and Associates

