October 12, 2017

Fred/Eric Frei Flag Resources, Inc. 1412 CR 311 New Castle, CO 81641



COLORADO Division of Reclamation, Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215 Denver, CO 80203

RE: Silt Pit, Permit No. M-1981-202-SG, Inspection Problem Abated

Dear Mr. Frei:

On March 3, 2017 the Division of Reclamation, Mining and Safety (Division) conducted an inspection of the above referenced site. General compliance with mine plan and revegetation were cited as inspection problems. The corrective actions required that you submit a technical revision to revise both your mining and reclamation plan by the corrective action date. An extension request was received and approved changing the corrective action date to June 22, 2017.

On June 26, 2017 the Division received a technical revision request (TR-6). The request addressed all the required compliance issues. TR-6 was approved on August 23, 2017. This satisfies the corrective action and it is considered abated.

If you require additional information, or have questions or concerns, please feel free to contact me. Amy Yeldell, at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 970-254-8511 or via email at amy.yeldell@ state.co.us

Sincerely,

Amy Geldell

Amy Yeldell Environmental Protection Specialist Department of Natural Resources Division of Reclamation, Mining and Safety Phone: (970) 254-8511 Fax: (970) 241-1516

Ec: Russ Means, Senior EPS, Grand Junction DRMS

