

January 24, 2020

Mr. Joe Kraig S & K No. 1, LLC P.O. Box 49681 Colorado Springs, CO 80949

Re: Hale Pit aka Earl's Pit, Permit No. M-1981-121; Temporary Cessation Request Approval, Revision No. TC-1

Dear Mr. Kraig:

On October 23, 2019 the Division of Reclamation, Mining and Safety approved your request for Temporary Cessation status for the Hale Pit aka Earl's Pit.

Please be aware that Section 1.13.5(1)(a) of the Construction Materials Rules and Regulations and the Hard Rock/Metal Mining Rules and Regulations state that "Initial period shall be the first five years of Temporary Cessation beginning with the 180 day period of production cessation." This initial five-year period of Temporary Cessation began September 23, 2019.

Rules 1.13.8 and 1.13.9 state that:

1.13.8 A permit granted pursuant to Rules shall continue in effect as long as:

(a) the mining operation is resumed within five (5) years of the beginning of Temporary Cessation; or

(b) the Operator files a report requesting an extension of the period of Temporary Cessation with the Board stating the reasons for the continuation of those factors necessary to, and the plans for, resumption.

1.13.9 Ten Year Limitation for Temporary Cessation

In no case shall Temporary Cessation be continued for more than ten (10) years without terminating the mining operation and fully complying with the Reclamation and Environmental Protection Plan requirements of the Act and these Rules.

If you have any questions or need further information, please contact me at (303)866-3567 x8169.

Sincerely

Timothy A. Cazier, P.E. Environmental Protection Specialist

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