



April 30, 2020

Richard Mittasch
Calais Resources Colorado, Inc.
P.O. Box 3395
Nederland, CO 80466

Re: Cross Gold Mine, Permit No. M-1977-410, Status of Required Corrective Actions

Mr. Mittasch:

The Division of Reclamation, Mining and Safety (Division) is providing the following status update on the corrective actions required by the inspection report mailed on April 7, 2020 for the Cross Gold Mine, Permit No. M-1977-410:

INSPECTION TOPIC: Records (Succession Of Operation)

PROBLEM #1: Failure to contact the Division within 30 days of a change in the official business name, business ownership, or business form to revise the performance and financial warranty documents and complete a Succession of Operators application, per Rule 1.16(3).

CORRECTIVE ACTIONS: By the corrective action date, the operator shall submit to the Division a Succession of Operators application, with the appropriate fee, to change the business name from Calais Resources Colorado, Inc. to Calais Resources, Inc. (or another valid entity name). The new business name must be registered with the Colorado Secretary of State.

CORRECTIVE ACTION DUE DATE: April 26, 2020

STATUS UPDATE: *On April 27, 2020, the operator submitted a Succession of Operators application (SO-02) to change the Permittee from Calais Resources Colorado, Inc. to Grand Island Resources, Inc. On April 30, 2020, the application was called incomplete and a letter was sent to the operator identifying the deficiencies that must be addressed by May 30, 2020. Because an application was submitted with the required fee, the Division considers this problem to be abated at this time.*

INSPECTION TOPIC: Hydrologic Balance

PROBLEM #2: Failure to minimize disturbances to the prevailing hydrologic balance of the affected land and of the surrounding area and to the quantity or quality of water in surface and groundwater systems both during and after the mining operation and during reclamation pursuant to Rule 3.1.6(1) and C.R.S. 34-32-116(7)(g).

CORRECTIVE ACTIONS: By the corrective action date, the operator shall submit a Technical Revision application, with the appropriate fee, that includes a detailed plan of action for addressing the impaired surface water quality at the site. This plan shall describe any measures that have been taken or are proposed to be taken at the site to address the water quality issues (including work performed



underground and any changes made to the water management and/or treatment system).

CORRECTIVE ACTION DUE DATE: April 26, 2020

STATUS UPDATE: *On April 29, 2020, the operator submitted a Technical Revision application (TR-05) to address this issue. This revision is currently under Division review, and any adequacy items will be addressed through the adequacy review process. Because a Technical Revision application was submitted to address this issue, the Division considers this problem to be abated at this time.*

INSPECTION TOPIC: Gen. Compliance With Mine Plan

PROBLEM #3: The operation does not have an approved Spill Prevention, Control, and Countermeasure (SPCC) plan or approved fuel/oil storage locations for the site. Additionally, the Division observed a floor drain in the Cross Mine warehouse building which has been used for draining fluids to an unknown location. If the operator cannot provide details on the floor drain, including where it drains, and how any fluids captured by this system are managed, use of this drain must cease immediately until these details can be provided, or the drain must be permanently sealed. Given the site is situated at the headwaters of Coon Track Creek (which eventually drains to Barker Meadow Reservoir) and also includes jurisdictional wetlands, the operator must have a plan in place to prevent any oil or fuel spills or contaminated runoff from reaching these water features. This is a problem at this time pursuant to Section 20.3 of the Policies of the Mined Land Reclamation Board (see enclosed policies) pertaining to oil and fuel spill containment structures, and pursuant to Rule 3.1.6(1) and C.R.S. 34-32-116(7)(g), which require disturbances to the prevailing hydrologic balance of the affected land and of the surrounding area and to the quantity or quality of water in surface and groundwater systems both during and after the mining operation and during reclamation to be minimized.

CORRECTIVE ACTIONS: By the corrective action deadline, the operator shall submit a Technical Revision application (see enclosed form), with the appropriate fee, that includes a site-specific SPCC plan or equivalent, including a description of all fuel/oil storage locations, spill prevention measures (e.g., storage and handling procedures, containment and diversionary structures, personnel training), spill response and mitigation procedures, and a disposal plan. This plan should include details on any floor drains or sumps utilized by the operation, including how substances captured by these systems are managed. This revision shall also include a revised mining plan map in accordance with Rules 6.2.1(2) and 6.3.5(2), which shows all fuel/oil storage locations at the site.

CORRECTIVE ACTION DUE DATE: May 7, 2020

STATUS UPDATE: *This problem has not been abated at this time.*

INSPECTION TOPIC: Gen. Compliance With Mine Plan

PROBLEM #4: The Idaho Tunnel (at the Caribou Mine) has collapsed creating potential slope stability issues near the northern permit boundary and the adjacent Caribou Road. The operator has made recent efforts to stabilize the Idaho Tunnel, including excavating a portion of the tunnel and applying shotcrete on the slope around the portal. The Division has not approved any details of the tunnel stabilization project, including demonstration through appropriate geotechnical and stability analyses that off-site areas will be protected. This is a problem at this time pursuant to Rule 3.1.5(3) and C.R.S. 34-32-

116(7)(h) which require areas outside of the affected land to be protected from slides or damage occurring during the mining operation and reclamation.

CORRECTIVE ACTIONS: By the corrective action date, the operator shall submit a Technical Revision application, with the appropriate fee, that includes a Geotechnical Stability Exhibit in accordance with Rule 6.5(3), which demonstrates through appropriate geotechnical and stability analyses that off-site areas will be protected based on current conditions at the Idaho Tunnel, with appropriate factors of safety incorporated into the analyses.

CORRECTIVE ACTION DUE DATE: May 7, 2020

STATUS UPDATE: *This problem has not been abated at this time.*

If you have any questions, you may contact me by telephone at 303-866-3567, ext. 8129, or by email at amy.eschberger@state.co.us.

Sincerely,

A handwritten signature in blue ink that reads "Amy Eschberger".

Amy Eschberger
Environmental Protection Specialist

CC: Michael Cunningham, DRMS