

STATE OF  
COLORADO

Eschberger - DNR, Amy &lt;amy.eschberger@state.co.us&gt;

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## Cross Gold Mine - File No. M-1977-410, Acreage Release Request Application (AR-1) - Boulder County Comments

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Endicott, Chad &lt;cendicott@bouldercounty.org&gt;

Tue, Nov 10, 2020 at 3:51 PM

To: "Amy.eschberger@state.co.us" &lt;Amy.eschberger@state.co.us&gt;

Hello Amy,

Thanks again for the informative phone call. Per our discussion, please see the attached referral response from Boulder County Community Planning & Permitting. Also attached, you will find the Development Agreement for the "Calais Resources Inc., Cross Mine Expansion SU/SDDP" (Docket #SU-08-006) referenced in the referral letter.

Please let me know if you need anything additional.

Best,

**Chad Endicott** | Long Range Planner I

Boulder County Community Planning & Permitting (*formerly Land Use and Transportation*) – [We've become a new department!](#)

2045 13<sup>th</sup> St., Boulder, CO 80302

Mailing Address: P.O. Box 471, Boulder, CO 80306

Direct: 303-441-3922 | Main: 303-441-3930

[cendicott@bouldercounty.org](mailto:cendicott@bouldercounty.org)

[www.BoulderCounty.org](http://www.BoulderCounty.org)

***Staff is focused on fire response and many have been redeployed to other roles. Our response may be delayed. Thank you for your patience.***

**PLEASE NOTE:** In an effort to mitigate the spread of COVID-19, the Boulder County Community Planning & Permitting physical office at [2045 13th St.](#) in Boulder is CLOSED to the public until further notice. We will continue to operate remotely, including the online acceptance of building permits and planning applications. Please visit our webpage at [www.boco.org/cpp](http://www.boco.org/cpp) for more detailed information and contact emails for groups in our department. You may also leave a message on our main line at 303-441-3930 and the appropriate team member will return your call. ***Thank you for your adaptability and understanding in this extraordinary time!***

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### 3 attachments



Cross Gold Mine Acreage Release Request - Community Planning and Permitting Referral Comment.pdf  
78K



SU-dev agreement Expansion.pdf  
2256K



4846\_001.pdf  
55K



## COLORADO

**Division of Reclamation,  
Mining and Safety**

Department of Natural Resources

1313 Sherman St. Room 215  
Denver, CO 80203

### **NOTICE Consideration of Hard Rock Reclamation Permit Acreage Release Request Application**

**DATE:** October 26, 2020

**TO:** Boulder County Planning Department  
Box 471  
Boulder, CO 80306

**FROM:** Amy Eschberger

**RE:** Cross Gold Mine - File No. M-1977-410, Grand Island Resources LLC  
Acreage Release Request Application (AR-1)

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Please be advised that on October 26, 2020, Grand Island Resources LLC, whose address and telephone number are 4415 Caribou Rd, Nederland, CO 80466; (720) 893-3749, filed an application for a/an Acreage Release Request (AR- 1) to M1977410, Cross Gold Mine, which is located approximately 4 miles Northwest of Nederland, Section 9, Township 1S, Range 73W, 06th Principle Meridian, in Boulder County.

The application decision is scheduled for December 25, 2020. Written comments or objections to the application may be submitted to and additional information obtained from Amy Eschberger at the Division of Reclamation, Mining and Safety, 1313 Sherman St. Room 215 Denver, CO 80203, by telephone at (303) 866-3567 x 8129.

Comments or objections should be submitted within fifteen (15) days of this notice to be considered in the application review process. The Division is required to provide a thirty (30) day period following a decision on the release application to allow for appeals to its decision.

M-GR-03A-P

**RECEIVED**

**NOV 02 2020**

Boulder County  
Community Planning  
& Permitting Department





## Community Planning & Permitting

Courthouse Annex • 2045 13th Street • Boulder, Colorado 80302 • Tel: 303.441.3930 • Fax: 303.441.4856  
Mailing Address: P.O. Box 471 • Boulder, Colorado 80306 • [www.bouldercounty.org](http://www.bouldercounty.org)

**TO:** Amy Eschberger, Division of Reclamation, Mining and Safety  
**FROM:** Chad Endicott, Boulder County Community Planning & Permitting  
**RE:** Cross Gold Mine- File No. M-1977-410, Grand Island Resources LLC  
Acreage Release Request Application (AR-1)  
**DATE:** November 10, 2020

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Boulder County Community Planning & Permitting appreciates the opportunity to provide comments for the Acreage Release Request to M1977410, Cross Gold Mine, which is located approximately 4 miles Northwest of Nederland, Section, 9 Township 1S, Range 73W, 06<sup>th</sup> Principle Meridian, in Boulder County.

Boulder County Community Planning & Permitting does not have any conflicts with the Acreage Release Request at this time. Please note that the applicant will be subject to Article 4-508 (Mining Uses) of the Boulder County Land Use Code for future development and operations. Additionally, the applicant must maintain conformance as set by the Calais Resources Cross Mine Expansion SU/SSDP and associated Site Specific Development Plan approved under Boulder County Community Planning & Permitting Docket #SU-08-006. If the applicant has additional questions regarding the County Land Use Code requirements, please put them in contact with Boulder County Community Planning & Permitting at [planner@bouldercounty.org](mailto:planner@bouldercounty.org) for assistance or call at 303-441-3930.

This concludes the Department of Community Planning & Permitting comments at this time. We look forward to continuing to provide feedback and input throughout this process.

**DEVELOPMENT AGREEMENT**

**GOVERNING DEVELOPER'S OBLIGATIONS IN**

**CALAIS RESOURCES INC., CROSS MINE EXPANSION SU/SSDP**

**(Boulder County Land Use Docket # SU-08-006)**

THIS AGREEMENT is made this 22 day of August, 2011, by and between the Board of County Commissioners of Boulder County, Colorado ("County"), and Calais Resources, Inc. ("Developer") (collectively, "Parties").

**WHEREAS**, under Articles 4-508(E) and 4-600 of the Boulder County Land Use Code ("Land Use Code"), Developer has submitted to County a special use request to recognize an existing subsurface gold and silver mine (the Cross Mine), and allow expansion of the mine operations over a 9.35-acre State-authorized mine permit area, which request County has approved in Land Use Docket # SU-08-006 ("the Docket"), as set forth in County Resolution No. 2008-125, adopted, October 30, 2008 which is attached to and incorporated into this Agreement as Exhibit A; and

**WHEREAS**, County has approved the Docket as a site specific development plan in Exhibit A, and, as part of this approval, has required Developer to enter into a Development Agreement reaffirming Developer's obligation in the Docket, prior to Developer commencing any mining activities or County issuing any permits for the subject mining to proceed; and

**WHEREAS**, County and Developer acknowledge that the matters set forth herein are reasonable requirements necessary to implement County's approval of the Docket and protect the public health, safety, and welfare.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained and County's approval of the Development as set forth in Exhibit A, Developer and County agree as follows:

**1. Description of Approved Development**

The approved development in the Docket ("Development") is described in Exhibit A and the official Docket file, and depicted on the site plan which is attached to and incorporated into this Agreement as Exhibit B. Developer is responsible for assuring that the Development complies with Exhibits A and B, as well as with all applicable provisions of the Land Use Code, County Building Code, County Multimodal Transportation Standards, County Public Health regulations, and any other applicable County development requirements.

**2. Acknowledgement of Requirements To Be Met Prior To Recordation of Development Agreement**

The approved Transportation Plan, as required in Condition #19 of Exhibit A, is attached to and incorporated into this Agreement as Exhibit C.

**3. Acknowledgement of Requirements To Be Met Prior To Issuance of County Permits for Development To Proceed**

Developer will comply with all other conditions of Exhibit A which are prerequisite to the issuance of County building, grading, and any other applicable permits for the Development to proceed. In addition, no County permits for the Development to proceed shall be issued until the Parties have executed and recorded this Agreement, and Developer has met all other applicable requirements of the Land Use Code, County Building Code, and related County Transportation and Public Health requirements for the requested permit.

**4. Vested Right**

In consideration of the above conditions and covenants, the County affirms that under Section 3-207 of the Land Use Code it has granted a statutory vested property right for the Development to proceed pursuant to the terms of this Agreement. The vesting term approval is for three years following the date of adoption of Exhibit A, October 30, 2008 (therefore ending on October 30 2011), subject to the provisions for modification and termination contained herein. During the approved vesting period, subsequent regulations enacted by County shall be applicable to the Development if necessary to protect the health and safety of the inhabitants of Boulder County, or if general in nature and applicable to all properties subject to County land use regulation.

Developer may request an extension of the vested right approval herein, in accordance with the Land Use Code and applicable State law. The vested property right recognized herein may be terminated if the County determines that Developer is not in good faith compliance with the terms of this Agreement.

**5. Lapse of Docket Approval under Land Use Code**

As stated in Article 4-604.A.-B. of the Land Use Code, if within five calendar years after the date of adoption of Exhibit A, October 30, 2008 (i.e., by October 30, 2013), Developer does not significantly commence operation, or construction as described in a County-issued building permit, on any portion of the Development, then County's approval of the Docket shall lapse, and this Agreement shall be of no further force and effect. As further provided in Article 4-604.C. of the Land Use Code, even if the Development is successfully commenced within the time period required in Articles 4-604.A.-B., the Docket and this Agreement will lapse, and be of no further force and effect, if for any continuous five-year period there is no activity under any

portion of the Docket approval as a result of causes within the control of Developer or its successors or assigns.

#### **6. Amendment/Waiver**

This Agreement may be terminated or amended with the mutual consent of the Parties consistent with the Land Use Code, or to bring the Development into conformance with federal or state law, or as otherwise provided in this Agreement. County shall have the right to waive its rights to enforce this Agreement, without obtaining the consent of any other person, provided that any waiver shall be made in writing. Any termination, amendment, or waiver that represents a material modification of County's approval of the Docket shall require a public hearing and approval under the Land Use Code.

#### **7. Enforcement**

County may review the Development to assure compliance with this Agreement. This review includes the right to enter upon the property subject to the Docket at any time during normal business hours, without prior notice, to inspect conditions and monitor compliance. County or any purchaser of the subject property shall have the authority to bring an action in the Boulder District Court to compel the enforcement of this Agreement and seek any other relief authorized by law. If the Development becomes included within the boundaries of any city or town, County's right to enforce this Agreement shall pass to the city or town governing body.

#### **8. Transfer of Property/Binding Effect of Agreement**

This Agreement provides for the orderly development of the subject property in the Docket and shall run with the land under all circumstances. This Agreement is entered into pursuant to County's zoning police powers granted in the Colorado Planning Act (Part 1, Article 28, Title 30, C.R.S., as amended) and is not intended as, nor should it be construed to be, a grant of any easement, license, land contract, or other interest in land to the County, nor is this Agreement an instrument securing any debt owed to the County. Therefore, upon execution, this Agreement is and shall be binding upon Developer, all owners of the subject property, or any portion of the property, and Developer's and all owners' heirs, successors, and assigns regardless of the transaction or legal process through which any subsequent owner may obtain title. In the event a court of competent jurisdiction or other competent legal authority declares this Agreement to be null and void, the right to pursue the Development under this Agreement shall be similarly extinguished.

#### **9. Subordination**

Prior to recordation of this Agreement, the Developer shall have obtained the written and notarized agreement of any existing senior mortgage or lien holder in the property included in

the Development, to subordinate their interest in the property to the County's rights to retain in effect and enforce this Agreement.

The required Subordination Agreement is attached to this Agreement as Exhibit D.

# 10. Notation and Recordation

County shall record this executed Agreement with the County Clerk and Recorder.

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals this 22<sup>nd</sup> day of August, 2011.

## BOULDER COUNTY

Ben Pearson

CHAIR, BOULDER COUNTY  
BOARD OF COUNTY COMMISSIONERS



ATTEST:

Mite Doyle

CLERK TO THE BOARD

## DEVELOPER

Dan L. Long

(Name)

President

(Title)

STATE OF COLORADO)

)ss.

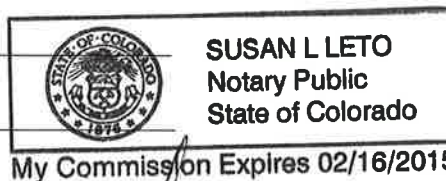
COUNTY OF BOULDER)

Subscribed and sworn to before me this 7 day of Oct., 2011,

by \_\_\_\_\_

My commission expires \_\_\_\_\_

NOTARY PUBLIC



Susan L. Leto



## RESOLUTION 2008-125

A RESOLUTION CONDITIONALLY APPROVING BOULDER COUNTY LAND USE DOCKET #SU-08-006 ("CALAIS RESOURCES CROSS MINE EXPANSION SU/SSDP"); A SPECIAL USE REQUEST, WITH ASSOCIATED SITE SPECIFIC DEVELOPMENT PLAN, TO RECOGNIZE AN EXISTING MINING USE (KNOWN AS THE CROSS MINE) AS A CONFORMING SPECIAL USE, AND TO APPROVE AN EXPANSION OF OPERATIONS AT THE CROSS MINE INCLUDING SUBSURFACE MINING, CONSTRUCTION OF A NEW SURFACE MILL AND ORE STORAGE BUILDING, AND DEVELOPMENT OF A NEW INTERNAL ACCESS/SAFETY ROAD, ON A 9.35-ACRE MINING PERMIT AREA LOCATED AT 4415 CARIBOU ROAD, AT THE CROSS MINE, WEST OF NEDERLAND, IN SECTION 9, T1S, R73W, UNINCORPORATED BOULDER COUNTY

WHEREAS, Calais Resources, Inc. ("Applicant") has requested approval for a special use permit, with associated site specific development plan, to recognize an existing gold and silver mine (the Cross Mine) as a legal conforming special use under Section 4-508(E) of the Boulder County Land Use Code ("the Land Use Code"), and to expand the existing mine operations on the 9.35-acre State-recognized mine permit area which is located as described in the caption to this Resolution, above, in the Forestry Zoning District in unincorporated Boulder County; and

WHEREAS, the existing Cross Mine has been in use as a silver and gold mine since the 1920s, and has yielded over 20 million ounces of silver and 300,000 ounces of gold; and

WHEREAS, the proposed improvements to the Cross Mine include the development of a new mine tunnel and expanded underground mine workings; construction and operation of a new onsite ore-processing facility; construction of a new ore storage building; development of a new internal access road including two culverts that will connect two currently-disconnected mine areas; implementation of site drainage controls; and other minor site improvements; and

WHEREAS, the Cross Mine currently holds a Section 110(2) permit from the Colorado Division of Reclamation, Mining, and Safety (DRMS) (Permit M1977410, issued on 11/03/80), which limits extraction to 70,000 tons/year (200 tons/day); and

WHEREAS, the current proposal would expand mining activity (which has been inactive for several years) up to the permitted 200 tons/day; and

WHEREAS, the mine area consists of an upper mine area and a lower mine area, with the upper mine area containing the main entrance to the mine and the following existing improvements: a 2,320 square-foot office building (with employee toilets and showers), the main parking lot, fuel tanks, and a septic tank and



leach field; and

WHEREAS, the lower mine area has a separate entrance road and currently contains the secondary parking lot, a 480 square-foot office trailer, a 2,209 square-foot office dryroom/shop, a 3,200 square foot warehouse, and two cabins; and

WHEREAS, the current request proposes to relocate the office trailer from the lower mine area to the upper mine area; to remove the (approximately 700 square-foot) 1925 "miner's cabin"; to add a new (1,225 square-foot, 19.84' tall) ore storage building as well as a new (8,000 square-foot, 29' tall) ore-processing facility (including a water treatment plant); and to install a septic tank and leach field, and the new Cross decline portal; and

WHEREAS, in order to cluster development by locating the ore-processing facility adjacent to the existing warehouse, the miner's cabin will be deconstructed and removed from the area east of the warehouse (this cabin has been reviewed by the Boulder County Historic Preservation Advisory Board and has been determined to be ineligible for historic landmarking), with the other cabin to remain in place unchanged; and

WHEREAS, the 1,000-foot-deep excavation of the new Cross decline portal will produce an initial 30,000 tons of waste rock, which will be stored on the upper level of the property for no longer than three years, and will be transported offsite after being crushed to a usable size for road base; and

WHEREAS, the ongoing subsurface mining operations will utilize a cut-and-fill method of horizontal cutting with cemented backfill that is intended to substantially reduce waste rock production, with the ore that is removed from the mine to be transported to the surface by haul trucks and temporarily stored in an ore storage shed adjacent to the portal; and

WHEREAS, from there, the ore will be transferred to the ore-processing facility for crushing, grinding, flotation, and concentration, a processing step which was previously done offsite (with the ore formerly having been trucked to the Valmont Mill in Boulder); and

WHEREAS, following the reduction step, the concentrate will be transported to an offsite smelter by 20-ton truckloads, at a rate of 2,800 tons/year (i.e., 140 truckloads/year); and

WHEREAS, the overall project will involve 3,358 cubic yards (cy) of foundational earthwork (2,778 cy cut and 580 cy fill) and 7,743 cy of non-foundational earthwork (2,767 cy cut and 4,976 cy fill), with the foundational cut to be used in the construction

of the new 20-foot-wide internal access road and to create berms in various locations on the property; and

**WHEREAS**, the project area contains 131 patented mining claims and 105 unpatented mining claims; and

**WHEREAS**, the proposed Cross Mine will employ up to 34 workers; and

**WHEREAS**, the above-described request was processed and reviewed as Boulder County Land Use Docket #SU-08-006 ("the Docket"), all as further described in the Boulder County Land Use Department Planning Staff's Memoranda and written recommendations to the Boulder County Board of County Commissioners ("the Board") dated September 2 and October 2, 2008, with their attachments (collectively, "the Staff Recommendation"); and

**WHEREAS**, on July 16, 2008, the Boulder County Planning Commission ("the Planning Commission") held a duly-noticed public hearing on the Docket, and recommended conditional approval of the Docket to the Board; and

**WHEREAS**, on September 2, 2008, as continued to October 2, 2008, the Board held a duly-noticed public hearing on the Docket ("the Public Hearing"), at which time the Board considered the Staff Recommendation and the recommendation of the Planning Commission, as well as the documents and testimony presented by the County Land Use Department Planning staff and several representatives of the Applicant, with no members of the public being present to speak to the Docket; and

**WHEREAS**, based on the Public Hearing, the Board finds that the Docket meets the criteria for special use approval set forth in Article 4 of the Land Use Code, and can be approved, subject to the conditions stated below, and, further, that the Docket, with the submission of the standard development agreement, meets the criteria in the Land Use Code for a site-specific development plan, also subject to the conditions stated below.

**NOW, THEREFORE, BE IT RESOLVED** that the Docket is hereby approved, on the basis set forth in this Resolution, above, and subject to the following conditions:

1. The Applicant shall provide a Development Agreement, for review and approval by County staff, prior to the commencement of any mining activities described in the Docket application materials and prior to the issuance of any permits by the County Land Use Department.

Prior to the issuance building or grading permits, the Applicant shall submit to the Land Use Department an approved

Development Agreement for recordation.

2. There shall be a review hearing before the Board of County Commissioners five years after the date of adoption of this Resolution, in order to review compliance with the Development Agreement and to re-evaluate any resource impacts resulting from the expanded mining activities.
3. The Applicant shall provide the amended mining and reclamation plans that incorporate the proposed changes approved herein, to the Land Use Department prior to the issuance of any permits. When mining at the subject property permanently ceases, the Applicant shall comply with the requirements of the Colorado Mined Land Reclamation Act, which is administered by the Colorado Department of Natural Resources Division of Reclamation, Mining, and Safety (DRMS). The Land Use requirements shall coincide with those of the governing State agency. This may include, among other requirements, the removal of all mining-associated structures (with the exception of the remaining historic cabin) and improvements (such as culverts), as well as the reclamation of any disturbed landscapes or internal roadways, subject to the approved reclamation plan.

Prior to the issuance building or grading permits, the Applicant shall submit to the Land Use Department the amended final mining and reclamation plans.

4. The Applicant shall submit to the Land Use Department evidence that any and all necessary permits (e.g., building permits, water discharge permits) have been obtained as well as evidence that installation of the new water treatment system has been satisfactorily completed. The water treatment plant normally shall be limited to 214 gallons-per-minute (GPM), or 308,000 gallons-per-day (GPD), as stated in the application materials, but may exceed this volume from time to time as authorized by the limitations in the State of Colorado NPDES permit issued for the system.

Prior to final inspection for the ore-processing facility by the County Building Division, the Applicant shall submit to the Land Use Department evidence that any and all permits and inspections have been obtained for the water treatment facility.

5. The Applicant shall comply with all applicable requirements of Boulder County Public Health, including but not limited to regulations and permits for Onsite Wastewater Systems.
6. All new construction shall be subject to all applicable requirements of the Boulder County Building Code.

7. The Applicant shall dispose of the liner from Pond 1 to an offsite location.
8. HEIGHT, SIZE, LOCATION, EXTERIOR MATERIALS, AND COLOR SUMMARY - The following items have been reviewed and are approved as proposed in the Docket application materials:

Ore-storage Building	
	Description
Height:	Approximately 19.84' from existing grade
Size:	Approximately 1,225 sf
Location:	The proposed location is approved.
Exterior Materials:	Vee rib sheet metal siding and roofing
Exterior Colors:	Beige and leaf green
Ore-processing Facility	
	Description
Height:	Approximately 29' from existing grade
Size:	Approximately 8,000 sf
Location:	The proposed location is approved.
Exterior Materials:	Vee rib sheet metal siding and roofing
Exterior Colors:	Beige and leaf green

9. A detailed Re-vegetation Plan, covering any areas to be disturbed by building and road construction and berming, shall be required, that includes all native species to be used, with grass seed application rates, an explanation of the treatment of excavated topsoils, mapping of disturbance sites with resulting slopes (this includes all construction staging areas, utility lines, and septic system), quantitative criteria for re-vegetative success, and a monitoring plan. New horticultural plantings should emphasize xeriscaping principles. All berms must be re-vegetated in conjunction with the Re-vegetation Plan.

Prior to issuance of building or grading permits, the Applicant shall submit to the Land Use Department for review and approval one copy of a Re-vegetation Plan. Prior to Certificate of Occupancy and/or final inspection, the full installation of the approved Re-vegetation Plan must be



inspected and approved by the Land Use Department. All areas of exposed soil must be re-vegetated. If weather is not conducive to seeding or if adequate re-vegetation efforts have not occurred and vegetation is not adequately established at the time of final inspection request, an irrevocable letter of credit or monies deposited into a County Treasurer account must be provided to assure completion of re-vegetation. What is considered "adequate re-vegetation" is influenced by the amount of site disturbance, potential for significant erosion (steep slopes), and visibility. In all cases some level of germination and growth is required. Also, areas of disturbance not included on the re-vegetation plan are still subject to reseeding.

10. The approved earthwork is limited to 3,358 cubic yards (cy) of foundational grading (2,778 cy of cut and 580 cy of fill) and 7,743 cy of non-foundational grading (2,767 cy of cut and 4,976 cy of fill), as stated in the Docket application materials.
11. The proposed berms are approved at a maximum height of 30 inches above-grade. As noted in Condition #9, above, all berms shall be adequately re-vegetated. Where concrete berms must be used due to topography or road width constraints, the concrete shall be colored in such a way that blends with the surrounding environment (alternatively, guardrails may be used). The berms/guardrails in the location of the temporary waste rock pile must be removed when this pile has been removed. (As noted in Condition #13, below, the waste rock pile shall remain on the subject property for no longer than three years.) All berm and/or guardrail designs must be approved through the Land Use Department prior to construction/installation. The Applicant shall submit the final drainage report, and the stormwater/erosion and sedimentation control plans, for review and approval by the County Transportation Department.

Prior to issuance of building or grading permits, the Applicant shall submit to the Land Use Department the approved drainage report and the stormwater/erosion and sedimentation control plans.

12. The Applicant shall submit the final, engineered berm plan to the Land Use and Transportation Departments for review and approval, prior to the issuance of any permits. Due to the potential impacts of this type of site development, the Applicant is strongly encouraged to limit the size and number of berms to the extent feasibly possible.

13. The waste rock pile that will be located in the northeast corner of the property shall be limited to 30,000 tons and shall remain on the subject property for no longer than three (3) years from the date of adoption of this Resolution.
14. The extraction of ores at the Cross Mine shall be limited to 70,000 tons per year, as allowed by the State DRMS permit and as stated in the Docket application materials.
15. The mining operation at the Cross Mine shall not utilize cyanide in its milling or production of any materials on the subject property. The method of mining and processing of the ore as described in the Docket application materials and amended mining and reclamation plan shall be considered a commitment of record and enforceable condition hereunder. This includes using the "cut-and fill" method, ore extraction and transport, and processing (crushing, milling, separation, etc.) being performed onsite. The proposed method of extraction is approved in part because of the low levels of impacts associated with the reduced volume of material removed from the ore body and taken offsite. A change in the methods for extraction or processing shall be disclosed to the Land Use Department so that the level of modification can be assessed as either a significant or insignificant change to this Resolution/special use approval (this may include additional land use review processes, depending on the modifications proposed).
16. The Applicant shall provide sound-proofing in the construction of the proposed ore processing building, including but not limited to insulating measures to reduce and contain noise. In addition, the Applicant shall undertake a decibel-rating assessment for the ore-processing facility once the rock-crushing machine is installed and in operation. The assessment of noise levels shall be taken from the nearest edge of the mine permit boundary. Once in operation, noise from this building shall not exceed a low, "background-noise" level at the mine permit boundary. If this standard cannot be achieved, the Land Use Department may recommend that the Board re-address this condition for the potential imposition of more effective noise mitigation measures that would be determined through a future public hearing process.

Prior to Certificate of Occupancy for the ore-processing facility, the Applicant shall submit to the Land Use Department a copy of the decibel ratings report for assessment and approval. Thereafter, the Land Use Department

or its representatives shall be allowed to monitor noise levels at the permit boundary in order to evaluate the effectiveness of, and further enforce, this Condition.

17. Based on the traffic study included in the application materials, the estimated weekly Average Daily Trips (ADTs) is 46. A small increase on this estimate is anticipated; however, traffic generation in excess of this amount may create traffic impacts greater than those analyzed for this proposal. The mining operation at the Cross Mine shall be limited to 60 weekly ADTs; any increase above this amount shall be disclosed to the Land Use Department so that the level of modification may be assessed.

18. The Applicant shall provide additional warning signage, as indicated in the traffic study submitted in the Docket application materials. These include:

- A sign reading "TRUCKS ENTERING HIGHWAY" on CR 128 on both approaches to the upper mine access intersection and on the downhill approach to the lower mine access intersection.
- Yellow diamond warning sign with the message "TRUCK TRAFFIC" and a yellow placard reading "NEXT 5 MILES" beneath it on the same pole at:
  - o Westbound CR 128 just west of SH 72
  - o Eastbound CR 128 uphill (prior to) the upper mine access drive

The installation of the signs must be coordinated with the County Transportation Department.

Prior to recordation of the Certificate of Occupancy for the ore-processing facility, the Applicant shall supply the Land Use Department with evidence of the completed installation of the aforementioned signs.

19. To ensure the implementation of a carpooling program, the Applicant shall submit a Transportation Plan to the County Transportation Department for review and approval. This plan shall then be appended to the Development Agreement prior to recording and the issuance of any permits.

Prior to issuance of building or grading permits and the recordation of the Development Agreement, the Applicant shall submit to the Land Use Department an approved copy of the above-referenced Transportation Plan.

20. The Applicant shall be subject to the terms, conditions and commitments of record and in the file for the Docket.



A motion to approve the Docket, as stated above, was made by Commissioner Toor, seconded by Commissioner Domenico, and passed by a 3-0 vote.

ADOPTED this 30<sup>th</sup> day of October, 2008, nunc pro tunc the 2<sup>nd</sup> day of October, 2008.



BOARD OF COUNTY COMMISSIONERS  
OF BOULDER COUNTY:

Ben Pearlman  
Ben Pearlman, Chair

Will Toor  
Will Toor, Vice Chair

Cindy Domenico  
Cindy Domenico, Commissioner

ATTEST:

[Signature]  
Clerk to the Board



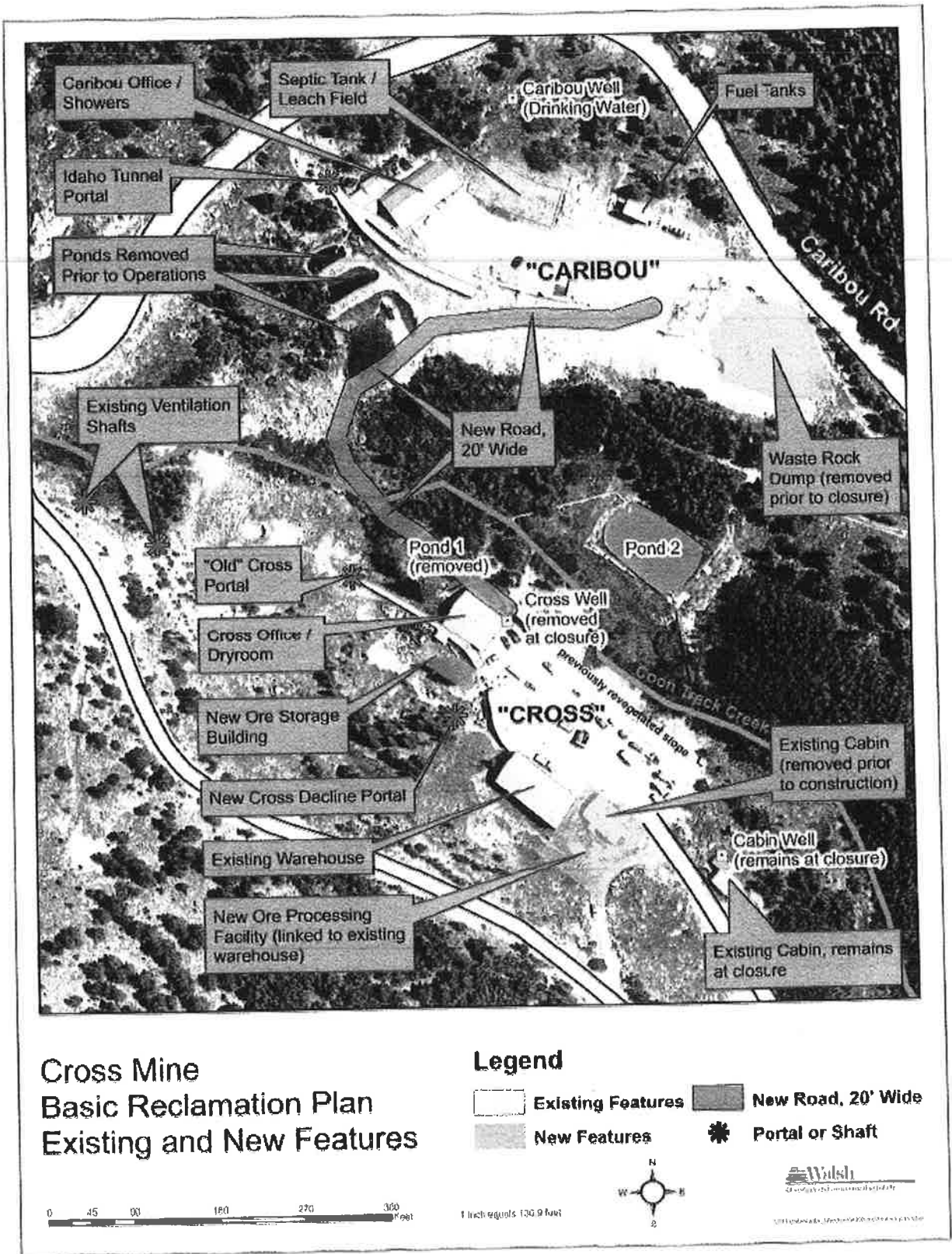


EXHIBIT B – SITE PLAN



# **TRANSPORTATION PLAN**

**(Traffic Control and Management Plan)**

**Calais Resources**

**Cross Mine Expansion Program**

March 2008

*Prepared for*

**Calais Resources**

WALSH Project Number: 7160-010

(Modified by Calais Resources April, 2011)

**Introduction:**

This Transportation Plan (TP) (*In the Special Use Review Application prepared by WALSH Engineering, this TP is referred to in that document as the Traffic Control Plan.*) conforms to the Manual on Uniform Traffic Control Devices (MUTCD), Section 6C-1 and is intended to address issues associated with the expansion of the Cross Mine, a gold and silver mining operation near Nederland, Colorado. The Cross Mine is entirely owned by Calais Resources. The mine is located approximately 3 miles west of Nederland, Colorado in the Roosevelt National Forest at an elevation of approximately 9700 ft. above sea level. All activities associated with the expansion of the Cross Mine are on private fee land owned by Calais Resources.

**Execution:**

Traffic associated with this expansion will consist of mobilization and demobilization of equipment, material delivery, onsite vehicle traffic, daily worker traffic, and off-site hauling of some initial waste rock, concentrate and mine tailings. Construction traffic, to include contractors and their workers, will be advised to obey all traffic laws and speed limits when traveling to and from the Cross Mine Site.

**Construction Traffic:**

Contractor's personnel shall enter and leave the area through the entrance(s) and exit(s) designated by Calais Resources. A contractor will construct a new road and Calais Resources will designate haul routes for access and internal circulation during site construction. Loaded vehicles may not exceed the 15 miles per hour speed limit while onsite.

Minimal disturbance to adjacent roads is expected during the construction phase. Arrivals and departures of construction vehicles entering and leaving the site via County Road 128 (also known as Caribou Road) will be staggered whenever possible. In the unlikely event that temporary traffic control measures/devices are required on County Road 128 during construction (i.e., assistance with large equipment deliveries and/or an elevated volume of vehicles entering or leaving the site at similar times), this TP will be modified (in accordance with MUTCD and CDOT specifications) and resubmitted to the Boulder County Transportation Department for review and approval. No road closures are anticipated for this project.

The construction period for this project is anticipated to last approximately six to 18 months, dependent upon building designs, site access restrictions, contractor availability, and weather conditions. As necessary, traffic signs will be placed to alert motorists on County Road 128 of potential hazards. The placement and types of signage required will conform to MUTCD and CDOT specifications and standards.

Heavy equipment will be subject to all weight limit restrictions along roadways to and from the site (C.R.S. 42-4-507 and C.R.S. 42-5-508). As necessary, the contractor will apply for a Boulder County Oversize/Overweight permit with the Boulder County Transportation Department (C.R.S. 42-4-510(11)).

Surrounding road conditions (in particular County Road 128) will be evaluated prior to commencement of site construction activities. These nearby County and Forest Service roads will be repaired and/or replaced as needed to or better than the pre-existing conditions after Mine Site construction.

### **Blasting:**

Very limited surface blasting will occur at this Project. Surface blasting will be required during the initial opening of the new Cross Mine decline. Following construction of the Cross Mine decline, all blasting will occur within the underground mine workings. Proposed surface or near surface blasting times/schedules will be submitted to Boulder County where such notice will not result in a pattern being left undetonated. *(There may be necessary delays as to when an actual blast will occur. Once a blast pattern is loaded, it cannot be left. A blast may only occur when it is safe. Therefore, blasting could occur outside of the times provided in the blasting schedule.)* Surface or near surface blasting will not occur during peak traffic hours. Additionally, adjacent property owners will be provided surface or near surface blasting schedules for construction of the new Cross Mine decline portal. Message boards will be utilized in accordance with MUTCD guidance and will be posted as required by Boulder County Land Use Code. In addition, school buses typically do not pass the Cross Mine site on adjacent County Road 128. When it is considered prudent and in the interest of safety, Calais Resources will contact the appropriate Boulder County authorities to get permission to close Boulder County 128 during a surface or near surface blast.

### **Post Construction Mine Operations:**

#### *Crushing:*

Run of mine ore crushing will occur inside an already constructed building. Crushed ore will be transported offsite in 20-ton haul trucks. Presently, the operation is limited to 35,000 tons per year by its Colorado Department of Public Health and Environment, Air Pollution Control Division, Air Quality Permit. Therefore, given a limit of 35,000 tons per year under the terms of the Air Quality Permit, approximately six, 20-ton trucks per day or approximately 30 truck loads per 6 day work week shall be hauled off-site. On occasion, an additional 20-ton truck load may be added to make up for holidays and other down work days.

#### *Milling:*

Milling of ore will occur at the onsite surface mill *(At a future date and not yet constructed)*. Concentrate material will require offsite transportation throughout the life of the mine's



operation. The expected annual shipments of concentrate by 20-ton trucks are estimated at approximately 2,800 tons per year, or 140 trucks per year (approximately 3 trucks per week).

Mill tails production is initially estimated at approximately 40 tons per day. In the first one or two years of mine operations, these tailings will either be hauled offsite to a local sand and gravel operation or disposed underground as a cement/tails slurry. If hauled offsite, tailings truck traffic is estimated at two truckloads per day in 20-ton trucks. At the end of this period of underground mine development, the tunnel network will be sufficient to allow disposal of a cement/tails slurry, underground as backfill. No further offsite disposal of tails will be necessary unless such material is specifically purchased for other uses. The only consistent truck hauling from the Cross Mine site will be for shipment of mill concentrate.

*(Extensive testing, approved by the Colorado Division of Reclamation, Mining and Safety, has demonstrated the Cross Mine Mill tails are benign and have a basic pH due to the high level of calcium carbonate. Due to the hardness of the material and its non-acidic properties, the tails are acceptable for concrete manufacturing and other sand based manufacturing purposes. Therefore, there may be spot sales of tails.)*

As discussed in a previous section, traffic will be subject to all weight limit restrictions on roadways to and from the Cross Mine site (C.R.S. 42-4-507 and C.R.S. 42-5-508). If haul trucks will exceed the applicable weight restrictions, based on the anticipated load to be hauled and the axles present, an application for a Boulder County Oversize/Overweight permit application will be submitted to the Boulder County Transportation Department (C.R.S. 42-4-510(11)) for.

### **Additional Traffic Considerations:**

As briefly discussed above, additional traffic associated with the Project restart will likely consist of the following:

- *Periodic Material Deliveries:* Diesel fuel; propane for heating; mill reagents, to include flocculent, sodium isopropylxanthate, pine oil, frothers, lime, other miscellaneous items (all reagents are non-toxic and non-hazardous) and bottled water.
- *Sanitation and Waste Services:* Trash and recycling dumpsters will be exchanged on a regular schedule and portable sanitation facilities used during construction will require periodic servicing and maintenance.
- *Daily Worker Traffic:* Mine employees are expected to provide their own transportation from their domicile to the workplace. Calais Resources is considering the purchase of a 12-passenger van to shuttle workers from Nederland to the Cross Mine site in an effort to minimize onsite personal vehicles and reduce the amount of traffic on Boulder County Road 128. Calais Resources considers the observance of all traffic laws and speed limits to be a safety issue. Therefore, all contractors and their employees will be instructed to obey all traffic laws and speed limits when traveling to and from the Cross Mine Site and while on the Cross Mine Site property.

The surrounding County and Forest Service roads impacted by the Cross Mine operations may be improved to some degree; if the two entities are able to use the benign, non-leaching waste rock (quartz monzonite) generated from the development of the Cross Mine decline portal. Waste rock will be temporarily stockpiled near the western mine site entrance.

**Training:**

Calais Resources traffic control personnel will have the necessary training to perform their respective duties. Periodic assessments will be made in order to identify and specify any traffic safety requirements and proper courses of action to ensure safe and efficient traffic management operations.

**Calais Resources Contacts:**

Mine Site	(303) 258-3806
Mr. David Young (President/CEO)	(303) 483-5163
Mr. Tom Hendricks (V.P. Operations)	(303) 258-3806



**SUBORDINATION AGREEMENT**

**(Brigus and Aardvark Deeds of Trust to Development Agreement  
Governing Developer's Obligations in Calais Resources, Inc. Cross  
Mine Expansion, Boulder County Land Use Docket #SU-08-006)**

This Agreement is made this 8<sup>th</sup> day of June, 2011 by and between Calais Resources, Inc. and Calais Resources Colorado, Inc. (together, "Calais") and Brigus Gold Corp, a Canadian corporation and Brigus Gold, Inc., a Delaware corporation (together, "Brigus"), Brigus Gold, Inc. being the successor by merger to Apollo Gold, Inc., a Delaware corporation, and the Board of County Commissioners of Boulder County, Colorado ("County"), (and, together, the "Parties");

WHEREAS Calais Resources, Inc. has entered into a Development Agreement Governing Developer's Obligations in a matter known as Calais Resources Inc., Cross Mine Expansion SU/SSDP, Boulder County Land Use Docket #SU-08-006) ("Development Agreement"), which encompasses a 9.35 acre authorized permit area; and

WHEREAS County requires that senior liens and deeds of trust be made subordinate to County's rights to enforce the Development Agreement within the permit area subject to the Development Agreement, and, that such Development Agreement remain in effect (not be extinguished) by the exercise of any legal rights under the liens and deeds of trust; and

WHEREAS the Development Agreement, when recorded, would otherwise be junior to the liens and deeds of trust of the certain parties, and, such parties wish to subordinate those rights to the Development Agreement in aid of permitting and developing one or more mines and related facilities within the permit area pursuant to the Development Agreement; and

WHEREAS Brigus is the owner and holder and beneficiary ("beneficiary") of a certain note and deed of trust from Aardvark Agencies, Inc. to the Public Trustee for the benefit of Broadway Mortgage Corporation and others, and recorded on September 5, 2003 at RN 2798812 (the "Aardvark/Broadway deed of trust"), together with its various assignments and modifications described at Exhibit A attached hereto; and

WHEREAS Brigus is the beneficiary of a certain note and deed of trust from Calais Resources Colorado, Inc for the benefit of Broadway Mortgage Corporation and others recorded on September 5, 2003 at RN 2798813 (the "Calais/Broadway deed of trust"), together with its various assignments and modifications described at Exhibit B attached hereto; and

WHEREAS Brigus is the owner by assignment, and secured by, a certain Security Agreement recorded October 16, 2003 at RN 2516512, which Agreement is further security for the Calais/Broadway and Aardvark/Broadway Deeds of Trust referenced above, and recorded on October 16, 2003 at RN 02516512 ("Security Agreement") filed and recorded pursuant to the Uniform Commercial Code of the State of Colorado; and

WHEREAS Brigus is the beneficiary of a certain note and deed of trust from Calais Resources Colorado, Inc. for the benefit of Duane A. Duffy and Glenn E. Duffy and others recorded August 23, 2005 at RN 2715644 (the "Calais/Duffy deed of trust"), together with its various extensions, modifications and assignments described on Exhibit C attached hereto; and

WHEREAS Brigus is the beneficiary of a certain Amended Deed of Trust (the "Apollo Amended Deed of Trust") from Calais Resources Colorado, Inc. for the benefit of Apollo Gold Corporation (of which Brigus Gold Corporation is the successor by merger) and recorded on February 3, 2010 at RN 03056891; and

WHEREAS Calais Resources Colorado, Inc. is the beneficiary of a certain note and deed of trust from Aardvark Agencies, Inc. for the benefit of Calais Resources Colorado, Inc. and recorded on RN 1902445 (the "Aardvark/Calais deed of trust") together with a prior subordination and partial release described on Exhibit D attached hereto and made a part hereof;

NOW THEREFORE, in consideration of the County's entering into the Development Agreement pursuant enable the Project subject to the Development Agreement to proceed, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confirmed, a Subordination Agreement (the "Subordination" or "Subordination Agreement")) with the following terms and conditions is entered into:

#### COVENANTS OF SUBORDINATION

1. The above recitals are incorporated here by reference.
2. Brigus and Calais, acting individually and collectively, covenant and agree that the Aardvark/Broadway deed of trust, the Calais/Broadway deed of Trust, the Security Agreement, the Calais/Duffy Deed of Trust, the Calais/Apollo Amended Deed of Trust and the Aardvark/Calais Deed of Trust shall be, within the limits of the permit boundary and properties covered by the Development Agreement, and for all related purposes, including the continuity, continuation in effect and enforcement of the Development Agreement, be subordinate and junior to such Development Agreement. Such subordination shall apply, and continue to apply, to any modifications, consolidations, replacements, substitutions, allonges, additions and extensions to any of the five referenced

deeds of trust and their attendant promissory notes, and to the Security Agreement.

3. Calais and Brigus agree that recordation and filing of this Subordination Agreement shall in no way change any of the terms, covenants or conditions of the five referenced deeds of trust, and the Security Agreement, or rights of enforcement thereunder, and that the same shall remain in force and effect, and subject to any agreements, recorded, or unrecorded, which may govern those agreements as between the parties, with any modifications, amendments, substitutions, consolidations, allonges, forbearance agreements or replacements as may hereafter be executed.

4. This Subordination Agreement shall be recorded in the records of Boulder County, Colorado.

5. Other than the continuity and effect and the enforcement of the Development Agreement (which shall be recorded in Boulder County, Colorado, when executed, in later sequence), Boulder County claims no right under the Development Agreement to otherwise interfere with the quiet and peaceful enjoyment of the properties subject to the deeds of trust or security agreement, or within the permit area approved by the Development Agreement, other than in the exercise of proper and necessary governmental functions under law or regulation.

6. This agreement shall bind and inure to the benefit of and be binding upon, and enforceable by, the parties hereto, their heirs, successors and assigns.

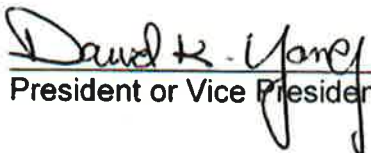
Dated the day and year first above written.

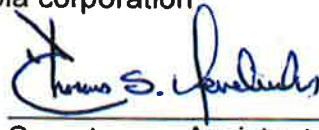
BOULDER COUNTY, by and through its Board of County Commissioners

\_\_\_\_\_  
Chair, Boulder County Board of County Commissioners

\_\_\_\_\_  
Clerk to the Board of County Commissioners

Calais Resources, Inc., a British Columbia corporation

  
\_\_\_\_\_  
President or Vice President

  
\_\_\_\_\_  
Secretary or Assistant Secretary

Calais Resources Colorado, Inc., a Nevada corporation

\_\_\_\_\_  
President or Vice President

David Young  
\_\_\_\_\_  
Secretary or Assistant Secretary

Brigus Gold Corp., a Yukon Territory corporation

David Young  
\_\_\_\_\_  
President or Vice President

M. Williams  
\_\_\_\_\_  
Chief Financial Officer M. WILLIAMS

Brigus Gold, Inc., a Delaware corporation

David Young  
\_\_\_\_\_  
President or Vice President

M. Williams  
\_\_\_\_\_  
Chief Financial Officer M. WILLIAMS

STATE OF COLORADO

(ss.

COUNTY OF BOULDER

Subscribed and sworn to before me this \_\_\_\_ day of June, 2011, by  
\_\_\_\_ as Chair and \_\_\_\_ as Secretary to the  
Board, of the Board of County Commissioners in and for the County of Boulder,  
Colorado.

By \_\_\_\_\_

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF COLORADO

(ss.

COUNTY OF BOULDER

Subscribed and sworn to before me this 9<sup>th</sup> day of June, 2011, by  
David Young as President and Thomas S. Hendricks as Secretary



Calais Resources, Inc. a British Columbia corporation registered to do business in Colorado.

By Margaret I. Wallace

My commission expires: 9/1/2014

Margaret I. Wallace  
Notary Public



STATE OF COLORADO

(ss.)

COUNTY OF BOULDER

Subscribed and sworn to before me this 9<sup>th</sup> day of June, 2011, by  
Thomas S. Hendricks as President and Darin Young as  
Secretary, Calais Resources Colorado, Inc., a Nevada corporation  
registered to do business in Colorado.

By Margaret I. Wallace

My commission expires: 9/1/2014

Margaret I. Wallace  
Notary Public



STATE OF COLORADO

(ss.

COUNTY OF Hrapahoe

Subscribed and sworn to before me this 8<sup>th</sup> day of June, 2011, by  
Wendy Yang as Vice President and Melvyn Williams as  
Secretary, Brigus Gold, Inc., a Delaware corporation.

By Susan L. BeeckMy commission expires: 6/26/2014

Susan L. Beeck  
 Notary Public



STATE OF COLORADO

(ss.

COUNTY OF Hrapahoe

Subscribed and sworn to before me this 8<sup>th</sup> day of June, 2011, by  
Wendy Yang as Vice President and Melvyn Williams as  
Secretary, Brigus Gold Corporation, a Yukon Territory  
 corporation.

By Susan L. BeeckMy commission expires: 6/26/2014

Susan L. Beeck  
 Notary Public

