

JOSEPH FATTOR

Attorney at Law

405 Harrison Avenue, Leadville, Colorado 80461

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July 29, 2021

Colorado Division of Reclamation Mining and Safety

Attention: Dustin Czapla

Email: dustin.czapla@state.co.us

Re: Leadville Mill

Existing Permit No. M1990-057

Application for Cyanide Processing

Mr. Czapla:

The following is intended to supplement the request, which I made to you yesterday for an extension of time within which to submit comments and/or objections to the application of Union Milling to undertake cyanide processing immediately adjacent to the finishing pond of the Leadville Sanitation District (a public utility).

The records of the Sanitation District reflect the following limited communications (or lack of thereof) with the District:

1. On November 19, 2020, the Sanitation District received a certified letter from Union Milling Contractors, which was provided with a proposed Structure Agreement and a Certification. It should be noted that the Sanitation District never signed a Structure Agreement with Union Milling or CJK Milling Company and was never provided with the required engineering evaluation.
2. On December 10, 2020, I directed a letter to Union Milling Contractors, which identified the concerns of the District relating to the storage of mine waste adjacent to its finishing pond. The cyanide processing activity was not then known or disclosed to the District.
3. On December 14, 2020, I directed an additional letter to Union Milling requesting a copy of the application, which it submitted to DRMS.

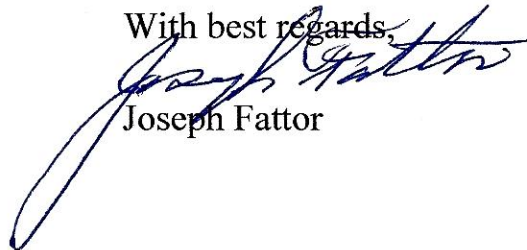
4. On December 16, 2020, Union Milling provided a response setting forth a website where a copy of the application could be obtained. This letter stated “note also that we are preparing an Amendment to this permit, which is not yet completed or approved by the regulators. We will also provide you with this update once approved by DRMS.” An update relating to the Amended Application was never received.
5. On December 29, 2020, I directed a final letter to Union Milling with a supplemental request for a hardcopy of its application to DRMS. The same was not provided.

Copies of all the above referred to documents are attached.

There have been no communications between Union Milling/CJK Milling and the Leadville Sanitation District since December 29, 2020. The District was not aware of a proposed cyanide processing facility next to its finishing pond until the matter recently appeared in the local newspaper.

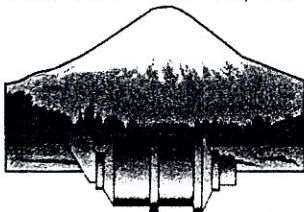
Thank you for your courtesies.

With best regards,

A handwritten signature in blue ink, appearing to read "Joseph Fattor", with a long, sweeping underline that extends to the left.

Joseph Fattor

cc: Leadville Sanitation District



Union Milling Contractors

PO Box 620490
Littleton, CO 80162
+1.720.413.5943

Certified Mail -

November 19, 2020

Leadville Sanitation District
PO Box 253
Leadville, CO 80461

Dear Leadville Sanitation Board,

Union Milling Contractors, LLC (UMC), operator of the Leadville Mill, 13815 Hwy 24, Leadville, CO, is preparing permit filings on behalf of the owner CJK Milling Company, LLC (CJK) for inclusion in a 112(d) Designated Mining Regular Operations permit in accordance with the Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board. This filing requires CJK to contact owners of structures within 200ft of the mill disturbance area (red outline). The Mill general facilities arrangement is attached. The green line indicates the disturbance area and the yellow line indicates your permanent structures.

Leadville Sanitation District has; a sewer line, a finishing pond and embankment, and a fence located within the 200ft disturbance area.

CJK requests that you provide a notarized agreement between the applicant (CJK) and the person(s) having an interest (Leadville Sanitation District) in the structures, that CJK is to provide compensation for any damage to the structures. CJK has provided a Structure Agreement, approved by the Colorado Mined Land Reclamation Board for this use.

If you have any questions, I can be reached at 720-413-5943 or smichael@unionmilling.com.

Sincerely,

Stephanie Michael
Union Milling Contractors, LLC
Manager

Structure Agreement

This letter has been provided to you as the owner of a structure on or within two hundred (200) feet of a proposed mine site. The State of Colorado, Division of Reclamation, Mining and Safety ("Division") requires that where a mining operation will adversely affect the stability of any significant, valuable and permanent man-made structure located within two hundred (200) feet of the affected land, the Applicant shall either:

- a) Provide a notarized agreement between the Applicant and the Person(s) having an interest in the structure, that the Applicant is to provide compensation for any damage to the structure; or
- b) Where such an agreement cannot be reached, the Applicant shall provide an appropriate engineering evaluation that demonstrates that such structure shall not be damaged by activities occurring at the mining operation; or
- c) Where such structure is a utility, the Applicant may supply a notarized letter, on utility letterhead, from the owner(s) of the utility that the mining and reclamation activities, as proposed, will have "no negative effect" on their utility. (*Construction Materials Rule 6.3.12 and Rule 6.4.19 & Hard Rock/Metal Mining Rule 6.3.12 and Rule 6.4.20*)

The Colorado Mined Land Reclamation Board ("Board") has determined that this form, if properly executed, represents an agreement that complies with Construction Materials Rule 6.3.12(a), Rule 6.4.19(a), and C.R.S. § 34-32.5-115(4)(e) and with Hard Rock/Metal Mining Rule 6.3.12(a), Rule 6.4.20(a), and C.R.S. § 34-32-115(4) (d). This form is for the sole purpose of ensuring compliance with the Rules and Regulations and shall not make the Board or Division a necessary party to any private civil lawsuit to enforce the terms of the agreement or create any enforcement obligations in the Board or the Division.

The following structures are located on or within 200 feet of the proposed affected area:

1. Sewer Line North of Mill Building
2. Finishing Pond and Embankment to the East
3. Fence on the West Boundary of Leadville Sanitation Property
- 4.
- 5.

(Please list additional structures on a separate page)

CERTIFICATION

The Applicant **CJK Milling Company, LLC**, By **Stephanie Michael**, as **Manager, Union Milling Contractors, LLC**, does hereby certify that **Leadville Sanitation District** shall be compensated for any damage from the proposed mining operation to the above listed structures located on or within 200 feet of the proposed affected area described within Exhibit A of the Reclamation Permit Application for **Leadville Mill**, File Number **M1990 - 057**.

This form has been approved by the Colorado Mined Land Reclamation Board pursuant to its authority under the Colorado Land Reclamation Act for the Extraction of Construction Materials and the Colorado Mined Land Reclamation Act for Hard Rock, Metal, and Designated Mining Operations. Any alteration or modification to this form shall result in voiding this form.

NOTARY FOR PERMIT APPLICANT

ACKNOWLEDGED BY:

Applicant CJK Milling Company LLC Representative Name Stephanie Michael

Date 11-19-20 Title Manager

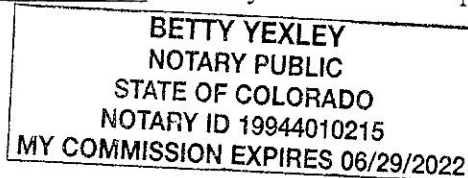
STATE OF Colorado)

COUNTY OF Jefferson)ss.

The foregoing was acknowledged before me this 19 day of November, 2020, by Stephanie Michael as Manager of Union Milling Contractors, LLC

Betty Yexley
Notary Public

My Commission Expires: 06/29/2022



Notary Public

My Commission Expires: _____

JOSEPH FATTOR

Attorney at Law

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December 10, 2020

Union Milling Contractors, Lake County Court
Attention Stephanie Michael, Manager
Email: smichael@unionmilling.com 303P

Re: Leadville Sanitation District

Stephanie Michael:

Thank you for your email which was transmitted earlier on this date.

My client will certainly be concerned with any contamination which may occur to its property, (consisting of a sewer treatment facility), resulting from any activity relating to the storage of mine waste. I will call you after I have had an opportunity to investigate the remedies which may be available in the event any contamination should occur. In the interim, I am reluctant to suggest that the Board for the Leadville Sanitation District should sign the proposed Agreement which you tendered with your letter sent to the District on November 19.

I will communicate with you further after I have completed my research into the matter.

With regards,

Joseph Fattor

cc: LSD 303P

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December 14, 2020

Union Milling Contractors

Attention Stephanie Michael, Manager

Email: smichael@unionmilling.com 309P

Re: Leadville Sanitation District

Stephanie Michael:

Following the letter which I wrote to you on December 10, I discovered that I will need a copy of the Application which you have submitted to the Colorado Mined Land Reclamation Board in behalf of Union Milling Contractors for the required/requested permit in order to be fully advised in the premises. Would you please send me a copy of each?

Thank you for your courtesies and assistance.

With regards,

Joseph Fattor

cc: LSD 309P

FATTORLAW@msn.com

From: Stephanie Michael <smichael@unionmilling.com>
Sent: Wednesday, December 16, 2020 11:24 AM
To: Joseph Fattor
Cc: angelina; Nick Michael; GARY KNIPPA
Subject: Re: Leadville Sanitation District

Mr. Fattor,

Per your request we refer you to the DRMS website link <https://www.colorado.gov/drms> where you will find the current permit documents, our permit number is M1990-057. Note also that we are preparing an Amendment to this permit, which is not yet completed or approved by the regulators. We will also provide you with this update once approved by DRMS.

Regards,
Stephanie Michael

On Dec 14, 2020, at 3:09 PM, Joseph Fattor <FATTORLAW@msn.com> wrote:

<12.14.2020 LSD letter to Union Milling Contractors.docx>

JOSEPH FATTOR

Attorney at Law

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(719) 486-2686 Fax: (719) 486-2118 Email: fattorlaw@msn.com

December 29, 2020

Union Milling Contractors

Stephanie Michael

Email: smichael@unionmilling.com *325P*

Re: Leadville Sanitation District

Stephanie Michael:

Thank you for the email which you transmitted to me on December 16 as a response for my request that you provide a copy of the Application submitted to the Colorado Mine Land Reclamation Board in behalf of Union Milling Contractors.

I regret to advise you that I was not able to recover the requested document from the website identified within your email. I am now renewing my request that you provide me with hard copies of the subject Application together with its attachments.

With best regards,

Joseph Fattor

cc: Steve Bain *325P*