

January 25, 2022

Daniel Pollock
Grand Island Resources, LLC
4415 Caribou Rd
P.O. Box 3395
Nederland, CO 80466

RE: Cross Gold Mine, Permit No. M-1977-410, 110(2) Hard Rock Permit Amendment Application (AM-02), Adequacy Review No. 4

Mr. Pollock:

The Division of Reclamation, Mining and Safety (Division) has completed its review of your adequacy response for Amendment No. 2 (AM-02), received on January 21, 2022. The Division has identified adequacy items in the application requiring additional information or clarification. These items are identified below under their respective exhibit heading, and are numbered sequentially.

Exhibit C – Mining Plan (Rule 6.3.3):

- 1) The Division has the following comments regarding Table 1 – Disturbance:
 - a. If the approximate dimensions (875x40) for “New Roadway Between Cross and Caribou Mines” are correct, please revise the square feet to “35,000” and acres to “0.803”.
 - b. If the approximate dimensions (5x5) for “Ventilation Shaft and Escapeway” are correct, please revise the square feet to “25” and acres to “0.0006”.
 - c. If the square feet (420) and acres (0.0096) for “Caribou Management Office” are correct, please revise the approximate dimensions to “42x10”.
 - d. Once the above corrections have been made, please revise the “Total Disturbed Area” square feet to “172,520” and acres to “3.9605”.
 - e. The “Total Undisturbed Area” within the permit area is estimated to be 6.1956 acres. If this value is correct, then adding it to the “Total Disturbed Area” of 3.9605 acres (see above) would result in a total of 10.1561 acres. This total acreage exceeds the proposed permit area of 9.9 acres. Therefore, the Division believes the operator’s estimated square feet and acres for “Total Undisturbed Area” are incorrect. Please revise accordingly.



Exhibit D – Reclamation Plan (Rule 6.3.4):

- 2) The Division has the following questions regarding Table 1 – Site Components for Reclamation:
 - a. The operator removed the Cross Ventilation Shaft from this table, which was one of the six mine openings for which a closure plan was previously provided. For this shaft in particular, the operator had proposed installing a precast concrete panel closure, backfilling and grading the area to 3H:1V, retopsoiling and revegetating the graded area, and installing a chain link fence around the area with signage. Please explain why this shaft has been removed from the text and maps.
- 3) The operator's response to Item #21 states the list (of mine components that will remain after reclamation) was updated. However, the Division could not find the revised list with the operator's submittal. Please provide the revised list so the structures/features proposed to remain can be correlated to the revised Maps 5 and 6.

Exhibit E – Maps (Rule 6.3.5):

- 4) For Map 2, the Division has the following comments:
 - a. Please include the names of all landowners within 200 feet of the proposed permit boundary, particularly the USFS, which owns land directly east of the proposed Cross-Caribou permit area (see enclosed screen capture of this parcel from Boulder County Assessor's website).
 - b. Please explain why the Cross Ventilation Shaft was removed from this map. This shaft was included on previously approved site maps.
- 5) For Map 3, the Division has the following comments:
 - a. Please ensure the names of all landowners within 200 feet of the proposed permit boundaries are correct. According to the Boulder County Assessor's website, the parcel located west of the proposed Caribou 300 Level Portal permit area which is labeled "Aardvark Agencies Inc." is actually owned by "Edward Norton and Rebecca Sue Pronto". Additionally, the Assessor's website shows the parcel located the closest to the southern boundary of the proposed Caribou 300 Level Portal permit area which is labeled "Robert P Fullerton" is actually owned by "William D. Backman Jr". Screen captures of these parcels from the Boulder County Assessor's website are enclosed.
- 6) For Map 4, the Division has the following comments:
 - a. Please show the approximate location(s) of any proposed topsoil stockpiles (one was proposed in the operator's Item #17 response).
 - b. Please explain why the Cross Ventilation Shaft was removed from this map. This shaft was included on previously approved site maps.

- 7) For (renumbered) Map 5, the Division has the following comments:
- a. This map shows the following structures to remain for reclamation: Caribou Offices and Dryroom, Caribou Well, Munitions (North), Fuel and Oil Shed, Caribou Parking Area, Cross Shop, Cross Well, Cross Parking Area, Historic Cabin, Cabin Well, and Weather Monitoring Shed. All other existing structures/features will be reclaimed. Is this accurate? The Division is asking for clarification as some structures are removed from this map, some are shaded light green (reclaimed and revegetated per the legend), and some are shaded dark green (no explanation provided in the legend). Please ensure all structures/features proposed to remain on this map correlates with the revised list requested in Item #3 above.
 - b. Please explain why the Cross Ventilation Shaft was removed from this map. This shaft was included on previously approved site maps. This disturbance area (observed during site inspections) will require reclamation, and therefore, reclamation of this area should be included in the reclamation plan and map(s).

Exhibit L – Permanent Man-Made Structures (Rule 6.3.12):

- 8) Where the affected lands are within 200 feet of any significant, valuable and permanent man-made structure, the operator must provide a notarized agreement between the operator and the person(s) having an interest in the structure, that the operator is to provide compensation for any damage to the structure. Where such a structure is a utility, the operator 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.

The operator has provided all required structure agreements, except for the USFS Road 505 (located within 200 feet of the proposed Caribou 300 Level Portal permit area). For this structure, the operator has provided text from an email sent to Mike Johnson of the USFS requesting that he “please respond to this email with the language above, stating that the mining and reclamation activities, as proposed, will have ‘no negative effect’ on the utility”.

Please be advised, the Division does not consider a road to be a “utility” (typical utilities include poles, lines, and wires used for telephone, electric, natural gas, and other distribution or transmission purposes), and therefore, the structure agreement for USFS Road 505 must be provided on the standard notarized structure agreement form (see enclosed). Additionally, the operator must provide the Division with proof that a structure agreement has been attempted, and the email provided is not sufficient proof for the following reasons: the email is not dated, there is no response email from Mr. Johnson confirming receipt, and a copy of the structure agreement form (signed and notarized by the operator) that was sent to Mr. Johnson is not provided. Please provide sufficient proof that a structure agreement form (properly executed by the operator) has been sent to the USFS. Such proof is typically in the form of a Certified Mail Receipt (along with a copy of the form that was sent to the structure owner). However, if the operator chooses to provide proof of email delivery, the information listed above must be included in the documentation provided.

Additional Item(s):

- 9) Pursuant to Rule 1.6.2(1)(c), any changes or additions to the application on file in our office must also be reflected in the public review copy which was placed with the local County Clerk and Recorder. Pursuant to Rule 6.4.18, you must provide our office with an affidavit or receipt indicating the date this was done.

This concludes the Division's 4th adequacy review of AM-02. The decision date for the application is currently set for **February 8, 2021**. Please submit your adequacy response with sufficient time prior to the decision date for the Division to complete its review process. Per Rule 1.4.1(9), the Division staff will not be able to approve an additional extension of the decision date for this application, as the current decision date coincides with the 365-day deadline from filing.

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,



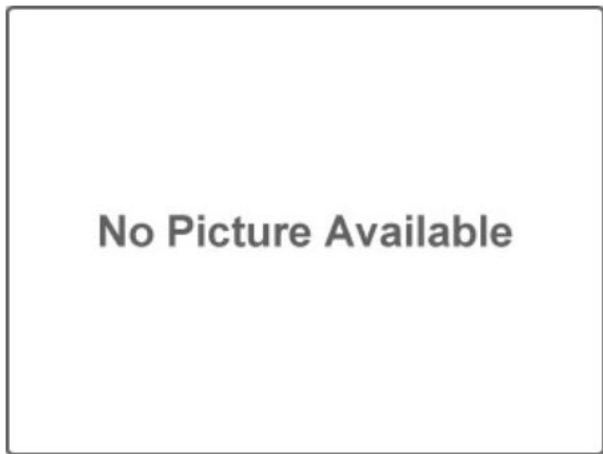
Amy Eschberger
Environmental Protection Specialist

Encls: Screen capture of USFS parcel
Screen capture of Edward Norton and Rebecca Sue Pronto parcel
Screen capture of William D. Backman Jr parcel
Structure Agreement form

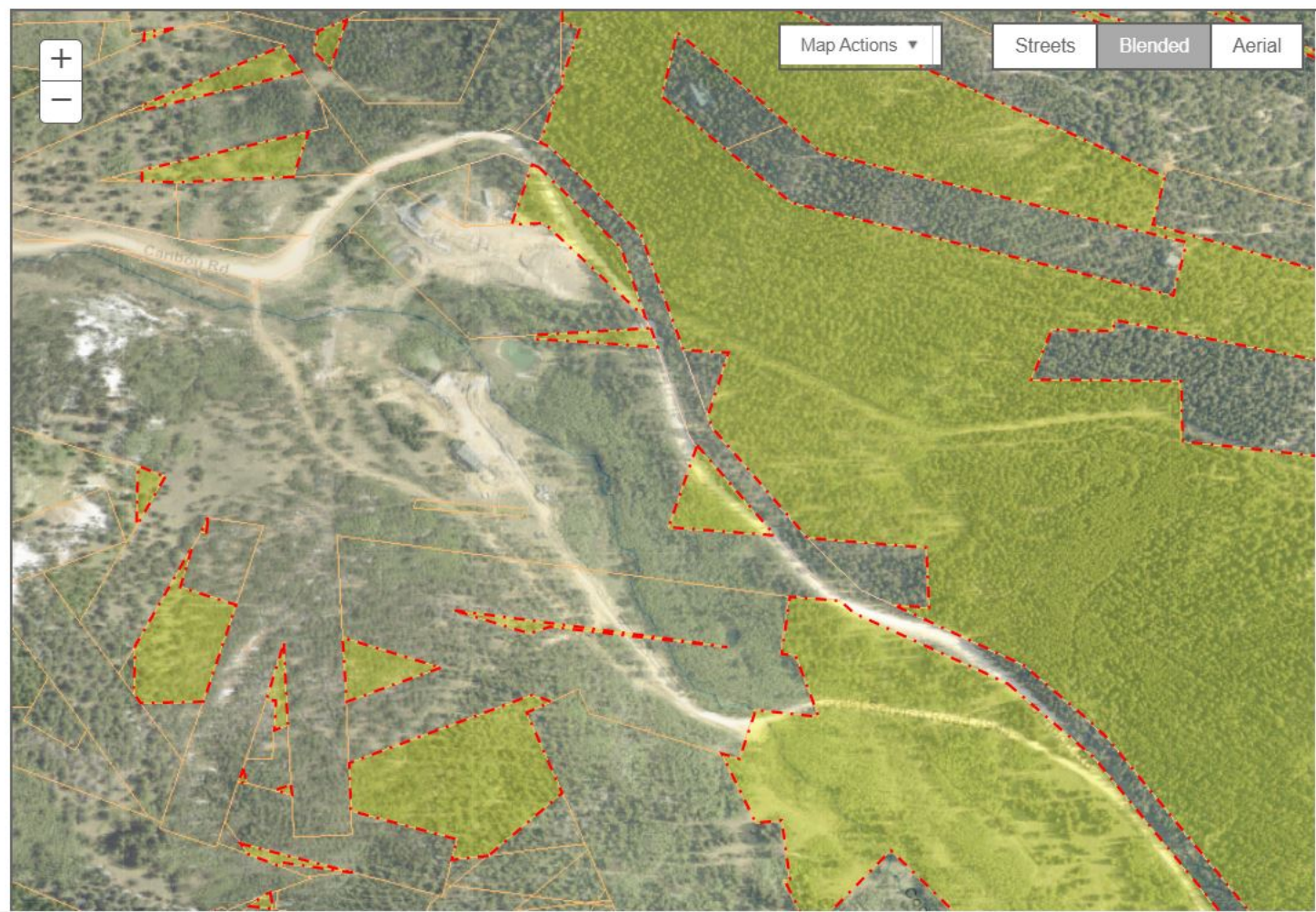
Cc: Richard Mittasch, Grand Island Resources, LLC
Daniel Takami, Grand Island Resources, LLC
Michael Cunningham, DRMS

To see property information, click the appropriate header. Click again to collapse the tab.

Property—ownership, address and other property information



Account Number:	R0091749
Owner:	U S GOVERNMENT
Mailing Address:	
City:	WASHINGTON DC
Zip:	20001
Sec-Town-Range:	09 -1S -73
Subdivision:	TR, NBR 920 ELDORA AREA
Market Area:	620

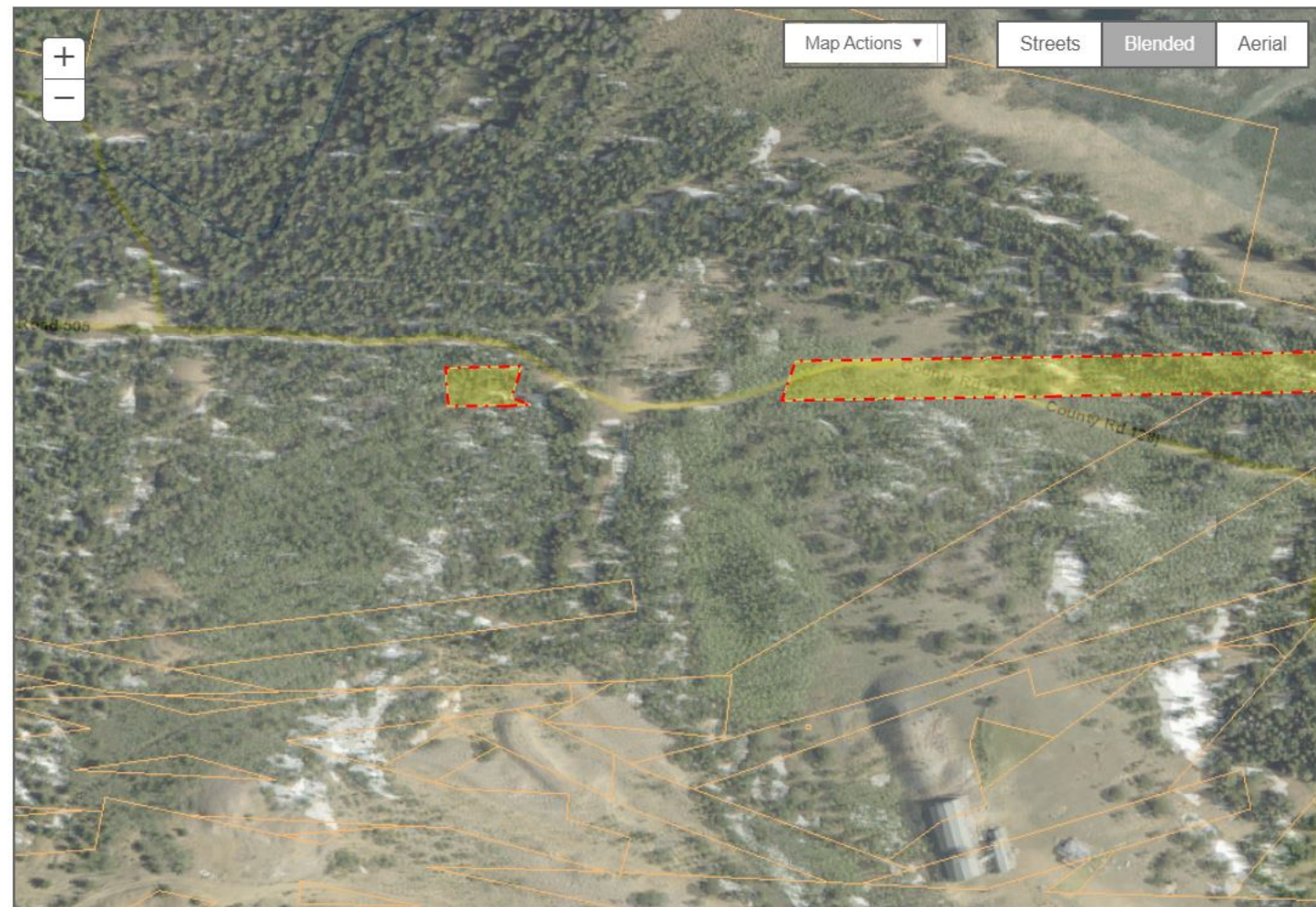


To see property information, click the appropriate header. Click again to collapse the tab.

Property—ownership, address and other property information

No Picture Available

Account Number:	R0028464
Owner:	NORTON EDWARD & RECECCA SUE PRONTO
Mailing Address:	13881 GAYLORD ST
City:	BRIGHTON CO
Zip:	80602-6367
Sec-Town-Range:	08 -1S -73
Subdivision:	MINING CLAIMS
Market Area:	002

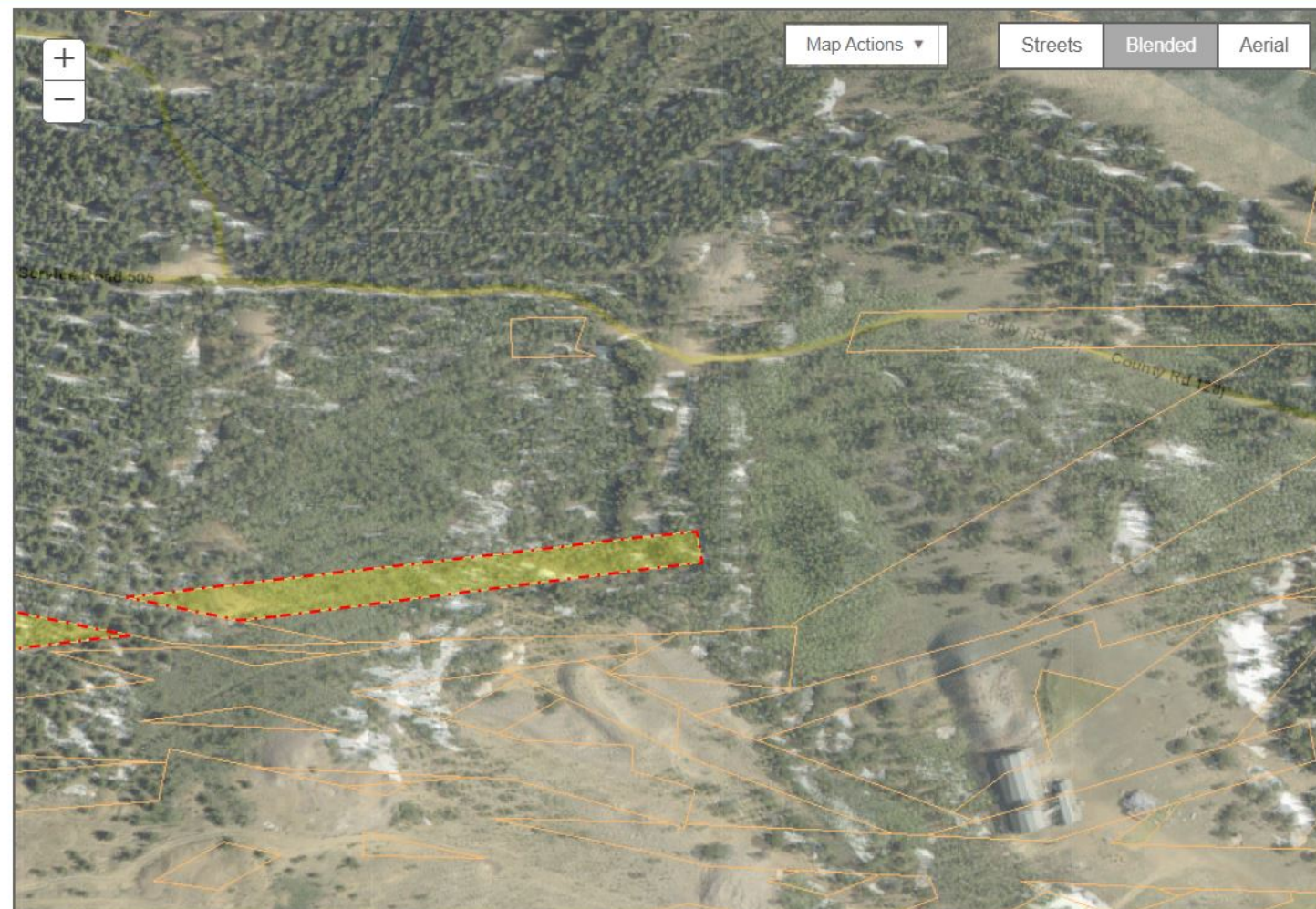


To see property information, click the appropriate header. Click again to collapse the tab.

Property—ownership, address and other property information

No Picture Available

Account Number:	R0026954
Owner:	BACKMAN WILLIAM D JR
Mailing Address:	14 PEBBLE BEACH LN
City:	LAWRENCEBURG IN
Zip:	47025-7393
Sec-Town-Range:	08 -1S -73
Subdivision:	MINING CLAIMS
Market Area:	002



An example Structure Agreement which meets the requirements of the Statutes is shown below.

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. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____

(Please list additional structures on a separate page)

CERTIFICATION

The Applicant, _____ (print applicant/company name),
by _____ (print representative's name), as _____ (print
representative's title), does hereby certify that _____ (structure owner) shall
be compensated for any damage from the proposed mining operation to the above listed structure(s)
located on or within 200 feet of the proposed affected area described within Exhibit A, of the Reclamation
Permit Application for _____ (operation name),
File Number M-____-____.

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 _____ Representative Name _____

Date _____ Title _____

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing was acknowledged before me this ____ day of _____, 20____, by _____ as _____ of _____.

Notary Public

NOTARY FOR STRUCTURE OWNER

ACKNOWLEDGED BY:

Structure Owner _____ Name _____

Date _____ Title _____

STATE OF _____)

) ss.

COUNTY OF _____)

The foregoing was acknowledged before me this ____ day of _____, 20____, by
_____ as _____ of _____.

_____ My Commission Expires: _____

Notary Public