

February 8, 2022

Daniel Takami  
Grand Island Resources, LLC  
12567 West Cedar Dr.  
Lakewood, CO 80228

**RE: Cross Gold Mine, Permit No. M-1977-410, 110(2) Amendment Approval (AM-02)**

Mr. Takami:

On February 8, 2022, the Division of Reclamation, Mining and Safety (Division) approved the Amendment application (AM-02) filed with our office on February 8, 2021, addressing the following:

*Increase permit area by 1.04 acres for a total permit area of 9.99 acres, including addition of the Potosi Shaft and the Caribou 300 Level Portal. Also revise mining and reclamation plans and maps to address the addition of a new internal road between the Cross Mine and the Caribou Mine, and updated ground support and reclamation plan for the Idaho Tunnel Portal at the Caribou Mine.*

The terms of the Amendment No. 2 approved by the Division are hereby incorporated into Permit No. M-1977-410. All other conditions and requirements of Permit No. M-1977-410 remain in full force and effect. The Division would like to add that AM-02 approval does not alter the limitations of extracting less than 70,000 tons of mineral, overburden, or a combination of the two per calendar year; nor does it authorize the use or storage of designated chemicals in extractive metallurgical processing on site. Such changes to the approved permit must be reviewed by the Division through a separate permitting action.

If the Revised Liability amount exceeds the Financial Warranty amount currently held (see below), please submit the additional required Financial Warranty (Change in Liability amount). The revision will not be final until the Financial Warranty is received and approved by the Division. All Financial Warranty forms are available on our website at <https://drms.colorado.gov/forms/minerals-program-forms>.

Bond Held:	\$39,811.00
Prior Liability:	\$39,811.00
Change in Liability:	\$326,001.00
<b>Revised Liability:</b>	<b>\$365,812.00</b>

Additionally, please provide an updated Performance Warranty for the amended reclamation permit (see enclosed form).



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](mailto:amy.eschberger@state.co.us). For questions specifically regarding submittal of the Financial Warranty, please contact our Financial Assurance Specialist, Sara Stevenson-Benn by telephone at 303-866-3567, ext. 8148, or by email at [sara.stevenson-benn@state.co.us](mailto:sara.stevenson-benn@state.co.us).

Sincerely,

A handwritten signature in blue ink that reads "Amy Eschberger". The signature is written in a cursive, flowing style.

Amy Eschberger  
Environmental Protection Specialist

Encl: Performance Warranty form

Cc: Daniel Pollock, Grand Island Resources, LLC  
Richard Mittasch, Grand Island Resources, LLC  
Sara Stevenson-Benn, DRMS  
Michael Cunningham, DRMS



## COLORADO

Division of Reclamation,  
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215  
Denver, CO 80203

### PERFORMANCE WARRANTY

Permittee/Operator: \_\_\_\_\_

Operation known as: \_\_\_\_\_

Permit Number: \_\_\_\_\_

***This form is approved by the Colorado Mined Land Reclamation Board (“Board”) pursuant to C.R.S. 34-32-117 of the Colorado Mined Land Reclamation Act and C.R.S. 34-32.5-117 of the Colorado Land Reclamation Act for the Extraction of Construction Materials.***

All parties are on Notice from this Document that:

The above listed Operator provides this warranty to the Board in conjunction with a reclamation Permit to conduct the above described mining operation on certain lands in Colorado. The “Affected Lands” are described in the above listed reclamation Permit, and include any Permit Amendment(s) approved by the Division of Reclamation Mining and Safety (“Division”).

The Colorado Mined Land Reclamation Act, C.R.S. 34-32-101 *et seq.* (“Hard Rock Act”), and the Colorado Land Reclamation Act for the Extraction of Construction Materials, C.R.S. 34-32.5-101 *et seq.* (“Construction Materials Act”), both require a permit issued by the Board to include a written promise by the Operator to comply with all requirements of the Hard Rock and Construction Materials Acts (referred to herein together as “Acts”).

Through the terms and conditions of this performance warranty and Permit, the Operator agrees to be bound by all requirements of the Acts and all Mineral Rules and Regulations of the Board for Hard Rock, Metal, and Designated Mining Operations (2 C.C.R. 407-1) and all Mineral Rules and Regulations of the Board for the Extraction of Construction Materials (2 C.C.R. 407-4) (referred to herein together as “Rules”).

The Operator hereby provides the Board warranties of performance pursuant to C.R.S. 34-32-117(2), (3), and (4)/C.R.S. 34-32.5-117(2), (3), and (4), and promises the Board it will comply with all applicable requirements of the Acts and Rules.

The Operator hereby promises the Board it will comply with all of the terms of the reclamation Permit, including any Permit Amendment(s) approved by the Division. This performance warranty obligation of the Operator shall continue until the Operator’s liability is released by the Board.

The Operator promises to be responsible for reclamation costs up to the amount established by the Board and incorporates its financial warranty to this performance warranty. The Operator agrees to maintain a financial warranty (or warranties) in good standing for the reclamation costs for the entire life of the



Permit. The amount of the financial warranty shall be sufficient to assure the completion of reclamation of affected lands if the Division has to complete such reclamation due to forfeiture. If the Board determines the Operator is in default under this performance warranty and the Operator fails to cure such default, the Operator's financial warranty shall be subject to forfeiture pursuant to C.R.S. 34-32-118/34-32.5-118.

This performance warranty by the Operator is perpetual and shall remain in full force and effect until all obligations have been met and all associated financial warranty is released by the Board. Any release of liability in a succession of Operators shall comply with C.R.S. 34-32-119/34-32.5-119.

The provisions hereof shall bind and inure to the benefit of the parties hereto and their successors and assigns.

SIGNED, SEALED AND DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Operator: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

#### NOTARIZATION OF OPERATOR'S ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ )  
 ) ss.

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_  
(Day) (Month) (Year)

by \_\_\_\_\_ as \_\_\_\_\_  
(Name) (Title)

of \_\_\_\_\_.  
(Operator)

\_\_\_\_\_  
NOTARY PUBLIC

My Commission expires: \_\_\_\_\_

APPROVED:  
State of Colorado  
Mined Land Reclamation Board  
Division of Reclamation, Mining and Safety

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Division Director