

February 14, 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) [REVISED]

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) within 60 days of the date of this letter, by April 15, 2022. All Financial Warranties shall be set and maintained at a level which reflects the actual current cost of fulfilling the Reclamation Plan. The majority of the Financial Warranty amount calculated for AM-02 is associated with existing disturbance, and the current Financial Warranty amount of \$39,811.00 is insufficient to perform reclamation. Therefore, the operator must post the additional required Financial Warranty within 60 days in accordance with Rule 4.2.1(2). 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
Revised Liability:	\$365,812.00



Additionally, please provide an updated Performance Warranty for the amended reclamation permit (see form enclosed with Division's February 8, 2022 letter).

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.

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.

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

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