

February 17, 2022

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

**RE: Cross Gold Mine, Permit No. M-1977-410**  
**Notice of Designated Mining Operation Determination**

Mr. Takami:

Based on a review of the operational conditions at the Cross Gold Mine, the Division of Reclamation, Mining and Safety (Division) has determined, under criteria specified in Rule 1.1(20) of the Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal, and Designated Mining Operations (Rules), that the Cross Gold Mine meets the definition of a “Designated Mining Operation” (DMO). Under the authority of Rule 7.2.2, the Division hereby notifies Grand Island Resources, LLC that the determination has been made, effective on the date of this notice, that the Cross Gold Mine is a Designated Mining Operation.

The Division’s determination is based on the following:

The Cross Gold Mine discharges groundwater through the Cross Mine and the Idaho Tunnel portals. The Cross Gold Mine has historically treated groundwater before it is discharged to Coon Track Creek. The historic treatment has consisted of routing groundwater through a series of lined ponds and the addition of lime to the Cross Mine discharge. The discharge of treated wastewater is regulated by the Colorado Department of Public Health and Environment, Water Quality Control Division under CDPS Permit No. CO0032751.

On January 11, 2022, the Division conducted an inspection of the Cross Gold Mine and observed a new water treatment system. The system was brought online in December of 2021 and consists of filtration and adsorption water treatment technology. The Cross Gold Mine is required to treat water to prevent the discharge of heavy metals into Coon Track Creek. Designated Mining Operations are those operations at which toxic or acid producing materials may be exposed or disturbed as a result of mining operations. Rule 1.1(1) defines acid and toxic producing materials as natural or reworked earth materials having acid or toxic chemical and physical characteristics that, under mining or post-mining conditions of drainage, exposure, or other processes, produce materials which contain detrimental amounts of chemical constituents such as acids, bases, or metallic compounds.



The obligations and requirements of a site assigned with DMO status are described in Rules 6.4, 7, and 8, a copy of which may be downloaded from the Division's website at: <https://drms.colorado.gov/>.

If the Operator agrees with this determination, then you are required to notify the Division by mail of your concurrence within 30 days of the date of this notice, by **March 19, 2022**, and proceed to comply with the requirements of Subsections (2) and (3) of Rule 7.2.3. If the Operator disagrees with the Division's determination, then you may appeal this notice in writing to the Division within 30 days of the date of this notice. Rule 7.2.4 describes the procedures that the Operator shall follow for disputing the determination.

Pursuant to Rule 7.2.2(1), the Division will post notice of this determination to the next regular monthly agenda of the Mined Land Reclamation Board.

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).

Sincerely,

A handwritten signature in blue ink that reads "Amy Eschberger".

Amy Eschberger  
Environmental Protection Specialist

Cc: Daniel Pollock, Grand Island Resources LLC  
Richard Mittasch, Grand Island Resources LLC  
Michael Cunningham, DRMS  
Russ Means, DRMS  
Scott Schultz, DRMS counsel, AGO