



January 29, 2025

Mr. Patrick Lennberg
Environmental Protection Specialist
Colorado Division of Reclamation, Mining, and Safety
1313 Sherman Street, Room 215
Denver, CO 80203

Re: Cross Gold Mine (Permit No. M-1977-410) Response to DRMS Letter Dated January 16, 2025

Dear Mr. Lennberg:

Grand Island Resources, LLC ("GIR") appreciates the opportunity to address the discrepancies outlined in your January 16, 2025, letter regarding the 2024 Annual Production Report. Please find our responses below:

1. Explanation for the 50 Tons of Material

While our quarterly reports reflected no new mining or exploration activity since November 30, 2021, we did report a total of 50 tons of material in our 2024 Annual Production Report. This material was not newly mined ore, but rather waste rock that loosened due to freeze-thaw cycles and rapid water inflows impacting ground supports in both the Cross and Caribou Mines. During spring thaw and again in late fall, our safety procedures dictate that staff enter the underground workings to:

1. **Bar down** and remove loosened rock from drifts, raises, stopes, and other travel ways.
2. Clear and relieve material caught behind our welded-wire and bolted ground supports.

These tasks are standard housekeeping measures and are critical for ensuring safety and maintaining stable underground conditions; they do not constitute active mining or exploration. Rather, they involve removing previously loosened rock from the mine environment so that travel ways, supports, and stopes remain secure.

We included this tonnage in our annual report because we did not find an explicit exemption in **C.R.S. § 34-32-103** for waste rock removal. Out of an abundance of caution and commitment to transparency, we chose to report it despite it not being commercially valuable material nor generated by new mining activities.

2. Location and Disposition of the Material

All of this waste rock—totaling approximately 50 tons—was transported to our **designated waste dump area** at the Caribou operation center. None of it left the site for sale or commercial processing, as it was purely waste material arising from our ground support and safety measures.

Conclusion

We regret any confusion caused by categorizing the removed waste rock in the annual report without providing clarification in our quarterly submissions. Our intention was solely to ensure compliance with C.R.S. § 34-32-103 and maintain accurate records of all material handled at the site.

Should you have any additional questions, or if further clarification is required, please feel free to contact me at your earliest convenience. We appreciate your cooperation and will continue to work closely with the Division to ensure clarity and compliance moving forward.

Sincerely,

Richard Mittasch, V.P.
Grand Island Resources, LLC