

The Caribou and Cross Mines Have Been Part of Nederland's History for 152 years

Tom Hendricks had a well-deserved reputation for environmentally responsible hard rock mining. Grand Island Resources (GIR), current owner of the Caribou and Cross mines, is proud to continue his legacy. GIR has been and will continue to be a good neighbor. We have nearly completed the process of evaluating what has caused 11 exceedances of 400 aquatic life standard test parameters since December of 2019, and we have installed a new state-of-the-art water treatment system, which will prevent future violations. We weren't looking for a short term "fix." The long-term answer proved to be elusive.

Our plan has always been to establish a 21st century mining operation present and future generations in Boulder County will respect and appreciate. We are moving as quickly as science, engineering, and supply logistics allow to upgrade the rest of our equipment and facilities to fully protect the citizens of Boulder County and the environment. We want to clarify at the outset that the occasional exceedances did not result from a chemical spill, ore processing water release, or impoundment breach. In fact, the mines are not producing ore – we are cleaning, fixing, and repairing existing infrastructure and facilities. We will not resume operations until we are certain all applicable safety and environmental standards can be met.

GIR is currently fully engaged with federal, state, and local agencies, including Colorado's Water Quality Control Commission (WQCC), the Division of Reclamation, Mining and Safety (DRMS) and the Colorado Department of Public Health & Environment (CDPHE). We are focused on cleaning up the mine sites, improving antiquated infrastructure across both mines, and repairing and repainting existing structures, while dealing with the Idaho Tunnel collapse

that occurred in December of 2019 and the tragic passing of Tom Hendricks on January 6, 2020.

GIR has already spent \$4.1 million dollars and nearly 20,000 man-hours directly on repairing the Idaho Tunnel, which collapsed unexpectedly in December of 2019, improving its water systems, and preventing the collapse of Caribou Road. Since 2019, GIR has spent a total of \$6.2 million dollars and 47,210 man hours on the Idaho Tunnel, general clean-up of the Caribou and Cross mines, repairs to other infrastructure, and other water treatment facility improvements. If GIR wasn't willing to do this, it is unlikely any other company or entity would have stepped up, but we're here for the long haul. In fact, we have working partnerships with Ph.D and Masters programs at the Colorado School of Mines, and the Geology, Geophysics and Archeological Departments at the University of Colorado. We are expanding those programs and we've initiated discussions with Colorado State University, as well.

Following the Idaho Tunnel collapse, there have been eleven (11) individual exceedances of our NPDES aquatic life water quality standards – out of twenty (20) NPDES water quality parameters tested twice per month for the past twenty (20) months – *11 out of more than 400 data points*. NONE of these datapoints exceeded National Primary Drinking Water Regulations. We are working closely with DRMS and CDPHE to complete our implementation, testing and approval of the brand new water treatment system, which features post-filtration, polishing media that are already delivering excellent results.

The Caribou and Cross mine discharge pipe is 1.2 miles from and 1,000' in elevation above the closest well, a 360-foot deep well located on the Cardinal Mill site off of Caribou Road west of Nederland. Nederland's town water intake is southwest of the town limits, in the Eldora

watershed. No cross-connection has ever been found between the Eldora watershed groundwater and the Coon Track Creek/North Beaver Creek watershed. Basic hydrologic dispersion and groundwater geologic principles demonstrate that the following claims are false: that our discharge pipe (4.5 miles from Nederland's town limits) could harm wells in the valley and in Town, that food grown in gardens irrigated from North Beaver Creek (into which Coon Track Creek flows) may be unsafe, that dogs may be hurt drinking from Middle Boulder Creek (into which North Beaver Creek flows), or that the *City of Boulder's* drinking water may have been poisoned (Middle Boulder Creek flows into Barker Reservoir). Here's why:

As noted above, our 8" diameter discharge pipe is located 1.2 miles and 1,000 feet of elevation from the closest well. Water from springs and tributaries dilute the water from our settling ponds as Coon Track Creek flows to North Beaver Creek. We are 4.5 miles from the Town of Nederland, in the valley north of the Eldora watershed where the Town's water intake is located. The attached "Cross violation VS NPDWR drinking water standards" table compares the aquatic life exceedances (that we believe our new treatment system will eliminate) to drinking water quality standards. In fact, none of the aquatic life standard exceedances measured at our 6" discharge pipe violate the National Primary Drinking Water Regulations.

Finally, GIR has the resources, expertise and commitment to take the Caribou and Cross mines' tradition of community-supporting, environmentally responsible performance to the next level in Boulder County. We will continue our support of and strengthen our partnership with the Town of Nederland. We've spent the past six years ensuring that Tom's leadership and legacy will be sustainable. In addition to the economic activity in Nederland

supported by our workforce payroll of more than \$500,000 per month, most of it spent locally in Nederland, we maintain Caribou Road (we've been snow plowing the road all the way down to the Cardinal Mill site this year), we perform safety rescues during all seasons of the year, and we have continued to allow public recreation on our private land. We look forward to a healthy, strong and prosperous relationship with the Town of Nederland's residents and businesses, and the citizens of Boulder County for many years to come, and we appreciate your support!

If you have any questions or concerns, please don't hesitate to contact us at info@grandislandresourcesllc.com

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January 10, 2022