



**COLORADO**  
Division of Reclamation,  
Mining and Safety  
Department of Natural Resources

August 1, 2025

Nancy Normore  
Shift Exploration Inc.  
503-905 West Pender Street  
Vancouver, BC V6C 1L6 Canada

**RE: COYOTE BASIN PROJECT, FILE NO. P-2025-011 SHIFT EXPLORATION INC.,  
NOTICE OF INTENT TO CONDUCT EXPLORATION OPERATIONS, ADEQUACY  
REVIEW NO. 1**

Dear Nancy Normore:

The Division of Reclamation, Mining and Safety (Division) is in the process of reviewing the above referenced application in order to ensure that it adequately satisfies the requirements of the Colorado Mined Land Reclamation Act (Act) and the associated Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal, and Designated Mining Operations (Rules). During review of the material submitted, the Division determined that the following issue(s) of concern shall be adequately addressed before a decision can be rendered.

**Maps**

1. Pursuant to Rule 6.2.1(2)(a-d), which is applicable to all types of permit applications, “Maps, except the index map, must conform to the following criteria: show name of Applicant, must be prepared and signed by a registered land surveyor, professional engineer, or other qualified person; and give date prepared. Maps / Figures submitted with this application do not adhere to the above requirements. In addition to adding the required elements, please also update the Permittee name on maps and in the legend to ‘Shift Exploration Inc.’
2. It is the Division’s understanding that various updates to the maps have been made during the BLM NOI review process. Please ensure any changes are also reflected on new maps submitted to the Division, including changes to the location of drill holes, trenches, fences, access trails, etc.
3. For precision of reference to the proposed NOI project area, please provide the Division with .kmz or shapefile versions of key project points and polygons, e.g. drill holes, laydown areas, access paths, etc.

**Section III**

4. Under Item No. 6(k), the applicant states that it is not anticipated that any drill holes will encounter groundwater. For all holes to be drilled, provide supporting hydrologic documentation to clarify which plugging and abandonment method is to be utilized at which hole to minimize impacts to the prevailing hydrologic balance pursuant to Rule 3.1.6(1). If the hydrologic information, including depth to Groundwater is unknown or unavailable, the Division will be required to default bonding to cement plugging to depth for each hole in order to ensure compliance with Rule 5.4.2(4).

#### **Section IV**

5. The applicant's application with the BLM states that "Drill cuttings will be returned to the hole as much as possible during hole abandonment". The Division interprets this statement to mean that some excavated spoils and drill cuttings may not be able to be returned to the drill hole. Drill cuttings may contain ore body materials and should be handled accordingly. If excess cuttings are to be buried onsite in final reclamation, please commit to on site disposal of all cuttings with a minimum of 36" of total cover over the disposal location at each pad.
6. Item No. 7 lists a 'Desert Sage Scrub Mix' as the seed mix at 39 PLS/Acre. Please provide a more detailed list of species (plant name) included within the proposed seed mix along with their proposed PLS/Acre seeding rate as required in Section A of No 7. Please also specify a method of seeding (e.g. broadcast, drill seed, push spreader etc.).
7. For drill pad, trench, and laydown areas from which topsoil will be salvaged and stockpiled, please provide an approximate depth in inches or total CY of topsoil to be removed and stockpiled. Please also clarify where topsoil will be stored in relation to drill pad, trench and laydown features while stockpiled. If stockpiles will be out of the boundaries of these features, please provide an approximate acreage footprint for all topsoil stockpiles combined and add their locations to the appropriate maps / figures.

#### **Financial Warranty**

8. The applicant's NOI application to the BLM explicitly states that only one hole will be open at a time and that full reclamation will occur before moving on to the next drill site. However, this is not stated as explicitly within the application materials submitted to the Division. Please clarify for the Division that this type of drilling and reclamation is the intent and commit to following this method of concurrent reclamation throughout the life of the project. Should Shift Exploration Inc. wish to commit to a phased bonding approach to reduce the project's required bond amount (i.e. 1 hole open at a time), please be aware that the Division will require submission and review of abandonment reports for the maximum number of drill holes bonded for prior to the approval of Shift Exploration Inc. continuing to additional drill holes. To avoid excessive required submittals, the Division suggests that Shift Exploration Inc. propose to have ~10 holes open at a time to both reduce the required bond amount and reduce the number of times Shift Exploration Inc. will need to receive approval from the Division to move on to the next set of drill holes.

Please note the Division will estimate a cost to reclaim the site based on the application and your response to the review issues above. Please be reminded that the proposed prospecting operations identified in the application may not commence until the deficiencies are addressed and the bond is submitted and approved by the Division.



Please provide a written response to address the above deficiencies within 60 days of this notice (September 30, 2025) or the Division may deny the application.

If you require additional information, or have questions or concerns, please feel free to contact me at 720-868-7757 or [hunter.ridley@state.co.us](mailto:hunter.ridley@state.co.us)

Sincerely,  
Hunter C. Ridley

A handwritten signature in blue ink that reads "Hunter Ridley". The signature is written in a cursive style with a large initial "H".

Environmental Protection Specialist  
CC: Zach Trujillo, DRMS