

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

1313 Sherman St., Room 215

Denver, Colorado 80203

Phone: (303) 866-3567

FAX: (303) 832-8106



June 21, 2012

Robert Gydesen
Colorado Mining and Exploration, LLC
502 South Wisconsin Ave.
Gunnison, CO 81230

John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta E. Piñeda
Director

Re: Crystal Hill Project, NOI File No. P-2012-010, Receipt of Application Fee and Financial Warranty Checks.

Dear Mr. Gydesen,

The Division received the two checks you sent, nos. 1249 and 1250, for the application fee and the financial warranty for the NOI named above. Receipt of these checks allows the Division to consider the new NOI to be "complete." The NOI materials that were contained on Form 2 and the oversized map are "non-confidential," and were placed on our website for public review on June 4, 2012. The ten working-day public comment period closed on June 18, 2012; to-date the Division has received no outside comments.

The Division has begun reviewing the new NOI for technical deficiencies, and it appears there are several items that require additional information or clarification from you. These are listed in the following paragraphs. Please address each item.

A search of the Colorado Secretary of State's business licensing section reveals that neither of the names "Colorado Mining and Exploration, LLC" or "Dunraven Mining, LLC" (the name on the checks that you sent) is a registered business in Colorado. Please ensure that they are registered to do business in Colorado, by going to this website: <http://www.sos.state.co.us/biz/BusinessEntityCriteriaExt.do>. Once they have been registered please send me the number.

The prospecting plan states that all activities will be contained within two acres of the patented land to which you have access. Activities will include small pits, re-opening portals, cuts and trenches in the pre-existing pit floor and pit wall area. In order for this office to assess the amount of bond to be posted, we must know some quantities related to these activities, such as how many of each, their dimensions, how they will be closed afterward, etc. Please provide figures sufficient to explain the amount and type of reclamation (earthwork) to be done. The locations can also be shown on a map accompanying this information.

I will contact you if there are further questions. If some of the responses are to be considered confidential, please label them appropriately. You may send future submittals concerning this project directly to me at the Division's Durango Field Office: 691 CR 233, Room A-2, Durango, CO 81301. Please include the file number shown above on all submitted materials.

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Please be reminded that until you are notified by this office that all deficiencies are addressed, no prospecting activity may occur. If you have any questions you may reach me at the Durango Field Office (above) or by phone: 970-247-5193.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Oswald". The signature is fluid and cursive, with the first name "Bob" being more prominent than the last name "Oswald".

Bob Oswald

Environmental Protection Specialist

Ec: Steve Shuey, DRMS Grand Junction

(c:\12-06 docs\Crystal Hill NOI compl\rco)