

COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY MINERALS PROGRAM INSPECTION REPORT

PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety has conducted an inspection of the mining operation noted below. This report documents observations concerning compliance with the terms of the permit and applicable rules and regulations of the Mined Land Reclamation Board.

MINE NAME:	MINE/PROSPECTING ID#:	MINERAL:	COUNTY:
Twin Canyon Mine	M-1983-030	Gold	Montezuma
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:
Monitoring	Kate A. Pickford	September 18, 2013	11:30
OPERATOR:	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
Westley Potts	James Potts	110(1) - Hard Rock Limited Impact	

REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:
Normal I&E Program	None	\$1,500.00
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGENCY:
NA	None	None
WEATHER:	INSPECTOR'S SIGNATURE:	SIGNATURE DATE:
Clear	Kita IIIII	October 10, 2013

GENERAL INSPECTION TOPICS

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. No problems or possible violations were noted during the inspection. The mine operation was found to be in full compliance with Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials and/or for Hard Rock, Metal and Designated Mining Operations. Any person engaged in any mining operation shall notify the office of any failure or imminent failure, as soon as reasonably practicable after such person has knowledge of such condition or of any impoundment, embankment, or slope that poses a reasonable potential for danger to any persons or property or to the environment; or any environmental protection facility designed to contain or control chemicals or waste which are acid or toxic-forming, as identified in the permit.

(AR) RECORDS <u>Y</u>	(FN) FINANCIAL WARRANTY <u>Y</u>	(RD) ROADS <u>Y</u>
(HB) HYDROLOGIC BALANCE <u>Y</u>	(BG) BACKFILL & GRADING <u>Y</u>	(EX) EXPLOSIVES N
(PW) PROCESSING WASTE/TAILING N	(SF) PROCESSING FACILITIES \underline{Y}	(TS) TOPSOIL <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE \underline{N}	(RV) REVEGETATION <u>Y</u>
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN N	(SB) COMPLETE INSP N
(ES) OVERBURDEN/DEV. WASTE N	(SC) EROSION/SEDIMENTATION \underline{Y}	(RS) RECL PLAN/COMP Y
(AT) ACID OR TOXIC MATERIALS Y	(OD) OFF-SITE DAMAGE <u>N</u>	(ST) STIPULATIONS N

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This inspection was conducted as part of the Division of Reclamation, Mining and Safety monitoring program monitoring program.

The site is split between acreage at the mining site and acreage at the operator's residence, where he has a mill facility. The first part of the inspection addressed the mill facility.

The milling equipment is old and not functional at this time. There is a hopper, conveyor, table and a cement mixer tank, all used in the processing of ore. There is a tailings pond that is being used as a stock pond and various tailings piles. Prior chemical analysis of the tails indicates that they are essentially inert and cause no environmental risks.

The mine site itself consists of a portal. There is a stockpile of material at the mine site that it outside the mine. The operator's intention is to haul it down to the mill for future processing.

The site appears stable. No problems were observed at the site. The bond is capped at its current amount of \$1,500, based on the rules pertaining to a 110(1) permit.

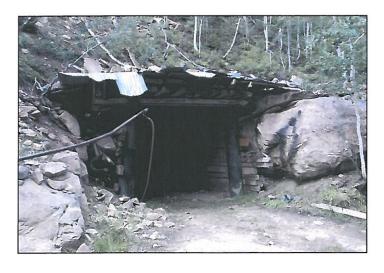
PHOTOGRAPHS













PERMIT #: M-1983-030 INSPECTOR'S INITIALS: KAP INSPECTION DATE: September 18, 2013

Inspection Contact Address
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