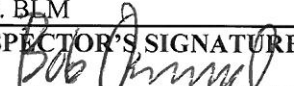




COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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: Ophir Lode	MINE/PROSPECTING ID#: M-2001-063	MINERAL: Silver, gold, lead, zinc	COUNTY: Hinsdale
INSPECTION TYPE: Monitoring	INSPECTOR(S): Bob Oswald	INSP. DATE: August 29, 2013	INSP. TIME: 12:00
OPERATOR: Midas Mining Company, Inc.	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: 110(2) - Hard Rock Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$7,077.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: U.S. BLM	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: October 8, 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>NA</u>	(FN) FINANCIAL WARRANTY-----	<u>Y</u>	(RD) ROADS-----	<u>Y</u>
(HB) HYDROLOGIC BALANCE-----	<u>Y</u>	(BG) BACKFILL & GRADING-----	<u>NA</u>	(EX) EXPLOSIVES-----	<u>NA</u>
(PW) PROCESSING WASTE/TAILING----	<u>NA</u>	(SF) PROCESSING FACILITIES-----	<u>NA</u>	(TS) TOPSOIL-----	<u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE-	<u>NA</u>	(FW) FISH & WILDLIFE-----	<u>NA</u>	(RV) REVEGETATION----	<u>Y</u>
(SM) SIGNS AND MARKERS-----	<u>Y</u>	(SP) STORM WATER MGT PLAN----	<u>NA</u>	(SB) COMPLETE INSP----	<u>NA</u>
(ES) OVERBURDEN/DEV. WASTE-----	<u>NA</u>	(SC) EROSION/SEDIMENTATION---	<u>Y</u>	(RS) RECL PLAN/COMP--	<u>NA</u>
(AT) ACID OR TOXIC MATERIALS-----	<u>Y</u>	(OD) OFF-SITE DAMAGE-----	<u>NA</u>	(ST) STIPULATIONS-----	<u>NA</u>

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

OBSERVATIONS

This was a routine inspection conducted by the Division as part of its monitoring of Hard Rock and Metals 110(2) permits. The operator was not present at the time of the inspection, and there was no activity at the permit area. There was no evidence of recent vehicular or mining activity at the site, and no disturbance to the creek crossings along the approved mine access road.

The portal was locked and secure. The mine ID sign was posted on the portal; permit boundary markers were observed to be installed on the eastern permit boundary corners. The operator should ensure that the corners of permit boundary are marked in a durable and visible manner.

There was a small trickle of water (< 1 gpm) discharging from the portal, which appeared to originate about 20 feet inby, from the fractures in the roof. (The portal and drift are located immediately below the channel of Red Cloud Creek, which contributes the water to the mine.) The discharge flows about northward along the portal access road, and completely percolates into the roadway within 50 feet. There was no iron or mineral staining in the water or on the road surface from the discharge. It is not believed that the discharge water originates in the ore body underground.

The existing waste rock dump has not been recently disturbed. No staining from surface runoff was observed. The lower toe of the dump on the eastern side does not exhibit mineral staining, and there is no zone of dead vegetation due to leached minerals below the dump. A few debris items were observed on the dump near the portal: loose rail sections, air tank, and steel pipe.

There has been an active noxious weed control program carried out at the site. The weed control has been effective in reducing the amount of Canada thistle and yellow toadflax during the past few years. No Canada thistle was observed, but a few toadflax plants were observed. The operator will continue to treat the areas as long as it is needed.

This site has not been active in several years, except for weed control and safeguarding the portal. The permit is currently in "active" status, although it does not conform to this infrequent schedule of activity. If at least a minimal level of mining-related activity is anticipated every year, the operator should consider placing the permit into "intermittent status." If more than a full year (up to five years) of inactivity is anticipated, the permit should be revised to "temporary cessation" status. Please contact this office to discuss the status revision process.

The bond amount is felt to be sufficient. There were no problems observed at this time.

For questions about this report, please contact this inspector at the Division's Durango Field Office:
DRMS – Durango Field Office, 691 CR 233, Room A-2, Durango, CO 81301, Telephone 970-247-5193.

Inspection Contact Address

Wayne Giesy
Midas Mining Company, Inc.
PO Box 772
Philomath, OR 97370

EC: Dave Lazorchak, BLM, Gunnison, CO

PHOTOGRAPHS

