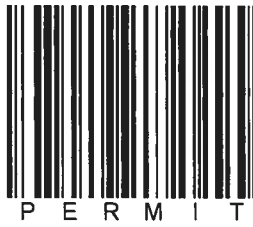


# Inspection




QATESTOCR



**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.

<b>MINE NAME:</b> Copper Mountain	<b>MINE/PROSPECTING ID#:</b> P-2013-013	<b>MINERAL:</b> Gold	<b>COUNTY:</b> Teller
<b>INSPECTION TYPE:</b> Preoperation Inspection	<b>INSPECTOR(S):</b> Timothy A. Cazier	<b>INSP. DATE:</b> October 22, 2013	<b>INSP. TIME:</b> 10:30
<b>OPERATOR:</b> Mineral Mountain Gold, LLC	<b>OPERATOR REPRESENTATIVE:</b> Lance Barker	<b>TYPE OF OPERATION:</b> MP - Mineral Prospecting	

<b>REASON FOR INSPECTION:</b> Pre-operation Inspection	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> \$2,000.00
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> October 28, 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>NA</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>NA</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>NA</u>
(SM) SIGNS AND MARKERS----- <u>NA</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(SB) COMPLETE INSP---- <u>Y</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>NA</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	(ST) STIPULATIONS----- <u>Y</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 pre-operation inspection performed by the Division of Reclamation, Mining and Safety (Division) as part of its review of a new Notice of Intent (NOI) permit application. Mr. Lance Barker, representing the Prospector was present for the inspection. The Copper Mountain Project site is located approximately two miles north of Cripple Creek, in Teller County. The site was accessed from Monarch Drive.

### **Inspection:**

The access road is controlled by a locked gate (see **Photo 1**). Prospecting activities are proposed within a historically disturbed area (see **Photo 2**). Some minor road improvements have occurred (see **Photo 3**). Mr. Barker pointed out the leach pad (see **Photo 4**). He indicated it is lined but he doesn't believe it was ever actively leached.

The NOI application proposes five drill pads, to be located primarily within the historically disturbed area, but leaves open the option for temporary roads to be constructed and reclaimed if drilling occurs outside this disturbed area.

Mr. Barker indicated no drilling activity is planned for 2013. He also disputed the Divisions' bond calculation related to the 20 proposed 300-foot deep drill holes described in the NOI application. He indicated no groundwater would be intercepted in this area. This inspector agreed it is highly unlikely, but without bore logs to demonstrate the absence of groundwater, the Division has to bond for the worst case. Mr. Barker stated the additional \$14,035.00 required by the Division for the bond is too high and he would not submit it, and that he would simply let the NOI expire.

### **File Review Notes:**

- The proposed total disturbed area is 1.0 acres.
- The Prospector provided an initial bond of \$2,000.00. The Division estimated the total bond to be \$16,035. The estimate was sent with the approval letter on September 16, 2013.
- The NOI was approved by the Division on September 16, 2013 and is awaiting the additional \$14,035.00 in financial warranty. The additional warranty is due within 60 days of the approval date, or by November 15, 2013.

### **Current Stipulations:**

Not applicable.

### **Recommendations:**

The Division recommends the NOI application be terminated if the additional financial warranty is not received by November 15, 2013. Prospector notification will be sent under separate cover.

## PHOTOGRAPHS



Photo 1. Locked access gate.



Photo 2. Historically disturbed area.



Photo 3. Minor road improvements – typical of site.



Photo 4. Existing heap leach pad.

### Inspection Contact Address

Lance Barker  
Mineral Mountain Gold, LLC  
P. O. Box 247  
Cripple Creek, CO 80813

CC: Tom Kaldenbach, DRMS  
DRMS file