




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: Sag-Cal Project	MINE/PROSPECTING ID#: P-2014-004	MINERAL: Au,Ag,Pb,Zn,Mo	COUNTY: Saguache
INSPECTION TYPE: Mineral Prospect Inspection	INSPECTOR(S): Bob Oswald	INSP. DATE: June 24, 2014	INSP. TIME: 14:00
OPERATOR: Winding Stair Resources, LLC	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Preoperation Inspection	BOND CALCULATION TYPE: None	BOND AMOUNT: \$2,588.06
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: U.S. BLM	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: July 10, 2014

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>NA</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>Y</u>	(RV) REVEGETATION---- <u>NA</u>
(SM) SIGNS AND MARKERS----- <u>NA</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>NA</u>	(RS) RECL PLAN/COMP-- <u>NA</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</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 pre-operation inspection conducted by the Division as part of its monitoring of mineral prospecting projects. On the day of the inspection, no activities had begun at the site and the operator was not present during the inspection.

The project consists of drilling from four drill pads. The drill sites are not marked on the ground, but the file includes good location information in the form of drill hole coordinates, topographic maps and aerial photos. Two of the drill sites, Site 3 and Site 4, are easily accessible, being close to a maintained County/BLM road. These two drill sites were inspected. They are on gently sloping ground, that wheeled or tracked equipment can access and navigate. Typical rangeland vegetation was observed: bluegrama, fringed sage, broom snakeweed, and rabbitbrush, with minor amounts of yucca and prickly pear. There were no existing disturbances or annual weeds. A nearby gully exhibited approximately 8-12 inches of dark topsoil. The operator is urged to protect all available topsoil for later use in reclaiming the drill sites, and to promptly seed the disturbed areas with the BLM-approved seed mixes.

Drill sites 1 and 2 were not inspected at this time, due to their being approximately 0.5 mile up Boland Canyon, whose posted sign indicated that it is closed to (unauthorized) vehicle access. Those sites will be inspected later this summer when this inspector's schedule allows more time for accessing the sites on foot. The operator has provided a bond that has been accepted. Drilling activities may therefore begin.

For questions related to this report, please contact this inspector at the Division's Durango Field Office: telephone 970-247-5193, or 303-866-3567 ext 8175.

All written correspondence should be sent directly to the Division's Denver Office: Division of Reclamation, Mining & Safety, 1313 Sherman Street, Room 215, Denver, CO 80203

Inspection Contact Address:

EC: Andrew Archuleta, BLM Saguache (via email)

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PHOTOGRAPHS



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