




**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> Red Arrow – Drill 2 Project	<b>MINE/PROSPECTING ID#:</b> P-2012-007	<b>MINERAL:</b> Au, Ag, Cu	<b>COUNTY:</b> Montezuma
<b>INSPECTION TYPE:</b> Mineral Prospect Inspection	<b>INSPECTOR(S):</b> Bob Oswald	<b>INSP. DATE:</b> October 7, 2014	<b>INSP. TIME:</b> 13:00
<b>OPERATOR:</b> Red Arrow Gold Corp.	<b>OPERATOR REPRESENTATIVE:</b> None	<b>TYPE OF OPERATION:</b> MP - Mineral Prospecting	

<b>REASON FOR INSPECTION:</b> Normal I&E Program	<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> Cloudy	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> October 31, 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>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>NA</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>NA</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(SB) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>NA</u>	(RS) RECL PLAN/COMP-- <u>Y</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 routine inspection conducted by the Division as part of its monitoring of Hard Rock and Metals prospecting NOIs. The operator was not present during the inspection, and the site was not active on the day of the inspection. In addition to the inspector named on page one, also present during the inspection was Lucas West of DRMS. The site has been inactive and is presumed to be in final reclamation for the last two years.

The project involved drilling up to ten drill holes, all from the bench road on the Red Arrow Mine property, near the Mill Level portal. There was no prospecting equipment on the site. There were no cuttings, drilling debris or other project-related features observed onsite. The bench road surface exhibits no erosion and it is adequately vegetated and stable. Only one drill hole location was found during the inspection, along the northern edge of the roadway. It consisted of a 3-inch diameter steel casing, extending 2 inches above the ground surface, with a closure consisting of a welded-on steel cap (with markings reading "DML 6"). No other drill holes could be found.

Since the prospect drilling program may be completed, and all disturbance appears to be fully reclaimed, the site would be eligible for bond release. The operator is reminded that a bond release action begins when a complete release request is submitted by the operator. For a description of the information that must be provided by the operator, please refer to Hard rock and Metals Rule 4.16.

The operator is reminded that in order for the Division to consider approving a release request, all annual report and annual fee requirements must be up-to-date, and permanent drill hole abandonment reports for all drilling must be filed.

This report is being mailed to the only address of record that the Division has for the operator.

At this time there were no problems noted. 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**

Craig Liukko  
Red Arrow Gold Corp.  
PO Box 531  
Mancos, CO 81328

Photographs from the inspection are on the following page.

**PHOTOGRAPHS**



Left photo: Close-up of capped drill hole.

Right photo: View of roadway where drill hole is located (center of photo).