




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: Smuggler Mine	MINE/PROSPECTING ID#: M-1995-097	MINERAL: Silver, lead, zinc and gold	COUNTY: Pitkin
INSPECTION TYPE: Monitoring	INSPECTOR(S): Dustin Czapla	INSP. DATE: June 22, 2015	INSP. TIME: 11:00
OPERATOR: New Smuggler Mine Company	OPERATOR REPRESENTATIVE: Chris Pruesch	TYPE OF OPERATION: 110(2) - Hard Rock Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$89,950.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 25, 2015

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>N</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(SB) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	(ST) STIPULATIONS----- <u>N</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 inspection was conducted at the request of the Operator in order to review the reclamation liability based on the current site conditions. Chris Pruesch, representing the Operator, was present during this inspection. Photographs are included with this report in order to illustrate some of the conditions observed.

The Smuggler Mine is located on the northeast flank of the town of Aspen and accessed from Smuggler Mountain Road. The site is a 110(2) operation that includes a total of 9.9 permitted acres. The Division currently holds a financial warranty amount of \$89,950.00 for this site.

The Smuggler Shaft closure has been completed. Concrete has been poured to the top of the CMP's, which are secured with metal caps. The collapsed Tunnel No. 1A has been cleaned up and graded. The random scrap material and equipment has been removed from the site. Reclamation costs for these features have been removed from the updated cost estimate which is attached to this report.

No problems or violations were noted during this inspection.

Responses to this inspection report should be directed to Dustin Czapl at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone number (970) 243-6299.

PHOTOGRAPHS



Figure 1: Smuggler Shaft



Figure 2: Smuggler Shaft



Figure 3: Tunnel No. 1A

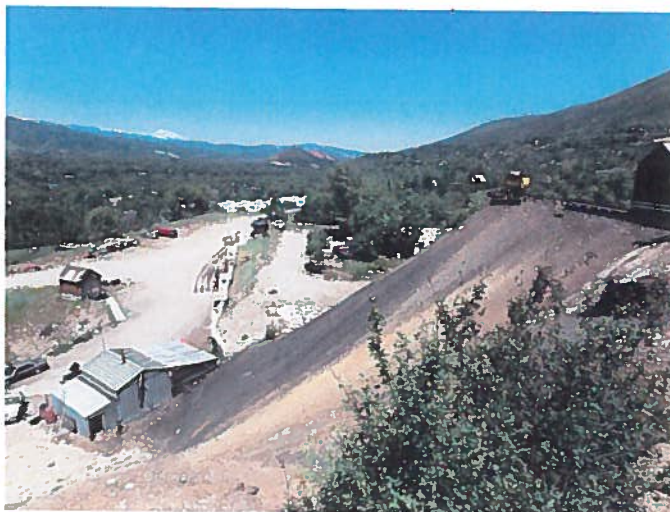


Figure 4: View from No. 2 Dump area

Inspection Contact Address

Chris Preusch
New Smuggler Mine Company
2755 Lower River Road
Snowmass, CO 81654

Enclosure: June 25, 2015 Reclamation Cost Estimate