



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: Eagle Mine	MINE/PROSPECTING ID#: M-2011-029	MINERAL: Gold	COUNTY: Moffat
INSPECTION TYPE: Monitoring	INSPECTOR(S): Amy C. Yeldell	INSP. DATE: July 9, 2015	INSP. TIME: 10:45
OPERATOR: JUBILEE VENTURE LLC	OPERATOR REPRESENTATIVE: Martin Bauer	TYPE OF OPERATION: 112 - Hard Rock Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$35,086.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: Jennifer Maiolo, BLM	JOINT INSP. AGENCY: U.S.BLM
WEATHER: Clear	INSPECTOR'S SIGNATURE: <i>Amy Yeldell</i>	SIGNATURE DATE: July 22, 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>N</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>Y</u>	(SB) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>Y</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 as part of the Colorado Division of Reclamation, Mining and Safety normal monitoring program. The Eagle Mine is a 112 permitted site located off County Road 102, approximately 25 miles northwest of Craig in Moffat County. Amy Yeldell of the Division conducted the inspection. Mr. Martin Bauer and Leon Reed represented Jubilee Ventures, LLC. Jennifer Maiolo of the BLM Little Snake Field Office and Russ Means of DRMS also accompanied me on the inspection.

The permitted area is 13.5 acres, at this time its estimated that approximately 4 acre is disturbed.

The mine identification sign and affected area boundary markers are in place and in compliance with Rule 3.1.12. The site sign is attached to gate at the entrance. The permit boundary is fenced on the west side and marked with several t-posts on the other sides of the permit boundary.

The site is currently not operating. Off site, recovery research and testing is occurring. The operator is awaiting implementation on site. The summer season is anticipated to kick off in the next month or so. There is a production facility on site equipped with pumps, shakers, screens and cyclones. Additionally there are three shed/buildings of varying size on site. Stockpiled material is loaded into a hopper and processed to remove undesirable waste material. The gold bearing material continues on throughout the system through a series of screens and cyclones where it is further refined. Waste tailing materials is collected and saved for future reclamation use. Finally the desired material ends up at the shaker table. There the various metals are separated.

The operator is currently mining to the north of the plant. There is a large stockpile of material ready to be processed. The topsoil and overburden piles have been reclaimed with some success of grasses to the point of stabilization. Additional piles of waste material are also stockpiled. All slopes remain stable and free of erosion. It was suggested to the operator to windrow topsoil into piles no more than 4 ft thick. This helps keep topsoil aerated and may help increase reclamation success in the future.

There are two lined ponds with nearly vertical walls approximately 5ft deep. They are fenced in for safety to exclude humans as well as wildlife. One is a fresh water holding pond. It is fed by the permitted well on the southwest corner of the site. That water is then used to process material. The other pond contains recycled water pulled off material that has been run through the plant. This pond requires a lot of maintenance as it gets filled with sand and regularly needs clean out. The operator aims to install a separator to decrease sedimentation as well as increase their capacity sometime in the future. The two ponds are connected by a weir to prevent any sort of overflow.

Excess parts and equipment is stored in the bone yard to the east of the ponds. All items are stored neatly. All chemicals are stored properly. An elevated fuel tank is stored within secondary containment.

The eastern portion of the permit area is undisturbed. It has evidence of historical mining based on soil mounding in a linear pattern. Overall the site is weed free and stable.

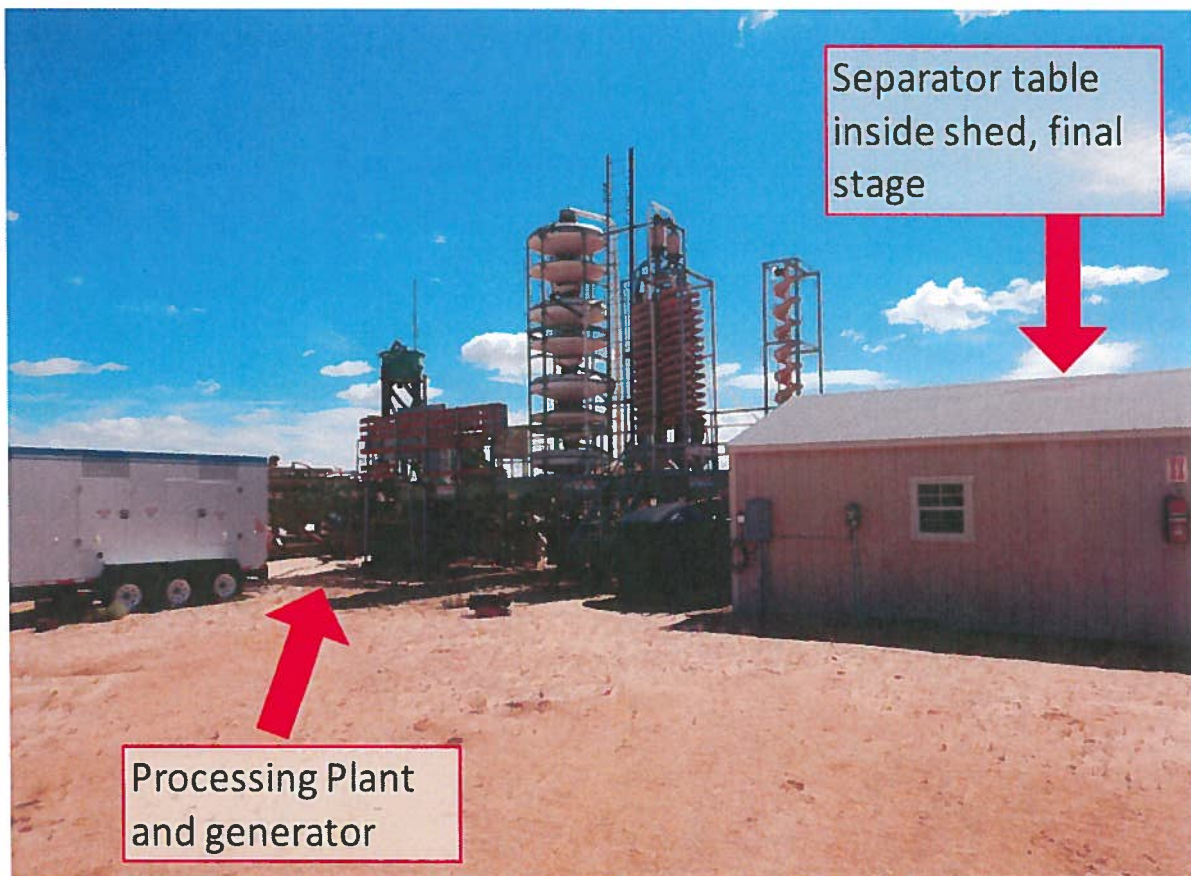
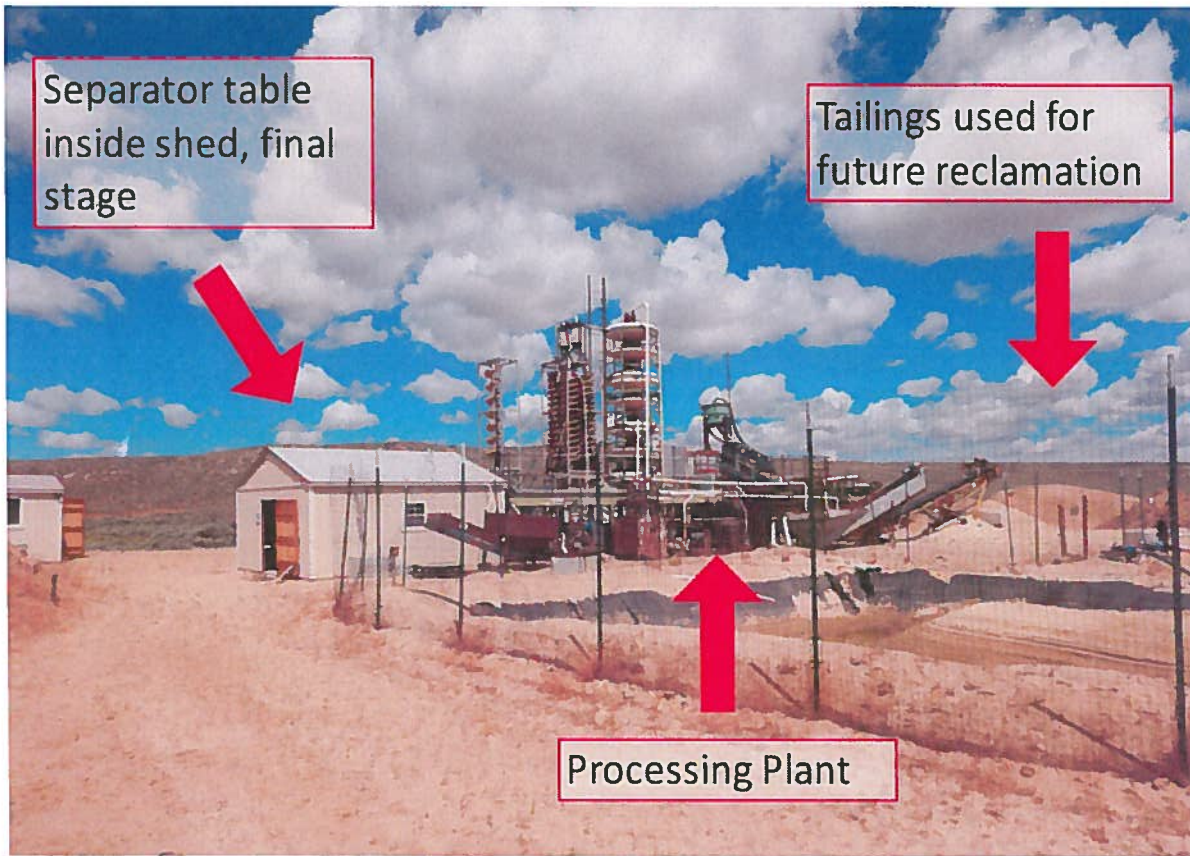
During the inspection it was noted that Jubilee Ventures may want to do additional prospecting outside of the permitted area. In order to do so they will need to obtain a new Prospecting NOI. Also discussed was changing the currently permitted boundary. This must be done in the form of an amendment. Through the amendment they can release undisturbed land as well as obtain more land. Forms and instruction for the above mentioned can be found on the Divisions website <http://www.mining.state.co.us/>

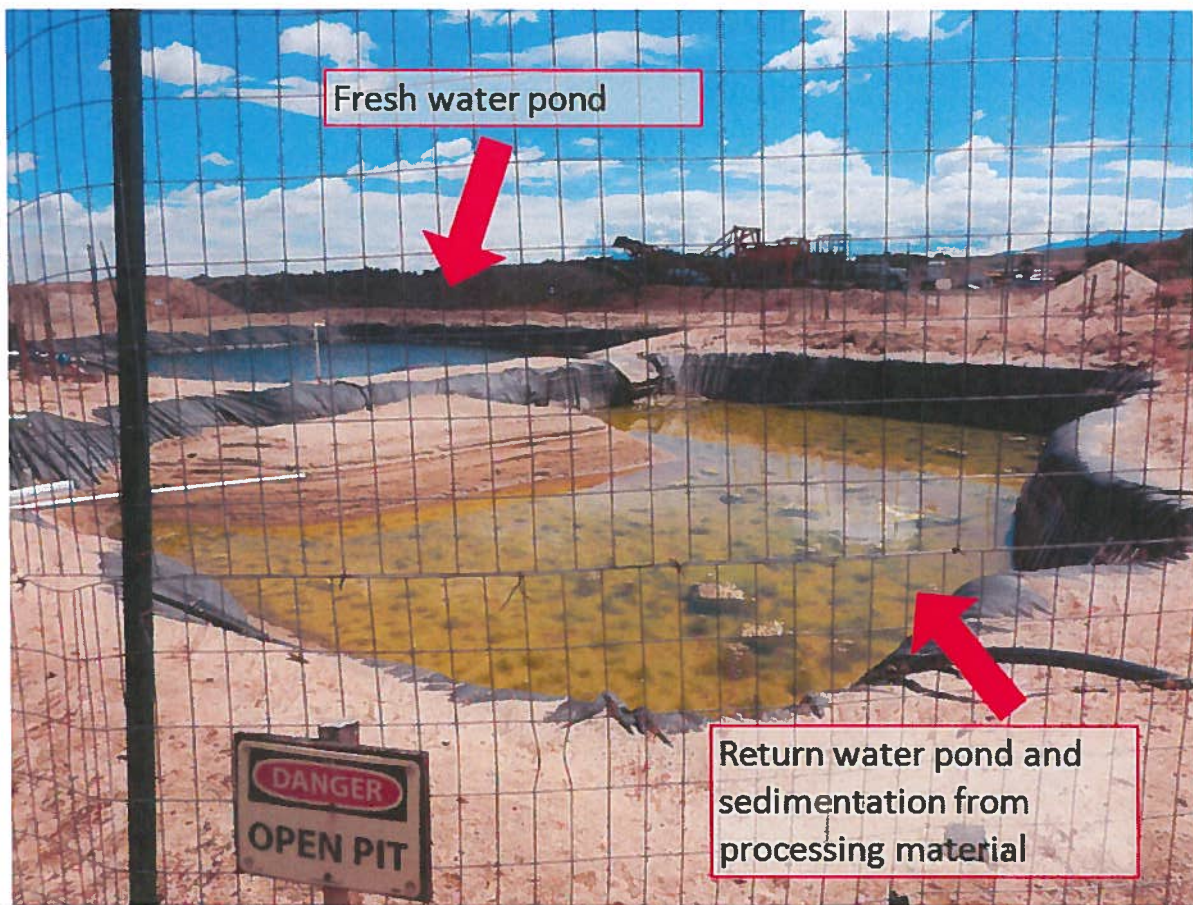
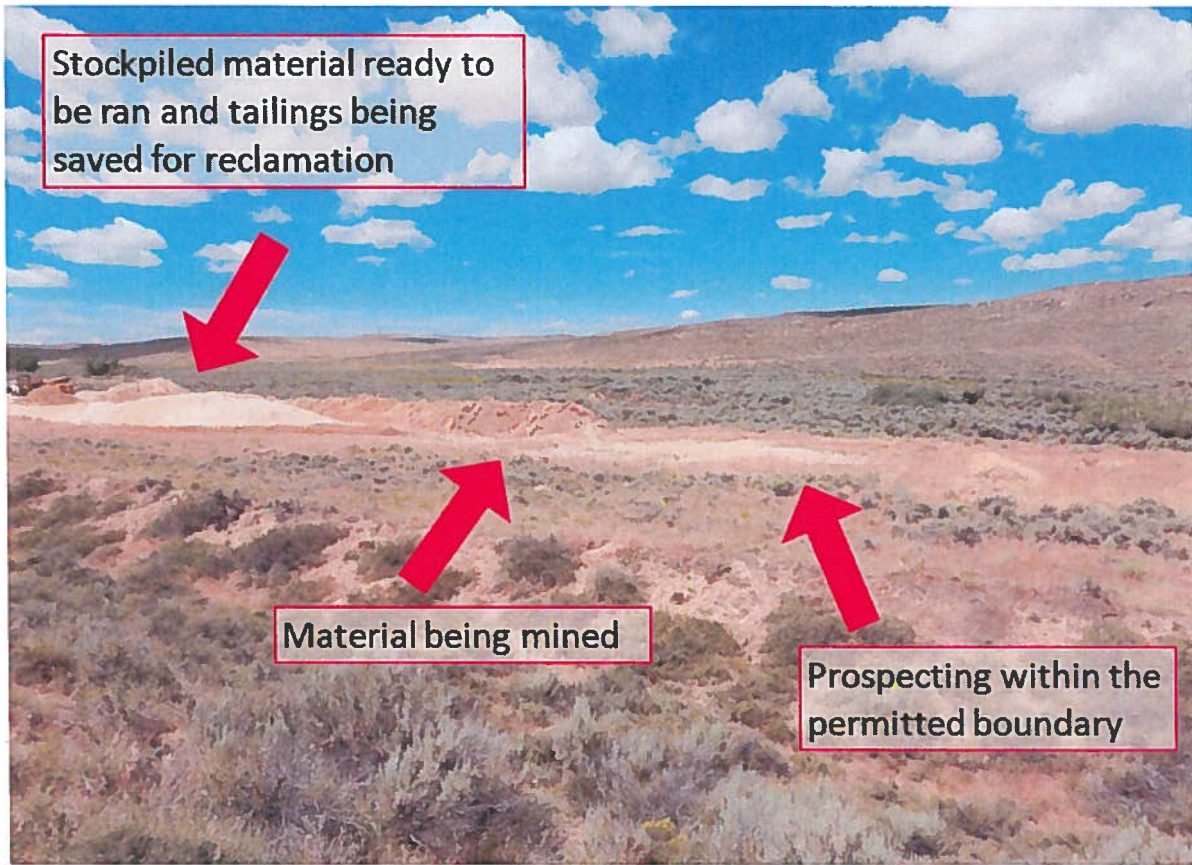
No problems or violations were noted during this inspection.

Responses to this inspection report should be directed to: Amy Yeldell at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at. 970-254-8511 or via email at amy.yeldell@state.co.us.

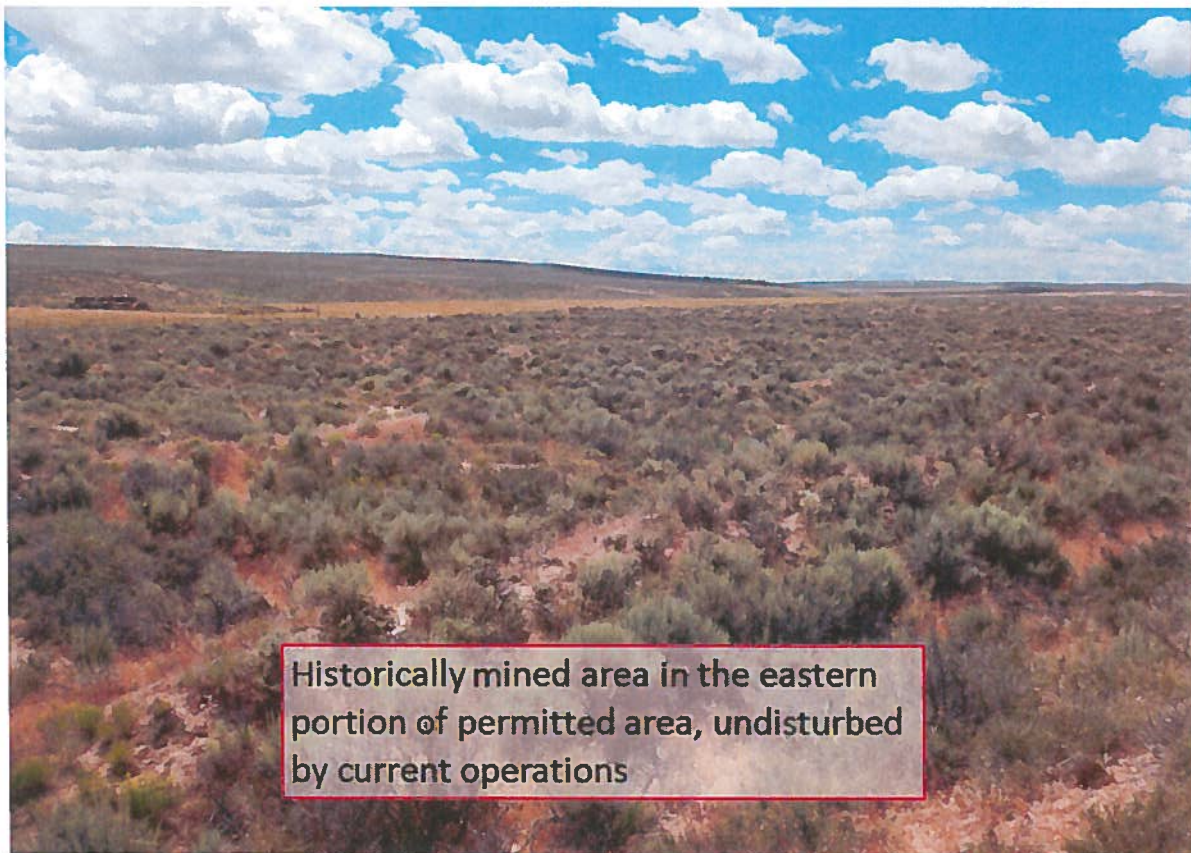
PHOTOGRAPHS











Inspection Contact Address

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Enclosure

CC:
Jennifer Maiolo, Little Snake BLM
Russ Means, Senior EPS / Field Office Supervisor, Grand Junction DRMS