




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: Idarado Mining Co	MINE/PROSPECTING ID#: M-1977-403-HR	MINERAL: Lead, zinc, copper, c gold	COUNTY: San Miguel
INSPECTION TYPE: Multi Person Inspection	INSPECTOR(S): Lucas J. West, Russ Means	INSP. DATE: July 13, 2016	INSP. TIME: 13:00
OPERATOR: Idarado Mining Company	OPERATOR REPRESENTATIVE: Larry Fiske	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$226,600.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 17, 2016	

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>N</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>N</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>N</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(CI) COMPLETE INSP---- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</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 as part of the normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety as well as the operator's request to discuss forthcoming permit revisions. The Idarado Mine is listed as an active 112d-3 permit with permitted areas in San Miguel County, near the town of Telluride, as well as in Ouray County, near the top of Red Mountain Pass. The Division currently holds \$226,600.00 in financial warranty for the site. A reclamation cost update was not performed at this time. This was not a complete inspection, only the Red Mountain facilities were inspected at this time. No photos accompany this report as the on-site conditions have not changed since the previous inspection.

The site has experienced ongoing maintenance and reclamation activities in the form of the final removal of several structures, and routine property maintenance. The ongoing property maintenance includes monitoring and repair of storm water controls, monitoring for erosional features and ongoing stabilization of the foundation of the mill building to prevent it from impounding water. Preliminary studies have been completed to decide where to place the new shop building for the facility. Stability analysis drill holes were noted in the proposed shop area however the operator indicated other locations may be investigated.

On-site discussions with the operator and several members of the Newmont staff included the details of the forthcoming permit revisions with the ultimate goal of more clearly defining the permit boundaries of both the Red Mountain and Telluride facilities, identify the remaining tasks required for final reclamation of the Red Mountain facility as well as reducing the permitted area at both sites. The main focus of the discussions were focused on the release of the Pandora Mill facility located within the Telluride permitted area. The operator wishes to have the revisions submitted and approved to be able to continue moving forward with reclamation in spring of 2017.

All slopes appear to be stable and in good condition. No erosional issues were noted during the inspection. No noxious weeds were observed. The overall footprint of the site was in good condition and free from trash and debris. No problems or possible violations were noted at this time.

All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety at 1313 Sherman Street, Room 215, Denver CO, 80203, by phone at (970)-243-6368 or by email at lucas.west@state.co.us.

Inspection Contact Address

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Enclosure

CC: Russ Means, Senior Environmental Protection Specialist