




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: Franklin and Freighter's Friend Shafts	MINE/PROSPECTING ID#: P-2007-069	MINERAL: Gold, zinc, silver, lead	COUNTY: Clear Creek
INSPECTION TYPE: Monitoring	INSPECTOR(S): Michael A. Cunningham	INSP. DATE: February 27, 2017	INSP. TIME: 11:00
OPERATOR: COAG Corporation	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Normal I&e Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$7,000.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: March 24, 2017

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

INSPECTION TOPIC: Availability Of Records

PROBLEM/POSSIBLE VIOLATION: Problem: The Prospector has not specified when prospecting activity is expected to end in the 2016 Annual Report as required by Rule 5.6(1)(e).

CORRECTIVE ACTIONS: The Prospector shall notify the Division of the date when prospecting activity is expected to end. In addition, the Prospector shall submit a summary describing the activities which have been completed under the NOI as well as the remaining activities to be completed. This information is required so the Division can make a determination as to whether a modification to the NOI will be required.

CORRECTIVE ACTION DUE DATE: 4/24/17

OBSERVATIONS

The inspection was conducted by Michael Cunningham of the Division of Reclamation, Mining and Safety (Division). The Franklin and Freighter's Friend Shafts Notice of Intent (NOI) is located along Gibson Gulch, north of Idaho Springs at an elevation of 8,200 ft. The commodities of interest are gold, silver, lead and zinc. Mr. Mickey Fouts and Mr. John Miner were contacted regarding the inspection, but neither were available to attend the inspection.

The activities approved under the NOI include bulk sampling from the underground workings of the Franklin and Freighter's Friends mine. The surface features associated with the NOI are the Franklin shaft and the Freighter shaft. The Franklin shaft serves the primary entry point to the mine workings and the Freighter shaft serves as ventilation to the mine. Both of the shafts were in place prior to the issuance of the NOI and both shafts have been safeguarded with steel grates. No new additional surface disturbance was noted.

According to the Annual Report submitted on January 4, 2017, prospecting activities last occurred in September 2016. The prospector is to notify the Division as to when prospecting activities are expected to end pursuant to Rule 5.6(1)(e). The Annual Report submitted on January 4, 2017 states that prospecting will end in the "future". This is not an acceptable response to Rule 5.6(1)(e), it is the prospector's responsibility to inform the Division as to when prospecting activities will end. This information pertains to the time limits for completing reclamation which are specified under Rule 3.1.3(2). The Division also notes, that the 2012 Annual Report indicated that prospecting would be complete in 2014. This matter has been cited as a problem and will require corrective action by the Operator; please see the first page of this report for additional information.

The Division holds a financial warranty in the amount of \$7,000, which remains adequate to complete reclamation.

This concluded the inspection.

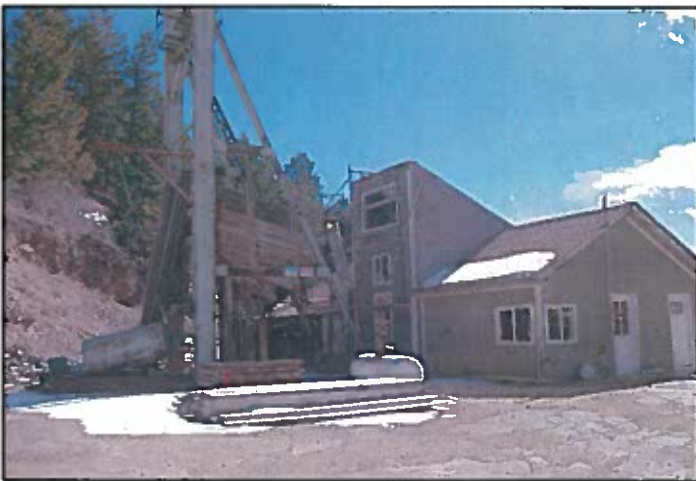
PHOTOGRAPHS



1. Freighter's Friend Shaft.



2. Steel grate on Freighter's Friend Shaft.



3. Franklin Shaft.



4. Franklin Shaft steel grate with refuse on top.

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS----- <u>PB</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING--- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</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>N</u>	(SW) STORM WATER MGT PLAN--- <u>N</u>	(CI) COMPLETE INSP--- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION-- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</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

Inspection Contact Address

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