

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/PROSPECTING ID#:	MINERAL:	COUNTY:
Red Arrow Mine Drill 2		Silver, Gold and Cop Montezuma	
	INSPECTOR(S):	INSP. DATE:	INSP. TIME:
	Lucas J. West	May 18, 2017	11:00
	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
	None	MP - Mineral Prospecting	
REASON FOR INSPECTION:		BOND AMOUNT:	
Normal I&e Program		\$2,000.00	
DATE OF COMPLAINT:		JOINT INSP. AGENCY:	
	None	None	
INSPECTOR'S SIGNATURE:		SIGNATURE DATE:	
AA M		June 1, 2017	
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		P-2012-007 INSPECTOR(S): Lucas J. West OPERATOR REPRESENTATIVE: None BOND CALCULATION TYPE: None POST INSP. CONTACTS: None INSPECTOR'S SIGNATURE:	P-2012-007 Silver, Gold and Cop INSPECTOR(S): Lucas J. West May 18, 2017 OPERATOR REPRESENTATIVE: None BOND CALCULATION TYPE: None POST INSP. CONTACTS: None INSPECTOR'S SIGNATURE: Silver, Gold and Cop INSP. DATE: BMAY 18, 2017 TYPE OF OPERATOR PROPERATOR PROPERAT

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 N	(RD) ROADS <u>N</u>
(HB) HYDROLOGIC BALANCE N	(BG) BACKFILL & GRADING <u>N</u>	(EX) EXPLOSIVES N
(PW) PROCESSING WASTE/TAILING N	(SF) PROCESSING FACILITIES \underline{N}	(TS) TOPSOIL <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- N	(FW) FISH & WILDLIFE \underline{N}	(RV) REVEGETATION N
(SM) SIGNS AND MARKERS <u>N</u>	(SP) STORM WATER MGT PLAN N	(CI) COMPLETE INSP N
(ES) OVERBURDEN/DEV. WASTE <u>N</u>	(SC) EROSION/SEDIMENTATION N	(RS) RECL PLAN/COMP N
(AT) ACID OR TOXIC MATERIALS N	(OD) OFF-SITE DAMAGE <u>N</u>	(ST) STIPULATIONS N

 $Y = Inspected \ and \ found \ in \ compliance \ / \ N = Not \ inspected \ / \ NA = Not \ applicable \ to \ this \ operation \ / \ PB = Problem \ cited \ / \ PV = Possible \ violation \ cited \ A = Not \ applicable \ to \ this \ operation \ / \ PB = Problem \ cited \ / \ PV = Possible \ violation \ cited \ / \ PV = Possible \ PV = Possible$

OBSERVATIONS

This inspection was attempted as part of the normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety for Hard Rock and Metals Prospecting NOI's. The purpose of this inspection was to determine the status of the above listed NOI as well as NOI No. P-2009-018 which is in the similar area and held by the same Operator. Division Staff attempted to gain access to the site however approximately 3.5 Miles up Forest Service Road 567 the conditions were impassible. Photo One shows the road which was obstructed by 2 to 3 foot snow drifts. Division staff will attempt a follow up inspection at a later date when conditions allow.

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.



PERMIT #: PF.Id INSPECTOR'S INITIALS: LJW INSPECTION DATE: May 18, 2017

Inspection Contact Address

Craig Liukko Red Arrow Gold Corporation in Receivership PO Box 531 Mancos, CO 81328

Enclosure

CC: Russ Means, Senior Environmental Protection Specialist