




**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.

<b>MINE NAME:</b> Kate	<b>MINE/PROSPECTING ID#:</b> P-2016-019	<b>MINERAL:</b> Silver	<b>COUNTY:</b> Custer
<b>INSPECTION TYPE:</b> Surety-Related Inspection	<b>INSPECTOR(S):</b> Timothy A. Cazier	<b>INSP. DATE:</b> May 2, 2017	<b>INSP. TIME:</b> 13:00
<b>OPERATOR:</b> Viscount Colorado Holdings, LTD	<b>OPERATOR REPRESENTATIVE:</b> Bob Ebisch	<b>TYPE OF OPERATION:</b> MP - Mineral Prospecting	
<b>REASON FOR INSPECTION:</b> Surety Related	<b>BOND CALCULATION TYPE:</b> Complete Bond	<b>BOND AMOUNT:</b> \$16,134.00	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> Local Government	<b>JOINT INSP. AGENCY:</b> Local Government	
<b>WEATHER:</b> Cloudy	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> August 4, 2017	

**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>NA</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</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>NA</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(CI) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</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>NA</u>	(ST) STIPULATIONS----- <u>Y</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 a result of a request for a surety reduction received by the Division on April 11, 2017. Messrs. Bob Ebisch, and Ken Klco were present representing the prospector (Viscount Colorado Holdings, LTD). Mr. Roger Camper with the City of Silver Cliff was present for the inspection. The Kate Project NOI site is approximately 0.5 miles north of the City of Silver Cliff, accessed from County Rd 243. It was not active at the time of the inspection.

### **Inspection:**

The party was able to locate eight drilling sites with nine holes. Holes K16-1 and K16-2 were drilled from the same location (see **Photo 1**). Each hole appeared to be sealed at the surface (see **Photo 2**). A hand held GPS unit (Juno 3B) was used to record the locations of each borehole. A map with these locations is included as **Figure 1**.

Mr. Klco stated approximately two acres were seeded and mulched (see **Photo 3**). This is greater than the 0.32 acres the NOI indicates would be disturbed. However, given the sparse vegetation of the area, the additional seeding is considered beneficial. No noxious weeds were observed. No oil or fuel spills observed.

Mr. Camper indicated Viscount had expressed an interest in additional exploration. Any additional activity on this site will require either a modification to the existing NOI, a new NOI or a mine reclamation permit. Viscount should discuss future activity with the Division prior to proceeding with any non-reclamation related activity.

### **Records:**

- This was the first site inspection by the Division.
- The first anniversary date is November 4, 2017. The Annual fees and map are due at that time.
- Abandonment reports were submitted with the surety reduction request. These reports indicate water was encountered in all nine boreholes, ranging from between 40 and 100 feet bgs. The reports also indicate all holes were abandoned using sodium bentonite from the bottom of each hole and the top 20 feet of each hole plugged and sealed with Portland cement. This method of abandonment complies with Rule 5.4.2.

### **Current Stipulations:**

None.

### **Bond:**

The Division currently holds a \$16,134. The surety reduction requests the bond be reduced to \$1,997.64. Based on the inspection, the division needs only hold a bond for revegetation in case the seeded area fails to establish vegetation. The Division is required to hold a minimum \$2,000.00 bond for NOIs. Therefore, this inspector will recommend the bond be reduced to \$2,000. You will be notified under separate cover.

Please contact Tim Cazier (303)866-3567 ext. 8169 or email at [tim.cazier@state.co.us](mailto:tim.cazier@state.co.us) if you have any questions regarding this report.

## **PHOTOGRAPHS**



Photo 1. Boreholes K16-1 and -2.

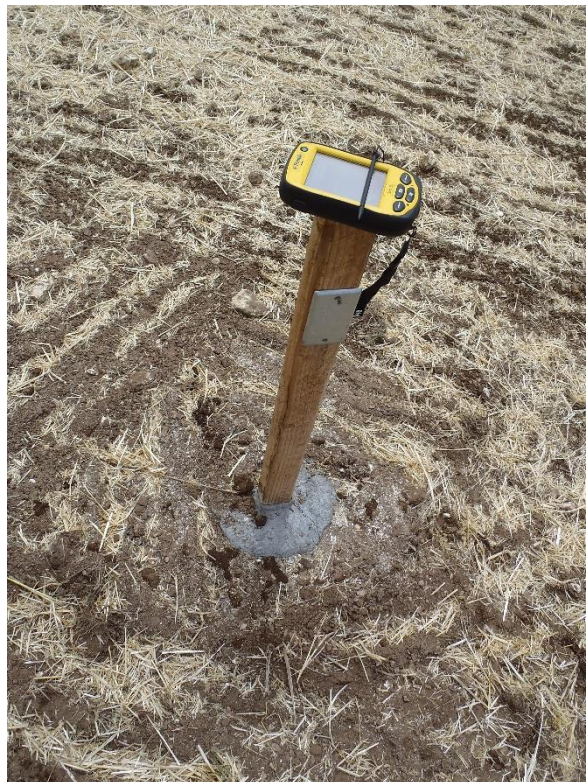


Photo 2. Portland cement seal: Borehole K16-5 (Juno 3B GPS unit on marker).



**PHOTOGRAPHS (cont.)**



Photo 3. Recent revegetation effort: seeded and mulched (looking SE).

**Inspection Contact Address**

James Ebisch  
Viscount Colorado Holdings, LTD  
15101 S. Cheney Spokane Rd  
Cheney, WA 99004

Enclosure

ec: DRMS File  
Derick Sinclair, Viscount



# Figure 1. P-2016-019 Inspection Map

Satellite imagery from 6/15/2016  
Inspection Date: 5/2/2017

## Legend

- Borehole
- Borehole No 10 (not drilled)
- P Kate



Google earth

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243

700 ft