



COLORADO

Division of Reclamation,
Mining and Safety

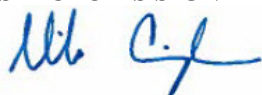
Department of Natural Resources

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: Sara Rose	MINE/PROSPECTING ID#: M-2015-020	MINERAL: Gemstones	COUNTY: Park
INSPECTION TYPE: Monitoring	INSPECTOR(S): Michael A. Cunningham	INSP. DATE: September 29, 2017	INSP. TIME: 10:30
OPERATOR: Red Rock Exploration, LLC	OPERATOR REPRESENTATIVE: Mike Bergmann	TYPE OF OPERATION: 110(1) - Hard Rock Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$7,539.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Snowing	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: November 16, 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: Signs & Markers

PROBLEM/POSSIBLE VIOLATION: Problem: The mine identification sign was not posted at the entrance of the mine site. This is a problem for failure to post a mine identification sign as required by Section 3.1.12(1) of the rule.

CORRECTIVE ACTIONS: The operator shall, at the entrance of the mine site, post a sign which shall be clearly visible from the access road with the following: the name of the operator, a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and the permit number. The operator shall submit photo documentation that a proper sign has been posted by the corrective action date.

CORRECTIVE ACTION DUE DATE: 12/15/17

OBSERVATIONS

The inspection was conducted by Michael Cunningham of the Division of Reclamation, Mining and Safety (Division). Mike Bergmann and Reese Foster were present on behalf of Red Rock Exploration, LLC. The Sara Rose site is located approximately 6 miles west of Alma, CO in Park County. The site is situated above Buckskin Creek in the Pike National Forest. The Operation is permitted for 2.1 acres of disturbance and the commodity of interest is rhodochrosite. The Sara Rose operation is conducted underground, with limited surface facilities. The inspection was conducted as a part of the Division's routine monitoring program.

Gen. Compliance With Mine Plan:

The Sara Rose mine operates intermittently due to the site's elevation at 12,500 feet. During the inspection, the Operator was in the process of transporting equipment located near the portal to a 20' shipping container located near the site entrance. The Operator inquired about moving the shipping container or adding another contain at a different location. The Division informed the Operator this may be done without a revision, provided the shipping containers are located within the approved permit boundary.

The Operator has recently completed construction of the portal. The activities consisted of stabilization and construction of a 20 ft. concrete and timber portal. Waste rock from the portal construction was placed on the native slope adjacent to the portal. The waste rock consists of Precambrian granite/gneiss which is blended into the talus slope. The portal is secured with a locking steel gate. Additional activities include installation of ventilation infrastructure and electrical panels. The Operator will move to the next phase of portal development in 2018. The Operator provided a commitment to submit a Technical Revision with a detail drawing of the portal upon completion of construction. The Technical Revision shall be submitted to the Division prior to the commencement of the next construction season. In addition, the technical revision shall provide additional details on the portal development, including but not limited to, portal dimensions and direction of portal development.

The Operator has restored a wooden shack from the 1950's which is located on the access road, just below the portal. The wooden shack will remain following reclamation. All fuel was stored within equipment with the proper secondary containment.

Signs and Markers:

The permit sign was not posted at the site entrance. This 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.

This concluded the inspection.

PHOTOGRAPHS



1. 1950's Wooden Shack.



2. Lined secondary containment for generator.



3. Side view of portal.



4. Front view of portal.

GENERAL INSPECTION TOPICS

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

(AR) RECORDS----- <u>N</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>N</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>PB</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <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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