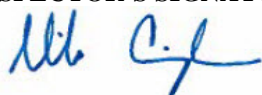




**MINERALS PROGRAM INSPECTION REPORT**  
**PHONE: (303) 866-3567**

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> Mendota Properties	<b>MINE/PROSPECTING ID#:</b> M-1990-147	<b>MINERAL:</b> Silver	<b>COUNTY:</b> Clear Creek
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Michael A. Cunningham	<b>INSP. DATE:</b> August 27, 2013	<b>INSP. TIME:</b> 09:00
<b>OPERATOR:</b> Jack Pine Mining Company	<b>OPERATOR REPRESENTATIVE:</b> Fabyan Watrous	<b>TYPE OF OPERATION:</b> 110(2) - Hard Rock Limited Impact	
<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> Partial Bond	<b>BOND AMOUNT:</b> \$5,000.00	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None	
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> October 8, 2013	

**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----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>N</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>Y</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>Y</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

## **OBSERVATIONS**

The inspection was conducted by Michael Cunningham of the Division of Reclamation, Mining and Safety (Division). Fabyan Watrous of Jack Pine Mining Company was also present for the inspection. The Mendota Properties site is located on the west end of the town of Silver Plume and on the north side of I-70. The site is permitted for 9.1 acres and the post-mining land use is commercial/industrial.

The Mendota Properties site was a pre-law mine that has not operated since the Reclamation Permit was issued. All of the disturbance at the site is considered to be pre-law and therefore is not subject to reclamation until the site commences mining and those areas are re-disturbed. The permit sign was posted at the site entrance and the boundary of the affected area was clearly delineated.

The western portion of the site contains a mill which would be utilized to process the existing dumps on site. Milling of the dump material would consist of crushing, grinding, and mineral recovery utilizing gravity separating techniques. There are three existing dumps located on the western portion of the mine site: Silver Ore Dump, Smuggler/Slide Dump, and Slide Dump. Brown Gulch flows between the Smuggler/Slide Dump and the Slide Dump and discharges into Clear Creek to the south of the mine.

The eastern portion of the site contains the mine office, the Mendota Dump and a tailings pond. The tailings pond contains numerous mature trees. The Division did not observe any water impounded within the tailings pond. In addition, the eastern portion of the mine contains the Mendota Adit which provides access to the underground workings. The Mendota Adit was secured with locking steel doors.

The Division currently holds a financial warranty in the amount of \$5,000.00. The Division informed the Operator, that prior to commencement of mining activities, the Division would perform an inspection and reevaluate the amount of required financial warranty.

This concluded the inspection.

### **Inspection Contact Address**

Fabyan Watrous  
Jack Pine Mining Company  
P.O. Box 66  
Idaho Springs, CO 80452