



COLORADO

Division of Reclamation,
Mining and Safety

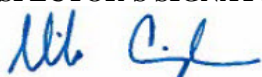
Department of Natural Resources

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: Destiny Pit	MINE/PROSPECTING ID#: M-2009-056	MINERAL: Gold, Sand & Gravel	COUNTY: Park
INSPECTION TYPE: Surety-Related Inspection	INSPECTOR(S): Michael A. Cunningham	INSP. DATE: December 8, 2017	INSP. TIME: 10:00
OPERATOR: Gold Tamers, LLC	OPERATOR REPRESENTATIVE: Caleb Bolander, Matt Donnelly	TYPE OF OPERATION: 110(2) - Hard Rock Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$21,562.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: U.S.BLM
WEATHER: Windy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: February 5, 2018

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: Support Facilities On-site

PROBLEM/POSSIBLE VIOLATION: Problem: Land has been affected outside of the approved permit boundary. This is a problem at this time pursuant to C.R.S. 34-32-116(7)(h) for failure to protect areas outside of the affected land from slides or damages occurring during the mining operation.

CORRECTIVE ACTIONS: The Operator shall remove the trailers and the portable restroom which are located outside of the permit boundary. The facilities shall be removed entirely from the site. Alternately, the Operator may relocate the facilities to the interior of the permit boundary, with the necessary BLM approvals. Proof of compliance may be in the form of photographs.

CORRECTIVE ACTION DUE DATE: 3/05/18

INSPECTION TOPIC: Signs & Markers

PROBLEM/POSSIBLE VIOLATION: Problem: The mine identification sign and affected area boundary markers were not observed per the requirements of Rule 3.1.12.

CORRECTIVE ACTIONS: The operator must post a sign at the entrance to the mine site which shall be clearly visible from the access road and specify the following; the name of the operator, indicate that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board, and the permit number. The boundaries of the affected area must be marked by monuments or other markers that are clearly visible and adequate to delineate such boundaries. The corrective action shall be completed by the corrective action date. Proof of compliance may be in the form of photographs.

CORRECTIVE ACTION DUE DATE: 3/05/18

OBSERVATIONS

The inspection was conducted by Michael Cunningham of the Division of Reclamation, Mining and Safety (Division). Caleb Bolander and Matt Donnelly were present on behalf of Gold Tamers, LLC and Stephanie Carter was present on behalf of the Bureau of Land Management (BLM). The Destiny Pit is located approximately 0.4 miles south of Fairplay, Colorado. The operation is permitted for 4.84 acres and the primary commodity of interest is gold and the incidental commodities of interest are sand and gravel.

On October 26, 2017, the Division received a Succession of Operators (SO) Application to transfer the 110(2) Hard Rock permit from Destiny Mining LLC, to Gold Tamers, LLC. The current Permittee and Prospective Successor waived their right to a decision within 30 days. Therefore, the purpose of the inspection was to evaluate the adequacy of the financial warranty prior to transferring the Reclamation Permit. The Operation was inactive at the time of the inspection and the ground was partially covered with snow.

Financial Warranty:

The Division currently holds a financial warranty in the amount of \$15,814.82. Following the inspection, the Division performed a complete bond calculation and determined the required financial warranty is \$21,562.00.

Hydrologic Balance:

The Operator is authorized to construct a well onsite to supply water for the processing of material. The Operator has not drilled a well and is currently hauling in water. The Operator must secure a well permit from the Colorado Division of Water Resources prior to constructing a well. In addition, a copy of the well permit must be provided to the Division for inclusion in the permit file and the financial warranty must be adjusted to account for the abandonment of the well at the end of the life of the mine.

Gen. Compliance With Mine Plan:

A gold recovery plant has been set up towards the south end of the permit area. The gold plant consists of a grizzly with a belt feeder, a trommel screen, conveyors, a sluice box and sand screw. Water from the wash plant is recirculated in a horseshoe shaped pit which is approximately 6 ft. deep. The recirculation pit is lined to prevent the loss of water. A second area of disturbance was located north of the wash plant and consisted of a pit approximately 20 ft deep with side walls at 1H:1V. Overburden has been stockpiled along the eastern and norther permit boundaries.

Roads:

The Mining Plan called for constructing an access road from Thompson Park Road to the pit. The Operator did not construct a new access road, but instead is utilizing an existing BLM road, which connects Thompson Park Road to the pit. According to the BLM, the Operator is authorized to use the existing road to access the mining operation.

Support Facilities On-site:

The Division observed three trailers and a portable restroom located immediately outside of the southeast corner of the permit boundary. The structures are located on BLM property, but are currently outside of the approved permit boundary. The trailers have been parked on the grass and no pads were constructed in order to place the trailers in their current location. 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.

Signs and Markers:

The permit sign was not posted at the site entrance as required by Rule 3.1.12. The Division found the permit boundary was partially delineated; all boundary markers were located except for the southwest marker. The failure to post a permit sign and fully delineate the permit boundary 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.

Topsoil:

The Operator has salvaged and screened topsoil, which has been stockpiled towards the center of the pit. The Division and the Operator discussed relocating the topsoil stockpile to the perimeter of the pit, so as to avoid disturbance from ongoing operations. The Operator is reminded the Reclamation Permit requires topsoil stockpiles to be stabilized through revegetation with the prescribed seed mix.

PHOTOGRAPHS



1. Trailers located outside of the permit boundary.



2. Trailer located outside of the permit boundary.



3. Screened topsoil stockpile.



4. Wash plant for gold recovery.

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>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>Y</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>PB</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>PB</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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