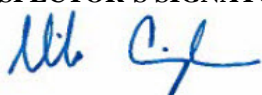




MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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: Iron & Wm. Richardson Lode Claims	MINE/PROSPECTING ID#: M-2014-066	MINERAL: Gold and silver	COUNTY: Gilpin
INSPECTION TYPE: Monitoring	INSPECTOR(S): Michael A. Cunningham	INSP. DATE: November 28, 2017	INSP. TIME: 13:00
OPERATOR: Nevadaville Encore, LLC	OPERATOR REPRESENTATIVE: Wes Williams	TYPE OF OPERATION: 110d - Designated Limited Impact	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$14,500.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: February 8, 2018	

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>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</u>	(SF) PROCESSING FACILITIES----- <u>NA</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>Y</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>Y</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). Wes Williams of Nevadaville Encore, LLC was present for the inspection. The Iron Wm. Richardson Lode Claims site is located in Gilpin County, approximately two miles southwest of Central City. The operation is permitted for one acre of disturbance. The commodities of interest are gold and silver and the approved post-mining land use is pastureland.

Financial Warranty:

The Division holds a financial warranty in the amount of \$14,500 which remains adequate to complete reclamation of the site.

Gen. Compliance With Mine Plan:

The site was not active at the time of the inspection and no equipment is being stored at the mine. The Operator is approved to remove a historic mine dump from the site. The dump contains approximately 8,000 tons of material which will be hauled to an off-site mill facility. To date, the Operator has removed approximately 100 tons of tailings from the dump.

During the inspection the Operator was informed the Memorandum of Understanding (MOU) between the Division and the Hazardous Materials and Waste Management Division (HMWMD) of the Colorado Department of Public Health and Environment was revised in 2017. The revised MOU eliminated the definition of a custom mill and clarified that milling is considered to be a mining activity. According to the Operator, material previously removed from the mine dump was transported to the Federal Mill for processing. On January 25, 2012, the Division conducted an inspection of the Federal Mill located at 3060 W. 58th Ave. in Denver. The Federal Mill is also referred to as the Denver Heavy Equipment facility in the Division's records. At the time of the inspection, it was determined the Federal Mill was not within the regulatory jurisdiction of the Division. As a result of the change to the MOU between the Division and HMWMD, all milling activity is subject to the requirements of the Colorado Mined Land Reclamation Act and must be carried out under an approved Reclamation Permit. Any material which is removed from the Iron Wm. Richardson Lode Claims must be processed at a permitted mill facility, if processed within Colorado.

Signs and Markers:

The permit sign was posted at the entrance to the mine and the boundary of the affected area was delineated as required by Rule 3.1.12.

Storm Water MGT Plan:

The silt fence around the mine dump was intact and was properly anchored. The Division did not observe any signs of erosion from stormwater runoff.

PHOTOGRAPHS



1. Permit sign.



2. Silt fencing around mine dump.



3. Silt fencing around mine dump.

Inspection Contact Address

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17115 Carlson Dr., #1613
Parker, CO 80134

CC: Wally Erickson, DRMS