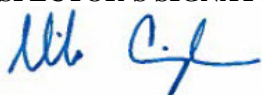




MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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: Bates-Hunter Mine	MINE/PROSPECTING ID#: M-1990-041	MINERAL: Gold	COUNTY: Gilpin
INSPECTION TYPE: Surety-Related Inspection	INSPECTOR(S): Michael A. Cunningham	INSP. DATE: March 23, 2018	INSP. TIME: 09:30
OPERATOR: Central City Consolidated Mng	OPERATOR REPRESENTATIVE: Matt Collins	TYPE OF OPERATION: 110(2) - Hard Rock Limited Impact	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$99,000.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 15, 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>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>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>N</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>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). Matt Collins was present on behalf of Central City Consolidated Mining. The Bates-Hunter Mine is located between the towns of Central City and Blackhawk alongside State Highway 279. The mine site occupies approximately 1 acre and is situated at an elevation of 8,300 ft. The Golden Gilpin Mill is located about a half a mile up Highway 119 from its intersection with State Highway 279. The mill facility occupies the remaining 2.5 acres of the 3.5 acre permit boundary. The post-mining land use is industrial/commercial.

On February 27, 2018, the Division received Technical Revision No. 4 (TR-04) which addressed the historic designation of the Mill building. In addition, TR-04 documented the Operator's efforts to remove refuse from the site as well as repairs made to the Mill building. The purpose of the inspection was to verify the information presented in TR-04

The inspection commenced with a tour of the facilities at the mine site. The Operator has cleaned out the hoist/office building which previously served as the living quarters for the mine caretaker. In addition, the Operator has removed a substantial amount of refuse and equipment from the area around the hoist/office building. The materials which remain at the mine site have a direct use for future mining operations. No substantial changes have been made to the water treatment facility. The Operator informed the Division that work will be performed on the water treatment plant in an effort to bring it back online. The water treatment facility was approved under Technical Revision No. 1 (TR-01) on March 3, 2004. If the water treatment plant will be operated in a different manner than what was approved under TR-01, then a Technical Revision addressing the proposed changes must first be approved by the Division.

Following the inspection of the mine site, the Division proceeded to inspect the Mill facility. The Operator has installed locks on all of the doors to the Mill building and the facility is no longer accessible to the public. In addition, the Operator has removed all refuse and equipment from around the Mill building. The reagents which were stored in the Mill building and still have a use for future milling operations have been moved into a Conex container located adjacent to the Mill. All other reagents were removed from the site and were properly disposed of at a licensed waste disposal facility.

This concluded the inspection.

Inspection Contact Address

Matt Collins
Central City Consolidated Mng
1508 Ridge Rd.
Nederland, CO 80466

CC: Wally Erickson, DRMS

PHOTOGRAPHS



1. North side of Mill building.



2. Locked doors on Mill building.



3. Area adjacent to Mill, previously used to store equipment and refuse.



4. Area adjacent to Mill, previously used to store equipment and refuse.



5. Conex used to store reagents.