




**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> Hukill Gulch Millsite	<b>MINE/PROSPECTING ID#:</b> M-2009-076	<b>MINERAL:</b> Silver and gold	<b>COUNTY:</b> Clear Creek
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Peter S. Hays	<b>INSP. DATE:</b> October 31, 2018	<b>INSP. TIME:</b> 09:30
<b>OPERATOR:</b> Venture Resources, Inc.	<b>OPERATOR REPRESENTATIVE:</b>	<b>TYPE OF OPERATION:</b> 110d - Designated Limited Impact	
<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> Complete Bond	<b>BOND AMOUNT:</b> \$96,827.69	
<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> November 6, 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>Y</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>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>N</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	

Y = Inspected / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

## **OBSERVATIONS**

The Hukill Gulch Millsite was inspected by Peter Hays with the Colorado Division of Reclamation, Mining and Safety (Division/DRMS) in response to technical revision (TR-05). The site was previously inspected by the Division on October 26, 2017. Mr. Patrick Maher with Venture Resources, Inc. was present during the inspection.

### **Technical Revision No. 5**

The Operator submitted a technical revision (TR-05) on October 5, 2018. The revision was approved by the Division on November 5, 2018. Notice of the technical revision approval was sent under separate cover. The revision improves the milling process and increases the milling rate by replacing the portable equipment and temporary structures with larger equipment, additional flotation cells, and larger capacity water tanks to be housed in a mill building.

### **Site Inspection**

The following aspects of the mill facility were observed during the inspection; the ore bin, crushing equipment, ball mill trailer, flotation trailer, the approximate location of the new mill building concrete foundation, the tailings line and the future location of the water tanks. The technical revision appeared to accurately describe the site layout and operation. The Operator stated the mill has not been operational since 2012. The mill building construction would occur as weather conditions allow. A small stockpile of tailings was located in the ore storage building. The tailings impoundment was not observed due to the snowy ground conditions at the time of the inspection.

### **Financial Warranty**

The Division currently holds a financial warranty in the amount of \$96,827.69. The Division estimated the cost for an independent contractor to complete site reclamation based on the revised mill building as described in the technical revision. The required financial warranty was estimated as an increase of \$10,915.03 for a total required surety of \$107,742.72.

### **Mine Sign**

The mine sign was posted at the entrance gate as required by Rule 3.1.12.

Photographs taken during the inspection are attached.

### **Inspection Contact Address**

Patrick Maher  
Venture Resources, Inc.  
P.O. Box 1974  
Idaho Springs, CO 80452

Enclosure – Bond Estimate

Ec: Michael Cunningham, DRMS

## PHOTOGRAPHS



Hukill Gulch Millsite sign



View of the staked corners of the new lower concrete foundation





View of the ball mill trailer



View of the ore bin and stockpile





View of the crusher feed bin, crushing trailer and covered crushed ore bin



View of flotation trailer temporarily moved from the mill site