



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: Von Doose Mine	MINE/PROSPECTING ID#: M-2019-031	MINERAL: Silver	COUNTY: Ouray
INSPECTION TYPE: Preoperation Inspection	INSPECTOR(S): Lucas J. West	INSP. DATE: August 1, 2019	INSP. TIME: 10:00
OPERATOR: Atlas Mining & Reclamation, LLC	OPERATOR REPRESENTATIVE: Eli Doose, Mike Thompson	TYPE OF OPERATION: 110(1) - Hard Rock Limited Impact	
REASON FOR INSPECTION: Preoperation Inspection	BOND CALCULATION TYPE: None	BOND AMOUNT: No Bond Held	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 12, 2019	

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----- N	(FN) FINANCIAL WARRANTY----- N	(RD) ROADS----- N
(HB) HYDROLOGIC BALANCE----- N	(BG) BACKFILL & GRADING----- N	(EX) EXPLOSIVES----- N
(PW) PROCESSING WASTE/TAILING---- N	(SF) PROCESSING FACILITIES----- N	(TS) TOPSOIL----- N
(MP) GENL MINE PLAN COMPLIANCE- N	(FW) FISH & WILDLIFE----- N	(RV) REVEGETATION---- N
(SM) SIGNS AND MARKERS----- N	(SP) STORM WATER MGT PLAN---- N	(RS) RECL PLAN/COMP-- N
(ES) OVERBURDEN/DEV. WASTE----- N	(SC) EROSION/SEDIMENTATION--- N	(ST) STIPULATIONS----- N
(AT) ACID OR TOXIC MATERIALS----- N	(OD) OFF-SITE DAMAGE----- N	

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

OBSERVATIONS

This inspection was conducted as the Pre-operational inspection for the Von Doose Mine, a 110(1) Limited Impact Hard Rock mine application currently in review. In addition to the inspector and the Applicant representatives listed on page one of this report, Russ Means the Minerals Program Director was present during the inspection. The application is currently for a 4.66 acre limited impact underground mining operation located up Corkscrew Gulch in Ouray County. The site is accessed by a private road located on Private Patented Claims owned by Red Mountain Trust, LLC. The private road lies just off Ouray County Road 20A and public access is controlled by a locked gate. The application is still under review, therefore no financial warranty amount is set and no financial warranty is held. Five Photos accompany this report to illustrate the current site conditions.

The Proper notice marker as required by Rule 1.6.2(1)(b) was observed and can be seen in Photo One. The notice was posted several feet above ground level because at the time of posting that was the snow line. The gate where the access road meets Ouray County Road 20 was secured. On site discussions focused mainly on the Lower Affected Area as the Applicant has expressed they may remove the proposed Upper Affected Area from the application completely. The area of the laydown yard was observed and can be seen in Photos Two and Three. The area is well vegetated and was stable at the time of the inspection. Discussions detailed the amount of earthwork and grading that would need to be conducted and that all final slopes steeper than a 2H: 1V would require a factor of safety calculation. The access road leading from the proposed laydown yard to the portal area was stable and in good condition. The road would be reworked as part of the mining operation and can be seen in Photo Four. The area where the portal and waste rock are to be constructed were stable at the time of the inspection. The portal area can be seen in Photo Five.

The entire site and its private access roads were in good condition and stable the day of the inspection. No evidence of erosion, settling or slumping was noted. No state listed noxious weeds were observed during the inspection. There were no problems within the proposed permit area or the proposed affected lands. The application is still in the adequacy review phase and will continue in compliance with all statutory timeframes. All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety at 1313 Sherman Street, Room 215, Denver CO, 80203, by phone at 970-243-6368 or by email at lucas.west@state.co.us.

PHOTOGRAPHS

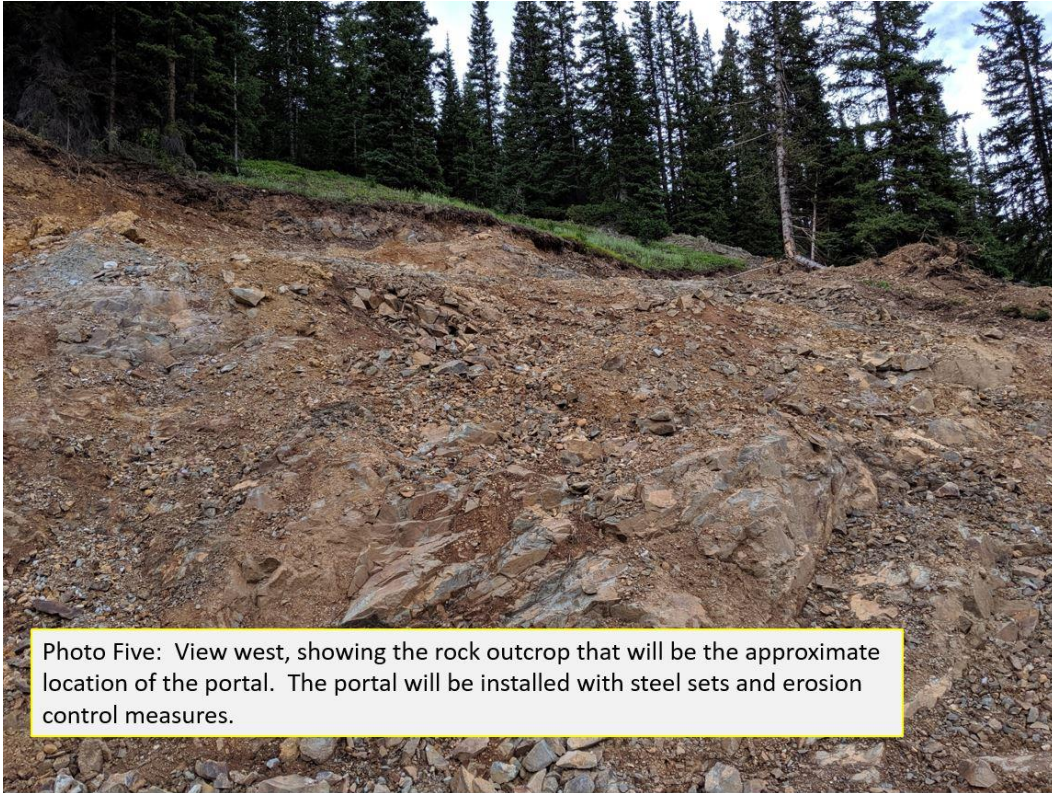


Photo One: View north, showing the proper notice posted on site. The notice is several feet above the ground level because at the time of posting it was posted at the snow line.



Photo Two: View northeast, showing the approximate location of the laydown yard and storage area.





Inspection Contact Address

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19911 Highway 550
Montrose, CO 81403

Enclosure

CC: Travis Marshall, Senior Environmental Protection Specialist

Ec: Mike Thompson, Reardon Steele LLC.