




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: West Side Placer	MINE/PROSPECTING ID#: M-2016-081	MINERAL: Gold, niobium (colorado), rare earths	COUNTY: Moffat
INSPECTION TYPE: Monitoring	INSPECTOR(S): Amy C. Yeldell	INSP. DATE: July 18, 2019	INSP. TIME: 12:45
OPERATOR: AuPt Industries LLC	OPERATOR REPRESENTATIVE: Peter Freedman	TYPE OF OPERATION: 110(2) - Hard Rock Limited Impact	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$39,160.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 29, 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----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</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>Y</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>Y</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 / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This inspection was conducted as part of the Colorado Division of Reclamation, Mining and Safety (Division) normal monitoring program. Peter Freedman represented AuPt Industries, LLC and accompanied Amy Yeldell of the Division on the inspection. The West Side Placer mine is a 110(2) permitted site that includes a total of 9.9 acres on State Land Board land. This site is located on the 15 miles southwest of Baggs, WY and is accessed from Moffat County Road 88.

The mine identification sign and affected area boundary markers remain in place and in compliance with Rule 3.1.12.

The northern most area is now being used for the crew quarters and equipment storage. There is a conex used for tool and dry flocculants storage. A small flocculent mixing tank is adjacent to the conex and a larger tank is used to store the excess mixed flocculent that is periodically added to the system. Three frac tanks are used for water storage and circulation to feed the plant. Processing equipment includes a hopper, elevated trommel, riffles and a sand screw in addition to a few small conveyors and the water circulation equipment. The permitted well on site continues supports both the mining operation as well as domestic use.

The fuel is stored in secondary containment. The Operator is still tweaking the flocculants system. Currently mining activities are limited to test runs and excavating and stockpiling pay dirt. The operator needs to perfect their system further before running large quantities of materials through the plant. Active mining is occurring in the southern most portion of the permit boundary. The current excavated cuts is approximately 10 feet deep by 2000 sq. ft. The existing settling ponds located on the east side of the mine remain in place and in use. As does another conex and awning that serve as the gold recovery room.

To date no seeding has occurred, only surface contouring has taken place. The operator is encouraged to concurrently reclaim where practical as adequate vegetation establishment is likely to take several years. In areas where vegetation cannot be immediately established diligent noxious weed management is imperative. The Operator is encouraged to reach out to Jessie Schroeder of Moffat County Weed Manager, 970-824-9180 for expertise in managing noxious weeds in arid rangelands.

The Division currently requires a financial warranty amount of \$39,160 for this site. The bond was last recalculated with TR-1 in 2018. In an effort to ensure the Financial Warranty adequately, reflects the actual current cost of fulfilling the requirements of the approved reclamation plan the Division will be updating the reclamation cost estimate. If the current bond is found to be insufficient the Division will send a Notice of Surety Increase under a separate cover.

Responses to this inspection report should be directed to: Amy Yeldell at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 303-866-3567 Ext 8183 or via email at amy.yeldell@state.co.us

Inspection Contact Address

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Enclosure

CC:
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Steve Freese, SLB

PHOTOGRAPHS







Photo Four: Current mining cut



Photo Five: Overview of previously affected lands and processing area

