

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:		MINE/PROSPECTING ID#:	MINERAL:	COUNTY:	
Crystal Hill Project		M-2014-027	Silver and gold	Saguache	
INSPECTION TYPE:		INSPECTOR(S):	INSP. DATE:	INSP. TIME:	
Monitoring		Stephanie J. Mitchell	August 14, 2019	10:00	
OPERATOR:		OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:		
Colorado Mining and Exploration, LLC		Jake Wilkenson	110(2) - Hard Rock Limited Impact		
REASON FOR INSPECTION:		BOND CALCULATION TYPE:	BOND AMOUNT:		
Normal I&E Program		Complete Bond	\$14,109.10		
DATE OF COMPLAINT:		POST INSP. CONTACTS:	JOINT INSP. AGENCY:		
NA		None	None		
WEATHER:	INSPECTOR'S SIGNATURE:		SIGNATURE DATE:		
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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>N</u>
(PW) PROCESSING WASTE/TAILING N	(SF) PROCESSING FACILITIES \underline{Y}	(TS) TOPSOIL <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE \underline{Y}	(RV) REVEGETATION <u>Y</u>
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN N	(RS) RECL PLAN/COMP <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE <u>N</u>	(SC) EROSION/SEDIMENTATION \underline{Y}	(ST) STIPULATIONS <u>N</u>
(AT) ACID OR TOXIC MATERIALS N	(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

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OBSERVATIONS

This was a monitoring inspection of Crystal Hill Project; M-2014-027 operated by Colorado Mining and Exploration, LLC. This site is located approximately 8 miles northwest of La Garita, Colorado in Saguache County. I, Stephanie Mitchell of the Colorado Division of Reclamation, Mining and Safety conducted the inspection. Mr. Jake Wilkenson, of Colorado Mining and Exploration, LLC accompanied me on the inspection.

This is a 9.68 acre 110(2) hard rock mining operation for gold. A mine identification sign was in place at the entrance to the mine site. Permit boundaries were all clearly marked. The site was not active at the time of inspection. The site is stable and no disturbance was observed outside of the approved permit boundaries. The area is all on private patented claims.

Material being extracted by a Cat 235 excavator. No debris or fuel is being stored at the site. The site was previously mined by Draco Mining and released from Reclamation responsibility from the Division in 1995. Colorado Mining and Exploration re-permitted the site in 2014. Most of the material to be mined is in the pit floor. The benches to the north are pre-existing. There are several sampling trenches around the perimeter of the pit floor. There is about 2 acres of disturbance.

No offsite damage or erosion, or other problems or violations were noted during this inspection. Photos that show the conditions observed during the inspection are included at the end of this report.

Responses to this inspection report should be directed to Stephanie Mitchell at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone no.

PHOTOGRAPHS







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Inspection Contact Address

Jake Wilkenson Colorado Mining and Exploration, LLC 502 S. Wisconsin Ave. Gunnison, CO 81230