

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: | | MINE/PROSPECTING ID#: | MINERAL: | COUNTY: | |
|-------------------------------|------------------------|---------------------------------|-----------------------------------|-------------|--|
| Bachelor Syracuse Mn | | M-1980-171 | Silver and gold | Ouray | |
| INSPECTION TYPE: | | INSPECTOR(S): | INSP. DATE: | INSP. TIME: | |
| Monitoring | | Lucas J. West | September 25, 2019 | 14:00 | |
| OPERATOR: | | OPERATOR REPRESENTATIVE: | TYPE OF OPERATION: | | |
| Bachelor Silver Mines Company | | Carl Dismant | 110(2) - Hard Rock Limited Impact | | |
| | | | | | |
| REASON FOR INSPECTION: | | BOND CALCULATION TYPE: | BOND AMOUNT: | | |
| High Priority | | Complete Bond | \$6,536.00 | | |
| DATE OF COMPLAINT: | | POST INSP. CONTACTS: | JOINT INSP. AGENCY: | | |
| NA | | None | None | | |
| WEATHER: | INSPECTOR'S SIGNATURE: | | SIGNATURE DATE: | | |
| Clear | M | | October 24, 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>N</u> | (RD) ROADS <u>Y</u> |
|--|-------------------------------------|------------------------------|
| (HB) HYDROLOGIC BALANCE <u>Y</u> | (BG) BACKFILL & GRADING <u>N</u> | (EX) EXPLOSIVES <u>N</u> |
| (PW) PROCESSING WASTE/TAILING <u>N</u> | (SF) PROCESSING FACILITIES <u>N</u> | (TS) TOPSOIL <u>N</u> |
| (MP) GENL MINE PLAN COMPLIANCE- <u>Y</u> | (FW) FISH & WILDLIFE N | (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>N</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

This inspection was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety. The Bachelor Syracuse Mine (Khedive Portal) is an active 110(2) underground operation located approximately 2.5 miles north of Ouray Colorado off of County Road 14. Public Access to the site is controlled by a locked gate. The site consists of 2.0 Permitted Acres in support of the operation. In addition to the underground recovery of silver, the site also operates as a tourist mine. The Division currently holds \$6,536.00 in Financial Warranty for the site. A reclamation cost estimate update was not performed as a result of this inspection. Carl Dismant of the Bachelor Silver Mines Company was present during the inspection. Two photos accompany this report to illustrate the current site conditions.

The site was not active during the inspection and no mining related equipment was located on site. The proper mine Identification Signage was posted at the entrance to the site. The portal located on site, the Khedive Portal, is to serve as ventilation and secondary escape way for the Syracuse portal which is listed under a separate permit, M-1980-170. The portal is in good condition and can be seen in Photo. The portal does have an associated discharge which was visually estimate to be flowing at a rate of 50 Gallons Per Minute. The water leaving the portal was clear, and no signs of mineral staining or precipitates was observed.

The tourist related structures on site include a covered picnic area, cooking area and camp fire pit used as a meal site for the tourist operations. All structures and items located in this area are in good condition and were stable at the time of the inspection. The structures can be seen in Photos One and Two. Adjacent to the meal area is a pre-law waste rock pile that borders Dexter Creek. The waste rock pile was stable during the inspection and has begun to revegetate itself with volunteer species.

The overall footprint of the site is in good condition and free from trash and debris. No signs of significant settling, slumping or erosion were noted during the inspection. Throughout the site no state listed noxious weeds were observed. There are no problems or possible violations at this time. 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.

Inspection Contact Address

Carl Dismant Bachelor Silver Mines Company 325 5th St Ouray, CO 81427

PHOTOGRAPHS

