




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: Iron & Wm. Richardson Lode Claims	MINE/PROSPECTING ID#: M-2014-066	MINERAL: Gold and silver	COUNTY: Gilpin
INSPECTION TYPE: Monitoring	INSPECTOR(S): Amy Eschberger, Peter Hays	INSP. DATE: February 14, 2020	INSP. TIME: 10:30
OPERATOR: Nevadaville Encore, LLC	OPERATOR REPRESENTATIVE: Wesley Williams	TYPE OF OPERATION: 110d - Designated Limited Impact	
REASON FOR INSPECTION: High Priority	BOND CALCULATION TYPE: None	BOND AMOUNT: \$14,500.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Inclement/prevented Inspection	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: March 10, 2020	

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>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>N</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(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 of the Iron & Wm. Richardson Load Claims (Permit No. M-2014-066) was conducted by Amy Eschberger and Peter Hays of the Division of Reclamation, Mining and Safety (Division) to find out more information regarding the potential transportation of tailings from the site to an off-site unpermitted mill located in Jefferson County, assigned File No. M-2020-010 (Mountain Plains Mill). The Division learned of the unpermitted mill site from the Discovery Channel television show called "Reclaimed". During its inspection of the mill site on January 29, 2020, the Division was informed by the mill operator, Paul Danio that the mill was constructed in the summer of 2019 and operated only for limited testing, processing approximately 10 tons of ore. The ore processed in the mill was said to have come from the Iron & Wm. Richardson Load Claims site.

The Division was unable to inspect the site due to the snow cover and unplowed access road. Therefore, the Division met with the operator, Wesley Williams off-site to discuss the permit. The site is located approximately 3 miles southwest of Central City, CO in Gilpin County. The site is located directly adjacent to and north of Druid Mine Road/Pewabic Mine Road, approximately 0.4 mile east of Virginia Canyon Road. The affected lands are owned by James and Mary Jostes, LLC.

This is a 110d operation permitted for one acre to mine gold and silver (see enclosed Google Earth image of site). The permit area (see enclosed Mining Plan Map) includes portions of two mine claims, the Iron claim (M.S. #572) and the Wm. Richardson claim (M.S. #233). However, the area of anticipated disturbance includes the easternmost 500 feet of the Wm. Richardson claim, covering approximately 0.574 acre. The operator is approved to remove material from an historic mine dump located on site. The mine dump contains approximately 8,000 tons of material which will be hauled to an off-site mill facility for processing. At the time of permitting, the operator had an agreement with the Federal Mill (in Denver) to process material from the site. This mill would perform a TCLP test on the waste generated by the facility to verify the waste is non-characteristic. The operator committed to providing the Division with a copy of the TCLP results for the ultimate waste produced after an initial production of less than 100 tons of tailings have been processed and the waste categorized.

Prior to mining at the site, silt fencing will be placed along the down-slope side of the disturbed area and wattles will be placed along the up-slope edge of the disturbed area. The existing dump will be mined from the lowest edge in the northeast toward the southwest corner. Trucks will be loaded on the surface of the unmined existing dump to prevent any spillage occurring off-site. During periods of inactivity in excess of one week, a plastic membrane will be installed over the disturbed face of the mine dump to control erosion. No new buildings or roads will be constructed for the operation. A historic headframe and shaft house are present on the Iron claim, which will not be disturbed by the operation.

The approved post-mining land use for the site is pastureland. For reclamation, disturbed areas will be graded to match natural contours as much as possible, with slopes no steeper than 3H:1V. Topsoil will be constructed by placing 1.5-2.5 inches of biocompost on graded areas and chiseling and/or discing the material into the ground. The biocompost will be imported and temporarily stored on site for no more than one week prior to being used for reclamation. The constructed topsoil will be fertilized if required based on the results of a soil test. The site will be broadcast seeded with a native plant seed mixture consisting of First Strike Slender Wheatgrass, Western Wheatgrass, Thick Spike Wheatgrass, Arizona Fescue, Idaho Fescue, and Basin Wildrye. Erosion control, as mulch, using biodegradable mesh (e.g., straw blankets with jute mesh) will be installed in reclaimed areas with slopes steeper than 10%. Stormwater controls used during mining will be maintained until the reclaimed area has been successfully revegetated.

As of the last inspection, on November 28, 2017, the operator had removed approximately 100 tons of tailings

from the dump. According to the operator, material previously removed from the mine dump was transported to the Federal Mill for processing. In its last inspection report, sent on February 8, 2018, the Division informed the operator the Memorandum of Understanding (MOU) between the Division and the Hazardous Materials and Waste Management Division (HMWMD) of the Colorado Department of Public Health and Environment (CDPHE) had been revised in 2017. The revised MOU eliminated the definition of a "custom mill" and clarified that milling is considered to be a mining activity which is subject to the provisions of the Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal, and Designated Mining Operations (Rules). Later, through a formal Rulemaking hearing held on May 22, 2019, the Mined Land Reclamation Board removed the definition of "custom mill" from the Rules. Therefore, in accordance with the revised MOU and Rule changes, all mills operating within the state must now be permitted through the Division.

During the recent meeting, the operator informed the Division that approximately 8-10 tons of tailings material from the Iron & Wm. Richardson Load Claims had been transported to the new mill facility located in Jefferson County (Mountain Plains Mill). This occurred 3-4 weeks ago prior to the big snowstorm that came through the area, leaving approximately two feet of snow on the ground. The operator was not aware the mill facility is unpermitted. The operator should be advised, until the mill facility is permitted through our Division, any further transportation of material from this site to the mill facility may be considered a possible violation of the mine permit, resulting in enforcement actions and potential civil penalties.

The operator inquired about the possibility of conducting some small-scale material processing on the mine site using only water and no chemicals. The Division told the operator the permit file would be reviewed to determine whether any processing activities are currently authorized for the operation. In its review, the Division found the operator had initially proposed some crushing, grinding, and screening of mined material to occur on site, with the storage of up to 500 gallons of water. However, during the adequacy review process, the operator removed these proposals from the application. Therefore, the approved permit does not authorize the operator to process material or store water on site. If the operator wishes to incorporate material processing into the permit, this can be proposed through the appropriate permit revision (Technical Revision or Amendment). The Division would be happy to meet with the operator again to discuss this proposal once more details are known, and help determine the appropriate revision.

Due to the current weather conditions preventing site access, the Division intends to schedule another inspection of the site this summer.

This concludes the report.

Any questions or comments regarding this inspection report should be forwarded to Amy Eschberger at the Colorado Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, via telephone at 303-866-3567, ext. 8129, or via email at amy.eschberger@state.co.us.

Inspection Contact Address

Wesley Williams
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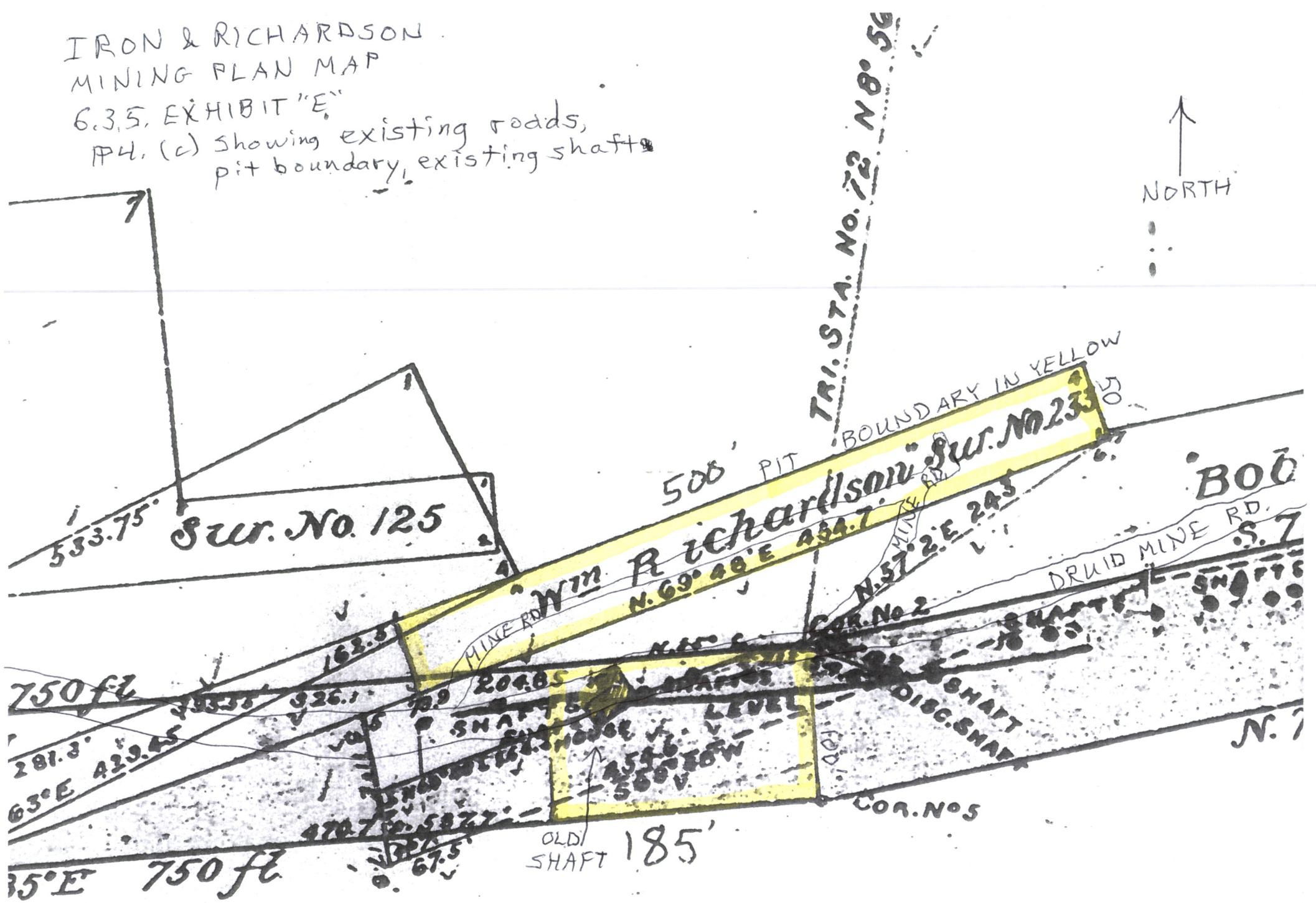
Encls: Google Earth image of site
Mining Plan Map

CC: Peter Hays, DRMS
Michael Cunningham, DRMS

6.3.5. EXHIBIT "E"

6.3.5. EXHIBIT "E"
 P4. (c) showing existing roads,
 pit boundary, existing shafts

NORTH


$$1'' = \frac{75}{160} \text{ FT.}$$

1.0 Acres

total Permit Area
Boundaries in yellow

M-2014-066 / Iron & Wm. Richardson Lode Claims / Nevadaville Encore, LLC

110d - Designated Limited Impact Operation
Permit Area = 1.0 acre
(Image data from 9/13/2019)

