

MINERALS PROGRAM INSPECTION REPORT PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety 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:	
Gladstone	M-2020-030	Silver and gold	Clear Creek	
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:	
Monitoring	Peter Hays	June 17, 2020	16:00	
OPERATOR:	OPERATOR REPRESENTATIVE	: TYPE OF OPERA	TYPE OF OPERATION:	
Salisbury Gladstone LLC	Jeff Carter	110(1) - Hard Rock	110(1) - Hard Rock Limited Impact	
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REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:	BOND AMOUNT:	
Normal I&E Program	None	No Bond Held	No Bond Held	
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGI	JOINT INSP. AGENCY:	
NA	None	None		
WEATHER:	INSPECTOR'S SIGNATURE:	SIGNATURE DAT	SIGNATURE DATE:	
Clear	fthe.	June 24, 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>N</u>	(FN) FINANCIAL WARRANTY N	(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 N	(SF) PROCESSING FACILITIES N	(TS) TOPSOIL <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- N	(FW) FISH & WILDLIFE \underline{N}	(RV) REVEGETATION N
(SM) SIGNS AND MARKERS <u>N</u>	(SP) STORM WATER MGT PLAN N	(RS) RECL PLAN/COMP N
(ES) OVERBURDEN/DEV. WASTE <u>N</u>	(SC) EROSION/SEDIMENTATION N	(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

OBSERVATIONS

The Gladstone site was inspected by Peter Hays with the Division of Reclamation, Mining and Safety (Division/DRMS) to investigate a complaint of a possible illegal mining operation. On June 16, 2020, the Division received an anonymous complaint by voicemail for the possible illegal activity. Mr. Jeff Carter with Salisbury Gladstone LLC was present during the inspection.

The compliant stated the Operator had constructed a pad for a ball mill and had dozed roads across the surrounding properties to gain access to dumps higher up on the hillside.

The Division received a Limited Impact Operation 110(1) Reclamation Permit Application for the Gladstone site on June 2, 2020. The Division sent a notice of incomplete permit application letter to the Applicant on June 11, 2020.

The purpose of the 110(1) application is to allow the Applicant to construct and operate a ball mill at the Gladstone site. During the inspection, Mr. Carter stated he was aware no milling activities may commence until the Gladstone permit is approved and issued by the Division. Mr. Carter stated a response to the Division's incompleteness letter would be submitted soon.

The Division observed a recently cleared section of the road from the Stanley mine to the mining claims above the Stanley Mine and the road from Stanley Road to the Gladstone site. Mr. Carter stated the roads were cleared of vegetation and debris, but were existing roads. Based on Google Earth images of the area, the roads appear to be pre-existing and not constructed by Mr. Carter. Additionally, small conifer trees were observed on the edge of the road above the Stanley Mine, which appeared to have been recently removed from the road surface. Mr. Carter stated access agreements would be obtained from the two claim holders the road from the Stanley Mine crosses to the leased claims he would like to access prior to using the road. Mr. Carter stated a highway access permit would be obtain from CDOT and Clear Creek County for the road from Stanley Road to the Gladstone site.

The Division will not pursue enforcement action against Mr. Carter at this time, since the road disturbance was unsubstantial maintenance work, a permit application for the proposed milling operation is under review by the Division and Mr. Carter has a lease with the Gladstone claim owner to access the site.

Inspection Contact Address

Mr. Jeff Carter Salisbury Gladstone LLC 15954 Jackson Ck PKWY Monument, CO 80132

Ec: Jared Ebert, DRMS

PHOTOGRAPHS



View of the road above the Stanley Mine



View of the road above the Stanley Mine



View of the road above the Stanley Mine



View of the road from Stanley Road to the Gladstone