




**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.

<b>MINE NAME:</b> Mineral Mountain Project	<b>MINE/PROSPECTING ID#:</b> M-2014-045	<b>MINERAL:</b> Gold	<b>COUNTY:</b> Teller
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Elliott Russell	<b>INSP. DATE:</b> June 2, 2020	<b>INSP. TIME:</b> 10:00
<b>OPERATOR:</b> Mineral Mountain Gold, LLC	<b>OPERATOR REPRESENTATIVE:</b> Lance Barker	<b>TYPE OF OPERATION:</b> 110d - Designated Limited Impact	

<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> \$28,350.00
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None
<b>WEATHER:</b> Cloudy	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> July 1, 2020

**The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.**

**GENERAL INSPECTION TOPICS**

The following list identifies the environmental and permit parameters inspected

(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>Y</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>PV</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>PB</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>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

### **PROBLEMS/POSSIBLE VIOLATIONS**

**INSPECTION TOPIC:** Gen. Compliance With Mine Plan

**POSSIBLE VIOLATION:** The Operator is using a gravity and floatation mill which is not authorized by the permit. The Operator is using xanthate in the floatation circuit, a designated chemical, which is not authorized by the permit. The Operator is disposing mill tailings in an unlined repository which is not authorized by the permit. These are possible violations of C.R.S. 34-32.5-124 for failure to follow the conditions of an order, permit or regulation.

**CORRECTIVE ACTIONS:** These possible violations will require a hearing before the Mined Land Reclamation Board scheduled for the August 19-20, 2020 Board meeting. The schedule and other details for the MLRB hearing has been provided under a separate document, sent via certified mail to the Operator on July 1, 2020.

**CORRECTIVE ACTION DUE DATE:** August 19, 2020

**INSPECTION TOPIC:** Signs & Markers

**COMPLIANCE PROBLEM #1:** The affected area boundary markers are missing or incorrectly placed. This is a problem for failure to maintain boundary markers around the affected area as required by Rule 3.1.12(2).

**CORRECTIVE ACTIONS:** The Operator shall conduct a survey and replace the boundary markers in the correct location(s). The operator shall provide proof to the Division that this has been done by the corrective action date.

**CORRECTIVE ACTION DUE DATE:** July 31, 2020

### **OBSERVATIONS**

This inspection was conducted as part of the Division's routine monitoring program for permitted operations. Elliott Russell, with the Division, conducted the inspection and Lance Barker, representing the Operator, accompanied the inspection.

The Mineral Mountain Project is a 110d underground gold mine and is permitted at 9.21 acres. Affected lands will be reclaimed to support a rangeland post-mining land use. The site is located on the north side of Mineral Hill, approximately one mile north of Cripple Creek. The Division met Lance Barker at the entrance to the mine site at the end of McKenny Street.

The mine identification sign was posted at the entrance access road along the western permit boundary and was in compliance with Rule 3.1.12(1). The Division observed several red rebar posts around the site delineating the permit boundary. The Operator stated the markers around the area carved out with Acreage Reduction AR-01 were disturbed and were not in the correct locations. The Operator stated since this area is near the two powder magazines, the fire marshal instructed them to clear-cut the trees in this area to reduce the fire hazard. This has been cited as Compliance Problem #1, requiring the Operator to conduct a survey and replace the boundary markers in the correct locations.

The site consists of a single adit/tunnel and a flattened work area made out of development waste rock identified as the Waste Rock Area on the permit maps. This flat Waste Rock Area was approximately 1 acre in size. The face of the waste rock dump is approximately 50 feet high and is set at the angle of repose. The Waste Rock Area consists of several buildings/structures, generators/compressors, a crusher, underground mining equipment, petroleum storage tanks with secondary containment, and miscellaneous parts, equipment, and scrap metal. The site contained a secondary escape and air vent shafts located 100 feet southeast of the tunnel portal. There were also two conex storage containers located in the southeastern portion of the permit which housed the sampling of drill cuttings with XRF analysis to help determine the advancement of the tunnel.

The Operator stated the surface crusher has a capacity of 50 tons per day, but only runs when enough ore is stockpiled. Blasted ore from underground is brought to the surface and stockpiled next to the crusher and is then crushed to 1" minus and stockpiled in the eastern half of an open-sided building next to the tunnel portal. The Operator stated the crushed ore is then hauled back underground and is crushed to 100-mesh with a 1 ton per day ball mill. This material is run across a shaker table to produce a gravity concentrate which is stored in the western half of the open-sided building at the surface. The remaining material is put through a froth-flotation circuit using xanthate to produce a flotation concentrate which is brought to the surface to an enclosed conex storage container where the concentrate is placed in one of three electric

drying locker. The final dried flotation concentrate is stored in open-topped drums inside the same storage container. While inspecting the western portion of the Waste Rock Area, the Division discovered fine grain material on the dump face. The Operator stated this material was the waste from the flotation circuit.

After the inspection, upon review of the permit file, the Division has determined the use of gravity and floatation mill, the use of xanthate (a designated chemical), and the disposal of mill tailings in an unlined repository are not authorized by the permit. In general, the permit does not have a mining plan as the original 110(1) permit, applied for in 2014, stated the site was in a prospecting stage and contained little to no information regarding mining and processing of material. The permit stated once more information is collected, a plan could be developed and shared with the Division. The Division has not received a Technical Revision nor Amendment to the permit to define a mine plan nor has the Division received any details regarding processing of ore. Additionally, as required in the stipulated approval of the 110(1) permit, the Operator submitted an application to convert the 110(1) to a 110d in 2015. Within the 110d Environmental Protection Plan, the Operator stated the operation does not use designated chemicals and that the Operator does not anticipate using them, so no plan was submitted nor reviewed for managing designated chemicals. This has been cited as a possible violation for failure to follow the conditions a permit, requiring a hearing before the Mined Land Reclamation Board.

This concludes the Division's Inspection Report; a subset of photographs taken during the time of the inspection are included below. If you need additional information or have any questions, please contact me at Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, by telephone at **303-866-3567 x8132**, or by email at [elliott.russell@state.co.us](mailto:elliott.russell@state.co.us).

**Inspection Contact Address**

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**PHOTOGRAPHS**



**Photo 1.** Mine identification sign along access road and western permit boundary; looking east.



**Photo 2.** Powder magazine area where tree cutting activities disturbed permit boundary markers; looking south.





**Photo 3.** Surface facilities on the Waste Rock Area; looking southwest.



**Photo 4.** Ore stockpile near crusher; looking west.





**Photo 5.** Open-sided building containing crushed ore (left) and gravity concentrate (right); looking southeast.



**Photo 6.** Drying lockers for flotation concentrate; looking southeast.





**Photo 7.** Dried flotation concentrate; looking north.



**Photo 8.** Fine grain material (flotation mill tailings) on out-slope of waste rock dump; looking north.





**Photo 9.** Waste Rock Area overview, area where mill tailings were found is circled; looking southeast.



**Photo 8.** Mineral Mountain Project overview; looking southwest.