




**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.

<b>MINE NAME:</b> Gladstone	<b>MINE/PROSPECTING ID#:</b> M-2020-030	<b>MINERAL:</b> Silver and gold	<b>COUNTY:</b> Clear Creek
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Peter Hays	<b>INSP. DATE:</b> August 4, 2020	<b>INSP. TIME:</b> 13:30
<b>OPERATOR:</b> Salisbury Gladstone LLC	<b>OPERATOR REPRESENTATIVE:</b> Jeff Carter	<b>TYPE OF OPERATION:</b> 110(1) - Hard Rock Limited Impact	
<b>REASON FOR INSPECTION:</b> Citizen Complaint	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> No Bond Held	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None	
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> August 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>N</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 / 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/Office) to investigate a complaint of a possible illegal mining/milling operation. On July 27, 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 site was previously inspected by the Division on June 17, 2020 regarding another anonymous complaint.

The Division received a Limited Impact Operation 110(1) Reclamation Permit Application for the Gladstone site on June 2, 2020. The Division called the application filed on August 3, 2020. The current decision date is September 2, 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 previous site inspection, Mr. Carter stated he was aware no milling activities may commence until the Gladstone permit is approved and issued by the Division.

The complaint reported the Operator was pouring a foundation for a ball mill and the foundation may or may not be located on their property. Since the previous inspection, the Applicant has begun construction of the ball mill and sediment containment structure prior to the Division issuing the Reclamation Permit for the site. The mill facility and sediment containment structure appeared to be located within the propose boundary of the site based on lath with flagging indicated by the Applicant during the inspection, however the back wall of the sediment containment structure was close to the marked boundary.

**The Division believes a possible violation pursuant to C.R.S. 34-32-109(2) for failure to first obtain from the Board or Office a reclamation permit prior to engaging in a new operation occurred at the Gladstone site based on the inspection observations. The Division will schedule this matter for a hearing before the Colorado Mined Land Reclamation Board. The notice of possible violation and information regarding the Board hearing will be sent under separate cover.**

The Division determined the Limited Impact Operation 110(1) Reclamation Permit currently under review by the Division is not appropriate since the operation is a Designated Mining Operation (DMO) based on statements by the Applicant regarding the presence of acid producing minerals (pyrite) the Applicant intends to process at the proposed mill facility. Notice of the Division's determination will be sent under separate cover. The Division recommends the Applicant withdraw the current application and submit the appropriate DMO application package for the Gladstone 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 ball mill construction from the east side of the facility looking west



View of the ball mill construction from the southwest side of the facility looking northeast





View of the sediment containment structure construction from the southeast corner looking northwest