




NON-CONFIDENTIAL

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: Santiago Mine	MINE/PROSPECTING ID#: P-2016-014	MINERAL: Silver, gold, copper,	COUNTY: Clear Creek
INSPECTION TYPE: Monitoring	INSPECTOR(S): Peter Hays	INSP. DATE: September 17, 2020	INSP. TIME: 11:00
OPERATOR: Santiago Mining Company, LLC	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$2,000.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: October 6, 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>Y</u>	(RD) ROADS----- <u>N</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>N</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</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 Santiago Mine NOI was inspected by Peter Hays with the Division of Reclamation, Mining and Safety (Division/DRMS) as part of the Division's monitoring inspection program. The site had not been previously inspected by the Division. Mr. Steve Hilgers with Santiago Mining Company, LLC was contacted prior to the inspection by email and telephone, however the Prospector was not present during the inspection.

The NOI site is located 9 miles southwest of Georgetown, CO in Clear Creek County. The NOI was issued by the Division on September 21, 2016. The NOI is considered non-confidential by the Division. The site is located on land owned by United States Forest Service. The minerals planned to be investigated are gold, silver copper, lead and zinc. The prospecting was originally estimated to be completed by October 1, 2024.

The NOI is approved for 0.25 acre of disturbance. The NOI activities include one (1) drill pad and one (1) drill hole. The drill pad will be 30 feet wide and 60 feet in length. The drill hole will be 380 feet in depth terminating 120 feet below the 7th level of the Santiago Mine.

The 2020 Annual Report submitted by the Prospector listed the date of last activity as August 6, 2019 with 0.3 acres currently affected, which is greater than the allowed 0.25 acres of disturbance. During a telephone conversation with Mr. Hilgers on September 15, 2000, the Prospector stated no activity has occurred at the site. The Division reminded Mr. Hilgers to accurately complete the annual reports in the future.

No evidence of prospecting activity was observed during the inspection. The location of the proposed drill pad consisted of an undisturbed talus field.

The Division holds a financial warranty in the amount of \$2,000.00, which appears adequate to reclaim the site since no prospecting disturbance was observed during the inspection.

Photographs taken during the inspection are attached. If you need additional information or have any questions, please contact me at the Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, by telephone at 303.866.3567 x 8124, or by email at peter.hays@state.co.us.

Inspection Contact Address

Steve Hilgers
Santiago Mining Company, LLC
6499 Plateau Drive
Englewood, CO 80111

Ec: Jared Ebert, DRMS

PHOTOGRAPHS



View of the proposed drill pad location looking south



View of the proposed drill pad location looking west



View of the proposed drill pad location looking north