




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: Lily Mines	MINE/PROSPECTING ID#: M-1987-028	MINERAL: Marble	COUNTY: Chaffee
INSPECTION TYPE: Monitoring	INSPECTOR(S): Dustin Czapla	INSP. DATE: May 24, 2021	INSP. TIME: 16:10
OPERATOR: Monarch Mountain Minerals and Aggregates, LLC	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$282,000.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 10, 2021

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.

INSPECTION TOPIC: Availability Of Records

PROBLEM: Operator has failed to annually report geotechnical information regarding construction and stability of highwalls and benches as committed to. Through correspondence received October 16, 2006 from Azurite, Inc., the operator committed to "...creation of a separate section in each annual reclamation report that describes geotechnical observations and tests conducted over the previous year and reports on the design and construction of highwalls and benches based on the geotechnical investigations." This condition was implemented into the permit through approval of CN-1 on May 9, 2007. The geotechnical report is due annually. The last geotechnical report was received by the Division August 17, 2018.

CORRECTIVE ACTIONS: Submit the required geotechnical reporting information.

CORRECTIVE ACTION DUE DATE: September 10, 2021

OBSERVATIONS

This inspection was conducted as part of the Division of Reclamation, Mining and Safety's (Division) normal monitoring program. A representative for the operator was not present. Photographs are included with this report in order to illustrate some of the conditions observed.

The Lily Mines site is located approximately fifteen miles west of Poncha Springs and accessed from FR 228. The site is a 112c operation that includes a total of 97 permitted acres. The Division currently holds a financial warranty amount of \$282,000.00 for this site. The Division has reviewed the reclamation costs, in order to ensure the financial warranty reflects the actual current cost of fulfilling the requirements of the Reclamation Plan, and determined that the current financial warranty amount is sufficient.

The affected area boundary markers were not observed, however, the disturbance at the site appears to be well within the permit area.

Mining was not occurring during this inspection. The highwall is advancing to the north. Waste rock is placed against the lower highwall area. Product stockpiles and crushing equipment were located on the lower bench.

The reclaimed slope in the south permit area adjacent to Taylor Gulch is becoming well vegetated and appears stable. Rills or gullies were not observed on the slope.

The rip-rap areas of Taylor Gulch below FR 228 appear stable.

Stormwater management berms are in place and appear effective.

A condition of the permit requires the operator to include a report describing geotechnical conditions related to construction of the highwalls with their annual report each year. The geotechnical report has not been submitted to the Division since August 2018. This has been noted as a problem on page one of this report.

No other problems or violations were noted during this inspection.

Responses to this inspection report should be directed to Dustin Czapla at the Division of Reclamation, Mining and Safety, 1313 Sherman Street Room 215, Denver, Colorado, 80203, phone number (303) 866-3567, ext. 8188.

PHOTOGRAPHS





GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS----- <u>PB</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</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>Y</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>Y</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

Inspection Contact Address

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