

September 17, 2021

Jeff A. Carter SSG Mining Inc. 15954 Jackson Ck Pkwy B281 Monument, CO 80132

Re: SSG Mining Inc., Lombard #3, File No. M-2020-057, Limited Impact Operation 110(1) Reclamation Permit Application Adequacy Review

Mr. Carter:

The Division of Reclamation, Mining and Safety (Division/DRMS) reviewed the contents of the SSG Mining Inc. permit application for the Lombard #3 site, File No. M-2020-057 and submits the following comments. The Division is required to make an approval or denial decision no later than October 1, 2021 therefore; a response to the following adequacy review concerns should be submitted to the Division as soon as possible.

The Division recommends the Applicant provides a cover letter and replacement pages in response to the adequacy concerns in this letter instead of resubmitting the entire permit application.

The review consisted of comparing the application contents with specific requirements of Rules 1, 3, 6.1, 6.2, 6.3 and 6.5 of the Minerals Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal and Designated Mining Operations. Any inadequacies are identified under the respective exhibit heading along with suggested corrective actions.

1.6 - Public Notice

- 1. As required by Rules 1.6.2(d) and 1.6.3(3), please submit proof of publication in a newspaper of general circulation in the locality of the proposed mining operation.
- 2. As required by Rule 1.6.2(e), please submit proof of the notice to all owners of record of surface and mineral rights of the affected land and the owners of record of all land surface within 200 feet of the boundary of the affected land including all easement holders located on the affected land and within 200 feet of the boundary of the affected land. Proof of notice may be return receipts of a Certified Mailing or by proof of personal service.
- 3. The Division received a comment letter from History Colorado. The letter is attached for review. Please address the comments noted in the letter.

6.3 Specific Exhibit Requirements - 110(1) Limited Impact Operations

The following items must be addressed by the Applicant in order to satisfy the requirements of C.R.S. 34-32-101 et seq. and the Hard Rock Rules and Regulations of the Mined Land Reclamation Board:



6.3.1 Exhibit A - Legal Description

- 4. The main entrance to the mine site shall be located based on a USGS topographic map showing latitude and longitude or Universal Transverse Mercator (UTM). The location the Applicant provided Latitude N 39°49'42.27", Longitude W 105°37'13.38" does not correctly locate the primary mine entrance. Please review the mine entrance location and revise Exhibit A accordingly.
- 5. The location map provided by the Applicant indicates Cumberland Gulch Road, a pond and a waste rock area. Based on observations from the pre-operational inspection, the location map does not accurately depict the proposed 2 acre mine site. Please provide a revised location map which accurately depicts the location of the proposed mining activity. Please provide a map scale on the revised location map.

6.3.2 Exhibit B - Site Description

6. On Item #5 in Exhibit B, the Applicant indicated there are no streams, springs, lakes, stock pond, ditches, reservoirs, and aquifers that would receive drainage directly from the mine. A pond is indicated on the location map. Please confirm the pond will not receive drainage from the mine adit.

6.3.3 Exhibit C - Mining Plan

- 7. On Item #10 in Exhibit C, the Applicant states there will be no ore removed from the adit for milling or refining until an ABA test is performed. Please commit to providing a copy of all ABA tests to the Division prior to removal of material from the site.
- 8. In the approved USFS Plan of Operation (POO), the Applicant states up to 10 tons (of material will be) removed by super sacks or 5 gallon buckets. Please revise the Mining Plan to include the mining description from the POO.
- 9. Please specify the existing dimensions of the Lombard #3 adit and provide the final dimensions of the adit following mining activities.
- 10. Please specify if the Operator will create additional surface disturbance in support of underground mining activities such as secondary escape ways or ventilation shafts. If additional surface disturbance will be created, then the features must be described in the Mining Plan and Reclamation Plans and must be depicted on the Mining Plan and Reclamation Plan Maps.
- 11. Please clarify if the adit is currently accessible. If not, please describe the work required to open the adit.
- 12. Pursuant to Rule 3.1.6(1), disturbances to the prevailing hydrologic balance of the affected land and of the surrounding area and to the quantity of quality of water in surface and groundwater systems both during and after mining must be minimized. Please specify if there are any discharges, seasonal or otherwise, coming from the adit.
- 13. Please provide a description of the proposed underground mining activities and clarify if the adit will be advanced.

- 14. Please specify where waste rock will be stockpiled and depict the stockpile location(s) on the Mining Plan Map.
- 15. Please specify how the adit will be safeguarded from unauthorized entry during active mining operations and during periods of seasonal closures.
- 16. The location map and Reclamation Plan Map indicate an existing waste rock area. Please clarify if the waste rock stockpile will be re-disturbed by the proposed mining activity.
- 17. The Mining Plan calls for moving 3-6 feet of overburden. Please clarify if the overburden is to be removed from the surface or from underground. In addition, please clarify if the proposed 3-6 feet of overburden is related to the 200 cubic yards of material which is proposed to be backfilled into the adit. If the overburden is separate from the 200 cubic yards of backfill material, then specify the total volume of overburden to be stockpiled and depict the location of the overburden stockpile(s) on the Mining Plan Map.
- 18. The Division calculated the cost for an independent contractor to reclaim the site based on the information submitted by the Operator in the application at \$25,000.00. A copy of the Division's bond estimate is attached for review.

6.3.4 Exhibit D - Reclamation Plan

- 19. The Reclamation Plan calls for backfilling the adit after the completion of mining. Please specify the horizontal length of the adit, if known. The Division will require the Operator to backfill the adit to a minimum depth of 15 feet from the top of the inner fill to the outer top of the fill. There shall be no spaces between the top of the fill and the roof of the adit that exceed three inches and there shall be no space between the top of the fill and the roof of the adit at the entrance of the adit. Please commit to following these guidelines when backfilling the adit.
- 20. Please identify the source of material to be used to backfill the adit and provide an estimate of the average size of rock which will be used for backfill material.
- 21. The Reclamation Plan states the final grade of the reclaimed slopes as 180H:180V and the Applicant states the existing grades will be matched. Please verify the existing grades are 1H:1V or revise the Reclamation Plan accordingly.

6.3.5 Exhibit E - Maps

- 22. The Applicant failed to provide a Mining Plan Map as required by Rule 6.3.5(2). Please provide a Mining Plan Map with the following requirements:
 - a. outline and label the permit boundaries, described in Exhibit A Legal Description
 - b. label the names of owner(s) of record of the surface of the affected area and of the land within two hundred (200) feet of the affected area, identify the owner of the substance to be mined, and the type of structure and owners of record of any permanent or man-made structures within two hundred (200) feet of the affected area

- c. outline and label all major surface features to be used in connection with the proposed operation such as: existing and proposed roads, pit boundary, topsoil stockpiles, overburden stockpiles, product stockpiles, waste rock fills, stream channels, buildings, processing plant, underground openings such as adits or ventilation facilities, ponds, impoundments, dewatering pumps, diversions, tail or waste disposal areas
- d. indicate the direction that mineral extraction will proceed
- note the location of any significant, valuable, and permanent man-made structures within two hundred (200) feet of the affected area. A narrative description must be provided in Exhibit B -Site Description
- f. outline and label existing disturbance within and/or adjacent to the permit boundary (e.g., previously mined areas, roads or excavations resulting from utility construction). Redisturbance of previously disturbed areas, by the proposed mining operation, must be included in the permit area and addressed in Exhibit D - Reclamation Plan
- 23. Please indicate on the Mining Plan Map where fuel will be stored, if fuel will be stored on-site and provide a description of the spill containment measures.
- 24. The Reclamation Plan Map indicates Cumberland Gulch Road, a pond and an existing waste rock area, an access road and a 0.65 acre permit boundary. Based on observations from the pre-operational inspection, the Reclamation Plan Map does not accurately depict the proposed 2 acre mine site. Please provide a revised Reclamation Plan Map which accurately depicts the reclamation of the proposed mining activity.
- 25. Please revise the Reclamation Plan map to show the gradient of all reclaimed slopes (horizontal: vertical) sufficient to describe the post mine topography pursuant to Rule 6.3.5(3)(a).
- 26. Please update the Reclamation Plan Map to state the average thickness of replaced overburden and topsoil by reclamation area or phase pursuant to Rule 6.3.5(3)(e) and (d).
- 27. The U.S. Forest Service has indicated there may be potential bat habitat in the adit which will be opened during the mining operation. Pursuant to Rule 3.1.8, all aspects of the Mining and Reclamation Plans shall take into account the safety and protection of wildlife on the proposed mine site. The presence of bats within the adit may require a modification to the closure plan for the adit. Please commit to notifying the Division and USFS if bats are observed in the adit.

6.3.6 Exhibit F - List of Other Permits and Licenses Required

28. The Applicant failed to provide Exhibit F with the permit application. Please provide a completed copy of Exhibit F - List of Other Permits and Licenses Required.

6.3.9 Exhibit I - Proof of Filing with County Clerk

29. Please provide an affidavit or receipt indicating the date on which the revised application information required to address this adequacy letter was placed with the Clear Creek County Clerk and Recorder for public review, pursuant to Subparagraph 1.6.2(1)(c).

6.3.12 Exhibit L - Permanent Man-made Structures

30. The Applicant failed to provide Exhibit L with the permit application. Please provide a completed copy of Exhibit L - Permanent Man-made Structures.

Please be advised the Lombard #3 site application may be deemed inadequate, and the application may be denied on October 1, 2021, unless the above mentioned adequacy review items are addressed to the satisfaction of the Division. If more time is needed to complete the reply, the Division can grant an extension to the decision date. This will be done upon receipt of a written waiver of the Applicant's right to a decision by October 1, 2021 and a request for additional time. This must be received no later than the deadline date.

If you have any questions, please contact me at peter.hays@state.co.us or (303) 866-3567 Ext. 8124.

Sincerely,

S. Hays

Environmental Protection Specialist

Enclosures – History Colorado Comment Letter, Bond Estimate

Ec: Jared Ebert; Division of Reclamation, Mining & Safety Nicole Malandri; USFS