




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.

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| MINE NAME: Deep Creek Placer | MINE/PROSPECTING ID#: M-1986-102 | MINERAL: Limestone (general) | COUNTY: San Miguel |
| INSPECTION TYPE: Surety Release Inspection | INSPECTOR(S): Lucas West | INSP. DATE: September 27, 2021 | INSP. TIME: 12:45 |
| OPERATOR: Collins Morehead, LLC | OPERATOR REPRESENTATIVE: Dan Collins | TYPE OF OPERATION: 110c - Construction Limited Impact | |
| REASON FOR INSPECTION: Surety Release Requested | BOND CALCULATION TYPE: None | BOND AMOUNT: No Bond Held | |
| DATE OF COMPLAINT: NA | POST INSP. CONTACTS: None | JOINT INSP. AGENCY: None | |
| WEATHER: Clear | INSPECTOR'S SIGNATURE:  | SIGNATURE DATE: October 11, 2021 | |

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.

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| (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>Y</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

This inspection was conducted in response to the Operator's request for full and final permit release, SL-01. The Deep Creek Placer is an active 110c permit located approximately 8 Miles west of Telluride, Just off Highway 145. The site is an underground limestone operation with two acres of permitted disturbance on the surface. In addition to the inspector and Operator listed on page one of this report, Anton Viditz-Ward and Laurie Lundquist were present during the inspection. Access to the site is controlled by a locked gate at the bottom of the access road. The Division currently holds \$18,394.00 in financial warranty. A Reclamation Cost Estimate Update was not performed as a result of this inspection. Three Photos accompany this report to illustrate current site conditions

The proper Mine Identification sign was posted on the gate at the bottom of the access road that can be seen in Photo One. The access road leading up to the equipment apron and portal areas is in good condition. No signs of significant erosion were noted and all storm water control features associated with the access road appeared to be functioning as designed at the time of the inspection. The site was not active during the inspection, all mining activities were completed some years ago and the site has been working towards reclamation since 2015 when a Permit Amendment was conducted to clarify the reclamation plan. Details included in the Amended Reclamation Plan include that the underground workings and associated portals will be left for private use, and the equipment apron will be used for light fabrication and certain "permitted cultural events" post reclamation.

The main focus of this inspection is to observe the completed portal closure, associated with TR-01. During the Division's previous inspection the portal was observed to be open, with significant amounts of material that had sloughed off from the area above the portal. The portal seen in Photos One and Two has been rehabilitated and secured in accordance with the approved plans. Material was excavated away from the portal, so that a retaining wall (not visible), complete anchor bars, and the portal closure constructed. The material was backfilled to promote positive drainage away from the portal. The backfill and grading has been completed and was stable at the time of the inspection. The portal closure is a lockable door, with areas to allow light to enter the underground workings and a fan to provide ventilation. The portal closure is in excellent condition and securely safeguards the opening. Material from above the portal has been removed and was stable at the time of the inspection. This was the last remaining reclamation task to achieve final reclamation of the site.

The other portals associated with the site were observed to be secured, or open as a result of daily operations, but are able to be secured to prevent unauthorized entry. The portal pad area has been cleaned up and organized, various non mining related items are stored on site, but are neat and orderly and not considered a problem at this time. The portal pad area can be seen in Photo Three. Significant other work to stabilize the rock around the pad and along the shoulder of the pad has been completed and was observed to be stable at the time of the inspection.

Based on the observations made during this inspection, the Division has determined that the Operator has successfully completed reclamation of the site in accordance with the Act, Rules and Regulations as well as the approved Reclamation Plan. Therefore, based on this inspection, the Division has approved the Operator's request for full and final permit release. Please see the enclosed Release Request Approval Letter for details.

All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety at 1313 Sherman Street, Room 215 Denver, CO 80203. Direct contact can be made by phone at 303-866-3567 Ext. 8187 or by email at lucas.west@state.co.us.

Inspection Contact Address

Dan Collins
Collins Morehead, LLC
1417 South Grandview Drive
Tempe, AZ 85281

Enclosure: Release Request Approval Letter (SL-1)

CC: Travis Marshall, Senior Environmental Protection Specialist

PHOTOGRAPHS

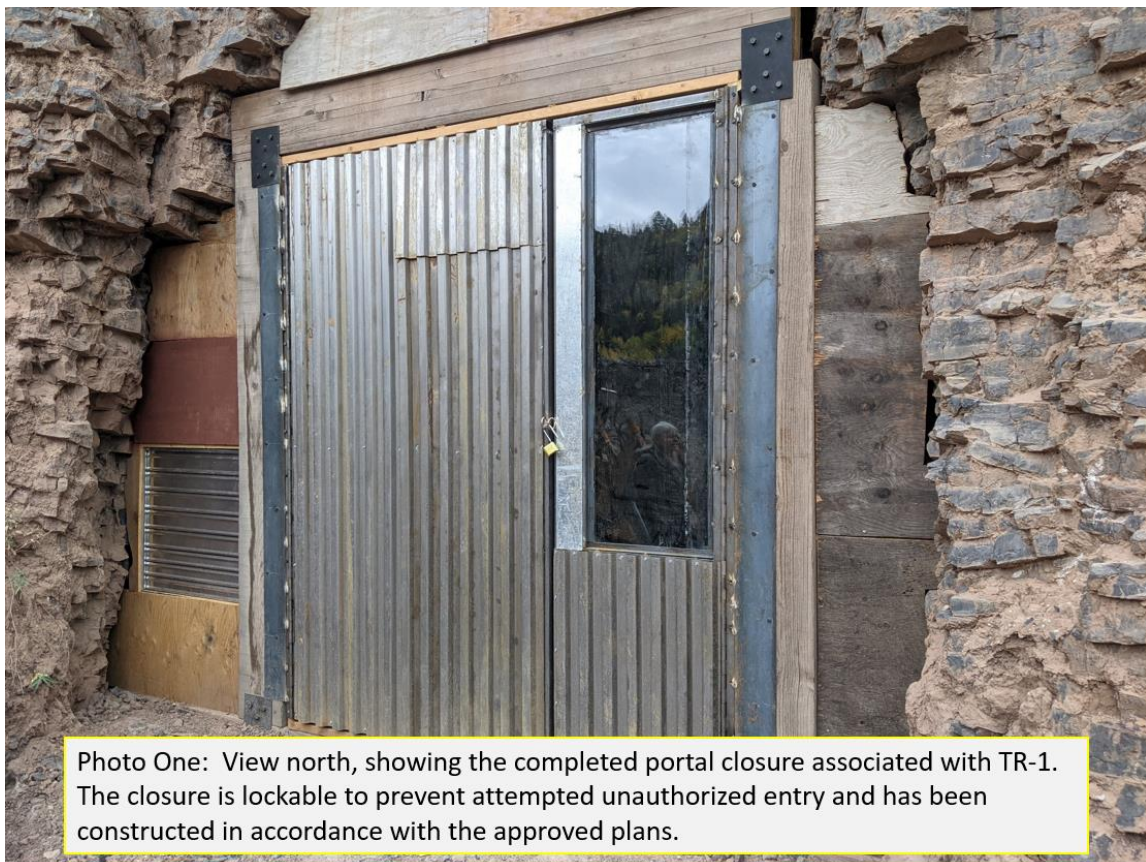


Photo One: View north, showing the completed portal closure associated with TR-1. The closure is lockable to prevent attempted unauthorized entry and has been constructed in accordance with the approved plans.

