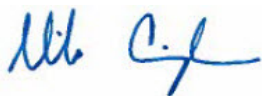




MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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: Gunnell Mine	MINE/PROSPECTING ID#: M-2021-068	MINERAL: Gold	COUNTY: Gilpin
INSPECTION TYPE: Illegal(Unpermitted Operation)	INSPECTOR(S): Michael Cunningham	INSP. DATE: December 9, 2021	INSP. TIME: 09:30
OPERATOR: Jack D. Tabb, LLC	OPERATOR REPRESENTATIVE: Joe Forster	TYPE OF OPERATION: ILL - Illegal	

REASON FOR INSPECTION: Citizen Complaint	BOND CALCULATION TYPE: None	BOND AMOUNT: No Bond Held
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: Local Government	JOINT INSP. AGENCY: Local Government
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: January 4, 2022

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/POSSIBLE VIOLATION: Possible Violation: Failure to first obtain a reclamation permit from the Mined Land Reclamation Board before engaging in a new mining operation as required by 34-32.5-109(1) C.R.S.
CORRECTIVE ACTIONS: This possible violation will require a hearing before the Mined Land Reclamation Board. The schedule and other details for the MLRB hearing will be provided under a separate document to be sent via certified mail to the operator.
CORRECTIVE ACTION DUE DATE: 2/16/22

OBSERVATIONS

The inspection was conducted by Michael Cunningham of the Division of Reclamation, Mining and Safety (Division) in response to an anonymous citizen complaint received on December 7, 2021. Ray Rears, the Central City Community Development and Historic Preservation Director, and Kimberly Kaufman, the Central City Community Compliance Officer accompanied the Division on the inspection. The citizen complaint alleged that mine tailings were being removed from the Gunnell Mine, which is located approximately 0.5 miles west of Central City off of Nevadaville Rd.

On December 8, 2021, the Division received a phone call from Mr. Forster who was inquiring about permitting a new mining operation in Gilpin County. Upon further discussion with Mr. Forster, it was determined that he had been engaged in activity related to the citizen complaint for the Gunnell Mine. The Division arranged to meet Mr. Forster at the Gunnell Mine on December 9, 2021.

The Division and the representatives from Central City met Mr. Joe Forster off of an unnamed road located (see enclosed map) north of Nevadaville Rd., approximately 0.3 miles west of the intersection of Central City Parkway and Nevadaville Rd. Mr. Forster represented Jack D. Tabb, LLC, the owner of the Gunnell Mine. Upon arriving to the meeting location, the Division observed 15 super sacks which were full of waste rock. The super sacks were staged on the side of the road, where they were to be transported to a mill in Arivaca, Arizona for processing. According to Mr. Forster, the material in the super sacks originated from the Gunnell Mine and had been transported to the staging area with a skid steer loader. From this location, the super sacks were loaded onto a flatbed trailer for transport. The Division did not observe any trailers during the inspection; however, the Division observed an area of flattened grass next to the super sacks where a trailer was previously parked. According to Mr. Forster, approximately 10 cubic yards of material had been removed from the Gunnell Mine and the material was transported to the out of state mill in the two weeks preceding the inspection. According to the Gilpin County Assessor website, the primary staging area is located on property owned by Central City. Mr. Forster does not have a lease agreement with Central City and does not possess a legal right to utilize the property for the purposes of mining.

From the primary staging area, the Division drove to the Gunnell Mine (see enclosed map) which is located 0.27 miles northwest of the primary staging area. Prior to arriving at the Gunnell Mine, the Division observed a secondary staging area (see enclosed map). The secondary staging area contained 10 additional super sacks, the super sacks were full of waste rock and were waiting to be transported to the primary staging area. The super sacks were staged on the side of the road and it did not appear that any lands were further affected as a result of storing the super sacks. The secondary staging area is located approximately 0.06 miles southeast of the Gunnell Mine. Mr. Forster was unsure if the secondary staging area was located on property owned by Jack D. Tabb, LLC. According to the Gilpin County Assessor website, the secondary staging area is located on property owned by Central City.

The Gunnell Mine consists of historic structures including a headframe and stone foundation. A large waste rock pile (WRP) is situated immediately to the north of the head frame. The WRP covers approximately 1.3 acres (as measured from Google Earth aerial imagery) and sits above Prosser Gulch. The Division observed 2 skid steer loaders parked adjacent to the WRP, no other equipment was observed. Excavation of waste rock had occurred along the southeast corner of the WRP. The Division observed empty super sacks at the WRP along with a stack of pallets. The excavation into the WRP was approximately 10' in height and created a

vertical face. The area where waste rock has been removed is leveled and matches the approximate contour of the access road. The Division did not observe any areas of instability created by the excavation. Given the extensive historic disturbance at the Gunnell Mine it was difficult to determine the areal extent to which the WRP was excavated; however, the Division estimates that 0.02 acres of the WRP had been removed. The Division confirmed, using the Gilpin County Assessor Website, that the area where excavation occurred is owned by Jack D. Tabb, LLC. It should be noted that the northern portion of the WRP is located on BLM property; no excavation or disturbance occurred on BLM property. As noted earlier in this report, material was transported from the Gunnell Mine to the staging areas using public roads. The Division did not observe any noticeable damage to the roads and it did not appear the roads were modified to accommodate the hauling activity.

According to Mr. Forster, the intent is to remove the entire waste rock pile and to transport it to an out of state mill facility for processing. Due to the uncertainty of the ownership of the primary and secondary staging areas, the Division suggested that Mr. Forster relocate the super sacks of waste rock to the Gunnell Mine. Mr. Forster was cooperative throughout the investigation and indicated a desire to obtain the necessary permits to conduct a mining operation. As noted earlier in this report, Mr. Forster confirmed that material was excavated from the Gunnell Mine and was transported to an out of state facility for processing.

Hard Rock Rule 1.1(41) defines a mining operation as the development or extraction of a mineral from its natural occurrences on affected land. Based on the observations made during this inspection, the Division has reason to believe that Jack D. Tabb, LLC was engaged in a mining operation and is in violation of C.R.S. 34-32-109(2) for failure to obtain a reclamation permit prior to engaging in a mining operation. The possible violation will be scheduled for consideration by the Mined Land Reclamation Board, during the February 16-17, 2022 Board meeting. Formal notice of the possible violation and Board hearing will be sent under separate cover.

This concludes the inspection report.

Any questions or comments concerning this inspection report should be forwarded to Michael Cunningham at the Division of Reclamation, Mining and Safety, Room 215, 1001 E 62nd Ave, Denver, CO 80216, via telephone at (303)866-3567, ext. 8116, via email at Michaela.cunningham@state.co.us.

PHOTOGRAPHS



Photo 1. Super sacks at primary staging area.



Photo 2. Waste rock in super sacks.



Photo 3. Trailer parking area, adjacent to primary staging area.



Photo 4. Additional super sacks at primary staging area.



Photo 5. Super sacks at secondary staging area.



Photo 6. Super sacks at secondary staging area.



Photo 7. Gunnell Mine headframe and historic structures.



Photo 8. Top of WRP looking down into excavation area.
(Photo taken facing east)



Photo 9. Excavation into face of WRP.

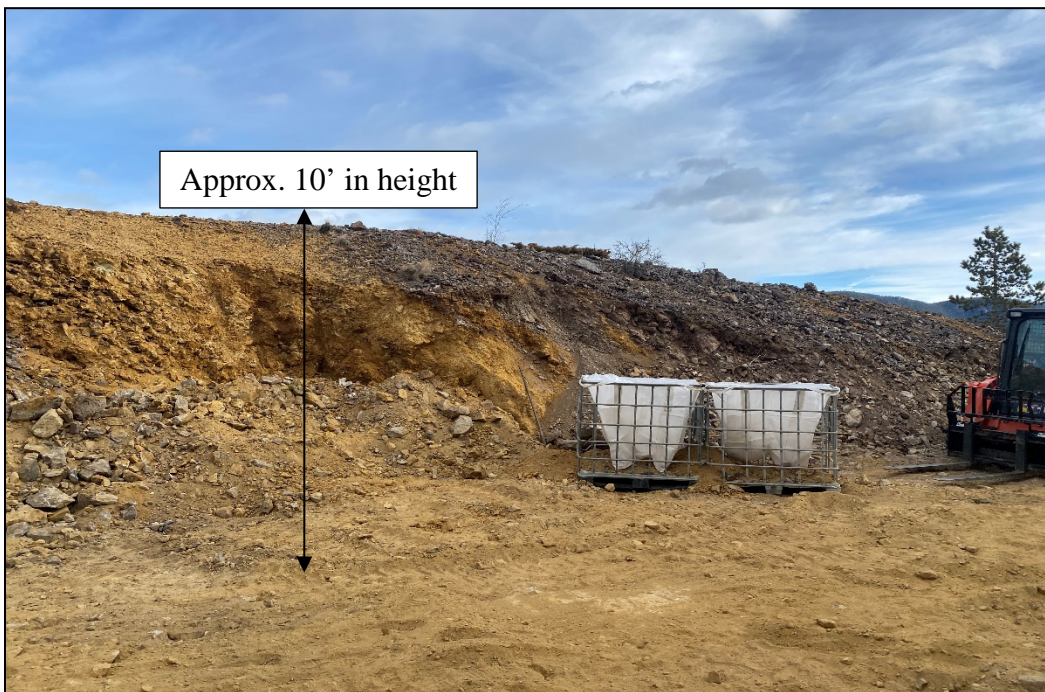


Photo 10. Excavation into face of WRP.

GENERAL INSPECTION TOPICS

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

(AR) RECORDS-----	<u>PV</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

Inspection Contact Address

Joe Forster
Jack D. Tabb, LLC
1615 Saratoga St.
Antigo, WI 54409

Enclosure: Google Earth image showing site locations

CC: Anonymous Complainant (contact information confidential)
Amy Eschberger, DRMS at: amy.eschberger@state.co.us
Ray Rears, Central City at: Rrears@cityofcentral.co
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