




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: Hukill Gulch Millsite	MINE/PROSPECTING ID#: M-2009-076	MINERAL: Silver and gold	COUNTY: Clear Creek
INSPECTION TYPE: Monitoring	INSPECTOR(S): Peter Hays	INSP. DATE: December 17, 2021	INSP. TIME: 12:30
OPERATOR: Venture Resources, Inc.	OPERATOR REPRESENTATIVE: Patrick Maher	TYPE OF OPERATION: 110d - Designated Limited Impact	
REASON FOR INSPECTION: Normal I&E Program		BOND CALCULATION TYPE: None	
DATE OF COMPLAINT: NA		BOND AMOUNT: \$107,742.72	
POST INSP. CONTACTS: None		JOINT INSP. AGENCY: None	
WEATHER: Windy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: January 11, 2022	

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>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</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 Hukill Gulch Millsite was inspected by Peter Hays with the Colorado Division of Reclamation, Mining and Safety (Division/DRMS) as part of the Division's monitoring inspection program. The site was previously inspected by the Division on September 24, 2020. Mr. Patrick Maher with Venture Resources, Inc. was present during the inspection.

The Hukill Gulch Millsite is located approximately 1.5 miles northwest of Idaho Springs, CO in Clear Creek County. The site is a 110d Designated Hard Rock Limited Impact operation permitted for 8.76 acres. This site consists of two distinct areas: a 0.635 acre millsite and an 8.125 acre tailings impoundment area. The commodities approved to be mined are gold and silver.

The approved Mining Plan states the Operator will excavate waste rock from the upper benches of the tailing impoundment area and process the material at the millsite. The tailings from the millsite will be transported by pipeline as a slurry to the tailings impoundment. The tailings impoundment will be constructed in five (5) benches using an upstream raised embankment method. The approved post-mining land use is rangeland.

The following aspects of the millsite were observed during the inspection; crusher feed bin, primary crusher trailer, ore bin, ball mill trailer, flotation trailer, the tailings line and the water tank. Technical revision no. 5 (TR-05) was approved by the Division on November 5, 2018. The revision improves the milling process and increases the milling rate by replacing the portable equipment and temporary structures with larger equipment, additional flotation cells and larger capacity water tanks. A 65,000 gallon water tank is located north of the mill. The water tank replaces the originally approved water holding pond. No additional work approved under TR-05 was observed during the inspection. The Operator stated no activities have occurred at the site since the last inspection. A small stockpile of tailings was observed in the ore storage building. During the inspection, the Operator stated they are planning to submit a technical revision to add a thickener to the milling process. The Operator stated no chemicals were currently stored on-site and no designated chemicals were observed during the inspection. The Operator is considering revising the Mining Plan to eliminate the tailings impoundment and remove the waste material from the milling process as solid waste. The Division will require the Operator to submit a detailed plan for the characterization, handling and disposal of the waste material as a technical revision pursuant to Rule 1.9.

The tailings impoundment and waste rock piles are located southeast of the millsite within a steep gulch. A two-track road leads from the millsite to the tailings impoundment area. The tailings impoundment was not observed during the inspection due to weather conditions.

The mine identification sign and boundary markers were observed as required by Rule 3.1.12. The Division currently holds a financial warranty in the amount of \$107,742.72, which appears adequate to reclaim the site based on the observations from this inspection.

The permit boundary on the 2021 annual report map does not accurately depict the approved permit boundary for the millsite. Please ensure the permit boundary is accurately represented in future annual report maps.

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

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PHOTOGRAPHS



Hukill Gulch Millsite sign



View of the crusher feed bin, primary crusher trailer and ore bin



Ore stockpile in the ore stockpile building



View of the ball mill and flotation trailers