




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: Nancy Claim	MINE/PROSPECTING ID#: P-1995-005	MINERAL: Silver and gold	COUNTY: San Juan
INSPECTION TYPE: Monitoring	INSPECTOR(S): Lucas J. West	INSP. DATE: August 2, 2017	INSP. TIME: 10:50
OPERATOR: Ernest W Walker	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: MP - Mineral Prospecting	
REASON FOR INSPECTION: Normal I&e Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$6,308.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 3, 2017	

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>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>	(CI) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	(ST) STIPULATIONS----- <u>N</u>

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This inspection was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety. The Nancy Claim is a Notice of Intent to Conduct Prospecting Operations (NOI) located just off the West Lime Creek Trail in San Juan County. The site lies on an unpatented claim and is accessed by parking at the Lime Creek Trail Head on Highway 550 and proceeding on foot approximately 1.5 Miles up the West Lime Creek Trail. The site was not active during the inspection, and no Operator Representative was present during the inspection. The Division is currently undergoing the enforcement process for failure to submit the required annual fee, report and map. Recent correspondence with the Operator's widow indicate that the enforcement action will result in revocation of the NOI and the forfeiture of the Financial Warranty. In addition to the inspector listed on page one of this report, Walt Brown of the US Forest Service was present during the inspection. The Division currently holds, \$6,308.00 in Financial Warranty for the site. Eight Photos accompany this report to illustrate the site conditions.

The claim boundaries are clearly marked by a series of rock cairns and no trespassing signs. The trail to the site is obscure, and only accessible on foot. The surface disturbance includes a shaft with makeshift headframe, waste rock storage area, a small portal that has been backfilled and various mining related equipment and tools. The shaft, which can be seen in Photos One and Two, is approximately 4 feet wide, 6 feet long and 30 feet deep. There is a set of large wooden doors over the shaft however they were not secured. Also seen in Photo One is the makeshift head frame constructed around the shaft. The headframe appears to be stable and in working condition. Adjacent to the shaft is a waste rock storage area that is constructed with logs and filled in shown in Photo Three.

According to records kept by the division it appears that all of the waste rock was removed from this storage area and used to backfill the portal. The backfilled portal can be seen in Photo Four, appears to be stable and in good condition. Adjacent to the portal, a self-propelled rock crusher was observed, and is under a makeshift lean to structure. The crusher, shown in Photo Five, appears to be in good condition and is wrapped and covered with a tarp. Near the shaft and makeshift headframe, a storage area containing tools, equipment, and various other items was noted. The area and most of the tools were covered with a tarp and secured. Among the items was a wheel barrow, generator, oil cans, and several tool boxes with various power and hand tools as well. Photo Six shows the items with the tarp exposed. Upon completion of the inspection the tarp was replaced over the items and secured in the method it was found. Located on opposite ends of the claim are two separate explosives magazines. The West magazine shown in Photo Seven, and the East magazine shown in Photo Eight. Both magazines were unsecured and verified to be empty at the time of the inspection. According to the previous inspection completed by the Division a significant amount of reclamation has been conducted since that time, and minimal reclamation tasks remain. Those tasks include the closure and safeguarding of the shaft, removal of all tools and equipment, as well as some minor revegetation work.

The overall footprint of the site was in good condition, and no noxious weeds or erosional features were noted during this inspection. 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, by phone at (970)-243-6368 or by email at lucas.west@state.co.us.

PHOTOGRAPHS





Photo Three: View North showing the waste rock storage area, the waste rock has been removed and used as backfill material. The storage area is now exhibiting volunteer vegetation growth.



Photo Four: View Northeast showing the backfilled portal located just below the shaft area.



Photo Five: View South, showing the makeshift lean to structure protecting the self-propelled crusher that is covered with a tarp.



Photo Six, View South, showing the storage area where a variety of tools and mining related equipment is stored.



Inspection Contact Address

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Enclosure

CC: Russ Means, Senior Environmental Protection Specialist
Walt Brown, USFS