




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: Kate Project	MINE/PROSPECTING ID#: P-2020-010	MINERAL: Silver	COUNTY: Custer
INSPECTION TYPE: Surety Release Inspection	WEATHER: Clear	INSP. DATE: October 26, 2022	INSP. TIME: 11:45
OPERATOR: Viscount Colorado Holdings, LTD	OPERATOR REPRESENTATIVE: Jacob Hooker	TYPE OF OPERATION: MP - Mineral Prospecting	
REASON FOR INSPECTION: Surety Release Requested	BOND CALCULATION TYPE:	BOND AMOUNT: \$2,000.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: U.S.BLM	JOINT INSP. AGENCY: U.S.BLM	
INSPECTOR(S): Eric Scott	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: October 31, 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>NA</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>NA</u>	(FW) FISH & WILDLIFE----- <u>NA</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>NA</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</u>	(SC) EROSION/SEDIMENTATION-- <u>NA</u>	(ST) STIPULATIONS----- <u>NA</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>NA</u>	

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

OBSERVATIONS

This was a surety release inspection for the Kate Project NOI, P2020-010, permitted by Viscount Mining. This inspection was conducted concurrently with the release inspection for the Kate2 NOI, (P2021-001) as the boring locations are in close proximity, and final release has been requested by Viscount for both NOIs. This inspection was conducted by Eric Scott of DRMS, Sophia Brooks-Randall of the US-BLM (BLM) Royal Gorge Field Office, and by permittee (Viscount) representative Jacob Hooker. All parties met in Silver Cliff at approximately 11:30 AM and proceeded with DRMS to the boring locations. The required Reclamation Report and Reclamation Release Request Statement were received by DRMS on October 6, 2022 and complied with all requirements of Rule 4.16.1 sections (1) and (2).

During the inspection DRMS and BLM were guided by Mr. Hooker to all completed boring locations (for both NOIs referenced above). DRMS noted that all borings had been backfilled to original grade and no disturbances remained surrounding the boring locations. The boring locations and access paths have all been very well reclaimed and revegetated at this time. No excess cuttings or other materials were present, and no evidence of the approved NOI activity remained other than the boring location markers, which will need to be removed prior to final bond release. DRMS would also note that for any future boring reclamation, concrete grout should be terminated at two feet BGS and the remainder of the boring backfilled with soil to the original surface elevation.

Viscount will need to remove the remaining boring location markers as documented in the BLM report, and provide BLM with evidence (photos) that this has been completed. At that time, BLM will provide DRMS with final approval for release of the Financial Warranty for this NOI. When DRMS receives BLM approval, DRMS will also approve the final release of P2020-010 and return the posted Financial Warranty to Viscount Mining.

Inspection Contact Address

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