




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: Precious Mine	MINE/PROSPECTING ID#: P-2013-008	MINERAL: Platinum, palladium	COUNTY: Crowley
INSPECTION TYPE: Monitoring	WEATHER: Clear	INSP. DATE: December 20, 2022	INSP. TIME: 09:10
OPERATOR: Catalix International, LLC	OPERATOR REPRESENTATIVE: N/A	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$5,800.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
INSPECTOR(S): Patrick Lennberg Amber Michels	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: December 23, 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: Failure to maintain legal right of entry per Rule 5.1.2(d)(vi).

CORRECTIVE ACTIONS: The permittee/operator must provide proof of legal right to enter to conduct prospecting and reclamation operations within thirty (30) days of the issue date on this inspection report.

CORRECTIVE ACTION DUE DATE: 1/22/23

INSPECTION TOPIC: Reclamation Success

PROBLEM: According to the Permittee's submitted annual reports prospecting activities have not occurred at the site since March 2013. Pursuant to Hard Rock Rules 5.3.1(g) and 3.1.3(2) reclamation must be completed within five (5) years of the completion of prospecting activities. C.R.S. § 34-32-116(7)(q) states all reclamation shall be carried to completion by the Operator with all reasonable diligence. At this time the Operator has not performed any reclamation activities.

CORRECTIVE ACTIONS: The permittee/operator must complete reclamation of disturbed areas in accordance with the approved plan within thirty (30) days of the issue date on this inspection report.

CORRECTIVE ACTION DUE DATE: 1/22/23

OBSERVATIONS

The Precious Mine was inspected by Patrick Lennberg and Amber Michels with the Division of Reclamation, Mining and Safety (Division/DRMS). The inspection was completed as part of the Division's routine monitoring program. The site was last inspected by the Division on October 4, 2017 as part of the routine monitoring program. The Division attempted to contact the Operator prior to the inspection but the Division was unable to get a response, therefore no one representing the Operator attended the inspection. The weather was clear but there had been snowfall earlier in the week.

The Precious Mine, NOI number P2013-008, is permitted to and operated by Catalix International, LLC (Catalix) located in San Antonio, Texas. The NOI was associated with a 110d permit (M-2013-008) also called Precious Mine which was fully released in October 2017. The site is located approximately 3.5 miles northwest of Manzanola, Colorado in Crowley County. The site can be accessed from CO Rd A 2.5 miles east of the junction of CO 207 and Co Rd A. The affected lands are owned by JH Sand and Gravel. Currently, the Operator does not have legal right to enter the property to conduct prospecting and reclamation activities. Failure to maintain the legal right to enter has been cited as a problem within this report.

The operation was authorized to drill up to 6 boreholes, half of which were to be located within an existing pre-law disturbed area (borings DH1-DH3), and the other half were to be located hundreds of feet to the west, on the other side of an ephemeral drainage (borings DH4-DH6). The operation was authorized to dig a small exploratory pit or trench in the eastern portion of an existing pit located south of the former M-2013-008 permit area. Up to 15 tons of shale material could be removed from the excavation and transported off site for laboratory testing and analysis. The Division was unable to locate any of boreholes that were found during the 2017 inspection. The Division did observe several stockpiles of material and some small highwalls in a 0.5 acre area located south of the former M-2013-008 permit area.

According to the approved reclamation plan the excavation area is to include grading slopes to 3H:1V or flatter, and potentially spreading any loose soil or shale fines recovered during the operation as a growth medium. The disturbance is to be seeded with a rangeland grass mixture including Vaughn Sideoats grama (9.00 PLS/acre), Lovington Blue grama (3.00 PLS/acre), Native Sand dropseed (0.50 PLS/acre), Arriba Western wheatgrass (1.00 PLS/acre), and Galleta grass (0.50 PLS/acre). Reclamation of the borings was to include filling them with coated bentonite pellets, and seeding the area with the same grass seed mixture to be used for the pit area. According to the Operator's submitted annual reports prospecting activities last occurred at the site in March 2013. It does not appear reclamation activities have been completed as of the date of this inspection. Pursuant to Rules 5.3.1(g) and 3.1.3(2) reclamation must be completed within five (5) years of the completion of prospecting activities. C.R.S. § 34-32-116(7)(q) states all reclamation shall be carried to completion by the Operator with all reasonable diligence. Failure to complete reclamation in a timely manner is being cited as a problem within this report.

The Division evaluated the financial warranty and determined the current bond amount held by the Division is adequate at this time.

Photographs taken during the inspection are attached.

Please contact Patrick Lennberg (303)866-3567 ext. 8114 or email at patrick.lennberg@state.co.us if you have

any questions regarding this report.

Inspection Contact Address

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cc: Jared Ebert, DRMS

ec: Bryant Harris, Catalix International, LLC, harris-bryant@sbcglobal.net

PHOTOGRAPHS



Photo 1: The area outlined in yellow is a pre-law area of disturbance, NOI disturbance area is to the left of line



Photo 2: NOI disturbance area looking north towards the pre-law area



Photo 3: NOI disturbance area looking south, note stockpiles of material and small highwall



Photo 4: NOI disturbance area looking south, note stockpiles of material and small highwall



Photo 5: Looking north from the south side of the NOI disturbance area across the disturbed area



Photo 6: Looking north from the south side of the NOI disturbance area across the disturbed area



Photo 7: Looking northeast from the south side of the NOI disturbance area across the disturbed area



Photo 8: Profile of the southern NOI disturbance highwall

GENERAL INSPECTION TOPICS

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

(AR) RECORDS----- PB	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</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>Y</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-- PB
(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