

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: | MINE/PROSPECTING ID#: | MINERAL: | COUNTY: |
|--------------------|---------------------------------|---------------------------------------|-------------|
| Milliken Resource | M-2000-087 | Sand and gravel and | Weld |
| INSPECTION TYPE: | WEATHER: Clear | INSP. DATE: | INSP. TIME: |
| Monitoring | | December 7, 2022 | 13:00 |
| OPERATOR: | OPERATOR REPRESENTATIVE: | TYPE OF OPERATION: | |
| Holcim - WCR, Inc. | Wyatt Webster | 112c - Construction Regular Operation | |
| | | | |

| REASON FOR INSPECTION: | | BOND CALCULATION TYPE: | BOND AMOUNT: |
|-------------------------------|------------------------|------------------------|---------------------|
| Normal I&E Program | | Complete Bond | \$1,000.00 |
| DATE OF COMPLAINT: | | POST INSP. CONTACTS: | JOINT INSP. AGENCY: |
| NA | | None | None |
| INSPECTOR(S): | INSPECTOR'S SIGNATURE: | | SIGNATURE DATE: |
| Peter Hays | 11-1 | | February 18, 2023 |
| Amber Michels | | h Alla _ | |
| Hunter Ridley | | 10002 | |

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: Signs & Markers

PROBLEM: The mine identification sign was not posted at the entrance of the mine site. This is a problem for failure to post a mine identification sign as required by Rule 3.1.12(1). The Operator shall, at the entrance of the mine site post a sign, which shall be clearly visible from the access road, with a minimum size equaling one hundred and eighty-seven (187) square inches, such as eleven (11) inches in height and seventeen (17) inches in width, with appropriate font size, with the following: the name of the Operator, a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and the permit number.

CORRECTIVE ACTIONS: The Operator shall, at the entrance of the mine site, post a sign which shall be clearly visible from the access road with the following: the name of the operator, a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and the permit number. The Operator shall submit photo documentation that a proper sign has been posted by the corrective action date.

OBSERVATIONS

The Milliken Resource site was inspected by Peter Hays, Amber Michels and Hunter Ridley with the Division of Reclamation, Mining and Safety (Division/DRMS) as required by the Transfer of Permit and Succession of Operators (SO2) process and Rule 1.12. Mr. Wyatt Webster with Holcim – WRC, Inc. (Holcim) was present during the inspection.

On August 15, 2022, Holcim – WRC, Inc. submitted a Transfer of Permit and Succession of Operators (SO2) Application Form. Holcim provided a replacement Financial Warranty for the same dollar amount maintained by the previous operator, Aggregate Industries – WCR, Inc. (AI), in the amount of \$1,000.00.

On August 26, 2022, the SO2 application was approved by the Division. Holcim is the permitted operator of the site and AI was released from reclamation responsibility for the site.

The site is permitted for 492.8 acres of total disturbance with 65 acres of maximum disturbance at one time. The site was previously inspected by the Division on February 12, 2016. The site was unchanged since the last inspection. The site is undisturbed and is used for agricultural and ranching activities.

Holcim expects to initiate mining activity in the original (western) portion of the site by May 2023. The Operator does not expect to mine the amended (eastern) portion of the site. The Operator was reminded of the permit stipulation to install an underdrain to prevent groundwater mounding up-gradient of the proposed slurry wall prior to commencing mining. Additionally, the Operator was reminded of the requirement to provide a minimum of five (5) quarters of baseline groundwater elevation data prior to disturbance of the groundwater table by the mining activities.

The Division currently holds a place holder reclamation bond in the amount of \$1,000.00. An updated financial warranty pursuant to Rule 6.4.12 is required to be submitted by the Operator as a technical revision prior to initiating mining activities at the site. The financial warranty estimate must comply with the Division's April 30, 2010 letter regarding mining operations with exposed groundwater. The Operator requested the Division provide samples of financial warranty estimate for similar mining operations during the inspection. The Division emailed two (2) examples on January 24, 2023.

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

Wyatt Webster Holcim - WCR, Inc. 1687 Cole Blvd., Ste. 300 Golden, CO 80401

Ec: Jared Ebert, DRMS

PERMIT #: M-2000-087 INSPECTOR'S INITIALS: PSH INSPECTION DATE: December 7, 2022

PHOTOGRAPHS



View of the site from the entrance gate off of Hwy 60 looking north



View of the site from the entrance gate off of Hwy 60 looking northeast



View of the site from the entrance gate off of Hwy 60 looking east

GENERAL INSPECTION TOPICS

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

| (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>PB</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