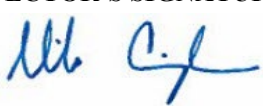




MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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: Highway 72 Mill Site	MINE/PROSPECTING ID#: M-2020-044	MINERAL: Gold	COUNTY: Jefferson
INSPECTION TYPE: Illegal(Unpermitted Operation)	WEATHER: Clear	INSP. DATE: April 17, 2023	INSP. TIME: 13:00
OPERATOR: Rocky Flats Environmental Solutions, LLC, Dave Emslie, Paul Danio	OPERATOR REPRESENTATIVE: Paul Danio, Dave Emslie	TYPE OF OPERATION: ILL - Illegal	
REASON FOR INSPECTION: Priority	BOND CALCULATION TYPE: None	BOND AMOUNT: No bond held	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Michael Cunningham G. Russell Means	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 10, 2023	

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>N</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>	(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

This inspection of the Highway 72 Mill Site ("Mill Site") was conducted by Michael Cunningham and Russ Means of the Division of Reclamation, Mining and Safety ("Division") and Jeff Fugate, First Assistant Attorney General of the Office of the Attorney General. The facility is owned by Rocky Flats Environmental Solutions, LLC. The Operator was represented by Dave Emslie and Paul Danio during the inspection. In addition, Mark Barron, the attorney for Rocky Flats Environmental Solutions, LLC, Dave Emslie and Paul Danio was also present for the inspection.

The Mill site is located on a 1.9 acre parcel located in Jefferson County, at 17200 Highway 72. The Division previously conducted an inspection of the Mill site on July 1, 2022 in response to a citizen complaint alleging that an unpermitted milling activity was occurring. Additional details on the Division's observations may be found in the Inspection Report issued on July 14, 2022. Following the July 1, 2022 inspection, the Division issued a Notice of Possible Violation for failure to first obtain a Reclamation Permit prior to engaging in a new operation. The Mined Land Reclamation Board ("Board") considered this matter at the August 17, 2022 Board meeting and found the Operator in violation of C.R.S. 34-32-109 for failure to obtain a Reclamation Permit prior to engaging in a new mining operation. The Operator was ordered to submit a complete 110d Reclamation Permit application within 60 days (November 5, 2022) of the effective date of the Board Order and obtain approval of the application within statutory timeframes. Additionally, the Operator was ordered to submit an interim financial warranty in the amount of \$130,323.00 by October 6, 2022. The Board imposed a civil penalty of \$12,000.00, which was due and payable by October 6, 2022. Lastly, the Board issued a Cease and Desist Order prohibiting any further activities on affected land, except those activities approved by the Division in writing, as necessary to comply with the conditions of the Board's Order, prevent damage to off-site areas, complete reclamation, or to protect human health and safety, until the Operator has completed the corrective actions to the satisfaction of the Division. To date, the Division has not received the 110d Reclamation Permit application or the \$12,000.00 civil penalty.

The purpose of the inspection was to verify compliance with the Board's Cease and Desist Order and to assess the current conditions of the Mill site. Mr. Emslie provided Division staff with a tour of the facility and explained each step of the milling process. Mr. Emslie confirmed that the majority of the equipment at the facility was conventional milling equipment used in the ore beneficiation process. The milling process generally consists of crushing, grinding and flotation circuits. According to the Operator, after metals are recovered, the tailings are utilized as a manufactured sand for making bricks and for use as general fill material. The Operator stated the sand is inert and Toxicity Characteristic Leaching Procedure (TCLP) tests are performed on the final sand product. The Operator confirmed the TCLP test results are provided to their clients and are not submitted to any regulatory agencies. In addition, the Operator utilizes cyanide through the Merrill-Crowe process to produce a gold concentrate. The Operator stated the cyanide circuit is used in the recovery of gold from ore and from recycled electronics. During the inspection, the Operator informed the Division that potassium amyl xanthate (PAX) was also used in the flotation circuits. Both cyanide and PAX are considered to be designated chemicals pursuant to Hard Rock Rule 1.1(18), as they represent a potential threat to human, health, property or the environment.

The Division verified the Mill site was largely in the same condition as it was during the July 1, 2022 inspection. The Division did not note any new equipment at the site. The ore stockpiles located along the west side of the facility appeared to be of the same size and configuration as they were during the previous inspection. Additionally, the cyanide solution tanks located along the west side of the building appeared to contain the same amount of solution as previously observed.

This concludes the inspection report.

Any questions or comments concerning this inspection report should be forwarded to Michael Cunningham at the Division of Reclamation, Mining and Safety, Room 215, 1001 E 62nd Ave, Denver, CO 80216, via telephone at (303)866-3567, ext. 8116, via email at Michaela.cunningham@state.co.us.

PHOTOGRAPHS



Figure 1. Ore stockpiles adjacent to site access road.



Figure 2. Ore stockpiles adjacent to site access road.



Figure 3. Tanks with cyanide solution, outside of main building entrance



Figure 4. Tanks with cyanide solution, outside of main building entrance.

Inspection Contact Address

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EC: Russ Means, DRMS
Jeff Fugate, AGO
Mark Barron, Baker & Hostetler LLP