




**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.

<b>MINE NAME:</b> Precious Mine	<b>MINE/PROSPECTING ID#:</b> P-2013-008	<b>MINERAL:</b> Platinum, palladium an	<b>COUNTY:</b> Crowley
<b>INSPECTION TYPE:</b> Monitoring	<b>WEATHER:</b> Clear	<b>INSP. DATE:</b> May 16, 2022	<b>INSP. TIME:</b> 08:30
<b>OPERATOR:</b> Catalix International, LLC	<b>OPERATOR REPRESENTATIVE:</b> Loren Howells	<b>TYPE OF OPERATION:</b> MP - Mineral Prospecting	

<b>REASON FOR INSPECTION:</b> Surety Release Requested	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> \$5,800.00
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None
<b>INSPECTOR(S):</b> Amber Michels	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> May 23, 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>Y</u>	(RD) ROADS-----	<u>Y</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>Y</u>
(MP) GENL MINE PLAN COMPLIANCE-	<u>N</u>	(FW) FISH & WILDLIFE-----	<u>N</u>	(RV) REVEGETATION----	<u>Y</u>
(SM) SIGNS AND MARKERS-----	<u>Y</u>	(SP) STORM WATER MGT PLAN----	<u>N</u>	(RS) RECL PLAN/COMP--	<u>N</u>
(ES) OVERBURDEN/DEV. WASTE-----	<u>Y</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>Y</u>		

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

## **OBSERVATIONS**

The Precious Mine was inspected by Amber Michels with the Division of Reclamation, Mining and Safety (Division/DRMS). The inspection was completed as a response to a request for the release of reclamation responsibility. The site was last inspected by the Division on December 20, 2022 as part of the routine monitoring program. During the previous inspection, problem citations were issued for failure to maintain legal right of entry per Rule 5.1.2(d)(vi) and for failure to complete reclamation activities in a timely manner pursuant to Rules 5.3.1(g) and 3.1.3(2).

The Precious Mine, NOI number P-2013-008, 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 Jim McCuistion of JH Sand and Gravel. Loren Howells from JH Sand and Gravel accompanied me during the inspection.

### **Backfilling and Grading:**

The Operator worked with the Jim McCuistion and Gerald Korinek of JH Sand and Gravel to address the failure to reclaim affected lands citation issued during the previous DRMS inspection (December 2022). JH Sand and Gravel conducted the reclamation activities on behalf of the Operator pursuant to the approved reclamation plan. The highwalls located in the small excavation area south of the released M-2013-008 permit cited in the 2022 inspection were graded using a dozer and the leftover stockpiles were back-dragged using a front end loader with a steal beam to smooth out these areas in March 2023 (see Photos 5-7, 10, & 11; Maps 1 and 2). The highwalls have been graded and all slopes within the reclamation area are shallower than 3H:1V.

### **Excess Spoil and Development Waste:**

Pursuant to Rule 5.5.2(b), all vegetation cleared from the site must be properly disposed of or dispersed. The only cleared vegetation noted onsite was a small pile of logs and branches located north-west of the reclaimed exploration area (Photos 8 & 9; Maps 1 and 2). This material is in an insignificant quantity, and may be left in situ upon reclamation.

### **Financial Warranty:**

The financial warranty was evaluated during the December 2022 inspection and was determined to be adequate. Due to the additional reclamation efforts that have occurred, the Division reiterates that the current bond amount is still adequate at this time.

### **Hydrologic Balance:**

There was no standing water observed onsite.

### **Off-site Damage:**

All mining activities relating to drill holes DH4-6 were contained to the drill locations. No off-site damage was observed.

Roads:

Pursuant to Rule 5.5.2(h), existing roads which are to remain as permanent roads after prospecting activities are completed, shall be left in a condition equal to or better than the pre-prospecting condition. Photos 1-3 show various points along the entrance road to the NOI location. The Division believes the roads, which are to remain post-prospecting activities, to be in sufficient condition.

Right of Entry:

The Operator submitted a signed letter from the current landowner granting legal right to enter for reclamation purposes on February 9, 2023. The inspection problem citation for failure to maintain legal right of entry **was abated** by the Division at that time.

Topsoil:

Within the old M-2013-008 permit boundary, some topsoil piles had been left to be used in the reclamation area. These piles have since been removed, excluding 3-4 inches that was spread over the area that the piles occupied (Photos 13-18; Maps 1 and 2). In combination with the small topsoil mounds on site, JH Sand and Gravel imported 375 additional tons of topsoil to spread over the exploration area and for use with reclaiming the drill holes. The additional topsoil was purchased from a nearby supplier and was placed at a depth of 3-4 inches throughout the reclaimed area.

Revegetation:

The exploration area, the small topsoil pile locations, and the drill holes were broadcast seeded with the seed mix described in the Operator's approved reclamation plan (Photos 4, 12, 19, 24, 31 & 32). Once seeded, the topsoil was back-dragged to help cover and stabilize the seedbed. Additionally, grass plugs were planted in the abandoned drill holes in addition to the broadcast seeding conducted in these locations. At the time of the inspection, some vegetation has begun to grow. However, there are a few areas that have little to no vegetation that may need to be seeded again next growing season. When comparing to the adjacent undisturbed land (Photos 18, 21, 22, 23, & 25-30) the seeded areas may require one to three more growing seasons to reach the cover and quality of its surroundings.

Reclamation Success:

Overall, the Operators have conducted reclamation pursuant to their approved reclamation plan. At the time of the inspection, there are no signs of erosion, no observed impacts on the hydrologic balance, and the topography appears to be reflective of the adjacent areas. The vegetation at the site has not had adequate time to become established to the extent required for the release of reclamation responsibilities pursuant to Rule 3.1.10(1), Rule 5.5.2, and Rule 4.16.1. Therefore, the Division **shall deny the release request**, but encourages the Operator to continue to monitor the site to ensure the desired vegetation becomes established. Once the desired vegetation is established the Operator should re-apply for bond release. The Operator has completed the required reclamation activities, therefore the inspection problem cited in the December 2022 inspection for failure to reclaim in a timely manner has been satisfied and the Division considers this **problem to be abated**.

**Signs and Markers:**

The reclaimed drill holes were marked with wooden posts labeled from 1-6. Each drill hole was located during the inspection and georeferenced using the Esri Field Maps application (see Map 3). Photos of each drill hole were also taken during the inspection, excluding drill hole 2 (DH2) by mistake. Photo 12 of DH2 was extracted from the reclaimed drill hole photos that were included within the Operator's Reclamation Report.

**Conclusion:**

This concludes the Division's Inspection Report; a map displaying topics discussed during the inspection and a subset of corresponding photographs that were taken during the time of the inspection are included below. If you need additional information or have any questions, please contact me by email at [amber.michels@state.co.us](mailto:amber.michels@state.co.us) or by telephone at (720) 836-0967.

**Inspection Contact Address**

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Greg Lewicki, GL Engineering, PLLC  
Jim McCuistion, JH Sand and Gravel, LLC



## **PHOTOGRAPHS**



**Photo 1:** Looking south-east at the open entrance gate to the site.



**Photo 2:** Looking north along the entrance road to the entrance location.





**Photo 3:** Looking north along the entrance road.



**Photo 4:** Abandoned and reclaimed drill hole #1.





**Photo 5:** Looking south-west at the southern extent of the reclaimed excavation area.



**Photo 6:** Looking west across the reclaimed excavation area.





**Photo 7:** Looking north-west at the northern extent of the reclaimed excavation area.



**Photo 8:** Looking west along the northern extent of the reclaimed excavation area and the western area where drill holes 4-6 were installed.





**Photo 9:** Looking at the small pile of logs in branches at the north end of the reclaimed excavation area.



**Photo 10:** Looking south from the northern extent of the reclaimed excavation area.





**Photo 11:** Looking south across the reclaimed excavation area.



**Photo 12:** Abandoned and reclaimed drill hole #2.





**Photo 13:** Looking west across one of the previous topsoil pile locations at the topsoiled and seeded ground.



**Photo 14:** Looking west across one of the previous topsoil pile locations at the topsoiled and seeded ground.





**Photo 15:** Looking east across one of the previous topsoil pile locations at the topsoiled and seeded ground.



**Photo 16:** Looking north across one of the previous topsoil pile locations at the topsoiled and seeded ground.





**Photo 17:** Looking east across one of the previous topsoil pile locations at the topsoiled and seeded ground.



**Photo 18:** Looking north-east across one of the previous topsoil pile locations at the topsoiled and seeded ground.





**Photo 19:** Abandoned and reclaimed drill hole #3.



**Photo 20:** Looking north at one of the small material mounds remaining onsite.





**Photo 21:** Looking south at the vegetation established within the old M-2013-008 permit boundary adjacent to the recently reclaimed areas.



**Photo 22:** Looking east from the western area beyond the old M-2013-008 permit boundary. The yellow arrow indicates the location from which Photo 3 was taken.





**Photo 23:** Looking south-east from the western area beyond the old M-2013-008 permit boundary.



**Photo 24:** Abandoned and reclaimed drill hole #4.





**Photo 25:** Looking south in the western area beyond the old M-2013-008 permit boundary at the DH5 location.



**Photo 26:** Looking west from the DH5 location.





**Photo 27:** Looking south-east from the DH5 location.



**Photo 28:** Looking east from the DH5 location.





**Photo 29:** Looking north-east from the DH5 location.



**Photo 30:** Looking north from the DH5 location.



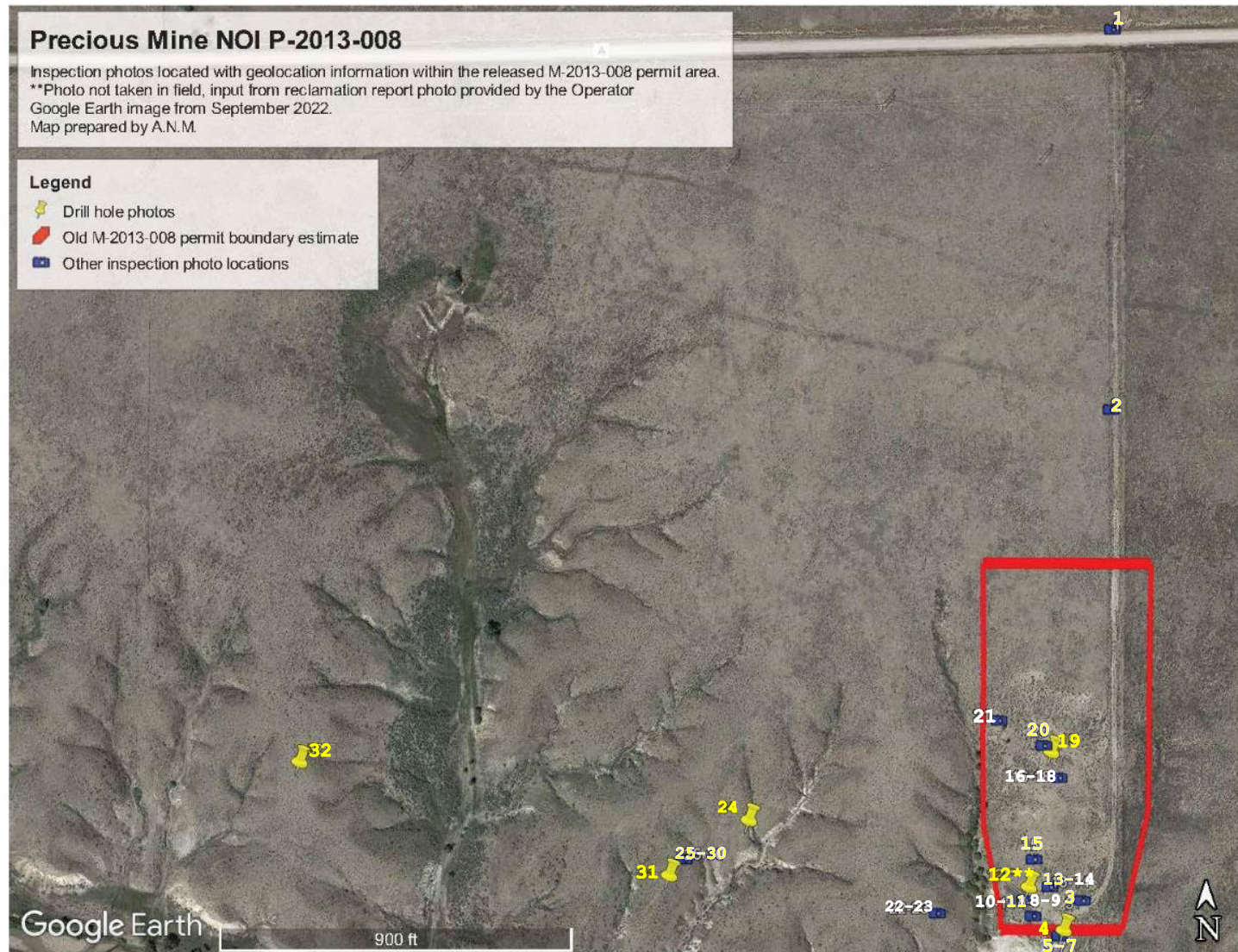


**Photo 31:** Abandoned and reclaimed drill hole #5.



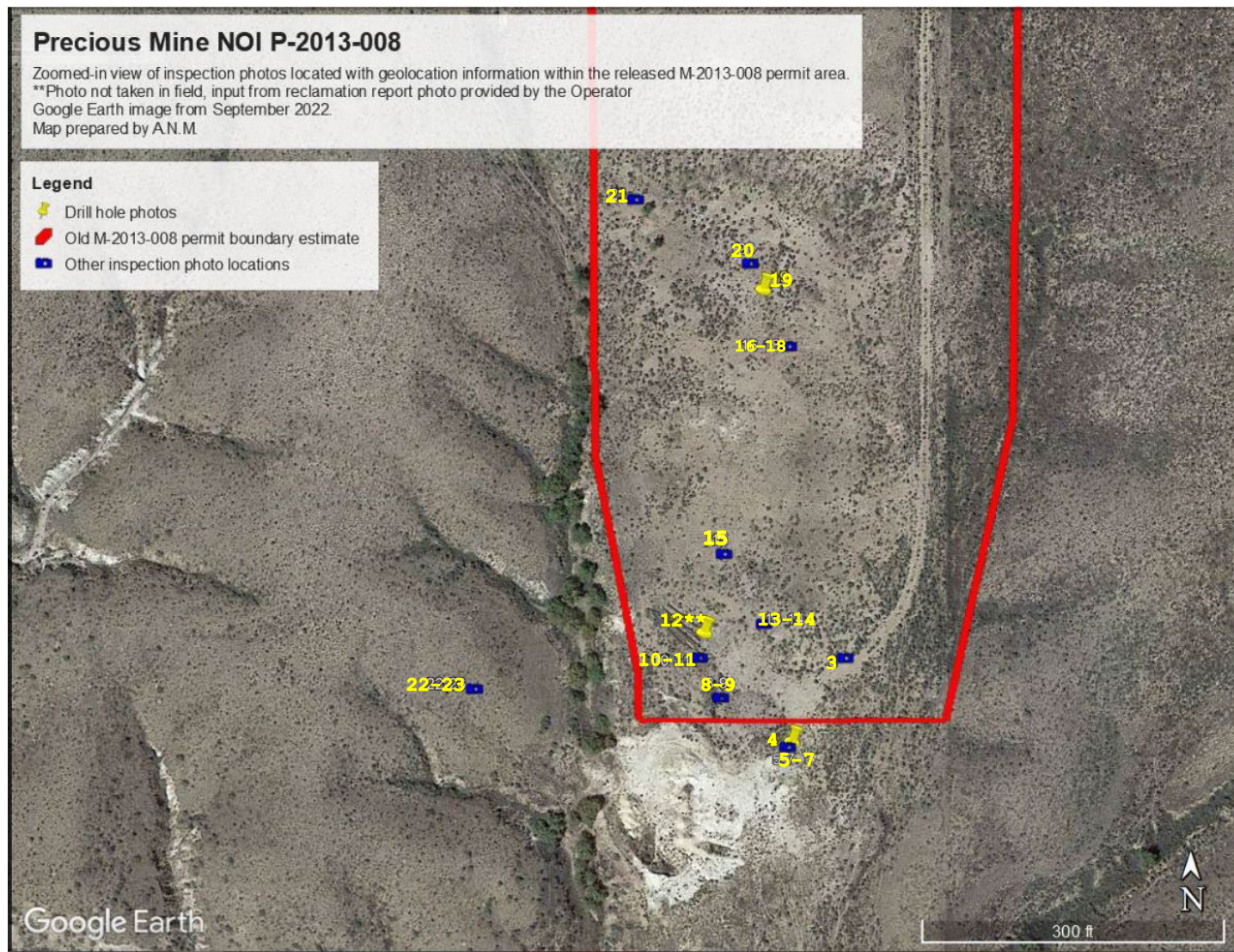
**Photo 32:** Abandoned and reclaimed drill hole #6.





**Map 1:** Map generated in Google Earth Pro containing the photo capture locations acquired during the May 16, 2023 inspection.





**Map 2:** Map generated in Google Earth Pro of a zoomed-in view of the old M-2013-008 area containing the photo capture locations acquired during the May 16, 2023 inspection.





**Map 3:** Map generated in Google Earth Pro containing the drill holes located with the Esri Field Maps application (purple circles) with an overlain image of the reclamation map submitted by the Operator