




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: Leadville Mill	MINE/PROSPECTING ID#: M-1990-057	MINERAL: Gold	COUNTY: Lake
INSPECTION TYPE: Monitoring	WEATHER: Clear	INSP. DATE: May 25, 2023	INSP. TIME: 09:53
OPERATOR: Union Milling Company, LLC	OPERATOR REPRESENTATIVE: Steve Craig, Gary Slifka	TYPE OF OPERATION: 110d - Designated Limited Impact	
REASON FOR INSPECTION: Citizen Complaint	BOND CALCULATION TYPE:	BOND AMOUNT: \$64,430.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Lucas West	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 30, 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>Y</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>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-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(ST) STIPULATIONS----- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</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 was conducted to an anonymous citizen complaint (copy enclosed) received by the Division on May 17, 2023 by the Active Mines Program of the Colorado Division of Reclamation, Mining and Safety (Division). The Leadville Mill is listed as an Active 110d operation that consists of a custom mill for the beneficiation of gold ore, located in Lake County. The site is currently engaged in the Conversion application process to convert their permit from a 110d to a 112d-1, however this inspection was not related to that permitting action. The site lies on the west side of Leadville, CO at 10,560 feet in elevation. Public access to the site is controlled by a locked gate on the access road, just off Highway 24. The Division currently holds \$64,430.00 in Financial Warranty for the site. A reclamation cost estimate update was not performed as a result of this inspection because of the active Conversion revision, and the update will be performed as a result of that process. The site was not active the day of the inspection, and the proper mine identification signs were observed on the entrance gate. Seven Photos accompany this report to illustrate the current site conditions.

The complaint received, with photographs, showed that the covering that protects a historic tailings pile being stored on the North side of the mill had fallen into disrepair exposing the tailings and leaving the pile prone to erosion and transport. The historic tailings pile was relocated to this area, to be stored on a polypro liner with a visqueen cover under Technical Revision 5 (TR-5) submitted in October of 2020. The Operator was contacted on May 19, 2023 via email, and the inspection was scheduled.

By the time the inspection was conducted, the cited problem had been corrected. The Operator had removed the old liner, and replaced it with new visqueen covering material. Photos One through Three show the replacement covering over the historic tailings pile. The down gradient side of the pile is protected by a silt fence to prevent any material from migrating off the pile. The silt fence is in marginal condition as seen in Photo Four, however new rolls of straw wattles were staged to be installed and take the place of the silt fencing. The Division verbally requested that the Operator send photographic evidence, via email, once the upgrade from silt fence to straw wattle has been completed. Surrounding the pile, the discarded liner has been staged for removal, seen in Photo Four. Conversations with the Operator indicate that the removal would be taking place immediately following the inspection.

In addition to the historic tailings pile stored on site, there are three piles of ore stored to be processed through the mill. Similar to the historic tailings these piles are required to be covered by the visqueen liner to prevent erosion and leachate from forming. Though not called out in the complaint, the Operator surveyed the three piles and conducted repairs where necessary. The covering over Ore Pile 3 was also found to be in disrepair and the entirety of its cover has been replaced as seen in Photo Five. The covering over Ore Pile 2 was found to not need repaired, and the covering over Ore Pile One only needed minor repairs. Piles 2 and 1 can be seen in Photos Six and Seven respectively. All of these piles are protected around their perimeter with straw wattles which were in good condition and functioning as designed.

In and around the area of the Ore Piles, it was noted that several storm water control features have been upgraded, including rock lining and check dams in storm water ditches. According to the Operator these upgrades were made following a site inspection conducted by the Colorado Department of Public Health and Environment (CDPHE) in regards to their active storm water permit. The upgrades appear to be in excellent condition and the Operator is reminded to include the details of these features in the Conversion Application. Based on the observations made during this inspection, Division staff has determined that the cited problem,

that was jurisdictional for the Division, has been resolved. No further problems or possible violations exist at this time and no further action is required by the Operator. All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety, Room 215, 1001 East 62nd Ave. Denver, CO 80216. Direct contact can be made at the Division's Grand Junction Field Office, by phone at 303-866-3567 Ext. 8187 or by email at lucas.west@state.co.us.

Inspection Contact Address

Steve Craig
Union Milling Company, LLC
6200 S. Vivian Street
Littleton, CO 80127

Enclosure: Anonymous Citizen Complaint 5-17-2023

CC: Travis Marshall, DRMS
EC: Steve Craig, Union Milling Company
Nick Michael, Union Milling Company
Gary Knippa

PHOTOGRAPHS



Photo One: View Southeast, showing the historic tailings pile located on the North side of the mill building. The entire cover has been replaced on the pile and is in good condition.





Photo Four: View South showing an example of the discarded cover that will be removed from site and properly disposed of.



Photo Five: View North, showing the new covering over Ore Pile 1 on site. The pile is surrounded by straw wattles on the down gradient side that are in good condition.



Photo Six: View North showing Ore Pile 2 on site. This liner was in good condition and not in need of repair or replacement. At the time of the inspection it was in good condition with no rips or tears.



Photo Seven: View North showing the covering over Ore Pile 1, specifically the area that was repaired. The repair area is tied in with the existing liner resulting in a competent cover over the entire pile.