

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: | MINE/PROSPECTING ID#: | MINERAL: | COUNTY: |
|-----------------------------------|---------------------------------|----------------------------------|-------------|
| Sooner Lucky Strike Mine and Mill | M-1982-020 | Gold and silver | Gunnison |
| INSPECTION TYPE: | WEATHER: Clear | INSP. DATE: | INSP. TIME: |
| Monitoring | | June 7, 2023 | 09:30 |
| OPERATOR: | OPERATOR REPRESENTATIVE: | TYPE OF OPERATION: | |
| ALSH, LLC | Jake Wilkinson | 110d - Designated Limited Impact | |
| REASON FOR INSPECTION: | BOND CALCULATION TYPE: | BOND AMOUNT: | |
| Normal I&E Program | | \$49,992.54 | |
| DATE OF COMPLAINT: | POST INSP. CONTACTS: | JOINT INSP. AGE | NCY: |
| NA | None | None | |
| INSPECTOR(S): | INSPECTOR'S SIGNATURE: | SIGNATURE DAT | Έ: |
| Dustin Czapla | th | June 12, 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>Y</u> | (FN) FINANCIAL WARRANTY Y | (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 Y | (TS) TOPSOIL <u>Y</u> |
| (MP) GENL MINE PLAN COMPLIANCE- <u>Y</u> | (FW) FISH & WILDLIFE <u>N</u> | (RV) REVEGETATION <u>N</u> |
| (SM) SIGNS AND MARKERS Y | (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 Y | (ST) STIPULATIONS <u>N</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 as part of the Division of Reclamation, Mining and Safety's (Division) normal monitoring program. Jake Wilkinson, representing the Operator, was present during this inspection. Photographs are included with this report in order to illustrate some of the conditions observed.

The Sooner Lucky Strike Mine and Mill is located approximately 8.6 miles southeast of Gunnison and accessed from CR 42A. The site is a 110d operation that includes a total of 8.0 permitted acres. The Division currently holds a financial warranty amount of \$49.992.54 for this site. The Division has reviewed the reclamation costs, in order to ensure the financial warranty reflects the actual current cost of fulfilling the requirements of the Reclamation Plan, and determined that the current financial warranty amount is sufficient.

Adequate mine identification signage was noted at the entrance to the site.

The affected area was marked by posts adequate to delineate the affected area boundary.

The mill was not operating during this inspection. When it is operating, the mill processes ore from the CRG Gold Links mines in the Gold Creek area. Recirculation water for the mill is contained in the lined pond on the north side of the mill building. The pond had several feet of freeboard during this inspection. A primary settling pond is located downslope on the west side of the mill building. This pond was dry during the inspection.

Topsoil remains stockpiled in a berm at the west end of the site.

The area around the mill facility appeared well kept.

No problems or violations were noted during this inspection.

Responses to this inspection report should be directed to Dustin Czapla at the Division of Reclamation, Mining and Safety, 1313 Sherman Street Room 215, Denver, Colorado, 80203, phone number (303) 866-3567, ext. 8188.

PERMIT #: M-1982-020 INSPECTOR'S INITIALS: DMC INSPECTION DATE: June 7, 2023



Inspection Contact Address

Jake Wilkinson ALSH, LLC 510 South Wisconsin St. Gunnison, CO 81230