




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: Crystal Hill Project	MINE/PROSPECTING ID#: M-2014-027	MINERAL: Silver and gold	COUNTY: Saguache
INSPECTION TYPE: Monitoring	WEATHER: Clear	INSP. DATE: August 10, 2023	INSP. TIME: 10:00
OPERATOR: Colorado Mining and Exploration, LLC	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: 110(2) - Hard Rock Limited Impact	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$14,109.10	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Todd Jesse	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 31, 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>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>Y</u>	(RV) REVEGETATION---- <u>N</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>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</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 was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation Mining and Safety's Active Mines Program. The Crystl Hill Project is a 110(2) Operation that includes a total of 9.68 acres. The site is located approximately 13 miles southwest of Saguache, CO in Saguache County at an elevation of 9,000 feet. The site consist of a historic pit that has been repermited. The permit is located on private claims and the pit will remain post reclamation to support the land use of industrial/commerical. The previous inspection occurred in August of 2021 and the Division holds a Finnancial Warranty of \$14,109.00 for the site. The last bond calcuation was done in 2014. In an effort to ensure the financial warranty remains adequate to reclaim this site per the requirements of the approved reclamation plan, DRMS will update the reclamation cost estimate. The estimate will be forwarded to the operator under separate cover.

Public access to the site and pit floor is controlled by a locked gate along the access road that leads to the Crystall Hill Interpretive Site and t-posts adequately delineate the permit boundary. However, there is a upper road that leaves from the Interpretive Site and ends at top of the highwall above the pit. No gate or sign is present on the upper road and there is evidence that the general public is using the area to recreate. The Division recommends that a gate with signage be placed on the upper road to prevent unauthorized access. There also appears to be signs of unauthorized access by the general public on the pit floor in the form of fire rings and rifle targets. The Division also recommends that the operator attempt to better secure the permit area to protect themselves from liability.

The site was not active at the time of the inspection and no mining equipment was present. There are no onsite support facilities and no hydrocarbons or hazardous chemicals are stored on site. No groundwater has been exposed and there is no evidence of metoric water being impounded on the pit floor. The highwall does have evidence of erosion. There are erosional channels in the benches on the north end of the pit and material the size of small boulders has come loose off the highwall and landed on the pit floor. The pit floor has multiple test trenches and the Annual Production Report indicated that 30 tons of material was mined during Q3 of 2022. It is presumed that the material was mined from one of the test pits. No overburden or waste material has been placed in the Waste Dump Area. Vegetation is present throughout the permit area, but no state listed invasive species were identified.

Photos that show the conditions observed during the inspection are included at the end of this report.

No problems or violations were noted or observed during the August 10, 2023 inspection.

All responses to this report should be directed to Todd Jesse with the Division's Active Mines Program at DRMS, Room 215, 1001 E 62nd Ave. Denver, CO 80216. Direct contact can be made at the Division's Grand Junction Field Office, by phone at 720-688-0626 or by email at todd.jesse@state.co.us.

PHOTOGRAPHS



View to the north of gate that secures access and the proper Mine ID signage.



View to the north of upper road that ends above highwall. No gate or signs in the area and a fire pit can be seen in the foreground.



View to the north of t-post that marks permit boundary



View to the northwest of highwall. Erosion channels can be seen on the north end of the pit highwall.



View to the northeast of trench on the pit floor.



View to the north of the Waste Dump Area. No material has been placed here.

Inspection Contact Address

None

Colorado Mining and Exploration, LLC
510 S. Wisconsin Ave.
Gunnison, CO 81230

Enclosure

CC: