




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: Ophir Lode	MINE/PROSPECTING ID#: M-2001-063	MINERAL: Silver, gold, lead, zinc	COUNTY: Hinsdale
INSPECTION TYPE: Monitoring	WEATHER: Clear	INSP. DATE: August 30, 2023	INSP. TIME: 13:43
OPERATOR: Midas Mining Company, Inc.	OPERATOR REPRESENTATIVE: Wayne Giesy	TYPE OF OPERATION: 110(2) - Hard Rock Limited Impact	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE:	BOND AMOUNT: \$7,077.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Lucas West	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 5, 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>Y</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>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 Ophir Lode is listed as an "active" 110(2) Permit, which consists of 9.84 acres, however no modern activity has begun on site. All disturbance on the site is historic and predates the modern permit. The permit allows for the underground extraction of gold, silver and base metals. The area will be reclaimed to support a forestry post mining land use. The site is located approximately 15 miles West of Lake City, Colorado at an elevation of nearly 11,200 feet. Public access to the site is controlled by way of Henson Creek flowing with no bridge allowing access to the site. Additionally the site is tucked into a heavily wooded area. The Operator, Wayne Giesy was present for the inspection. The Division currently holds \$7,077.00 in Financial Warranty for the site. Since the site includes historic disturbances and no modern activity, a Reclamation Cost Estimate Update will be performed based on the current site conditions. When the Operator chooses to commence operations, the Division will conduct a holistic Reclamation Cost Estimate Update based on the details of the Mine Plan. The Division will contact the Operator if any changes to the currently held Financial Warranty is required. Six photos accompany this report to illustrate the current site conditions.

As stated previously, modern activity has not begun on site, and no equipment was present during the inspection. Access to the site was gained by crossing Henson Creek on foot. The access road has almost fully grown in with volunteer vegetation as seen in Photo One. Along the access roads are a series of four small depressions, that when mining activity begins, will serve as storm water settling ponds. The depressions are densely vegetated with grasses and in good condition. An example of the settling basins can be seen in Photo Two. The access road and basins appeared stable at the time of the inspection and no evidence of erosion was noted. At the top of the access road lies the portal pad, and portal to the underground workings. On the portal pad, are two stockpiles of waste rock that appear to have been generating from driving the approximately 300 foot tunnel. The stockpiles were stable at the time and show no signs of settling or erosion. The rock does not show evidence of mineralization or acid generation and evidence of leaching was noted. The stockpile can be seen in Photos Three and Four. Various pieces of historic mining debris are located around the portal pad area including pieces of rail and portion of a compressor. This is not considered a problem at this time, however will need to be disposed of either on or offsite upon final reclamation.

The portal was observed to be in good condition and secured by way of a locking metal gate. The frame and gate are in good condition and show no signs of vandalism or attempted unauthorized entry. The portal gate can be seen in Photo Five. A small amount of water has accumulated near the entrance and into a small and dug ditch leading away from the portal. The water appears to be coming from just near the door, and dripping down to the floor. The flow was barely flowing, estimated to be less than ½ gallon per minute, and infiltrates into the ground approximately 100 feet from the portal. Photo Six shows the water as it leaves the portal. The water shows no visual signs of impairment or mineral staining, and water testing at the time of permitting indicates it to be of high quality. The source of the water is likely to be Red Cloud Creek which flows just up gradient from the portal. It appears historic operations had rerouted the creek, but its proximity to the portal could explain the seepage of water. The presence of water is not considered a problem at this time.

The overall footprint of the site is in excellent condition. The Operator has done an exemplary job of housekeeping and maintenance around the site. No state listed noxious weeds were noted, and no evidence of settling, slumping or erosion was observed. No problems or possible violations exist on site. During the

record review prior to the inspection, it appears the Mining Plan and Reclamation Plan maps are missing from the file. The Division requests the Operator send in, via hard copy mail to the Division's Grand Junction Field Office, Attention to Lucas West, at 101 South 3rd Street, Suite 301, Grand Junction, CO 80501. All other responses to this report should be directed to Lucas West at the Division of Reclamation, Mining and Safety at Room 215, 1001 East 62nd Ave. Denver, CO 80203. 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.

PHOTOGRAPHS



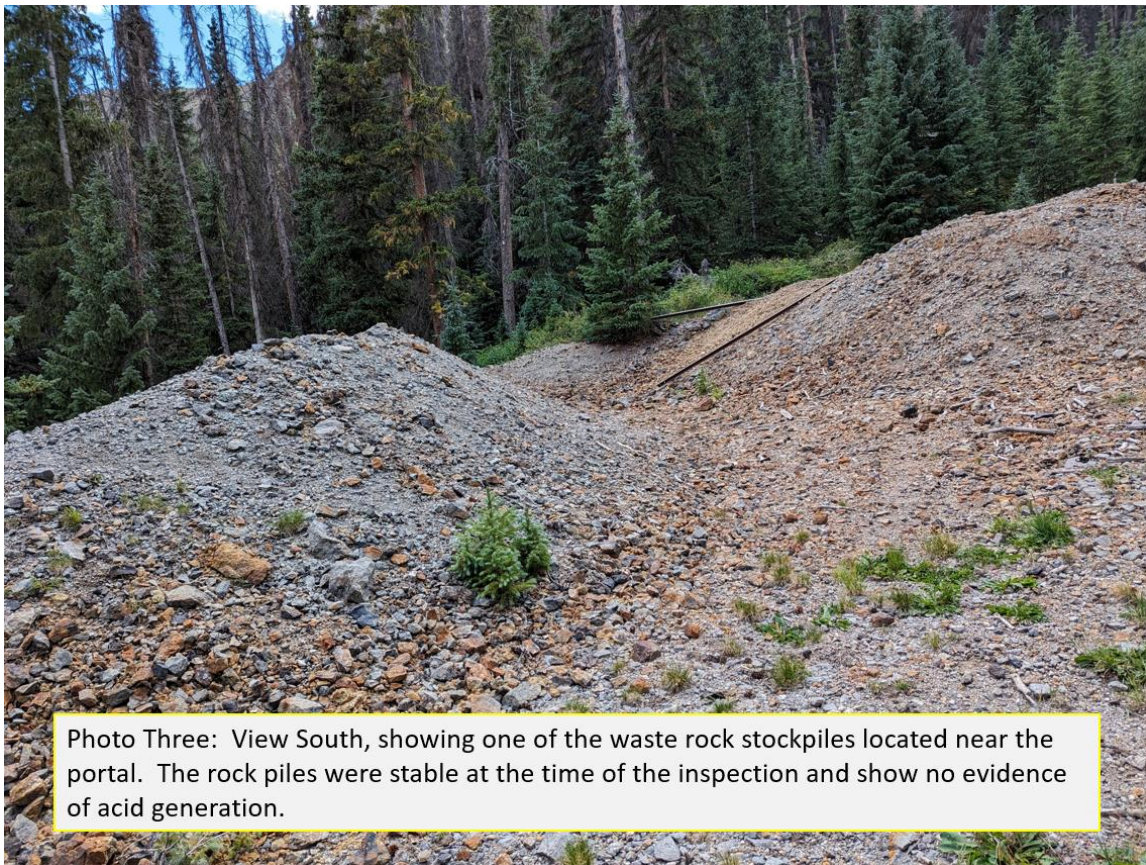




Photo Four: View Southwest showing the second waste rock stockpile. The waste rock was generated from driving the tunnel and both piles are in good condition.



Photo Five: View Southwest showing the portal and gated closure. The gate shows no signs of damage, and is set within a timbered frame surrounded by grouted rock. Also visible is the small pool of water around the gate.



Inspection Contact Address

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