




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: London Mine	MINE/PROSPECTING ID#: M-2023-015	MINERAL: Gold and silver	COUNTY: Park
INSPECTION TYPE: Preoperation Inspection	WEATHER: Clear	INSP. DATE: August 14, 2023	INSP. TIME: 12:45
OPERATOR: MineWater LLC	OPERATOR REPRESENTATIVE: Joseph Harrington	TYPE OF OPERATION: 110d - Designated Limited Impact	

REASON FOR INSPECTION: Preoperation Inspection	BOND CALCULATION TYPE: None	BOND AMOUNT: NA
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
INSPECTOR(S): Elliott Russell Michael Cunningham	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 18, 2023

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS----- PV	(FN) FINANCIAL WARRANTY----- N	(RD) ROADS----- N
(HB) HYDROLOGIC BALANCE----- N	(BG) BACKFILL & GRADING----- N	(EX) EXPLOSIVES----- N
(PW) PROCESSING WASTE/TAILING----- N	(SF) PROCESSING FACILITIES----- Y	(TS) TOPSOIL----- N
(MP) GENL MINE PLAN COMPLIANCE- N	(FW) FISH & WILDLIFE----- N	(RV) REVEGETATION---- N
(SM) SIGNS AND MARKERS----- Y	(SP) STORM WATER MGT PLAN---- N	(RS) RECL PLAN/COMP-- N
(ES) OVERBURDEN/DEV. WASTE----- N	(SC) EROSION/SEDIMENTATION--- N	(ST) STIPULATIONS----- N
(AT) ACID OR TOXIC MATERIALS----- N	(OD) OFF-SITE DAMAGE----- N	

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

PROBLEMS/POSSIBLE VIOLATIONS

INSPECTION TOPIC: Availability Of Records

POSSIBLE VIOLATION: Failure to first obtain a reclamation permit from the Mined Land Reclamation Board before engaging in a new mining operation as required by C.R.S. 34-32-109(2).

CORRECTIVE ACTIONS: This possible violation has been scheduled to be considered by the Mined Land Reclamation Board during the September 20-21, 2023 Board meeting. Official notice of the schedule and other details for the MLRB hearing will be provided under a separate document to be sent via certified mail to the Operator.

CORRECTIVE ACTION DUE DATE: September 20-21, 2023

OBSERVATIONS

This was a Pre-Operational inspection associated with the 110d hardrock permit application currently under review with the Division for the London Mine (File No. M-2023-015) submitted by MineWater LLC (Applicant). Elliott Russell and Michael Cunningham, both with the Division, conducted the inspection. The Applicant was represented by Joseph Harrington, Erik Lancaster, and Jacob Wilkinson during the inspection.

The London Mine 110d permit application proposing to process three existing pre-law waste rock piles of low grade gold and silver ore associated with the historic London Mine, located 4.6 miles west of Alma, Colorado in Park County. The proposed permit is 9.9 acres in size and will be reclaimed to support an industrial/commercial post-mining land use. The application was submitted on June 6, 2023, was considered filed for review on July 17, 2023 and the current decision deadline is set for September 15, 2023.

The permit is split into two areas, approximately 2,500 feet apart:

- The South London Stockpile Area, which consists of a large waste rock pile within a 3.9-acre permit boundary and is located on the south side of London Mountain at approximately 12,100 feet; and
- The Central Extension and Sorting Plant Area, which consists of two waste rock piles (Upper WR Stockpile and Lower WR Stockpile) and a large, flat processing area within a 6-acre permit boundary and is located just north of Mosquito Creek at approximately 11,300 feet.

The processing area has all been affected by historic mining activities, remediation work, and ongoing water treatment. The Applicant is proposing to remove and process the waste rock from the three existing piles by crushing, screening, and sorting the material. The Applicant will sort material with a Steinert XRT Ore Sorter which utilizes x-rays to separate the waste rock into mineralized material which will be hauled off-site for milling and less/non-mineralized material which will be hauled to the South London Stockpile Area for placement, compaction, and reclamation.

During the inspection, the Division observed the construction of the facility that the sorter will be located. A concrete foundation and structure has been built before the permit has been approved/issued by the Division. An approximate 60' x 60' concrete pad on a 4' concrete foundation had been poured. At the time of the inspection, site personnel were constructing a metal structure on the concrete pad which will support the x-ray sorter. The application discusses the sorter will be located within a 30-foot tall air containment tent on this concrete pad. During the inspection, the Applicant stated that after getting confirmation from Park County that a building permit was not necessary for the sorting facility, they started the first of three concrete pours. Each pour cured for at least seven days before the next pour and that on the day of the inspection, it had been seven days since the third and final pour. It was unclear when activities commenced, but the Division estimates that activities started no later than July 24, 2023.

C.R.S. 34-32-103(1.5) defines "Affected Land" as the surface of an area within the state where a mining operation is being or will be conducted, which surface is disturbed as a result of an operation. Affected lands include...work, parking, storage, or waste discharge areas and areas in which structures, facilitates, equipment, machines, tools, or other materials or property which result from or are used in such operations are situated. Given this definition and the pending permit application proposes these facilities, the construction of the processing plant concrete foundation and x-ray sorter support structure are considered mining activities and the land that has been disturbed is considered affected land. The Applicant failed to obtain a reclamation permit prior to engaging in a new mining operation. This issue is cited as a possible violation at the beginning of this report. Details regarding this enforcement action will be sent under a separate cover.

This concludes the Division's Inspection Report; a subset of photographs taken during the time of the inspection are included below. If you need additional information or have any questions, please contact me at Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, by telephone at **303-866-3567 x8132**, or by email at elliott.russell@state.co.us.

Inspection Contact Address

Joseph Harrington
MineWater LLC
10924 Leroy Dr.
Northglenn, Co 80233

PHOTOGRAPHS

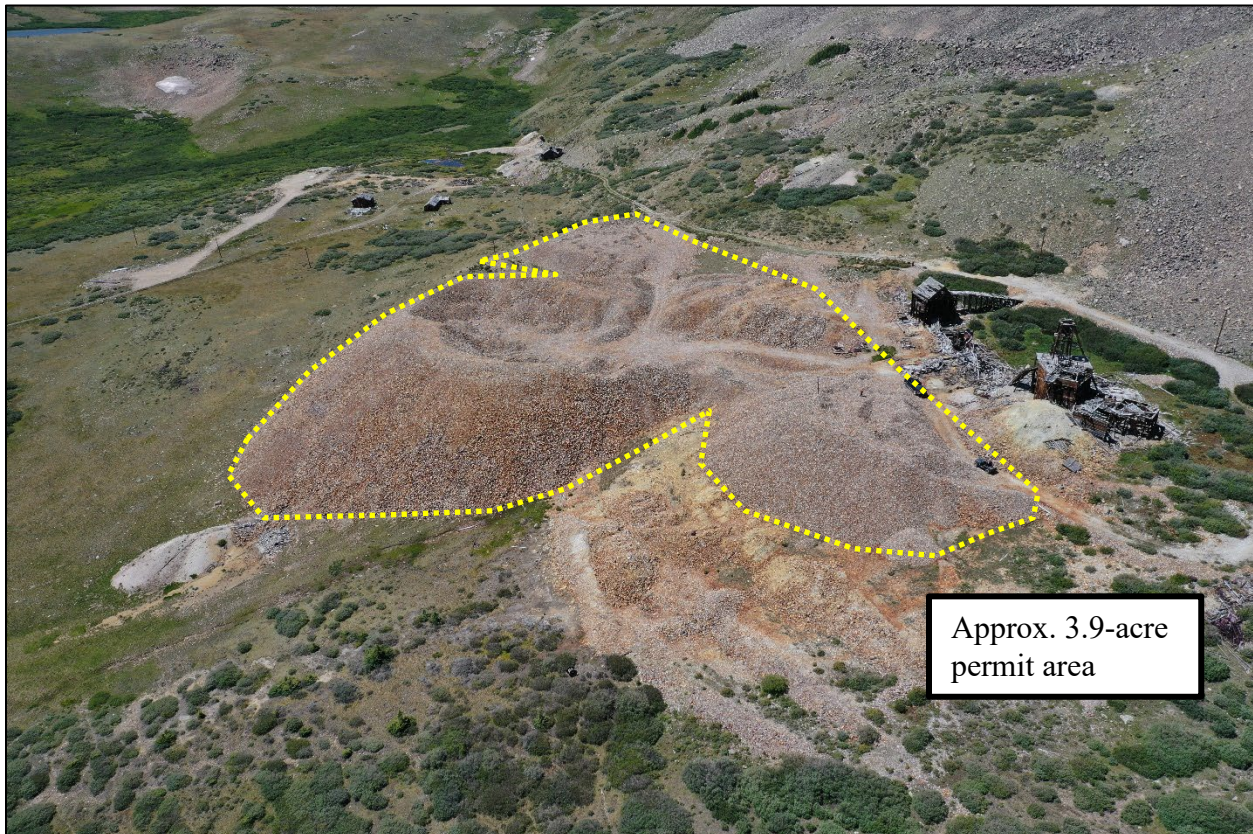


Photo 1. Overview of the South London Stockpile Area; looking northwest.

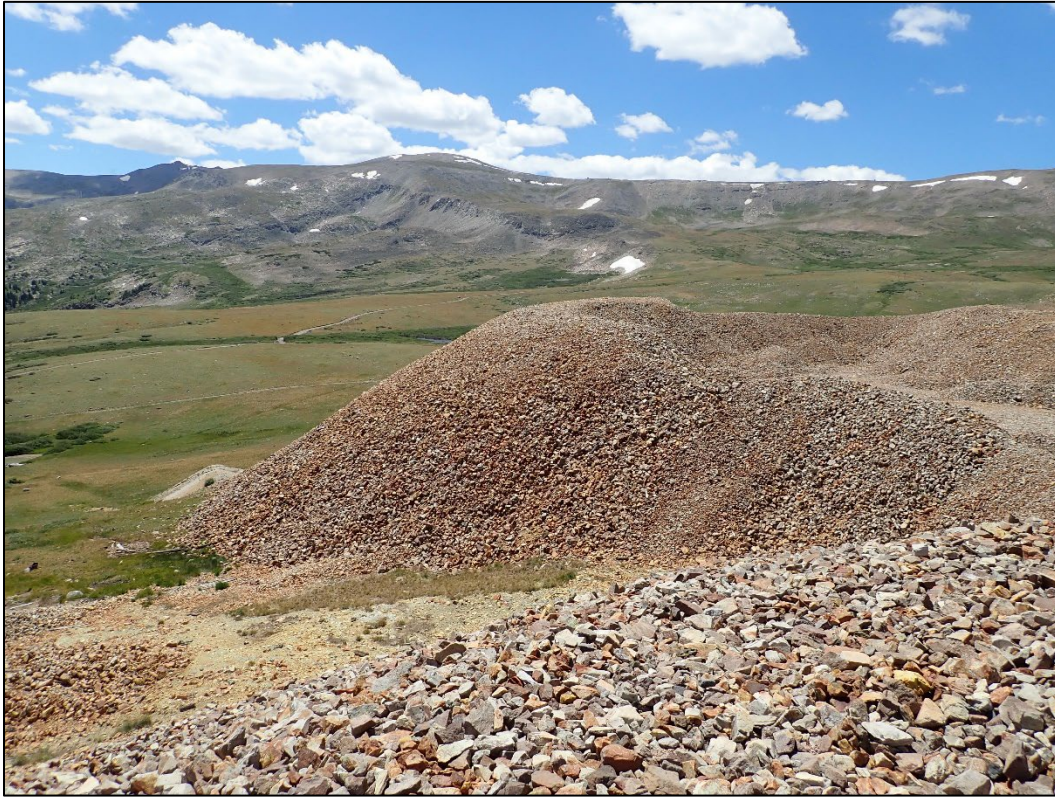


Photo 2. South London Stockpile Area; looking west.

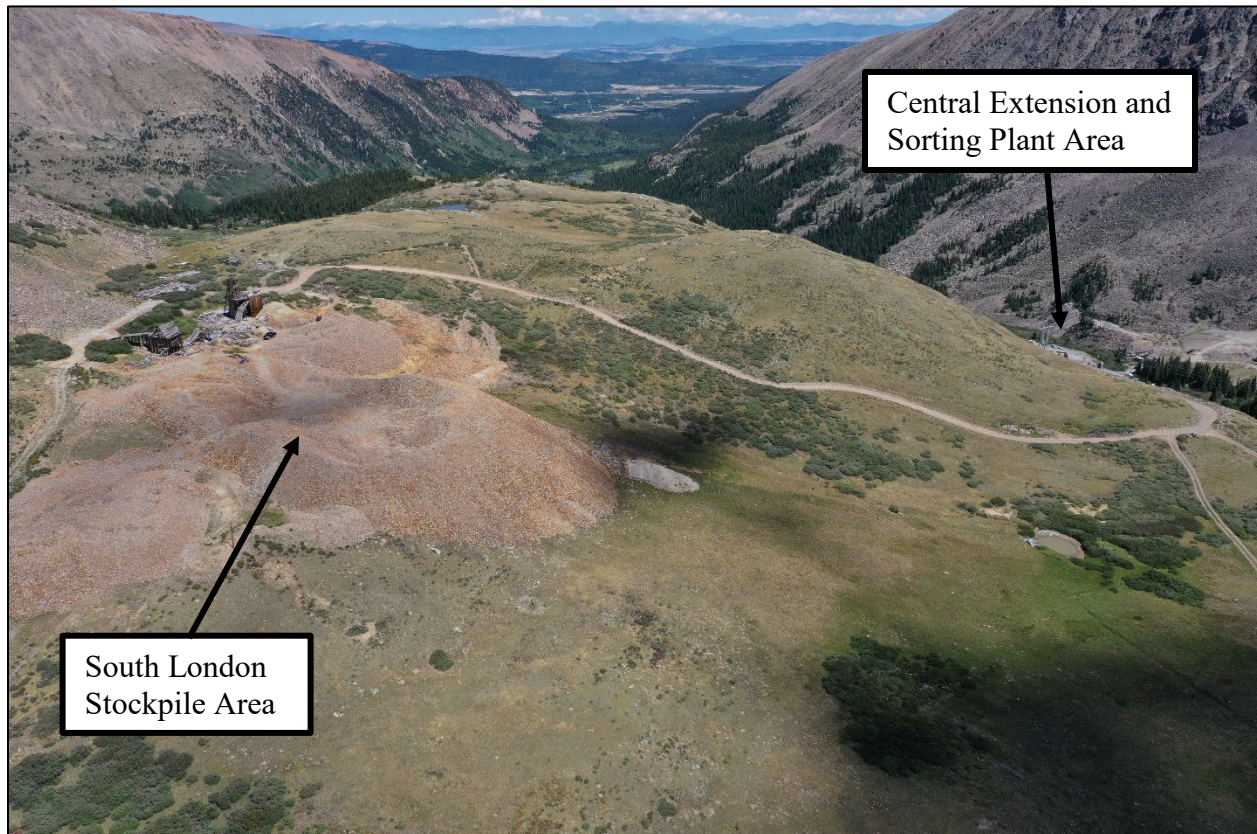


Photo 3. Location overview of the proposed operation's two permitted areas; looking east.

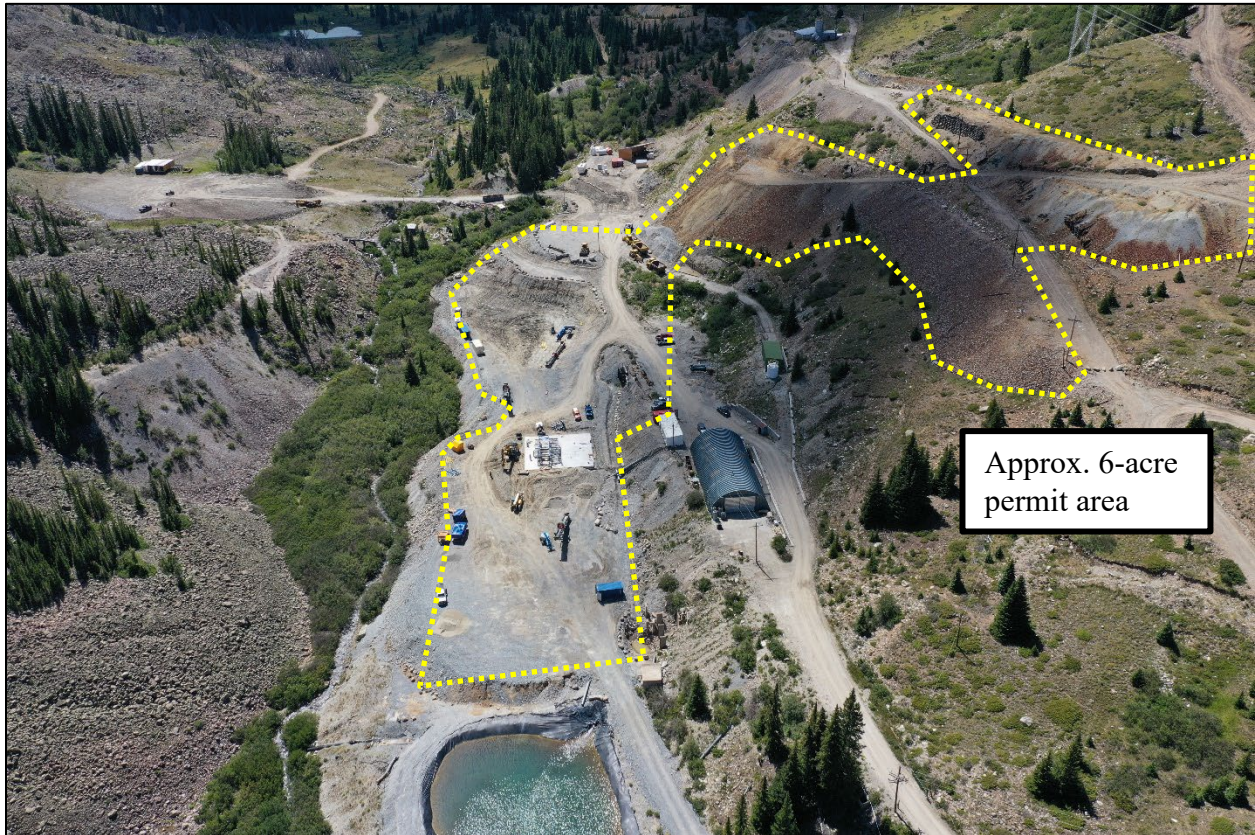


Photo 4. Overview of the Central Extension and Sorting Plant Area; looking west.

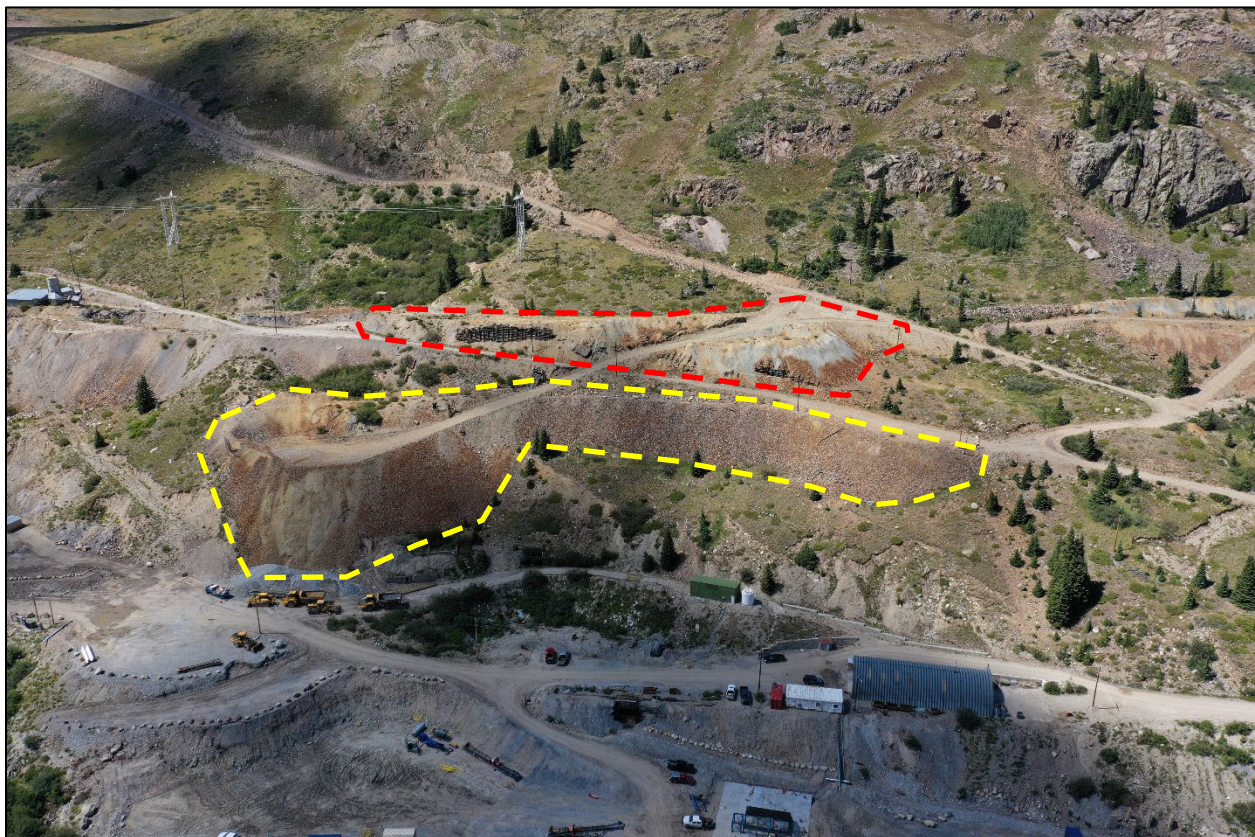


Photo 5. Overview of the Upper (red) and Lower (yellow) WR stockpiles; looking north.



Photo 6. Concrete pad and metal structure for sorting machinery; looking northeast.



Photo 7. Concrete pad and metal structure for sorting machinery; looking south.