




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: Liberty Project	MINE/PROSPECTING ID#: P-2007-058	MINERAL: Gold	COUNTY: Ouray
INSPECTION TYPE: Monitoring	WEATHER: Clear	INSP. DATE: July 23, 2024	INSP. TIME: 15:10
OPERATOR: The Mining Company, Inc.	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: MP - Mineral Prospecting	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$17,962.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Lucas West Amber Gibson Hunter Ridley	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 4, 2024	

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>N</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>N</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>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 Minerals Program. The Liberty Project is listed as an Active Notice of Intent to Conduct Prospecting which allows for 2.19 Acres of disturbance in support of the underground exploration of Gold. In addition to the Inspector listed on Page One of this report, Russ Means Minerals Program Director, Amber Gibson, Hunter Ridley and Todd Jesse of the Division were present during the inspection. The Division currently holds \$17,962.00 in Financial Warranty for the site. A reclamation cost estimate update was not performed as a result of this inspection. The site is located approximately 8.3 miles southwest of Ouray, CO up Governor's Basin at 11,807 feet in elevation. Public Access to the site is controlled by a locked gate. Three Photo accompanies this report to illustrate the current site conditions.

The site was not active during the inspection and no mining or exploration related equipment was observed on site. No sign was posted at the entrance to the site. The disturbed area consists of an access road leading up to a portal and portal pad work area. The portal pad and access road were stable at the time of the inspection, the pad can be seen in Photo **One**. A small office structure is located at the east end of the portal pad. The office was open and in severe disrepair, as shown in Photo **Two**. In addition to the office structure various debris and trash is located on the portal pad area. Included in the investigation and sampling plan submitted by the consultant, was a plan for removal of the office structure and debris.

Located on the south side of the pad is the portal to the underground workings. The portal is secured by a locking steel gate which can be seen in Photo **Three**. Material has sloughed off the adjacent hillside and partially blocked the access to the Portal. At the time of the inspection the portal was observed to have a discharge of approximately 10-20 gallons per minute. The discharge has been routed into a ditch along the access road, flowing into a wetland like area offsite, and ultimately into the adjacent creek.

Since the time of the inspection, the Annual Report, Map and Fee came due, and the Division received a Voluntary Forfeiture letter from the Operator. Based on the contents of the letter, the Division is proceeding with enforcement actions, to revoke the Notice and forfeit the associated Financial Warranty. Revocation and Forfeiture documentation will be provided to the Operator under a separate cover.

No signs of settling, slumping or erosion was noted, and no State Listed Noxious Weeds were observed. All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety at 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 303-919-2997 or by email at lucas.west@state.co.us.

Inspection Contact Address

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PHOTOGRAPHS



Photo One: View North, showing the portal pad, and associated waste rock dump on site. The pad and out slopes of the dump appeared stable and no evidence of settling, slumping or erosion was noted.



Photo Two: View East, showing the office structure located on the East side of the portal pad. The structure is in severe disrepair and is slated for removal during reclamation.

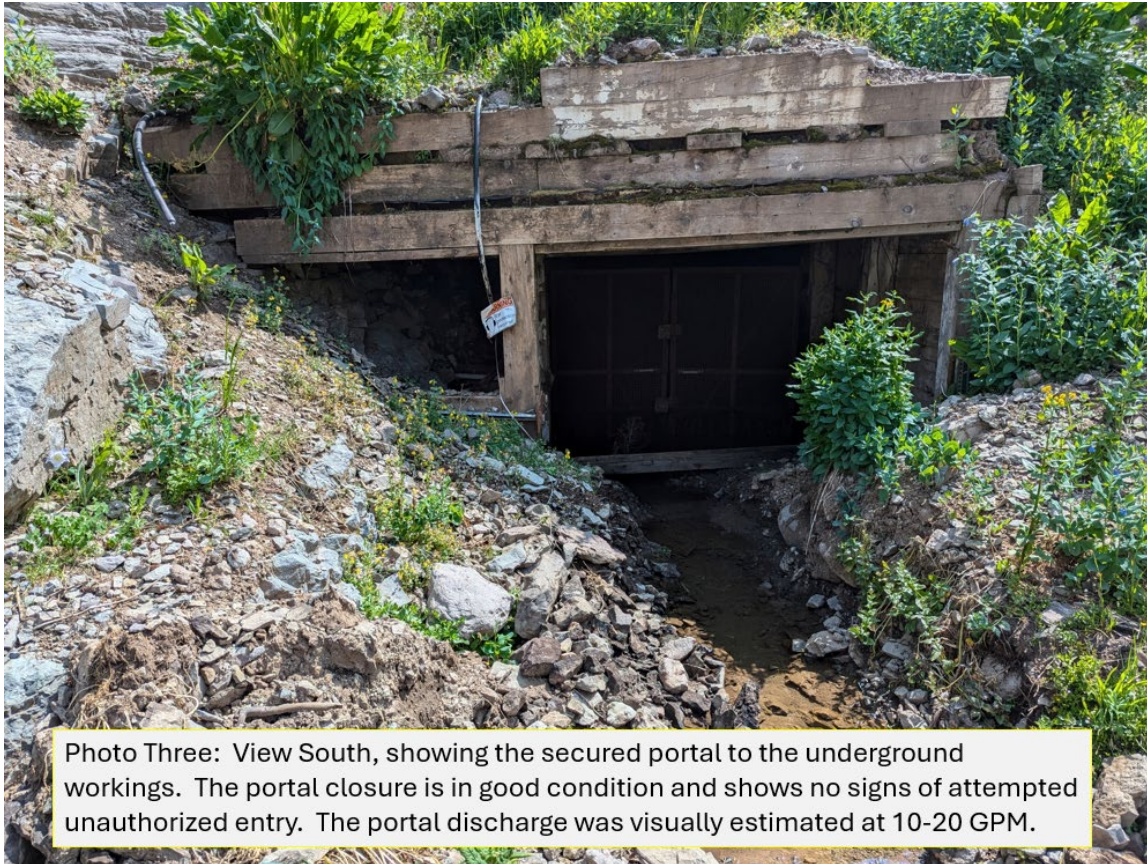


Photo Three: View South, showing the secured portal to the underground workings. The portal closure is in good condition and shows no signs of attempted unauthorized entry. The portal discharge was visually estimated at 10-20 GPM.