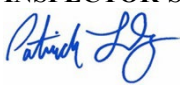




MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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: Cash & Who Do Mines	MINE/PROSPECTING ID#: M-1983-141	MINERAL: Gold and silver	COUNTY: Boulder
INSPECTION TYPE: Monitoring	WEATHER: Clear	INSP. DATE: October 8, 2024	INSP. TIME: 11:00
OPERATOR: Colorado Milling Company, LLC	OPERATOR REPRESENTATIVE: Mark Steen	TYPE OF OPERATION: 110(2) - Hard Rock Limited Impact	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$216,200.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Patrick Lennberg	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: November 12, 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>Y</u>	(RD) ROADS----- <u>N</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----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>Y</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>Y</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

The Cash & Who Do Mines site was inspected by Patrick Lennberg with the Division of Reclamation, Mining and Safety (Division/DRMS). The inspection was completed as part of the Division's routine monitoring program. The site was last inspected by the Division on August 9, 2018, as part of a joint inspection with the Bureau of Land Management (BLM). Mark Steen, representing the Operator/landowner, Colorado Milling Company, LLC, accompanied me during the inspection.

The site is located approximately 10 miles northwest of Boulder, Colorado. The site can be accessed from the south from Gold Run Road, or from the north by passing through the Operator's other permitted mine site, Gold Hill Mill (Permit No. M-1994-117). The approved post-mining land use for the site is forestry. The affected land consists of several patented mining claims owned by Colorado Milling Company and some unpatented claims managed by the BLM. A mine sign was posted at the primary mine entrance as required by Rule 3.1.12. The weather was clear and mild.

This is a 110(2) underground mining operation permitted for 9.83 acres to mine gold and silver. The permit area is split into three areas including the Mount Royale Adit Area, the Cash Mine Area, and the Who Do Mine Area. Ore mined from this operation is to be transported up Cash Gulch to the Gold Hill Mill for processing. The permit has been transferred eight times, with transfer to the current permittee occurring in 2015. The permit has been revised through a series of eight Technical Revisions and two Amendments.

The site has been inactive since September 2008. The second and final term of Temporary Cessation (TC-2), expired in June 2018. Since 2018 no mining or reclamation activities have taken place. No mining activities or production has occurred for 16 consecutive years. Pursuant to Rule 1.13.9(3) once the maximum limit of ten (10) consecutive years of Temporary Cessation has been reached, final reclamation of the affected lands shall be initiated with all reasonable diligence, as soon as practicable and as conditions allow. Final reclamation shall be completed within five years, unless extended by the Board or Office. The ten years of consecutive Temporary Cessation spanned from 2008 to 2018. **The Operator shall begin final reclamation of site as soon as possible. No mining or production, including transportation of waste rock dump material, is allowed under this permit, M1983-141, and the affected land is required to be reclaimed according to the approved reclamation plan.**

As mentioned above, the BLM owns portions of the surface of the permitted area. In April 2013, the BLM issued a Notice of Temporary Suspension for all the Gold Hill Mines operations (including Cash and Who Do Mines and Gold Hill Mill). The initiation of mining or milling operations may not occur until such time as the BLM has completed the NEPA process, approved a Plan of Operations for these activities, and terminated the suspension order. The Division does not know the status of the Plan of Operation. The operation will need to gain compliance with the BLM prior to recommencing activities at the site. Please note approval of the Plan of Operations with the BLM does not allow for mining activities or production to begin as those activities are no longer allowed by the Division.

The approved groundwater monitoring plan includes quarterly sampling from the following locations: Cash Mine pool from 3rd level adit, upgradient well MW-1, and downgradient well MW-5. The approved sampling parameters include Arsenic, Cadmium, Manganese, Zinc, Sulfate, pH, Temperature, Conductivity, and Total Dissolved Solids. There are two surface water sampling locations downgradient from the mine workings, one

in Cash Gulch (SW-1) and one in the unnamed gulch to the east (SW-2). These drainages are generally dry, with flow only occurring in limited reaches during or immediately after precipitation or snowmelt events. These drainages are tributary to Gold Run Creek, which is tributary to Fourmile Creek. Fourmile Creek is tributary to Boulder Creek approximately 5 miles further downstream. At the time of writing this inspection report the Operator is in compliance with the approved plan.

The Cash Mine Area is located just uphill from the Mount Royale Adit Area. The Cash Mine Area includes the Cash shaft and headframe, a hoist house, an office building, a main storage building, and an escapeway adit. In the permit record, it appears the Division has referred to both this area and the Mount Royale Adit Area collectively as the "Cash Mine Area". Therefore, the Mount Royale No. 1 Adit is also sometimes called the Cash Mine or Cash Portal.

The Division inspected the Who Do Mine Area located on the other side of Cash Gulch, west of the Cash Mine Area. This area includes a mine portal (referred to as the Donald R. Adit in the mining plan), the Who Do shaft and headframe, a mine dump area, a collapsed building (possibly the remnant Hoist House mentioned in the mining plan), and a small brick building (possibly the remnant Powder Magazine mentioned in the mining plan). The adit in this area is typically referred to in the permit file and inspection reports as the Who Do Mine or the Who Do Portal. The Division did not observe any water present in the mine portal and the sediment at the portal entry was dry and desiccated. The ground surface of the small sump located directly in front of the portal had some orange staining, indicating the sump does impound mine discharge as intended.

The Division inspected the Mount Royale Adit Area, which is located downgradient from the other two areas. This area includes the main ore bin/loadout, waste rock dump areas, the Mount Royale No. 1 Adit, and a small sediment pond located below the mine portal (on top of the waste rock pile). The adit was discharging some water at the time of the inspection. The water was leaving an orange stain on the ground surface, consistent with an iron oxide precipitate. The mine water reports to the sediment pond. The sediment pond was partially full of water and no water was observed to be discharging from the pond. The Water Quality Control Division of the Colorado Department of Public Health and Environment has determined that a discharge permit is not required for this operation. Additional information regarding the need for a discharge permit can be obtained in the permit file.

During the inspection the Operator stated they are in litigation with Boulder County. At issue is Boulder County's termination of nonconformance status for the Gold Hill Mill site. The termination removes the ability to mine and mill on the lands owned by the Operator. The termination is also counter to a signed agreement between the Operator/landowner and Boulder County which allows for mining and milling to continue.

The Division evaluated the financial warranty and determined the current bond amount held by the Division is insufficient at this time. A copy of the Division's estimate will be sent to the operator for review under a separate cover letter.

Photographs taken during the inspection are attached.

Please contact Patrick Lennberg by email at patrick.lennberg@state.co.us if you have any questions regarding this report.

Inspection Contact Address

Mark Steen
Colorado Milling Company, LLC
3375 W Powers Circle
Littleton, CO 80123

PHOTOGRAPHS



Photo 1: Mine sign at primary mine entrance



Photo 2: Office Building next to Hoist House



Photo 3: Cash Shaft



Photo 4: Old privy on hillside



Photo 5: Who Do portal



Photo 6: Sediment in Who Do portal



Photo 7: Who Do shaft below the headframe



Photo 8: Collapsed building, maintenance building, adjacent to Who Do shaft



Photo 9: Typical permit boundary marker



Photo 10: Mount Royale loadout area



Photo 11: Mount Royale Adit No. 1



Photo 12: Looking east across Mount Royale Adit No. 1 area



Photo 13: Looking uphill from Mount Royale Adit No. 1 area towards Cash Mine area



Photo 14: Mine entrance area from Gold Run