




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: West Side Placer	MINE/PROSPECTING ID#: M-2016-081	MINERAL: Gold, niobium (colorado) rare earths	COUNTY: Moffat
INSPECTION TYPE: Preoperation Inspection	WEATHER: Clear	INSP. DATE: February 24, 2025	INSP. TIME: 11:30
OPERATOR: AuPt Industries LLC	OPERATOR REPRESENTATIVE: Peter Freedman	TYPE OF OPERATION: 110(2) - Hard Rock Limited Impact	
REASON FOR INSPECTION: Preoperation Inspection	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$48,833.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Hunter Ridley	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: March 7, 2025	

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>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</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>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 by Hunter Ridley with the Colorado Division of Reclamation, Mining and Safety (Division) as part of the pre-operation inspection requirements for Permit Conversion Applications, pursuant to Rule 3.2(7). Peter Freedman, representing AuPt Industries, LLC accompanied the Division on the inspection. The West Side Placer mine is a 110(2) permitted site that includes a total of 9.9 acres on State Land Board land. This site is located on the 15 miles southwest of Baggs, WY and is accessed from Moffat County Road 88. The 112c Conversion Application was received by the Division on November 27, 2024, and is still currently under review. The application proposes to add 70 acres to the permit area. Comments from the State Land Board and Colorado Parks and Wildlife were received for this application. No objections were received during the open comment period. The primary commodity to be mined will remain gold and rare earth metals and wildlife habitat has been added to post-mining land use of rangeland. The weather was warm with light showers.

Availability of Records: Annual reports are current, having been filed through May 2024, stating the last mining activity was in November of 2021. The previous inspection was on July 10, 2024. There are no open infractions related to previous inspections.

Backfilling and Grading: The active mining is located in the southernmost portion of the permit boundary. Minimal backfilling has occurred in the currently open pit area. Slopes remain at a 3H:1V grade or lower. The area was not active at the time of inspection.

Financial Warranty: The Division currently holds a financial warranty amount of \$48,833.00 for this site. During the CN2 review process, a new reclamation warranty will be calculated based on a phased bonding approach that accounts for the proposed maximum disturbance. A copy of staff calculations will be provided to the Operator for comments before application approval.

Fish and Wildlife: No impact to wildlife was observed.

Hydrologic Balance: A permitted well is located on site for access to water but this well is not currently being utilized. Water from this well will be mostly utilized for dust control and cleaning equipment during mining and reclamation. No discharge is planned for the site. The application for CN2 proposes the use of a dry-screening process that requires no water for mineral processing. Because no water is involved, there is no need for storage or settling ponds. The settling pond previously in place for the original 110(2) permit remains in place but is unused. The Operator wishes to retain the right to utilize the permitted well onsite (#80109) and reserve the right to incorporate three more wells if needed as the project progresses. The plugging and abandonment of these four wells will be accounted for in the Division's reclamation cost estimate.

Processing Waste: No processing waste was observed.

On site Support Facilities: Plant facilities were removed from the middle portion of the permit in 2023. The Operator stated that new plant facilities are part of the proposed conversion application and mine expansion (Photo 3). These facilities will utilize a closed loop processing system. Therefore, the site will not need to utilize any settling ponds related to the processing cycle. The processing plant will occupy and ~6-acre area. It's location in relation to the newly proposed permit boundary is shown on **Figure 1**.

Sediment Control: No BMPs were determined to be needed at the time of the inspection. The CN2 application has proposed the use of various storm water management systems to route storm water and control erosion such as berms, ditches, silt fencing and coir logs once active mining begins.

Structures: No structures were observed within or adjacent to the proposed permit boundary.

Signs and Markers: The mine identification sign remains in place in compliance with Rule 3.1.12 and is located at the northern part of the permit boundary along County Road 88 (Photo 1). The Conversion Application Notice sign was posted in accordance with Rule 1.6.2(1)(b). New proposed permit area boundary markers in the form of metal t-posts with neon flags were observed throughout the site, e.g. Photo 2. These boundaries were cross referenced with a permit boundary map to ensure accurate boundary post marking. T-post markers were found to be accurate and sufficient to delineate the proposed permit boundary.

Roads: Access to the site will remain via CR 88, outside of the permit boundary. The approval of CN2 would incorporate a small portion of CR 88, which is a dirt road, into the permit boundary. CR 88 would remain in its current state throughout the life of the mine and in final reclamation. County Road 4, to the north of CR 88, will be crossed but not used extensively. The application states that mats will be placed over this area of the road for tracked vehicles. None of the on-site haul roads to be constructed upon approval of CN2 are planned to remain post-reclamation (see Applicant's Exhibit E, Reclamation Plan narrative).

Right of Entry: The Operator has submitted proof of right of entry for the proposed permit boundary, which has been leased to the permittee by the State Land Board. The lease provided also gives right of entry for the subsurface rights for the proposed permit boundary in the CN2 application.

Topsoil: A majority of the 110c acreage at this site has already been topsoiled and seeded for final reclamation. Topsoil berms were observed onsite for use in reclamation of the remaining open acreage. As part of the CN2 application, the Applicant has committed to salvaging and stabilizing any additionally stripped topsoil with a vegetative cover, pursuant to Rule 3.1.9(1).

Permit Stipulations: There are no permit stipulations.

Photographs taken during the inspection have been included below. Responses to this inspection report should be directed to: Hunter Ridley at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 720-868-7757 or via email at hunter.ridley@state.co.us

PHOTOGRAPHS



Photo 1: Mine sign and Notice sign posted on the entrance gate in compliance with Rule 1.6.2(1)(b).



Photo 2: Example of a permit boundary marker for the new 112c acreage.



Photo 3: Current disturbed area related to the pre-existing 110c permit. This area is the site of the proposed processing plant.

Inspection Contact Address

Peter Freedman
AuPt Industries LLC
PO Box 1424
Edwards, CO 81632

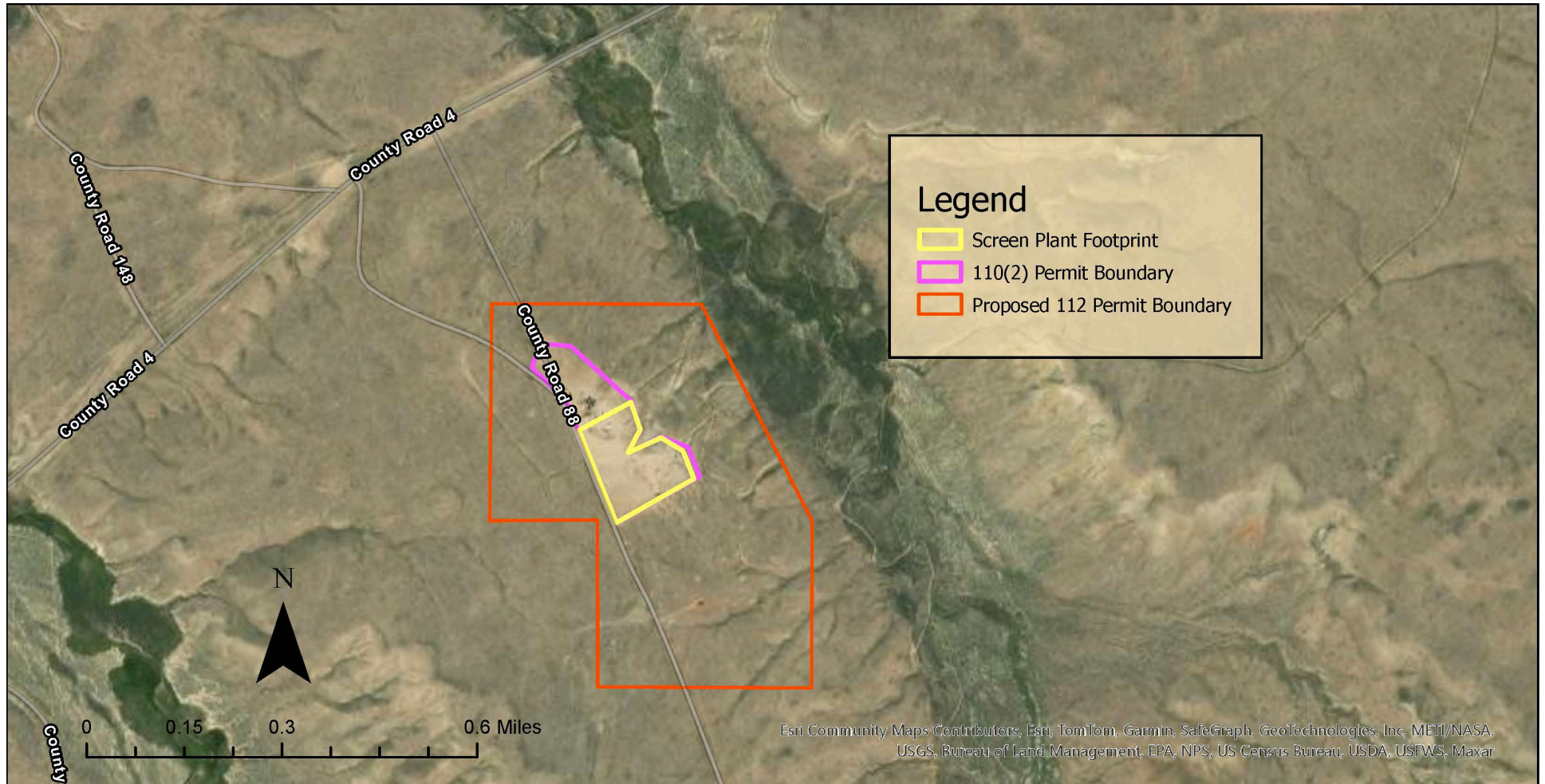


Figure 1: Inspection Map created with .kmz files submitted with the CN2 application materials.