




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: Gold Hill Mill	MINE/PROSPECTING ID#: M-1994-117	MINERAL: Gold and silver	COUNTY: Boulder
INSPECTION TYPE: Monitoring	WEATHER: Clear	INSP. DATE: May 16, 2025	INSP. TIME: 10:30
OPERATOR: Colorado Milling Company, LLC	OPERATOR REPRESENTATIVE: Mark Steen and Ben Langenfeld	TYPE OF OPERATION: 110d - Designated Limited Impact	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$110,697.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Patrick Lennberg	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 21, 2025	

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.

INSPECTION TOPIC: Tailings Storage Facility (TSF)

PROBLEM: As approved with CN-1, the TSF is a designated Environmental Protection Facility containing tailings material requiring recertification or final reclamation. During the October 2023 pre-operation inspection of the site, the Division noted several issues with the liner of the TSF, including, but not limited to, holes in the liner and animal burrows in the embankments. In adequacy review response no. 4, dated January 26, 2024, the Operator committed to providing an evaluation as to whether the TSF can be recertified. If not, or if there is insufficient capacity for further use, then closure would take place. The Operator committed to providing this evaluation no later than August 1, 2024. This commitment was part of the Division's rationale for approval of the conversion application. To date this item remains outstanding.

CORRECTIVE ACTIONS: The date for satisfying the TSF commitment by submitting the required evaluation is due within sixty (60) days from the signature date of this inspection report, July 20, 2025.

CORRECTIVE ACTION DUE DATE: 7/20/25

OBSERVATIONS

The Gold Hill Mill (Permit No. M-1994-117) site was inspected by Patrick Lennberg of 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 previously inspected by the Division on October 8, 2024 as part of the Division's routine monitoring program. The Operator, Colorado Milling Company, LLC, was represented by Mark Steen and Ben Langenfeld, during the inspection. The weather was clear and windy.

The Gold Hill Mill is located approximately 10 miles northwest of Boulder, CO in Boulder County. Access to the site is off Sunshine Canyon Drive. A mine sign was observed at the entrance to the mine as required by Rule 3.1.12.

Currently, the site is a 110(d) designated mining operation for 9.2 acres. On September 13, 2022, the Operator submitted a conversion application, CN-1, to convert the former 110(2) permit to a 110(d) permit. The 110(d) permit conversion application was approved on February 7, 2024. On January 8, 2025 the Operator submitted the required increased financial warranty. The approval of CN-1 required an increase in the financial warranty amount from \$77,546.00 to \$110,697.00 an increase of \$33,151.00. The Division accepted the financial warranty on January 9.

On August 21, 2024, the Division issued a letter regarding the Tailings Storage Facility (TSF) recertification. As approved with CN-1, the TSF is a designated Environmental Protection Facility containing tailings material requiring recertification or final reclamation. During the October 2023 pre-operation inspection of the site, the Division noted several issues with the liner of the TSF, including, but not limited to, holes in the liner and animal burrows in the embankments. In adequacy review response no. 4, dated January 26, 2024, the Operator committed to providing an evaluation as to whether the TSF can be recertified. If not, or if there is insufficient capacity for further use, then closure would take place. The Operator committed to providing this evaluation no later than August 1, 2024. This commitment was part of the Division's rationale for approval of the conversion application. The Division granted the Operator an extension to October 20, 2024 to fulfill this requirement and provide the results of this evaluation. To date, the Operator has not complied with this commitment and requirement and the Division has cited a problem in this report for failure comply with the conditions of the approved permit.

The permit area consists of three areas: the mill site (at the top of Gold Hill), the water pipeline (which runs up Lick Skillet Gulch from Left Hand Creek to the Times Mine portal), and an area adjacent to the creek (where water will be pumped from the creek). The mill site includes a mill facility, a small tailings impoundment, and an ore stockpile. AM-1 added the water pipeline and associated infrastructure and the Times Mine portal to the permit to allow the operator to pump water from Left Hand Creek to the portal to store in the Times and Wynona Mines for use by the mill operation.

The affected lands consist of several patented mining claims owned by Colorado Milling Company, LLC, some unpatented claims managed by the U.S. Bureau of Land Management (BLM) and a portion of land on Left Hand Creek managed by the U. S. Forest Service (USFS). The pipeline easement is on land owned by Boulder County Parks and Open Space. Access to the pipeline will be via three historic mine roads off Lickskillet Road and one historic mine road off Sunshine Canyon Drive (for the Times Mine portal area). The pump station area near the creek will be accessed via a 3-foot-wide path off Lickskillet Road and is located entirely on U. S. Forest

Service land. The approved post-mining land use for the site is forestry.

The reclamation plan includes removing the pipeline and associated infrastructure, decommissioning the bulkhead at the Times Mine adit, sealing the Times Mine portal, removing the fencing from around the tailings impoundment at the mill site, grading the tailings to nearly flat, placing a 2-foot thick rock capillary barrier on top of the tailings (material derived from the mine dump screening operation), replacing 3-4 inches of topsoil across the top of the rock capillary barrier, and revegetating disturbed areas with grasses, shrubs, and trees. The footprint of the ore stockpile will not be revegetated for reclamation as it will be used for equipment storage and parking. The mill building will remain after reclamation. The existing access road will remain after reclamation.

As mentioned above, both the BLM and USFS own 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 both the BLM and the USFS have completed the NEPA process and approved a Plan of Operations for these activities. On March 18, 2025, the BLM notified the Division that the Plan of Operations for the Gold Hill Mill had been approved.

The financial warranty was not recalculated as part of this inspection.

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

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cc: Jared Ebert, DRMS

ec: Ben Langenfeld, Lewicki & Associates, PLLC, benl@lewicki.biz
Mark Steen, Colorado Milling Company, LLC, goldtontine@gmail.com

PHOTOGRAPHS



Photo 1: Mine sign at primary mine entrance



Photo 2: Conditions within the Mill Building

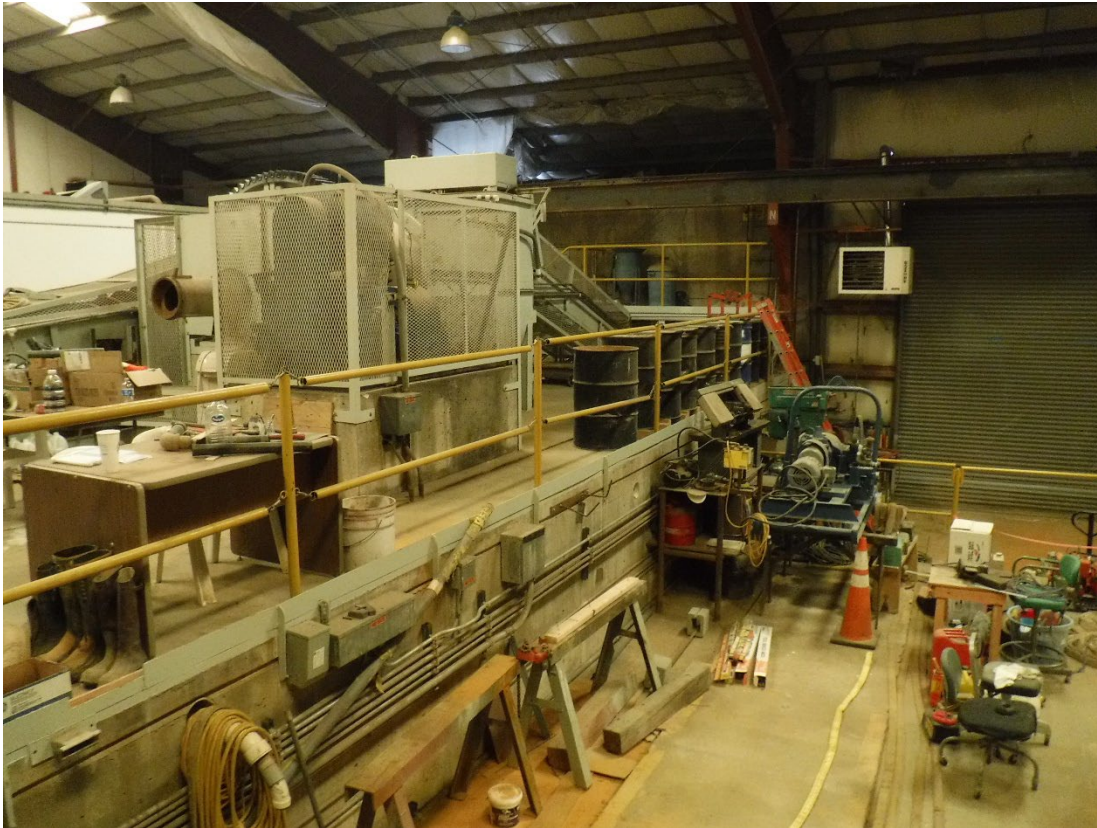


Photo 3: Conditions within the Mill Building



Photo 4: Looking east along the northern embankment of TSF



Photo 5: Looking across the TSF



Photo 6: Looking east along the southern embankment of the TSF



Photo 7: Looking west along the southern embankment of the TSF



Photo 8: Eastern embankment of the TSF



Photo 9: Run on/off control ditch along northern boundary of the TSF



Photo 10: Western embankment of the TSF



Photo 11: Monitoring Well W-3 south of TSF



Photo 12: Monitoring Well W-4 south of TSF



Photo 12: Monitoring Well W-2 south of Mill Building



Photo 12: Monitoring Well W-1 west of W-2 located on the other side of Beetle

GENERAL INSPECTION TOPICS

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

(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>Y</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>N</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>N</u>	(ST) STIPULATIONS----- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	(OR) OTHER----- <u>PB</u>

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