




**COLORADO DIVISION OF RECLAMATION, MINING, AND SAFETY**  
**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.

<b>MINE NAME:</b> Sooner Lucky Strike Mine Ltd	<b>MINE/PROSPECTING ID#:</b> M-1982-020	<b>MINERAL:</b> Gold and silver	<b>COUNTY:</b> Gunnison
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> G. Russell Means	<b>INSP. DATE:</b> April 9, 2012	<b>INSP. TIME:</b> 13:00
<b>OPERATOR:</b> Aspen Mineral Resources, Inc.	<b>OPERATOR REPRESENTATIVE:</b> Jim See	<b>TYPE OF OPERATION:</b> 110(2) - Hard Rock Limited Impact	

<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> IT.Bondcalculationtype.CD.Desc	<b>BOND AMOUNT:</b> \$43,094.43
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> April 23, 2012

**GENERAL INSPECTION TOPICS**

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

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>N</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>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>PB</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>	(SB) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>Y</u>	(ST) STIPULATIONS----- <u>N</u>

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

### **OBSERVATIONS**

This inspection is part of the normal monitoring program established by the Colorado Division of Reclamation, Mining, and Safety (Division). The Sooner Lucky Strike is a combination 110 underground / mill site located southeast of Gunnison, Colorado. The Sooner Lucky Strike was Succeeded Operator (SO) in December of 2011. Aspen Minerals Resources took over the operation from Elmo Nossaman. This is the first inspection under the new operator. Inspector Russ Means met with operator Jim See and other representatives for the operation on site.

The mine identification sign was not posted at the entrance of the mine site. Due to the remote location and new operator the issue is not being noted as a problem. However, the operator shall, at the entrance of the mine site, post a sign which shall be clearly visible from the access point on the County Road at the site with the following: the name of the operator, a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and the permit number. The operator shall submit photo documentation that a proper sign has been posted within 90 days. The permit boundaries have been previously noted as fencing and t-posts that clearly delineate the area and no changes warrant closer inspection at this time.

The new operator has begun refurbishing the mill building and other infrastructure. The inspector observed a new slab poured for a generator which was staged for placement. The west side of the building has been added on to and it appears new footers were poured for that. A concrete secondary containment structure has been built for the 1000 gallon diesel tank. As well as these structures, a new mine office has been constructed. Some old machinery and scrap metal noted on previous inspections has been removed. All activities are within the permit area and general foot print of the affected area.

While the activities and new structures are progress for the mine the current mine plan needs to be updated and clarified pursuant to C.R.S. 34-32-112 (2)(f) and Rule 6.3.3(1)(e). The changes must be accounted for within the reclamation liability estimate to ensure the warranty is sufficient for full reclamation as well. The Division understands that this is a new operator and therefore is listing this as a problem rather than a possible violation. The operator is advised that the addition of any new buildings, new disturbances, or changes in process must be approved prior to construction rather than afterwards. Based on current observations, the operator must provide sufficient information to describe or identify how the operator intends to conduct the operation. The operator shall submit a Technical Revision, with the required \$216 revision fee, to update and clarify the current approved mine plan to reflect existing and proposed activities by the corrective action date noted within this report. The update shall include new building dimensions, slab construction details, concrete fuel secondary containment construction details, construction details for mill building expansion for concrete footers and slabs, and any other new construction not mentioned or planned.

Outside the mill approximately 150 tons of ore from underground were observed. No pyrites or other sulfide bearing materials were readily visible. All of this material was noted as coming from the on-site mine. None is from outside sources which are strictly prohibited, unless thorough geo-chemical analysis is submitted and approved by the Division to show the materials are identical in nature to the ores on site. This is to prevent environmental issues from outside sources. The mill has installed new floatation systems and other work for processing continues. The operator will need to submit geo-chemical analysis of the tailings fines once the

circuit is established. The Division will review the analysis to ensure the fines are inert. No analysis has been done in several years and the operator needs to ensure that the tailings going into an unlined tailings structure do not create conditions that would impact the hydrological balance. When ready to do so, please contact the Division for specific analytical requirements.

There still is a pile of materials from the Brown Derby Mine on site. The inspector notes some of the material originally observed has been removed. Approximately 2 to 3 truck loads remain. This is a problem noted from the past inspection report that has not been fully addressed or abated. The operator has until August 31st to remove the remainder of the materials or face possible enforcement action before the Mined Land Reclamation Board.

The site has a lined tailings pond that was originally built for a cyanide leach process. The process however was never submitted or approved by the Division. Therefore, no use of cyanide is allowed. The ponds are used for additional water storage. There is approximately 1 to 2 feet of free board in the pond. Water is noted as being clear and free of vegetation and debris. The liner itself appears to be in good shape. No secondary containment or leak detection has ever been documented for the ponds. This would be an issue under current standards for cyanide or other hazardous materials uses. That would require a possible amendment to the mine and reclamation plans.

The Annual Report submitted in 2011 under the old operator notes no new activities other than clean-up and maintenance. Since the SO much work has been done at the site that constitutes mining activities such as infrastructure work, stockpile movements, etc. The new operator should take the time to note all activities for the site on the next annual report.

Currently no reclamation is under way. No noxious or problematic weeds were observed. There is a large topsoil stockpile on the west end of the permit area. It is marked and very well vegetated.

Site drainage and stormwater directs on site flows into the tailings basin to the west. No erosion or sedimentation issues were noted.

The reclamation liability was last done in 2007. An update at this point is needed however it will be done as part of the Technical Revision required to be submitted by July 2, 2012.

Responses to this inspection report should be directed to Russ Means at the Division of Reclamation, Mining, and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone no. 970-241-1117, or by e-mail: Russ.means@state.co.us

**Inspection Contact Address**

Jim See  
Aspen Mineral Resources, Inc.  
P.O. Box 273  
Gunnison, CO 81230

**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 separately as to when the Mined Land Reclamation Board will consider possible enforcement action.**

**INSPECTION TOPIC:** Gen. Compliance With Mine Plan

**PROBLEM/POSSIBLE VIOLATION:** Problem: Improper importation of materials.

**CORRECTIVE ACTIONS:** CORRECTIVE ACTION:

Remove materials stockpiled from Brown Derby Mine.

**CORRECTIVE ACTION DUE DATE Extended:** 9/03/07

**INSPECTION TOPIC:** Gen. Compliance With Mine Plan

**PROBLEM/POSSIBLE VIOLATION:** Problem: The current mine plan needs to be updated and clarified pursuant to C.R.S. 34-32-112 (2) (f) and Rule 6.3.3(1) (e). The operator must provide sufficient information to describe or identify how the operator intends to conduct the operation. During the inspection it was observed that a new building has been constructed and modifications to the general structure of the mill have been done.

**CORRECTIVE ACTIONS:** The operator shall submit a Technical Revision, with the required \$216 revision fee, to update and clarify the current approved mine plan to reflect existing and proposed activities by the corrective action date. The update shall include new building dimensions, slab construction details, concrete fuel secondary containment construction details, construction details for mill building expansion for concrete footers and slabs.

**CORRECTIVE ACTION DUE DATE:** 7/02/12















