




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.

MINE NAME: Lower Mountain Top Mine	MINE/PROSPECTING ID#: P-2011-009	MINERAL: Gold, Silver	COUNTY: Ouray
INSPECTION TYPE: Mineral Prospect Inspection	INSPECTOR(S): Bob Oswald	INSP. DATE: October 1, 2012	INSP. TIME: 12:00
OPERATOR: St. Sophia Holding Ltd.	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Surety Release Requested	BOND CALCULATION TYPE: None	BOND AMOUNT: \$6,855.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: October 26, 2012

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>Y</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>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>NA</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>NA</u>	(FW) FISH & WILDLIFE----- <u>NA</u>	(RV) REVEGETATION---- <u>NA</u>
(SM) SIGNS AND MARKERS----- <u>NA</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(SB) COMPLETE INSP---- <u>NA</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>NA</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>NA</u>	(ST) STIPULATIONS----- <u>NA</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 was a bond release-related inspection by the Division, performed in response to the a bond release request received from the operator. The operator was notified about the scheduled inspection but was not present for the inspection. There was no activity at the site at the time of the inspection. The site was secured by a locked entrance gate, so access was gained on foot. The project site includes a pre-existing "historic" mine portal, access road and staging area pad created from placed waste rock, and a sediment pond where portal discharge is conveyed.

The project activities involved using the mine portal to access underground areas for drilling and sampling for assay. The operator installed a separate vent duct opening immediately inby the portal, by welding a section of 30" CMP into the arched steel sets. The CMP was not removed or backfilled, but it was grated at the interior end and a buried steel plate covers the outer end. This is not an optimal closure, but will suffice to meet the minimum required to safeguard the opening.

Very little muck or other material was brought out of the mine. The staging area pad was utilized to store the operator's office trailer, parts, and equipment. There was a concrete slab (48' x 66') on the pad that the operator used but which was to remain on the pad after reclamation. All activities were approved to occur on pre-disturbed surfaces, with no need for topsoil replacement or seeding, and earthwork was limited to grading the emplaced muck in the repository along the toe of the hill.

The operator replaced the existing portal door with a heavier, more secure door. This door improves the closure of the portal, and it will remain at the site. The concrete slab is still present and intact. The operator's equipment has been completely removed. The waste rock has been placed in the proper area and graded to the suitable gradient. There are no contaminants remaining onsite. Some inert debris materials were buried onsite next to the concrete slab, in accordance with the approved reclamation plan. The operator left a small stack of a few wood timbers and pieces of steel that were on the site prior to the project, and which the owner wishes to be left for his future use. The portal discharge was not changed: it continues to be conveyed to the sediment pond via a buried pipe. Water sampling during the project did not reveal adverse impacts to the water quality in Governor Basin.

The operator's reclamation report described completing all these activities. It is the Division's opinion that the required reclamation has been satisfactorily carried out, and that the release request may be approved. A formal approval letter, accompanied by the returned financial warranty, will be sent to the operator under separate cover.

For questions related to this report, please contact this inspector at the Division's Durango Field Office: DRMS – Durango Field Office, 691 CR 233, Room A-2, Durango, CO 81301; Telephone: 970-247-5193.

Inspection Contact Address

Lawrence J. O'Connor
St. Sophia Holding Ltd.
10220 Hawkeye Circle
Reno, NV 89523

PHOTOGRAPHS

