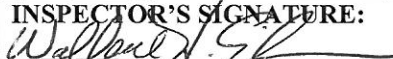




**COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567**

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: Camp Bird Tailings Exploration Project	MINE/PROSPECTING ID#: P-2012-017	MINERAL: Au, Ag, Pb, Zn, W	COUNTY: Ouray
INSPECTION TYPE: Multi Person Inspection	INSPECTOR(S): Wallace H. Erickson, Robert C. Oswald	INSP. DATE: December 3, 2012	INSP. TIME: 11:40
OPERATOR: Caldera Mineral Resources, LLC	OPERATOR REPRESENTATIVE: Mike Thompson, Robert Larson	TYPE OF OPERATION: MP - Mineral Prospecting	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$11,000.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: January 14, 2013	

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>NA</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>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>NA</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(SB) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</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>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 inspection was conducted as part of the Division's routine monitoring program for permitted operations. The Camp Bird Tailings Exploration Project, NOI P-2012-017, is approved for exploration drilling of 86 holes through historic tailings located outside of the permit boundary of the Camp Bird Mine, M-1982-090. The purpose of the drilling program is to sample the historic tailings. The approximate 1.41 acres affected lands are located entirely on previously disturbed ground (historic mill tailings and/or access roads). Topsoil was not salvaged during the historic mining activities and is not available for reclamation purposes. The Division holds \$11,000 financial warranty. This report is accompanied by three photographs.

The drilling campaign is divided into 2 areas. The first area contains drill holes 1 through 52, with the second area containing drill holes 53 through 86. Both areas were inspected. Locations of drill holes were marked with survey lath and orange ribbon. All holes observed by the Division were located within approved areas. No open holes were observed. The Operator's representative indicated significantly fewer holes were drilled than approved in the application. Evidence of escaped drill-hole cuttings was not observed. New disturbance to the previously disturbed lands appeared to have been minimized. The \$11,000 financial warranty held by the Division appears sufficient to ensure completion of reclamation. No problems or possible violations were observed.


Response to this inspection report should be addressed to Wally Erickson at the Division's office in Durango at 691 County Road 233, Suite A-2, Durango, CO 81301, phone (970) 247-5469.

Inspection Contact Address

John Bryan
Caldera Minerals Resources, LLC
342 7th Avenue
P.O. Box 85
Ouray, CO 81427

Enclosure: 3 Photos

Ec w/enclosure: Mike Thompson, Reardon Steel
Bob Oswald, DRMS, DFO
Russ Means, DRMS, GJFO



View south, taken from CR 361, showing location of drill holes 1 through 52. The steel frame building, under construction, is located within the permit boundary of the Camp Bird Mine, M-1982-090, and is not associated with activities approved for the NOI P-2012-017.



View east, showing the location for drill holes 1 through 52. The Operator's representative indicated significantly fewer holes were drilled than requested in the application. No open holes were observed.

View south, taken from CR 361, showing location of drill holes 53 through 86. The Operator's representative indicated significantly fewer holes were drilled than requested in the application. No open holes were observed.

