




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: Iris Project	MINE/PROSPECTING ID#: P-2012-003	MINERAL: Au,Ag,Pb,Zn,Cu	COUNTY: Saguache
INSPECTION TYPE: Mineral Prospect Inspection	INSPECTOR(S): Bob Oswald	INSP. DATE: June 12, 2013	INSP. TIME: 16:00
OPERATOR: Garth Cooke	OPERATOR REPRESENTATIVE: Garth Cooke	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$4,071.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 17, 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>Y</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>NA</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>Y</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>Y</u>	(RS) RECL PLAN/COMP-- <u>NA</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</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 minerals prospecting inspection performed by the Division to monitor the operator's drilling activity. The operator (named on page one) and three other personnel were at the site at the time of the inspection. The drilling equipment was deployed and active, and the drill hole at Site 2 was about 270 feet deep. The operator is extracting 1.5-inch diameter core. The bore hole was dry at that depth during the inspection.

The entire project activity is on privately-owned land, being within the platted townsite of Iris, all of which is owned by the operator. Water for the drill operation is supplied by water from the townsite, to which the operator has rights for use. The drill hole locations are accessible via existing roads, with no improvements needed. There is no leveling of the drill pad required, and no topsoil is stripped, although a small mud pit was excavated from the existing surface. It was lined by impermeable membrane, and was adequately containing all recirculating drill fluids.

The disturbance observed was minimal, and in conformance with the approved plan. There were no problems observed.

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

Garth Cooke

PO Box 95

Warne, NC 28909

PHOTOGRAPHS

