



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: Schwartzwalder Mine	MINE/PROSPECTING ID#: M-1977-300	MINERAL: Uranium	COUNTY: Jefferson
INSPECTION TYPE: Monitoring	INSPECTOR(S): Tom Kaldenbach	INSP. DATE: March 14, 2013	INSP. TIME: 11:00
OPERATOR: Cotter Corporation	OPERATOR REPRESENTATIVE: Bob Tennant	TYPE OF OPERATION: 112d-2 - Designated Mining Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$4,339,003.39
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: <i>Tom Kaldenbach</i>	SIGNATURE DATE: October 10, 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>NA</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</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>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 was a routine monitoring inspection of the Schwartzwalder Mine conducted by Tom Kaldenbach of DRMS. Bob Tennant represented the operator. The site was partially covered with snow. Only the portion of the permit area in the Ralston Creek valley was accessible. No problems were found on the site.

Hydrologic Balance

The mine operator drilled eight bedrock ground water monitoring wells in late 2012. Wellheads of three of the new wells (MW-17, MW-18, and MW-19) were seen on the inspection and appeared to have no problems.

Sump water was being circulated through the ion exchange treatment plant and was discharging from the pipe near BPL at an estimated rate of between 50 and 100 gpm.

In advance of installing mine pool-dewatering equipment, a 6-inch diameter HDPE pipeline has been placed on the ground, extending from the ion exchange plant to the Steve Adit. The pipeline is insulated.

PHOTOGRAPHS



Photo 1 – Ralston Creek at upstream side of diversion wall.



Photo 2 – Ralston Creek at downstream side of diversion wall.



Photo 3 – Discharge from black pipe in center of photo is from ion-exchange treatment plant.



Photo 4 – Sump 10 area.



Photo 5 – Wellhead of new bedrock ground water monitoring well MW-18 (screened interval 215 – 235 ft in Illinois Fault well near Sump 10).



Photo 6 – Recently installed pipeline that extends from Steve Adit to ion exchange treatment plant.

Inspection Contact Address

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