



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 27, 2014	INSP. TIME: 10:00 am
OPERATOR: Cotter Corporation	OPERATOR REPRESENTATIVE: John Hamrick	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 June 20, 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>N</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>Y</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</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>Y</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 monitoring inspection conducted by Tom Kaldenbach of DRMS. The operator was represented by John Hamrick.. The ground was dry. The site continues to be accessed only from the south through the Jefferson County Open Space, as the road along Ralston Creek awaits repair from the September 2013 storms. The operator explained they are working on permitting requirements of the county, Army Corps of Engineers, and U.S. Fish and Wildlife. A consultant will soon begin road repair design.

The operator has completed some regrading of storm-damaged areas in the permit area.

Approximately 180 gpm of alluvial ground water from sumps 1, 4, 5, 8, and 10 was being treated in the ion exchange plant. The treated water was being discharged into Ralston Creek near the BPL location. Water from the sumps was being cycled through the south concrete-lined pond outside the IX treatment plant in order to increase retention time. The in-situ and RO treatment plant at the Steve Level remains idle, pending Ralston Creek road repairs which will allow large trucks to bring in the chemicals necessary to operate the RO treatment plant.

Ralston Creek flows were not high enough to feed the diversion pipeline.

The South and North Waste Rock Piles are well vegetated and the slopes of both piles appeared stable.

PHOTOGRAPHS



Photo 1 – Sump 10 and monitoring wells.



Photo 2 – Sump 10 in foreground; ion exchange treatment plant building in distance.



Photo 3 – Concrete-lined ponds outside ion exchange treatment plant.



Photo 4 – Resin tanks in ion exchange treatment plant.

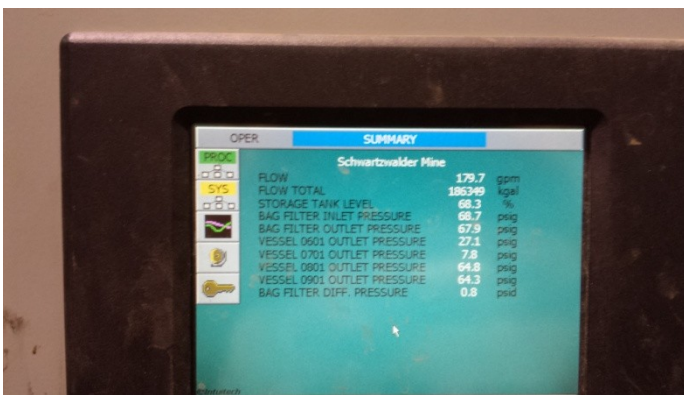


Photo 5 – Monitoring screen in ion exchange treatment plant, showing plant throughput of 179.7 gpm.



Photo 6 – Ralston Creek diversion inlet pipe with trash rack at upper cutoff wall..



Photo 7 – Insitu-treatment plant at Steve Adit (currently idle).



Photo 8 – Steve Adit portal.



Photo 9 – Area recently regraded at mouth of gully on west side of Ralston Creek.



Photo 10 – Bedrock monitoring well MW-15.

Inspection Contact Address

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