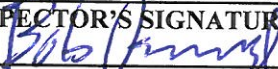




COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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: Hawkeye Mine	MINE/PROSPECTING ID#: M-1978-311	MINERAL: Uranium & vanadium	COUNTY: San Miguel
INSPECTION TYPE: Monitoring	INSPECTOR(S): Bob Oswald	INSP. DATE: July 29, 2014	INSP. TIME: 14:30
OPERATOR: Gold Eagle Mining, Inc.	OPERATOR REPRESENTATIVE: Don Coram	TYPE OF OPERATION: 110d - Designated Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$100.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: U.S. Dept of Energy, and U.S. BLM	JOINT INSP. AGENCY: U.S. Dept of Energy, and U.S. BLM
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 25, 2014

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>N</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>NA</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>NA</u>	(FW) FISH & WILDLIFE----- <u>NA</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>N</u>	(SP) STORM WATER MGT PLAN---- <u>Y</u>	(SB) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>NA</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 routine inspection conducted by the Division as part of its monitoring of Hard Rock and Metals 110d permits. The operator named on page one was present throughout the inspection. In addition to the operator, also present were James Blair of the BLM, plus three representatives from Stoller Corp. (the contractor for the U.S. DOE). This joint inspection was arranged for the various parties to discuss reclamation needs and the respective bond amount requirements. There is a \$100 bond posted to the Division, with the rest of the bond posted to the DOE. The site was not active on the day of the inspection. All disturbance was inside the permit area boundary.

The site includes a steel ore hopper, a portal with welded steel closure, a waste rock dump that has been recontoured and topsoiled, and a short onsite ramp road up from the highway. Stormwater is collected and conveyed by a natural drainageway in the sandstone ledges and through the mining-related sandstone rubble.

Two hours prior to the inspection there was an intense thunderstorm. The permit area is located on and below a sandstone face which is crossed by a minor ephemeral drainage, which reports to the Dolores River. The small amount of runoff generated by the brief storm was captured by the onsite livestock pond and the vegetative buffer at the lower edge of the permit. The permitted area is does not appear to contribute to sediment loading of the river. The operator will improve the stability and effectiveness of the stormwater drainage structures when reclamation activities are allowed to begin.

The permit is not in "temporary cessation" status; it is "active" and in "final reclamation," although currently the operator is not allowed on the site to perform reclamation activity. Due to being in the final reclamation phase, the operator was not required to produce an environmental protection plan for the permit. The operator is reminded that, upon the U.S. DOE again allowing the operator enter the site, final reclamation activities must commence. Given present circumstances, the site is considered sufficiently stable at this time.

For questions related to this report, please contact this inspector at the Division's Durango Field Office: telephone 970-247-5193, or 303-866-3567 ext 8175.

All written correspondence should be sent directly to the Division's Denver Office:
Division of Reclamation, Mining & Safety
1313 Sherman Street, Room 215
Denver, CO 80203

Inspection Contact Address

Don Coram
Gold Eagle Mining, Inc.
P.O. Box 3007
Montrose, CO 81402

EC: Ed Cotter, Stoller Corp.
James Blair, BLM, Tres Rios Field Office

PHOTOGRAPHS

