




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: Monogram Mines	MINE/PROSPECTING ID#: M-1978-222-UG	MINERAL: Uranium and vanadium	COUNTY: Montrose
INSPECTION TYPE: Monitoring	INSPECTOR(S): Dustin M. Czapla	INSP. DATE: May 18, 2016	INSP. TIME: 10:30
OPERATOR: Nuvemco, LLC	OPERATOR REPRESENTATIVE: Craig Howell	TYPE OF OPERATION: 112d-1 - Designated Mining Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$46,450.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 26, 2016

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>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SW) STORM WATER MGT PLAN---- <u>N</u>	(CI) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	(ST) STIPULATIONS----- <u>N</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 of Reclamation, Mining and Safety's (Division) normal monitoring program. Craig Howell, representing the Operator, was present during this inspection. Photographs are included with this report in order to illustrate some of the conditions observed.

The Monogram Mines site is located approximately twelve miles west of Naturita and accessed from CR DD16 Road. The site is a 112d operation that includes a total of 48.38 permitted acres. The Division currently holds a financial warranty amount of \$46,450.00 for this site.

Adequate mine identification signage was noted at the entrance to the site.

The affected area was marked by posts and landmarks that were clearly visible and adequate to delineate the affected area boundary.

The Environmental Protection Plan was approved in 2009. Construction of environmental protection facilities has not yet commenced. Since the Division's last inspection, activity at the site has consisted of site maintenance. Access road maintenance is ongoing. The ditch on the upslope side was recently cleared of rocks that slide down from the steep slope above. One of the historic portals on the slope above the staging area has been opened.

Site stormwater controls direct water around the staging area to the location of the approved retention basin. The retention basin has not been constructed yet. An earthen berm has been constructed at the north end of the staging area to retain stormwater until the approved stormwater controls are constructed. The temporary stormwater controls appear effective.

The ore bins are not yet constructed. Mining has not commenced and no ore or waste rock has been generated.

All drill holes observed during the inspection were adequately plugged with no signs of settling.

No problems or violations were noted during this inspection.

Responses to this inspection report should be directed to Dustin Czapla at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone number (970) 243-6299.

PHOTOGRAPHS



Figure 1: Site entrance



Figure 2: Overview of staging area



Figure 3: Staging area



Figure 4: Staging area



Figure 5: Staging area



Figure 6: Open pit area



Figure 7: Open pit area



Figure 8: Open pit area



Figure 9: Overview of open pit area



Figure 10: Historic portal re-opened

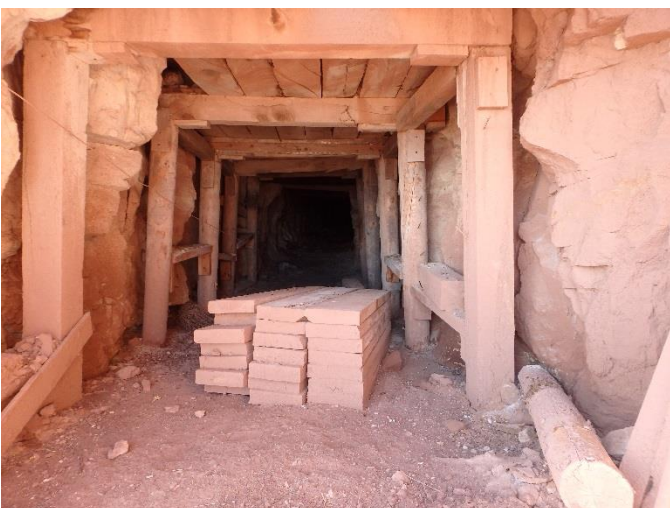


Figure 11: Historic portal re-opened



Figure 12: Typical borehole closures

Inspection Contact Address

Craig Howell
Nuvemco LLC
P.O. Box 297
Naturita, CO 81422