

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: Burros Mine	MINE/PROSPECTING ID#: M-1977-297	MINERAL: COUNTY: Uranium and vanadiu San Miguel	
INSPECTION TYPE: Monitoring	INSPECTOR(S): G. Russell . Means	INSP. DATE: INSP. TIME: September 7, 2016 13:00	
OPERATOR: Gold Eagle Mining, Inc.	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: 110d - Designated Limited Impact	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: IT.Bondcalculationtype.CD.Desc	BOND AMOUNT: \$100.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: U.S.Energy	
WEATHER: Clear	INSPECTOR'S SIGNATURE:	SIGNATURE DATE: September 7, 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 N	(RD) ROADS <u>Y</u>
(HB) HYDROLOGIC BALANCE <u>N</u>	(BG) BACKFILL & GRADING <u>Y</u>	(EX) EXPLOSIVES NA
(PW) PROCESSING WASTE/TAILING N	(SF) PROCESSING FACILITIES \underline{N}	(TS) TOPSOIL <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE <u>N</u>	(RV) REVEGETATION N
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN N	(CI) COMPLETE INSP \underline{Y}
(ES) OVERBURDEN/DEV. WASTE <u>N</u>	(SC) EROSION/SEDIMENTATION $\underline{\mathbf{Y}}$	(RS) RECL PLAN/COMP N
(AT) ACID OR TOXIC MATERIALS N		(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 is part of the normal inspection schedule for Designated Mining Operations by the Colorado Division of Reclamation, Mining, and Safety (Division). The inspection was a joint agency inspection with Department of Energy (DOE) and their contractor Navarro. The group was represented by: Russel Edge, Nicole Olin, Ed Cotter, Kyle Turley, and Brian Mangan.

The Burros Mine is a 110d uranium mine located near Slick Rock, Colorado. 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 final reclamation, the operator is 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. The site is considered stable at this time.

The required permit ID sign was observed posted near the entrance to the permitted area. A new gate was installed this spring at the lower access road that helps prevent unauthorized entry to the site.

Along with a new gate, the operator under the supervision of the DOE did storm water management repairs. A temporary holding / sedimentation structure was constructed at the edge of the permit boundary near the county road. It appears to be functioning well given recent precipitation events. Other directional ditches and berms appear to be functioning to help control run-on and run-off.

Vegetation is very sparse due to the lack of topsoil from pre-law activities and a natural shortage due to geography. Native shrubs such as Rabbit Brush, four-winged Salt Bush, and snake weed are present.

There is a large amount of pre-law mining disturbance in the vicinity of this permitted area. The disturbance includes waste rock, other mining features, and some (non-contaminant) debris. This is on U.S. Dept of Energy lease tract land, Bureau of Land Management, as well as private. There are preliminary discussions about a general area clean-up sometime in the future.

The site is stable and there are no issues or problems noted at this time.

Inspection Contact Address

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

CC:

Ed Cotter Navarro R&E, Inc 2597 Legacy Way Grand Junction, CO 81503









