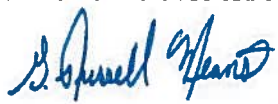




## MINERALS PROGRAM INSPECTION REPORT

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.

<b>MINE NAME:</b> Ellison Mine	<b>MINE/PROSPECTING ID#:</b> M-1978-342	<b>MINERAL:</b> Uranium and vanadium	<b>COUNTY:</b> San Miguel
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> G. Russell Means	<b>INSP. DATE:</b> August 31, 2016	<b>INSP. TIME:</b> 14:00
<b>OPERATOR:</b> Gold Eagle Mining, Inc.	<b>OPERATOR REPRESENTATIVE:</b> None	<b>TYPE OF OPERATION:</b> 110d - Designated Limited Impact	
<b>REASON FOR INSPECTION:</b> Normal I&E Program		<b>BOND CALCULATION TYPE:</b> IT.Bondcalculationtype.CD.Desc	
<b>DATE OF COMPLAINT:</b> NA		<b>BOND AMOUNT:</b> \$100.00	
<b>POST INSP. CONTACTS:</b> None		<b>JOINT INSP. AGENCY:</b> U.S. Energy	
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> 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----- <u>N</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</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>	(SP) 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>N</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 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 Ellison 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. General maintenance noted for this site is the removal of brush around the shop along with some site grading. No equipment or fuels were observed outside the shop or storage structure.

No storm water management issues were observed. No erosion or sedimentation was noted on top or at the toe of waste rock slopes.

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.

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

#### **Inspection Contact Address**

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CC:

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