


**COLORADO**Division of Reclamation,
Mining and Safety

Department of Natural Resources

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: Pitch Project	MINE/PROSPECTING ID#: M-1977-004	MINERAL: Uranium	COUNTY: Saguache
INSPECTION TYPE: Monitoring	INSPECTOR(S): Dustin M. Czapla	INSP. DATE: June 14, 2017	INSP. TIME: 08:30
OPERATOR: Homestake Mining Company	OPERATOR REPRESENTATIVE: Dale Davis	TYPE OF OPERATION: 112d-1 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$2,263,000.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 26, 2017	

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>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</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>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>Y</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. Dale Davis, representing the Operator, was present during this inspection. Photographs are included with this report in order to illustrate some of the conditions observed.

The mine is located approximately six miles east of Sargents in Saguache County and accessed from Marshall Pass Road. The site is a 112d operation that includes a total of 2,912 permitted acres. The Division currently holds a financial warranty amount of \$2,263,000 for this site.

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

Roads: No problems were noted with any of the internal roads. The roads are well maintained. The repair work completed in 2015 on the failed portion of the access road appears stable. The repair area has been seeded, but vegetation is not yet well established.



Tie Camp Rock Dump: The slope below the access road still appears stable. Vegetation is well established on the slope.



Tie Camp Disposal Cell: Slopes are stable in this area and vegetation is well established. Several mule deer were feeding in this area during the inspection.



South Pit: The phosphate injection program continues in this area. Several more boreholes, as approved through TR-8, are to be drilled this season in this area. There has been some slope failure in the upper part of the south pit area. The failure affects approximately 0.75 acres. This is an area of recurring failure, so the operator plans to drill a borehole in the slope this season in order to better understand the failure so that a more permanent fix can be developed. The failure poses no risk to public safety.





North Pit: Slope movement above the North Pit continues to be monitored. A final reclamation/stabilization plan is not yet developed for this area. Efforts are ongoing to control erosion and drainage on the east wall of the north pit.

Discharge from the North Pit Lake flows through the valve and culvert as designed. The Pinnacle Portal continues to discharge and flow is measured through a v-notch weir. The discharge reports to a marsh area above the facilities shop building.



Indian Rock Dump: Slopes appear stable and vegetation is becoming well established. No significant erosional features were noted. Additional drilling will take place on the slope this season as part of the phosphate injection program. Inclinometers are to be installed on the slope as well, as proposed in TR-8.



Sediment Pond: The sediment pond appears functional and the pond slopes appear stable. A surface filter boom placed at the upper end of the pond is maintained and still in place. No seepage or stability concerns were noted around the dam.





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.

Inspection Contact Address

Bill Ferdinand
Homestake Mining Company
460 West 50 North, Suite 500
Salt Lake City, UT 84101