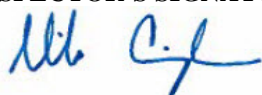




**MINERALS PROGRAM INSPECTION REPORT**  
**PHONE: (303) 866-3567**

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> Schwartzwalder Mine	<b>MINE/PROSPECTING ID#:</b> M-1977-300	<b>MINERAL:</b> Uranium	<b>COUNTY:</b> Jefferson
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Michael A. Cunningham	<b>INSP. DATE:</b> October 5, 2017	<b>INSP. TIME:</b> 09:30
<b>OPERATOR:</b> Cotter Corporation	<b>OPERATOR REPRESENTATIVE:</b> Steve Cohen, Bruce Nordquist	<b>TYPE OF OPERATION:</b> 112d-2 - Designated Mining Operation	
<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> \$4,339,003.39	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None	
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> November 21, 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>N</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</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>N</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>N</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <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**

The inspection was conducted by Michael Cunningham of the Division of Reclamation, Mining and Safety (Division). Steve Cohen and Bruce Nordquist were present on behalf of Cotter Corporation. The Schwartzwalder Mine is inspected quarterly; this inspection serves as the third quarter inspection of 2017.

The primary activities occurring at the Schwartzwalder Mine are related to water treatment. The Operator is currently performing electrical upgrades for the new water treatment plant (NWTP). A contractor was on site preparing to excavate a trench from the NWTP to a power pole located adjacent to the Steve Portal. New electrical distribution boxes will be installed at the power pole. In addition, the Operator will install variable frequency drives for the mine pool pump, which will be located in the NWTP.

As noted in the inspection report for the second quarter of 2017, two of the Ion Exchange (IX) columns have been transferred to the NWTP. One of the IX columns was online and the other was offline for maintenance. The Reverse Osmosis system was operational at the time of the inspection. The Operator has not conducted a carbon source injection into the mine pool since the fall of 2017. At the time of the inspection, the mine pool was 130' below Steve Level. On October 31, 2017, Cotter notified the Division the mine pool had reached the target elevation of 150' below Steve Level. This represents compliance with the August 11, 2017 Mined Land Reclamation Board Order, as amended on October 4, 2012. The Operator intends to continue dewatering the mine pool until it reaches an elevation of 200' below Steve Level. The mine pool will then be allowed to rebound to an elevation of between 170' to 190' below Steve Level.

The Division inspected the North and South Waste Rock Piles. The Division noted several areas of erosion along the toe of both the Waste Rock Piles. The Operator laid down erosion control blanket over the eroded areas and reseeded the areas. The Division observed initial germination of the planted grasses and found the repaired areas had been adequately stable. The Operator should continue to monitor these areas to ensure an adequate cover of vegetation is established.

The water in Ralston Creek was being diverted through the bypass pipeline at the time of the inspection. The creek bed was dry down gradient of the cut-off wall.

This concluded the inspection.

## **PHOTOGRAPHS**



1. Erosion repair to South Waste Rock Pile.



2. Erosion repair to North Waste Rock Pile.



3. Ralston creek, below cut-off wall.

### **Inspection Contact Address**

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CC: Wally Erickson, DRMS