




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: Sunday Mine	MINE/PROSPECTING ID#: M-1977-285	MINERAL: Uranium and vanadium	COUNTY: San Miguel
INSPECTION TYPE: Monitoring	INSPECTOR(S): Lucas J. West, Russ Means	INSP. DATE: March 28, 2018	INSP. TIME: 08:45
OPERATOR: Pinon Ridge Mining LLC	OPERATOR REPRESENTATIVE: George Glasier, Mike Rutter	TYPE OF OPERATION: 112d-2 - Designated Mining Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$297,926.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: April 5, 2018

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

INSPECTION TOPIC: other

PROBLEM/POSSIBLE VIOLATION: Problem: A large stockpile of unknown material exists on site.

CORRECTIVE ACTIONS: The Operator shall, within 90 days, conduct a radiometric survey to properly characterize the pile. The survey should include maps of sample areas, a narrative discussing methods of sampling, background offsite readings, and in interpretation of the findings.

CORRECTIVE ACTION DUE DATE: 6/29/18

OBSERVATIONS

This inspection was conducted as part of the normal monitoring program for permitted Designated Mining Operations established by the Colorado Division of Reclamation, Mining and Safety. The Sunday Mine is listed as a 112d-2 operation that is currently in Temporary Cessation and was not active during the inspection. The status of Temporary Cessation went into effect April 19, 2015 and expires on April 19, 2020. The site consists of 60 permitted acres and a maximum disturbance of 40 acres. The site is a part of a five permitted complex collectively referred to as the Sunday Mine Complex. The remote vent shaft sites for all five permitted mines within the Sunday Mine Complex were not inspected at this time. The Division Currently holds \$297,926.00 in

Financial Warranty for the site. A reclamation cost estimate was performed and staff calculations found the currently held financial warranty is not sufficient to achieve final reclamation in accordance with the approved reclamation plan. Please see the enclosed Notice of Surety Increase, SI-1 and Reclamation Cost Estimate Worksheets for details. Six Photos accompany this report to illustrate the current conditions of the site.

As seen in Photo One, the permit ID sign was observed at the entrance to the site. The permit boundary markers were also observed. Photo Two shows an example of the sediment catchment basins that are located on site as part of the storm water management plan. All storm water control devices are in good condition and appear to be functioning as designed. All diversion ditches appear to be functioning as designed and no significant erosion was observed throughout most of the site. An example of one of the diversion ditches located on site can be seen in Photo Three.

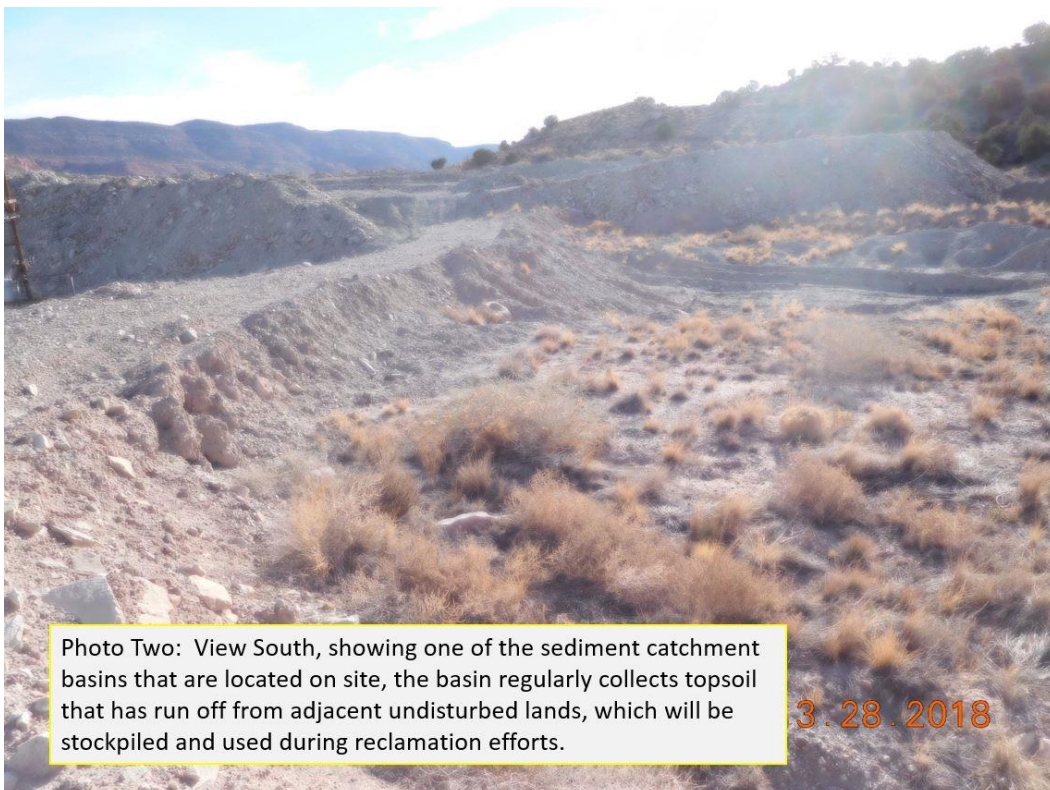
All work facilities were secure and seemed to be in good condition during the time of the inspection. No signs of vandalism or general site degradation were noted. Examples of the work facilities can be seen in Photos Four and Five. The portal located on site was also secured. The portal has been backfilled and closed off with steel grates that are in good condition as seen in Photo Six. Vent shaft S-2, located to the Northwest of the shop facilities is covered with a steel grate and has been secured. All loadouts, roads and pad areas that exist on site were observed and in good condition. Evidence of chemical weed treatment was observed and the operator expressed that weed management is ongoing throughout the whole Sunday Mine Complex.

Adjacent to the pad area, is a large waste rock pile that has historically been used as a storage area for approximately 100,000 tons of material. The material is believed to be low grade ore, however recent discussions with the operator indicate that the actual radiometric value of the material is not known. Therefore it's unclear if the material is low grade ore or inert waste rock. In an effort to determine the makeup of the material, the Operator must conduct a radiometric survey of the pile consisting of a series of grid samples and background readings.

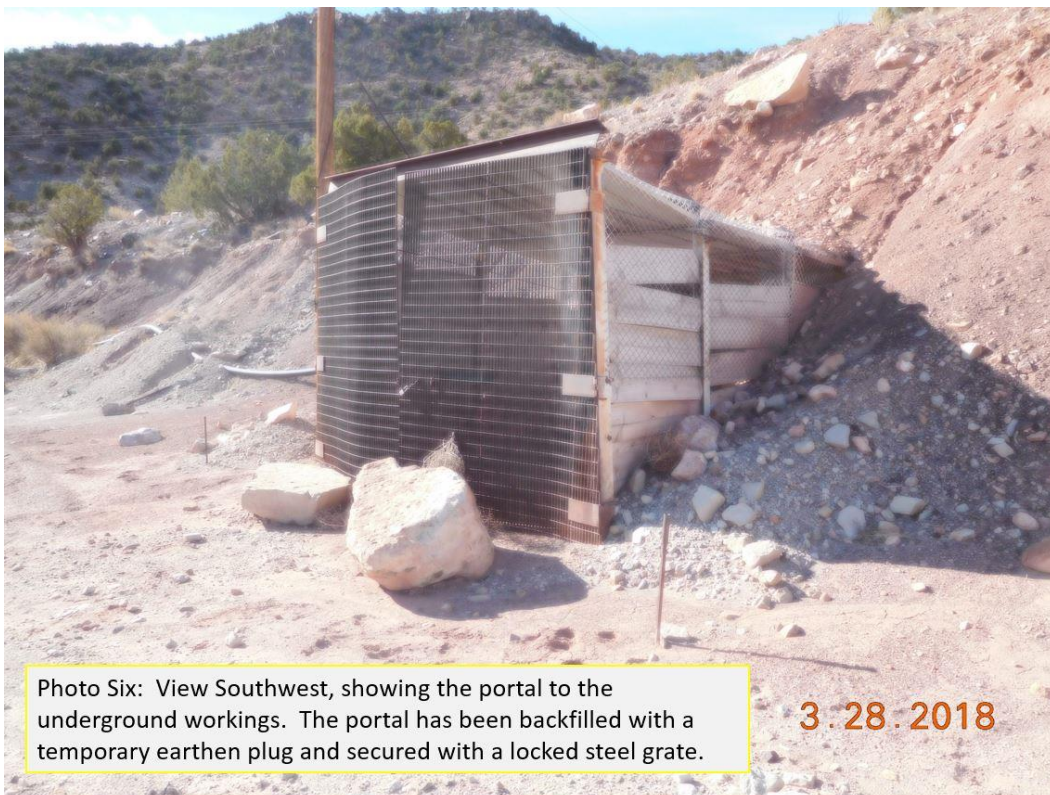
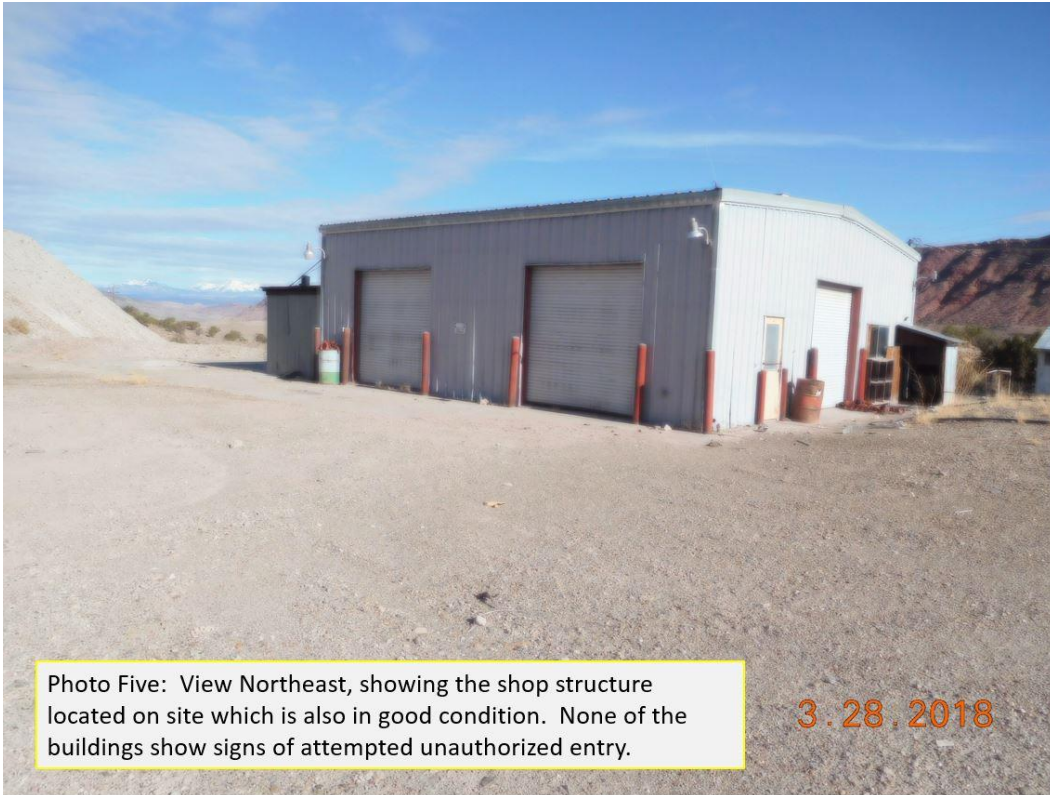
The uncertainty of the radiometric makeup of the piles is listed as a problem for this report. The corrective action is: within **90 days** of the date of this report, the Operator must submit to the Division a report, including maps of sample locations, detailing the results and interpretations of the radiometric survey. If the results of the survey indicate the material is in fact low grade ore, the report should outline a plan to address protecting the environment and hydrological balance from airborne erosion and off site transport. The plan must also include a schedule for the implantation and completion of the corrective actions. This report including all of its components should be received by the Division's Denver office no later than **Friday June, 29, 2018**.

The overall footprint of the site is in good condition, and free from excessive trash or debris. No significant signs of settling, slumping or erosion were noted on site and no State Listed Noxious Weeds were observed. All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety at 1313 Sherman Street, Room 215, Denver CO, 80203, by phone at (970)-243-6368 or by email at lucas.west@state.co.us.

PHOTOGRAPHS







GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>Y</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>Y</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>Y</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

Inspection Contact Address

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Enclosure

CC: James Blair, Bureau of Land Management
Russ Means, Senior Environmental Protection Specialist