


**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. Czaplá	INSP. DATE: July 25, 2018	INSP. TIME: 11:00
OPERATOR: Homestake Mining Company	OPERATOR REPRESENTATIVE: David Wykoff	TYPE OF OPERATION: 112d-3 - 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: August 2, 2018	

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>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>Y</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

OBSERVATIONS

This inspection was conducted as part of the Division of Reclamation, Mining and Safety's (Division) normal monitoring program. David Wykoff, Kevin Hamatake, Adam Sarman, and Liam Junk, representing the Operator, were 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.

Mill Site: Final reclamation grading has been completed in the mill site area. The area has been seeded and vegetation is well established.



Limestone Quarry: The limestone quarry slopes appear stable. Reclamation has not occurred in this area yet. Slope reduction, topsoil replacement and revegetation will be required in this area upon final reclamation.



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 and vegetation is becoming well established.



Repaired slough area on access road



Repaired slough area on access road

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. A small portion of the disposal cell has been reopened for disposal of drill cuttings associated with the ongoing phosphate injection program. The cap material is bermed around the perimeter of the disposal pit.



South Pit: The phosphate injection program is ongoing in this area. No problems were noted with the drill pads, wells or associated equipment. The Division's June 2017 inspection report noted an area of slope failure in the upper part of the south pit. The failure area was not inspected during this inspection. The operator stated that repair work has not yet taken place on the slope. 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.

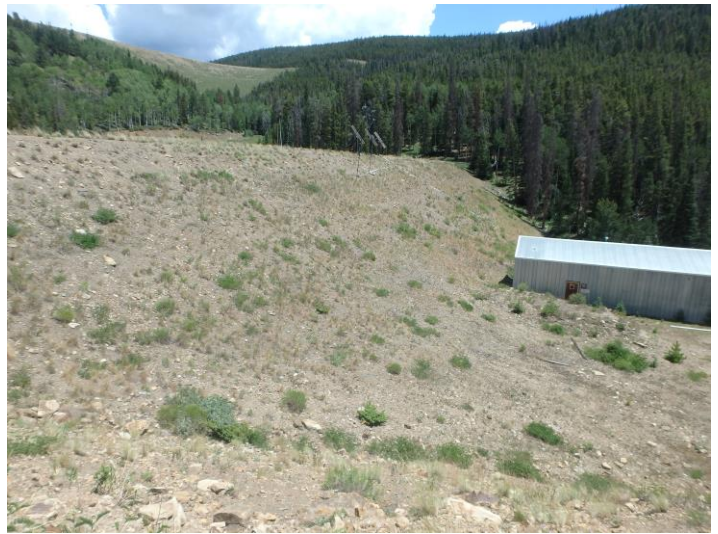




Indian Rock Dump: Slopes appear stable and vegetation is becoming well established on the reclaimed slopes. No significant erosional features were noted. The phosphate injection program and geotechnical study are ongoing in this area. Drilling was occurring during this inspection. No problems with the drill pads, wells or associated equipment were noted.



Sediment Pond: The sediment pond appears functional and the pond slopes appear stable. Surface filter booms placed at the upper and lower ends of the pond are maintained and appear in good working order. No seepage or stability concerns were noted around the dam. The spill way channel appears to be maintained and in good working order.



Sandstone Quarry: The sandstone quarry area is in final reclamation. The area has been regraded and reseeded. Vegetation is well established over most of the area. There is a small portion of the slope at the northeast end of the quarry that will likely require some "touch up" grading, topsoil replacement and reseeded in order to establish a vegetative cover.



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

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