

MINE NAME:

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/PROSPECTING ID#:

| SM-18 Mine | | M-1978-116 | Uranium and vanadio | Montrose |
|------------------------|------------------------|--------------------------|--------------------------------------|-------------|
| INSPECTION TYPE: | | INSPECTOR(S): | INSP. DATE: | INSP. TIME: |
| Monitoring | | Dustin M. Czapla | September 12, 2019 | 11:00 |
| OPERATOR: | | OPERATOR REPRESENTATIVE: | TYPE OF OPERATION: | |
| Cotter Corporation | | Scott Pottorfs | 112d-1 - Designated Mining Operation | |
| | | | | |
| REASON FOR INSPECTION: | | BOND CALCULATION TYPE: | BOND AMOUNT: | |
| Normal I&E Program | | None | \$100.00 | |
| DATE OF COMPLAINT: | | POST INSP. CONTACTS: | JOINT INSP. AGENCY: | |
| NA | | None | None | |
| WEATHER: | INSPECTOR'S SIGNATURE: | | SIGNATURE DATE: | |
| Clear | 9 | h | September 26, 2019 | |

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: Subsidence

PROBLEM/POSSIBLE VIOLATION: Problem: Subsidence has occurred at the portal area on the north side of Spring Camp Mesa.

CORRECTIVE ACTIONS: Backfill and regrade the portal area to safeguard and blend with the surrounding topography.

CORRECTIVE ACTION DUE DATE: 11/01/19

COUNTY:

MINERAL:

PERMIT #: M-1978-116 INSPECTOR'S INITIALS: DMC INSPECTION DATE: September 12, 2019

OBSERVATIONS

This inspection was conducted as part of the Division of Reclamation, Mining and Safety's (Division) normal monitoring program. Representatives from D.O.E. and Cotter Corporation were present. Photographs are included with this report in order to illustrate some of the conditions observed.

The SM-18 Mine is located northeast of the Uravan town site and accessed from U17 Road. The site is a 112d operation that includes a total of 14.9 permitted acres.

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

The south portion of the affected area consists of the Wright Portal, an operations area, sediment control structures, and ore and waste rock areas. The portal is secured with a locking gate. Conditions around the office trailer/operations area appear unchanged from the Division's last inspection. Sediment control features are maintained and appear to be functioning as designed. No problems related to erosion or sedimentation were noted.

The north portion of the affected area, on the north side of Spring Camp Mesa, consists of the old reclaimed portal and mine area. Subsidence has occurred at the portal area. The operator was instructed to backfill and regrade the subsidence area. A steel building is located in this area. The building appears in good repair. Vegetation is well established over the reclaimed waste rock pile.

No other 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, 1313 Sherman Street Room 215, Denver, Colorado, 80203, phone number (303) 866-3567, ext. 8188.

PHOTOGRAPHS



















PERMIT #: M-1978-116 INSPECTOR'S INITIALS: DMC INSPECTION DATE: September 12, 2019

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>N</u> |
|-------------------------------------|--|--------------------------|
| (HB) HYDROLOGIC BALANCE <u>Y</u> | (BG) BACKFILL & GRADING <u>Y</u> | (EX) EXPLOSIVES <u>N</u> |
| (PW) PROCESSING WASTE/TAILING N | (SF) PROCESSING FACILITIES \underline{N} | (TS) TOPSOIL <u>N</u> |
| (MP) GENL MINE PLAN COMPLIANCE- Y | (FW) FISH & WILDLIFE N | (RV) REVEGETATION N |
| (SM) SIGNS AND MARKERS <u>Y</u> | (SP) STORM WATER MGT PLAN N | (RS) RECL PLAN/COMP Y |
| (ES) OVERBURDEN/DEV. WASTE <u>N</u> | (SC) EROSION/SEDIMENTATION \underline{Y} | (ST) STIPULATIONS N |
| (AT) ACID OR TOXIC MATERIALS N | (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

Scott Pottorfs Cotter Corporation PO Box 700 Nucla, CO 81424