




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: St Jude Mine	MINE/PROSPECTING ID#: M-1978-039-HR	MINERAL: Uranium and vanadium	COUNTY: San Miguel
INSPECTION TYPE: Monitoring	INSPECTOR(S): Lucas West	INSP. DATE: February 11, 2020	INSP. TIME: 11:20
OPERATOR: Pinon Ridge Mining LLC	OPERATOR REPRESENTATIVE: Michael Rutter	TYPE OF OPERATION: 110d - Designated Limited Impact	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$61,021.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: February 27, 2020	

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>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>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(ST) STIPULATIONS----- <u>Y</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 in response to the Operator's written notification that construction of the Lined Ore Pad as approved as Environmental Protection Facilities through the Environmental Protection Plan was beginning. This inspection was conducted to document the progress of construction as well as serve as monitor site conditions prior to the upcoming enforcement hearing. A Notice of Hearing document was sent to the Operator on February 4, 2020. The St. Jude Mine is a 110d operation that is currently in Temporary Cessation the first term of Temporary Cessation expires on April 19, 2020. The site consists 9.8 acres permitted acres. Public access to the site is controlled by a locked gate along the access road. The Division currently holds \$61,021.00 in Financial Warranty for the site. A reclamation cost estimate update was performed to include the reclamation of the lined our pads. Staff calculations found that the currently held Financial Warranty is insufficient to achieve reclamation in accordance with the approved plan. Please see the enclosed Notice of Surety Increase for details. Please note that at this time the Operator is not permitted to place ore materials on the lined ore pad. At such time as that activity is approved the Reclamation Cost Estimate will need to be updated to reflect that activity. In addition to the Operator representative listed on page one of this report, James Blair and Laura Hartman of the Bureau of Land Management was present during the inspection. Four Photos accompany this report to illustrate the current conditions of the site.

The proper Mine Identification sign was observed at the entrance to the site and the permit boundary markers were also observed. All disturbances are contained within the permitted areas. The remote vent shaft sites were not inspected at this time. The diversion ditches and storm water control devices appear to be functioning as designed and no significant erosion was observed throughout the site. Significant maintenance of all storm water diversions has been completed on site. The main work area, adjacent to the portal and shops, appeared to be stable and in good condition. The portal located on this site has been backfilled and secured. Photo One shows the secured portal. No evidence of attempted unauthorized entry to the portal was observed during the inspection. The shop and office facility onsite was secured and in good condition. The shop and office facility can be seen in Photo Two. No fuel storage containers were observed on site. Various other debris was observed on site however it was stored in an orderly fashion and was not a concern at this time. The waste rock dump storage areas were observed, and appears to be stable and in good condition.

Construction of the underlayment for the Lined Ore Pad has been completed at this site. The pad with the compacted underlayment and anchor trench for the liner can be seen in Photos Three and Four. The pad design depicts a 60' X 60' pad, lined with 30 Mil PVC and an "operational soils" layer between the liner and the stockpiled ore. The design also specifies the thickness of each later, compaction of the underlayment and the installation of a "witness layer" within the Operational Soils layer to prevent possible damage to the liner. The main pad area has been graded and was actively being compacted in accordance with the specifications designated in the EPP. The anchor trench around the entire perimeter of the pad has been constructed. All elements of the pad including the location, dimensions and compaction specifications are in compliance with the design contained within the EPP. All material for the construction of the underlayment were obtained on site from the waste rock piles, screened for size and stockpiled on site. The field QA/QC checks and certified as built report will need to be submitted to the Division for review and approval upon completion of construction.

Evidence of weed management during the growing season was observed. The whole site exhibits positive drainage and no erosional issues were observed at this time. The overall footprint of the site was in good condition and free from excessive trash and debris. All questions or responses to this report should be directed to Lucas West at the Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, by phone at (303) 866-3567 Ext. 8187, or by email at lucas.west@state.co.us.

PHOTOGRAPHS

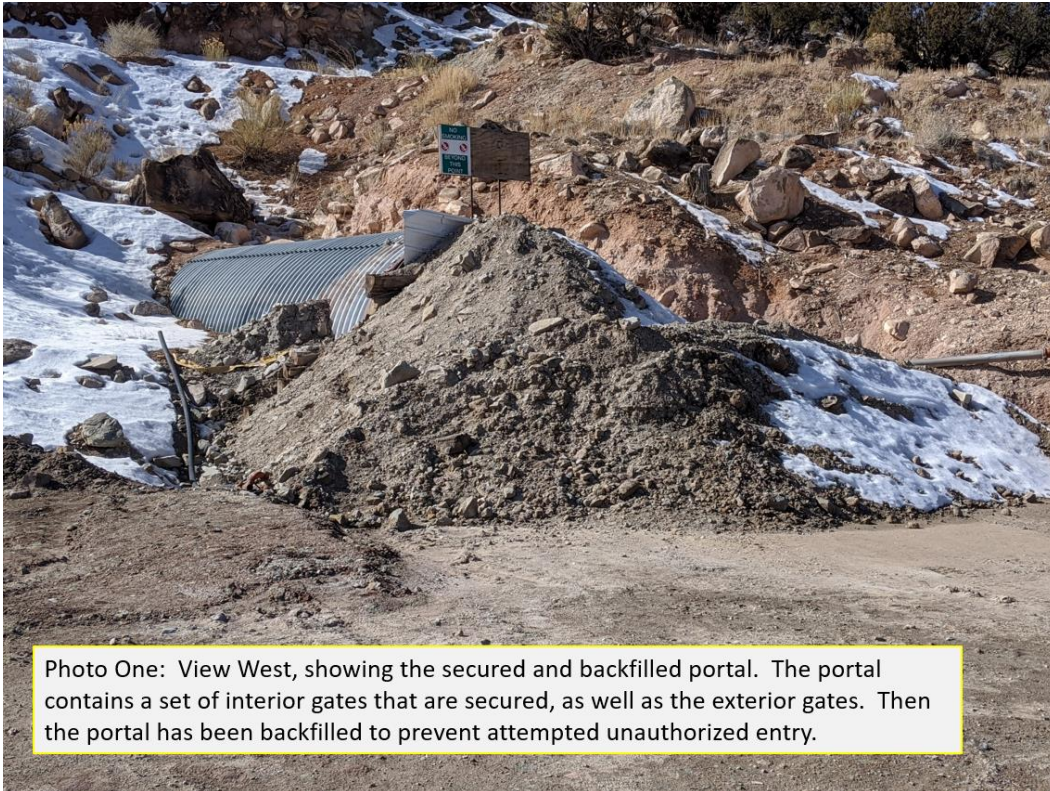


Photo One: View West, showing the secured and backfilled portal. The portal contains a set of interior gates that are secured, as well as the exterior gates. Then the portal has been backfilled to prevent attempted unauthorized entry.



Photo Two: View northwest, showing the secured office and shop facility. The building has been repaired and had power restored so that is in full working condition.



Photo Three: View north, showing a portion of the constructed underlayment for the lined ore pad. The Anchor Trench has been installed, with the interior berm on the underlayment. The main pad has been compacted and will be verified in the as-build report.



Inspection Contact Address

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Enclosure Notice of Surety Increase (SI-03)

CC: James Blair, Bureau of Land Management
 Travis Marshall, Senior Environmental Protection Specialist
 Russ Means, Active Mines Program Director (Minerals)
 Jeff Fugate, DRMS Minerals AGO Counsel