

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:	MINE/PROSPECTING ID#:	MINERAL:	COUNTY:	
West Sunday	M-1981-021	Uranium and vanadiu	San Miguel	
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:	
Monitoring	Lucas West	February 11, 2020	11:59	
OPERATOR:	OPERATOR REPRESENTATIV	E: TYPE OF OPERAT	TYPE OF OPERATION:	
Pinon Ridge Mining LLC	Michael Rutter	112d-3 - Designated	112d-3 - Designated Mining Operation	
DE LOON FOR INGREGATION	DOND GALGUI ARION RVDE	DOND AMOUNT		
REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:	BOND AMOUNT:	
Normal I&E Program	Complete Bond	\$85,036.00	\$85,036.00	
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGE	JOINT INSP. AGENCY:	
NA	None	None	None	
WEATHER:	INSPECTOR'S SIGNATURE:	SIGNATURE DAT	E:	
Clear	and we	February 27, 2020	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 N	(SF) PROCESSING FACILITIES \underline{N}	(TS) TOPSOIL <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE \underline{N}	(RV) REVEGETATION N
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN Y	(RS) RECL PLAN/COMP N
(ES) OVERBURDEN/DEV. WASTE <u>N</u>	(SC) EROSION/SEDIMENTATION \underline{N}	(ST) STIPULATIONS \underline{Y}
(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

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 West Sunday mine is a 112d-3 operation that is currently in Temporary Cessation. The status of Temporary Cessation went into effect April 19, 2015 and expires on April 19, 2020. The site consists 191.9 Permitted Acres and a maximum allowed disturbance of 20 acres. Public access to the site is controlled by a locked gate along the access road. The Division currently holds \$85,036.00 in Financial Warranty for the site. A reclamation cost estimate update was performed to include the reclamation of the lined ore pad. Staff calculations found that the currently held Financial Warranty is sufficient to achieve reclamation in accordance with the approved plan. 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 were present during the inspection. Six Photos accompany this report to illustrate the current conditions of the site.

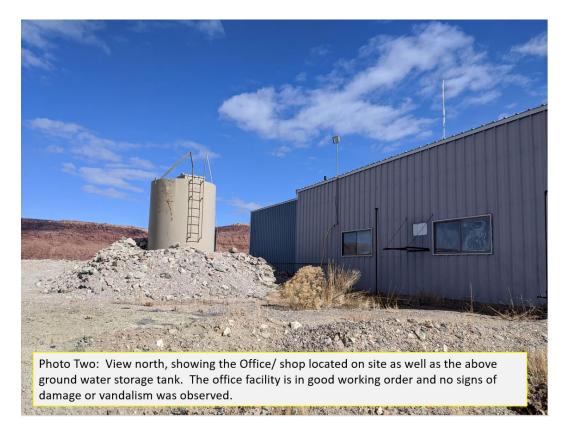
As seen in Photo One, the permit ID sign was observed at the entrance to the site. The permit boundary markers were also observed. The remote vent shaft sites were not inspected at this time. Evidence that the diversion ditches and storm water control devices are functioning as designed was observed and no significant erosion was observed throughout the site. Maintenance of all storm water control structures on site has been performed and all structures are in good condition. The shop and storage facilities located on site were observed. Repair work to the facilities has been conducted and no evidence of vandalism or damage was noted. The facilities can be seen in Photos Two and Three. The portal located on site was also secured, it has been backfilled, closed off with steel grates as well as encompassed by a small berm as seen in Photo Four. One fuel storage container was observed on site but were empty and appear to have not been utilized in some time. Various other debris was observed on site however it was stored in an orderly fashion and was not a concern at this time. The main pad and work area was in good condition, 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. Some areas around the perimeter of the pad area have begun to revegetate themselves with volunteer species.

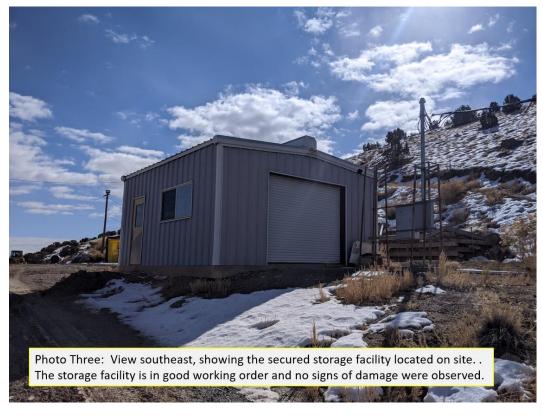
Construction of the underlayment for the Lined Ore Pad has been completed at this site. The pad with the compacted underlayment and anchor trench for the liner can be seen in Photos Five and Six. The pad design depicts a 60' X 60' pad, lined with 30 Mil PVC and an "operational soils" layer between the 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

The overall footprint of the site was in good condition and free from excessive trash and debris. The condition of the site remains largely unchanged from the previous inspection. No problems or possible violations were noted at this time. 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 or by phone at (970)-243-6368.

PHOTOGRAPHS

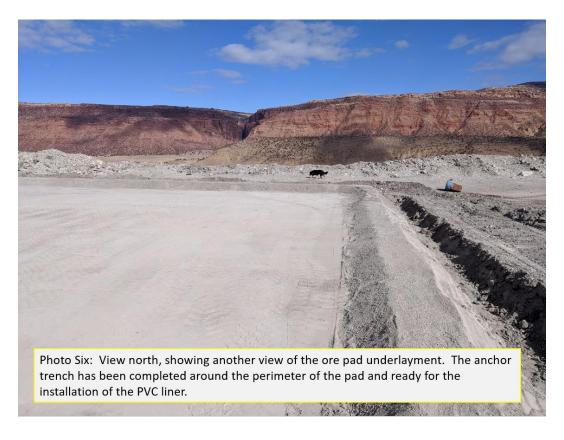












Inspection Contact Address

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Travis Marshall, Senior Environmental Protection Specialist Russ Means, Active Mines Program Director (Minerals)

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