




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: SR-11 Mine	MINE/PROSPECTING ID#: M-1977-451	MINERAL: Uranium and vanadium	COUNTY: San Miguel
INSPECTION TYPE: Multi Person Inspection	INSPECTOR(S): Lucas West	INSP. DATE: May 11, 2022	INSP. TIME: 12:00
OPERATOR: Highbury Resources Inc.	OPERATOR REPRESENTATIVE: Scott Potorff, Dana Cline	TYPE OF OPERATION: 112d-1 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$200.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Windy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 13, 2022	

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>N</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>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>N</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 / 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 normal monitoring program for Designated Mining Operations, established by the Colorado Division of Reclamation, Mining and Safety's Active Mines Program. It was also the infield discussion regarding the reclamation activities planned by the Operator with the Department of Energy (DOE) and Bureau of Land Management (BLM). The SR-11 Mine is a 112d-1 operation that is currently in Temporary Cessation. The site is located southwest of Slick Rock County in San Miguel County, at the end of County Road 4q at nearly 7030 feet in Elevation. Public access to the site is controlled by a locked gate where the permit boundary meets the County Road. In addition to the Operator Representatives and Inspector listed on Page One of this report, Ian Shafer and Brian Mangan of DOE as well as James Blair of BLM were present during the inspection. The site was not active during the inspection as it lies on a DOE Lease Tract. The financial warranty for the site is held by the DOE. Four Photos accompany this report to illustrate the current site conditions.

The main focus of this inspection was to discuss the details of the reclamation activity planned for this coming year. The reclamation task slated for this year is the removal of the office trailer from the site. DOE and BLM outlined specific details required prior to the activity, all of which exceed DRMS requirements and the activity plan is in agreement with the approved DRMS Reclamation Plan.

The proper mine identification signage was posted at the entrance to the site, and the permit boundaries are clearly marked. There was no equipment on site during the inspection. No activity has taken place on site since the previous inspection. This inspection was limited to the surface facilities. The portal has been secured by a locked gate shown in Photo One. The portal closure is in good condition and shows no signs of attempted unauthorized entry. Adjacent to the portal is an administrative office trailer which has also been secured. Photo Two shows the trailer, which is in good condition, the windows are all secured and the office remains vacant.

The portal pad and waste dump area consists of only development waste as the mine was never in production. The slopes of the waste dump are approximately at a 2H: 1V configuration and appear to be stable. The slopes show no evidence of erosion but it has been stabilized by the vegetation and is in good condition. At the toe of the waste dump is the stripped area that has been prepped to expand the dump when the mine reactivates. A sediment ditch runs along the base of the waste dump conveying any storm water and sedimentation to the storm water collection basin. The stripped area and outslopes of the pad can be seen in Photos Three and Four. Throughout the site, the vegetation has become well established and self-sustaining. The vegetation can be seen in all of the photos included in this report. Evidence of chemical treatment of small populations of noxious weeds was observed during the inspection.

The overall footprint of the site is in good condition and free from trash and debris. The site is free draining and no significant signs of erosion were noted during the inspection. No problems or possible violations were observed. All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety at Room 215, 1001 E 62nd Ave. Denver, CO 80216, by phone at (303)-866-3567 Ext. 8187 or by email at lucas.west@state.co.us.

PHOTOGRAPHS

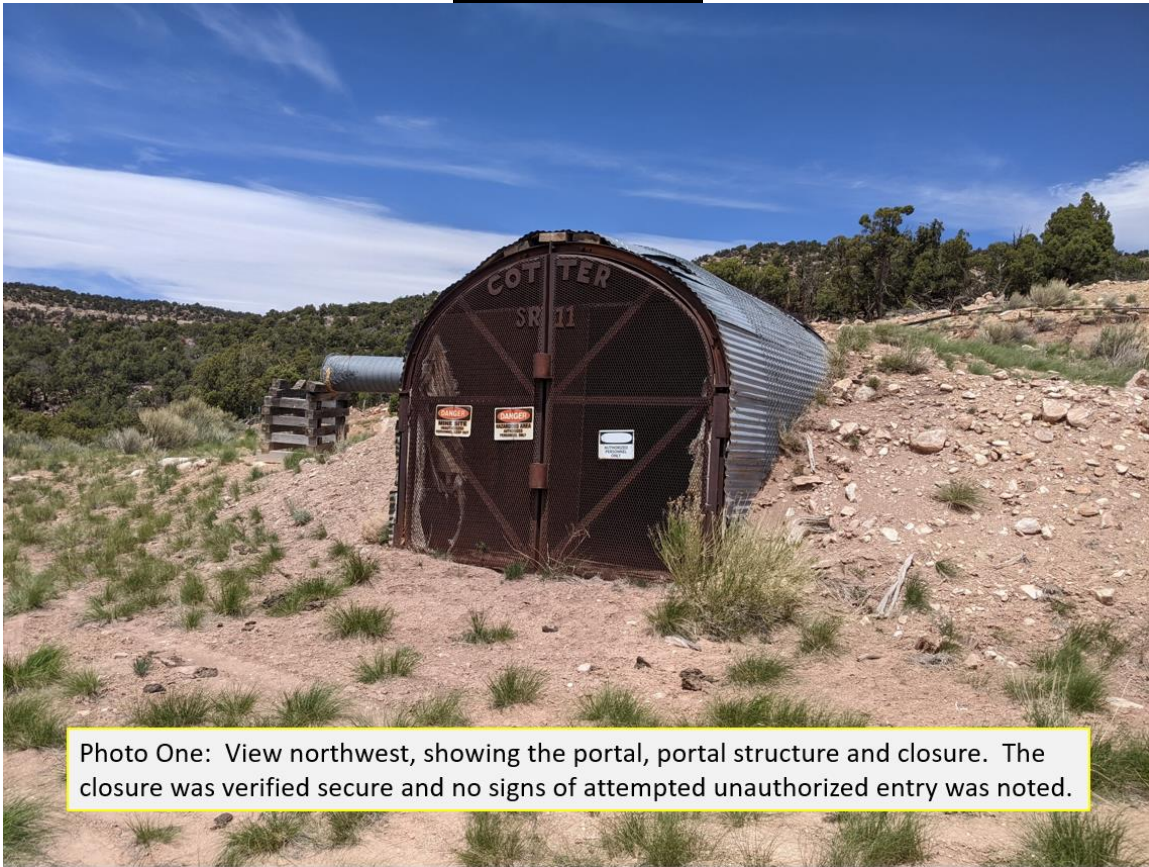


Photo One: View northwest, showing the portal, portal structure and closure. The closure was verified secure and no signs of attempted unauthorized entry was noted.



Photo Two: View northeast, showing the office trailer located on site. The office trailer was secure, and is slated for removal in the coming months.

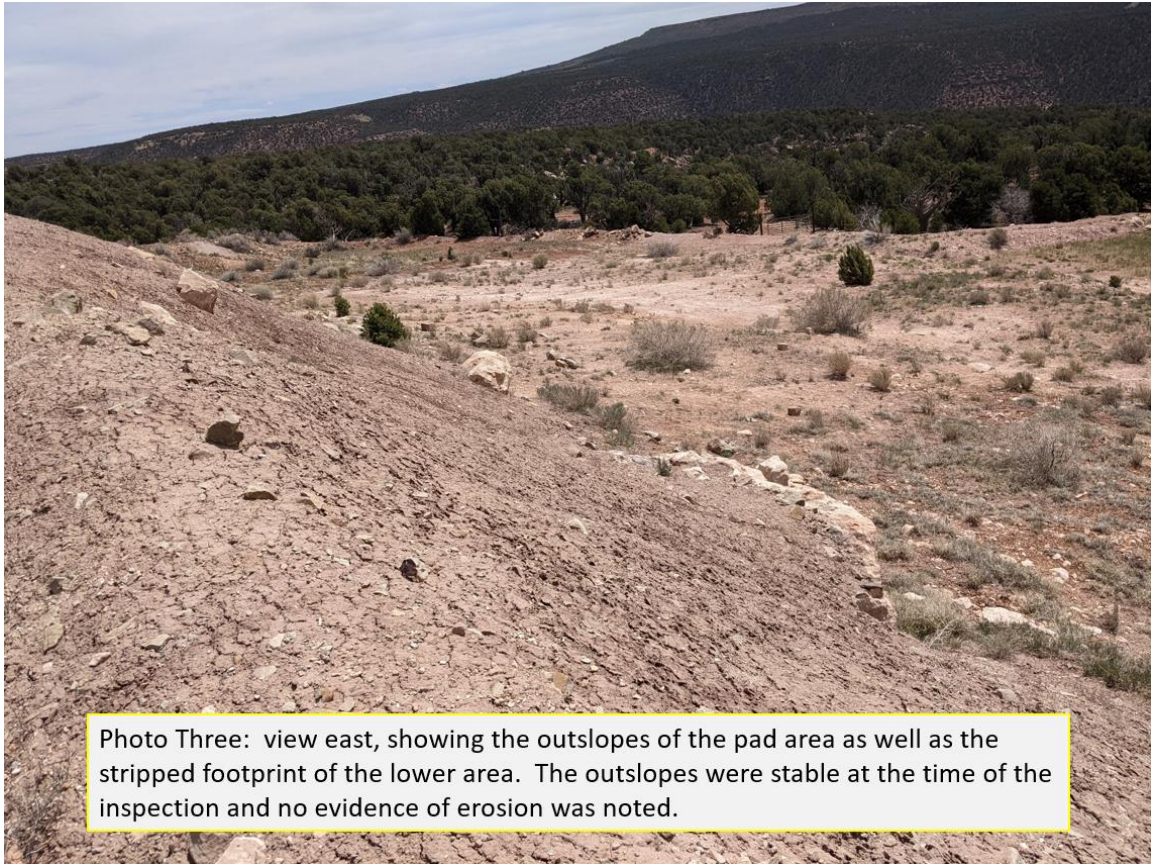


Photo Three: view east, showing the out slopes of the pad area as well as the stripped footprint of the lower area. The out slopes were stable at the time of the inspection and no evidence of erosion was noted.

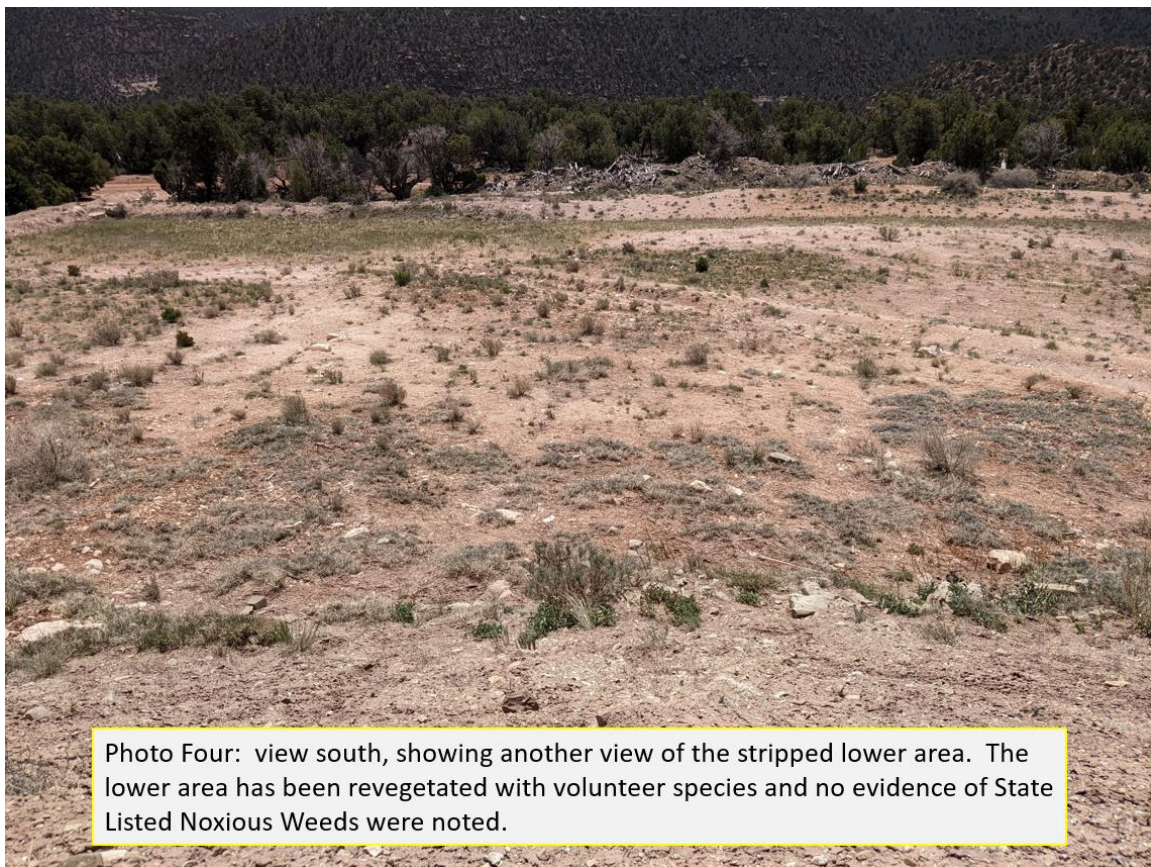


Photo Four: view south, showing another view of the stripped lower area. The lower area has been revegetated with volunteer species and no evidence of State Listed Noxious Weeds were noted.

Inspection Contact Address

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