




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: Carnation Mine	MINE/PROSPECTING ID#: M-1977-416	MINERAL: Uranium and vanadium	COUNTY: San Miguel
INSPECTION TYPE: Multi Person Inspection	INSPECTOR(S): Lucas West	INSP. DATE: May 19, 2022	INSP. TIME: 13:50
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: \$40,245.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 10, 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>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>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>Y</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 established by the Colorado Division of Reclamation, Mining and Safety's Active Mines Program as well as to conduct on site discussion between the James Blair of Bureau of Land Management (BLM), Michael Rutter the Operator representative, Bruce Smith of Western Water and Land the Operator's Consultant as well as representatives from Edge Environmental a third party consultant working on the Environmental Assessment required under the BLM's Plan of Operation application process. In addition Grant Glasier representing the Operator was present during the inspection. The Carnation mine is a 110d operation that is currently listed as Active and consists of a maximum allowed disturbance of 9.8 acres. The site is a part of a five site permitted complex collectively referred to as the Sunday Mine Complex. The Division currently holds \$40,245.00 in Financial Warranty for the site. A reclamation cost estimate update will be performed at a later date and any resulting increase will be sent to the Operator under a separate cover. Four 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 and all disturbances were confined within the permitted area. Evidence that the diversion ditches and storm water control devices are functioning as designed and no significant erosion was observed throughout the site. The lower permit area was also in good condition with no signs of significant erosion. The lower area has begun to revegetate itself and appears to be in good condition.

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 Two. No fuel storage containers were observed on site.

The main pad and work area was in good condition as seen in Photos Three and Four, 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. A concrete slab foundation is located on the portal pad measuring approximately 20 x 30 ft. with an adjacent utility pole and line. The foundation, utility pole and wire are slated to be removed during final reclamation. The portal pad area has begun to revegetate itself with volunteer species.

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

Inspection Contact Address

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CC: Travis Marshall, DRMS
James Blair, BLM

PHOTOGRAPHS



Photo One: View east, showing the proper Mine ID signage posted on the entrance gate to the site.



Photo Two: View south showing the secured portal entry located on site. The portal was verified secure with locking metal gates and shows no signs of damage or attempted unauthorized entry.



Photo Three: View southeast, showing the portal pad adjacent to the portal. The pad appeared stable at the time of the inspection and showed no signs of settling, slumping or erosion.

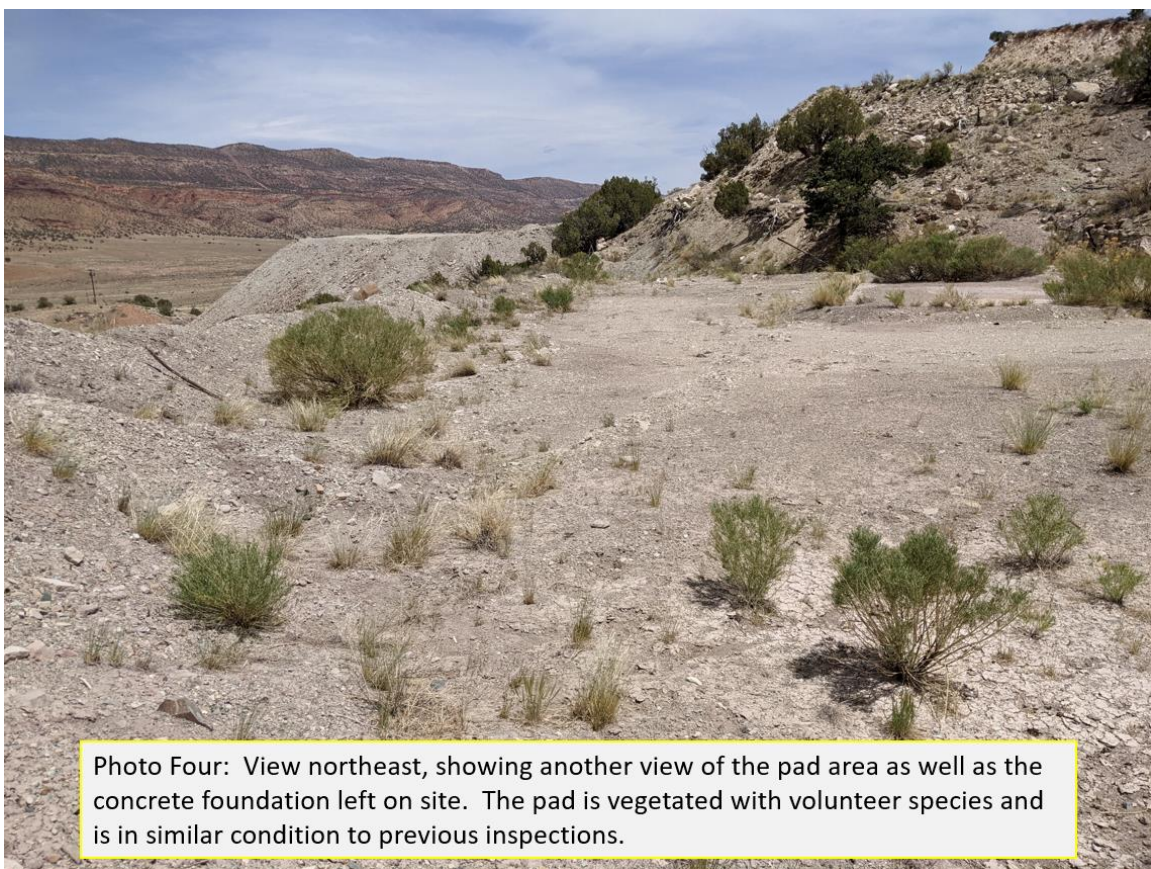


Photo Four: View northeast, showing another view of the pad area as well as the concrete foundation left on site. The pad is vegetated with volunteer species and is in similar condition to previous inspections.