




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: Sunday Mine Complex Topaz Mine Monitoring Well Construction	MINE/PROSPECTING ID#: P-2022-010	MINERAL: Vanadium and uranium	COUNTY: San Miguel
INSPECTION TYPE: Preoperation Inspection	INSPECTOR(S): Lucas West	INSP. DATE: May 19, 2022	INSP. TIME: 14:15
OPERATOR: Pinon Ridge Mining LLC	OPERATOR REPRESENTATIVE: Michael Rutter, Grant Glasier	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Preoperation Inspection	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: No Bond Held
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 24, 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>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</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>N</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>N</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>N</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 a Pre-operational Inspection for the Notice of Intent to Conduct Prospecting Operations (NOI) File No. P-2022-010. The proposed NOI consists of .1 Acres of disturbance for drilling a groundwater monitoring well to monitor groundwater conditions for the Topaz Mine, DRMS Permit No. M-1980-055-HR as well as provide critical groundwater data for the other 4 Permits associated with the Greater Sunday Complex Operation. The site lies on lands administered by the Bureau of Land Management (BLM), in San Miguel County. All proposed disturbance is located on existing drill roads, with evidence of historic disturbance. The Division is in the process of reviewing the application for technical adequacy. Upon completion of the review, the required Financial Warranty Amount will be set, and concurrence from the BLM will be obtaining prior to disturbance. In addition to the Operator Representative present, Bruce Smith with Western Water and Land a consultant for the Operator and James Blair of the BLM were present during the inspection. Three photos accompany this report to illustrate the existing site conditions.

At the time of the inspection, three possible locations for the drill hole were discussed. The first location is at the end of an existing drill road spur off of the established BLM trail. The existing road spur is in good condition, and show no signs of recent use. No evidence of erosion, state listed noxious weeds or matters of concern were identified. The drill spur leads to a small pad, approximately 200 yds down gradient from the existing BLM trail. The pad was constructed at some point to support drilling operations. Historic drill core was observed indicating historic use of the pad. The pad and an example of the road can be seen in Photos One and Two.

The second proposed site observed was along the same road spur, however located only approximately 15 feet from the existing trail. The area is semi flat, and sparsely vegetated making it conducive to a drilling location. The area showed no signs of historic use, or previous disturbance.

The third and final location observed was a large flat area located just adjacent to the existing BLM trail, directly east of the existing road spur on the east side of the main trail. Similar to the second proposed location the area is fairly flat and sparsely vegetated. The area shows no signs of historic use or previous disturbance and would provide ease of access for construction of the hole as well as ongoing monitoring efforts. According to the application documentation, this site has been chosen as the location for the construction of the monitoring well. The area can be seen in Photo Three.

The Division will continue to work through the application review process in conjunction with the BLM. Should any more information be required, the Applicant will receive documentation under separate covers. Throughout the entire proposed area, no signs of settling, slumping or significant erosion was noted. No disturbance has taken place at this time, so the site is in good condition. No problems or significant issues with the proposed location were observed. All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety, Room 215, 1001 E. 62nd Ave. Denver, CO 80216. Direct contact can be made at the Division's Grand Junction Field Office, by phone at (303)-866-3567 Ext. 8187 or by email at lucas.west@state.co.us.

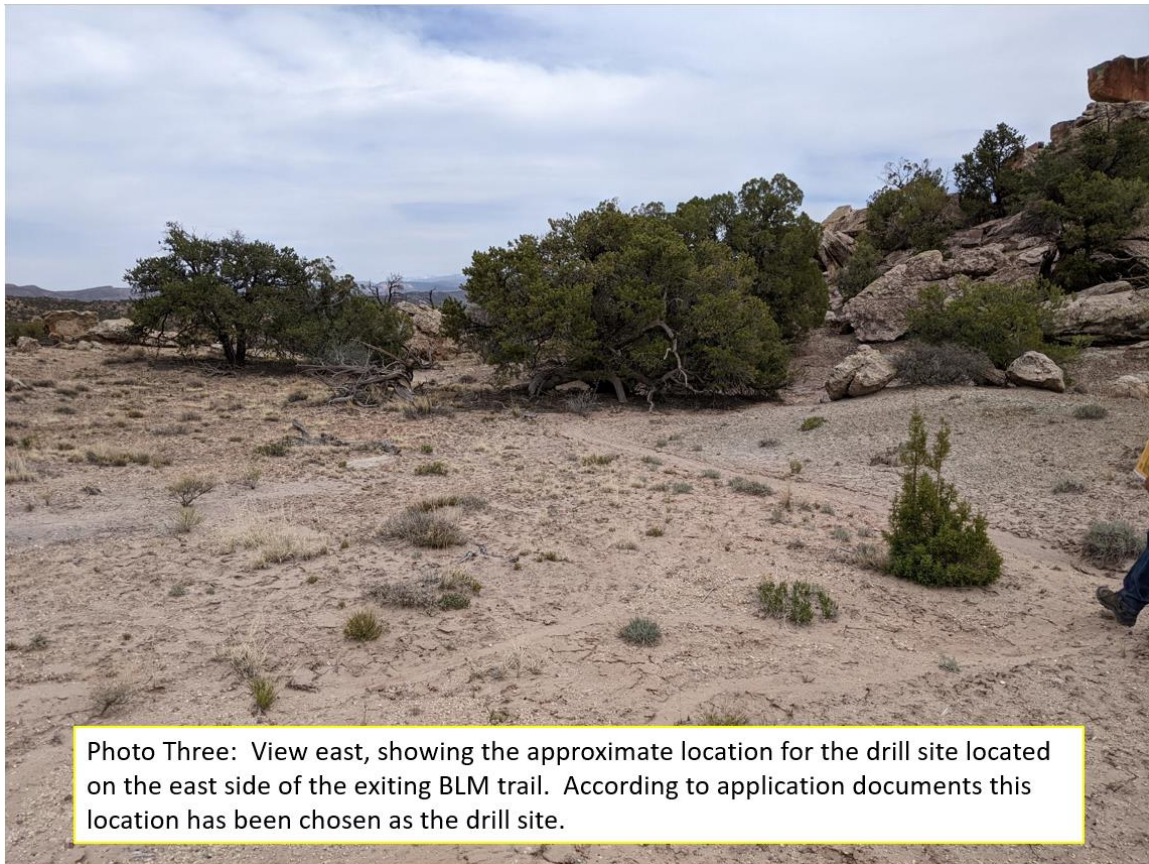
PHOTOGRAPHS



Photo One: View east, showing the existing road spur that leads to the existing drill pad. This is the access to the first location that was proposed.



Photo Two: view west, showing the existing pad area at the end of the road spur. This location was the site of historic drilling operations as evidenced by drill core adjacent to the pad.



Inspection Contact Address

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CC: Travis Marshall, DRMS

EC: Bruce Smith, Western Water & Land Inc.
James Blair, BLM