

COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY 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: |
|--------------------|---------------------------------|----------------------------------|-------------|
| CM-25 Mine | M-1977-307 | Uranium and vanadium | Montrose |
| INSPECTION TYPE: | INSPECTOR(S): | INSP. DATE: | INSP. TIME: |
| Monitoring | Dustin Czapla, Russ Means | October 2, 2012 | 10:00 |
| OPERATOR: | OPERATOR REPRESENTATIVE: | TYPE OF OPERATION: | |
| Cotter Corporation | Glen Williams | 110d - Designated Limited Impact | |

| REASON FOR INSPECTION: | BOND CALCULATION TYPE: | BOND AMOUNT: |
|------------------------|------------------------|---------------------|
| Normal I&E Program | None | \$100.00 |
| DATE OF COMPLAINT: | POST INSP. CONTACTS: | JOINT INSP. AGENCY: |
| NA | None | None |
| WEATHER: | INSPECTOR'S SIGNATURE: | SIGNATURE DATE: |
| Clear | | October 12, 2012 |

GENERAL INSPECTION TOPICS

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. Note: 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 N | (RD) ROADS <u>N</u> |
|-----------------------------------|----------------------------------|-----------------------------|
| (HB) HYDROLOGIC BALANCE <u>N</u> | (BG) BACKFILL & GRADING <u>Y</u> | (EX) EXPLOSIVES <u>N</u> |
| (PW) PROCESSING WASTE/TAILING N | (SF) PROCESSING FACILITIES N | (TS) TOPSOIL <u>N</u> |
| (MP) GENL MINE PLAN COMPLIANCE- Y | (FW) FISH & WILDLIFE <u>N</u> | (RV) REVEGETATION Y |
| (SM) SIGNS AND MARKERS <u>N</u> | (SP) STORM WATER MGT PLAN N | (SB) COMPLETE INSP <u>Y</u> |
| (ES) OVERBURDEN/DEV. WASTE N | (SC) EROSION/SEDIMENTATION N | (RS) RECL PLAN/COMP Y |
| (AT) ACID OR TOXIC MATERIALS N | (OD) OFF-SITE DAMAGE <u>N</u> | (ST) STIPULATIONS <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 as part of the Division of Reclamation, Mining and Safety's (Division) normal monitoring program. Glen Williams, representing the Operator, was present during this inspection. Photographs are included with this report in order to illustrate some of the conditions observed.

The CM-25 Mine is located southwest of the Uravan town site. The site is a 110d operation that includes a total of 7.34 permitted acres.

Notice of the AM1 application was noted at the site entrance.

According to the operator's annual reports, final reclamation was completed at this site in February, 2003.

All reclaimed slopes at the site appeared stable. Vegetation was well established over the reclaimed areas.

No problems or violations were noted during this inspection.

Responses to this inspection report should be directed to Dustin Czapla at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone number (970) 243-6299.

PHOTOGRAPHS

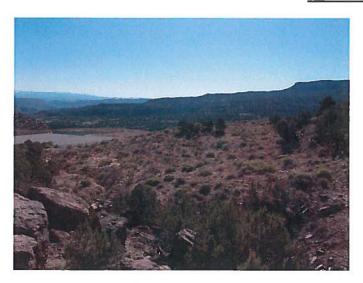


Figure 1: Looking south across affected area.



Figure 2: Looking south across affected area.

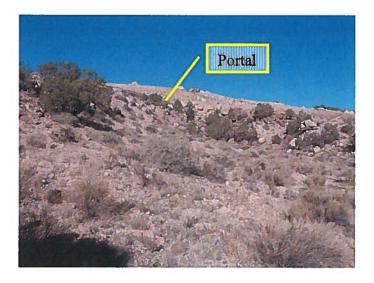


Figure 3: View, facing north, towards the reclaimed portal area.



Figure 4: Looking north across the affected area.

Inspection Contact Address

Glen Williams Cotter Corporation P.O. Box 700 Nucla, CO 81424