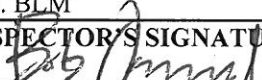




COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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: Van 4 Shaft	MINE/PROSPECTING ID#: M-1997-032	MINERAL: Uranium & vanadium	COUNTY: Montrose
INSPECTION TYPE: Monitoring	INSPECTOR(S): Bob Oswald	INSP. DATE: May 16, 2013	INSP. TIME: 15:30
OPERATOR: Energy Fuels Resources (USA) Inc.	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: 110d - Designated Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$75,057.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: U.S. BLM	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 23, 2013

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>Y</u>	(RD) ROADS----- <u>NA</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>NA</u>	(FW) FISH & WILDLIFE----- <u>NA</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(SB) COMPLETE INSP---- <u>NA</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>NA</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>NA</u>	(ST) STIPULATIONS----- <u>NA</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 was a routine inspection performed by the Division as part of its monitoring of Hard Rock 110d permits. The site was not active at the time of the inspection, and the operator was not present. The required permit ID sign was posted and the permit boundary markers (white posts) were observed at the boundary corners.

The permit was amended in 2012 to include an Environmental Protection Plan (EPP), a part of which consists of an improved stormwater management plan and control structures. The operator has recently completed the installation of these surface structures, and provided the "as-built" drawings and construction photographs to this office. The surrounding land and the permit area are gently sloped to the south. The control structures mainly consist of catchment and diversion along the south edge of the county road to direct upland run-on away from the affected areas, contour berms in the northern portion of the site, and control berms directing onsite runoff to sediment basins on the central and southern part of the site. Around the lower (southern) margin of the site is a final control berm to catch any sediment from the staging area and the waste rock dump. All structures appeared to be well-constructed and adequate for the intended purpose. Although cattle generally range all across the site, preventing attainment of an optimal level of vegetation, grass was nevertheless emerging from the recently affected surfaces. (Question: Did the operator perform a new revegetation seeding of these affected areas at the conclusion of the stormwater control structure installation? Vegetated surfaces will reduce erosion and sediment accumulation, and reduce weed growth.)

The metal buildings formerly observed on the site, and described in the recent EPP amendment, were still onsite. Some of their entrance doors were welded shut, although at least one (the hoist house) had its weld broken, allowing entrance. There were no contaminants or fuels observed on the site. There is no stockpile of ore or sub-mineralized ore in the permit area.

The shaft is fenced and secured, and collar intact. The headframe and ore hoppers are intact. The topsoil stockpile on the western side of the site is present, undisturbed and adequately vegetated. No noxious weeds were observed anywhere on the site. The operator should continue to monitor the site for noxious weeds a few times during each growing season, and treat any new infestations promptly, as required in the EPP.

There were no problems noted, and all topics were in compliance. The operator is reminded to report all mining, reclamation, or EPP activities in the annual reports, including stormwater control, weed control, reseeding, grading, etc.

For questions about this report, please contact this inspector at the Division's Durango Field Office:

DRMS - Durango Field Office
691 CR 233, Room A-2
Durango, CO 81301
Telephone 970-247-5193

Inspection Contact Address

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Lakewood, CO 80228

CC: James Blair, BLM, Dolores

PHOTOGRAPHS

