




**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.

<b>MINE NAME:</b> St Jude Mine	<b>MINE/PROSPECTING ID#:</b> M-1978-039-HR	<b>MINERAL:</b> Uranium & vanadium	<b>COUNTY:</b> San Miguel
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Bob Oswald	<b>INSP. DATE:</b> July 31, 2013	<b>INSP. TIME:</b> 12:30
<b>OPERATOR:</b> Energy Fuels Resources (USA) Inc.	<b>OPERATOR REPRESENTATIVE:</b> Andrea Reither	<b>TYPE OF OPERATION:</b> 110d - Designated Limited Impact	

<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> \$47,700.00
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> U.S.BLM	<b>JOINT INSP. AGENCY:</b> U.S.BLM
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> August 27, 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>N</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>NA</u>	(BG) BACKFILL & GRADING----- <u>NA</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>Y</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 inspection was performed by the Division as part of its monitoring of Hard Rock and Metal 110 DMO permitted operations. The operator named on page one was present throughout the inspection. Also present representing the operator were Frank Filas, Jaime Massey, David Turk, and Race Fisher. BLM personnel present during the inspection were James Blair and Greg Welton. The site was not active at the time of the inspection.

A new permit ID sign is posted at the entrance to the site. Permit boundary markers were observed. The entrance gate and buildings onsite were secured against unauthorized entry. The operator is not storing any fuel, hydrocarbons or contaminants on the site. No ore is currently stockpiled out on the surface of the mine permitted area. There were no electrical transformers installed or stored on the site.

There is no earthmoving or mining equipment on the site. The portal is secured by a locked steel grate and by the adit being backfilled with waste rock (filled approx 25 feet inby).

Topsoil is stockpiled on the site, in the approved location. The vegetative cover on the topsoil is pretty thin, mainly due to recent droughty weather. The operator must monitor the condition of the topsoil stockpile, to prevent it from becoming weedy and/or eroding. The operator is reminded that additional topsoil must be stripped and salvaged from areas that are to be disturbed by future mine development. Also, please ensure that overburden is stripped separately from topsoil, and that the two material stockpiles are not mixed.

The site has received recent rains. The portal level pad is bermed and recently contained stormwater. Other stormwater control structures, such as the berms and ditches along the entrance road, appear to be intact and functional. The operator is reminded that, because this permit is a DMO, stormwater control structures are considered to be Environmental Protection Facilities (EPFs). The structures must conform to the designs that were approved in the EPP, and be maintained to be fully functional.

Hydrologic monitoring is being carried out for the group of five mines in the "Sunday complex" of mines, as required by each permit's EPP, by groundwater wells on the Topaz Mine permitted area. Most of the ground water monitoring wells have been constructed in the Topaz Mine permitted area, and sampling has begun.

Vegetation on disturbed areas of the site includes Indian Ricegrass, rabbitbrush, saltbush, and halogeton. The operator has a weed control plan in the permit. It appears that weed control has not been carried out diligently enough this summer. Though knapweed is under control and no thistle was observed, the Halogeton is quite healthy. The operator stated that the 2013 weed control treatment is to occur soon after this inspection, but the Division feels that the operator must be more aggressive in treating the weeds. Please note: Halogeton is on "List C" of noxious weeds in Colorado, which is the lowest level priority of control. This does not mean that the operator may neglect the need for control of the spread of this plant. This species has increased in the last couple years, so the operator must update the existing weed control plan to include monitoring and effective treatment of this species. There is no problem noted in this report. Please provide a copy of the updated plan to the Division and to the BLM.

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The operator is not planning to reactivate the site in the immediate future. The ore pad liner (one of the EPPs included in the amendment EPP) has not been installed at the site; the Division's approval of the EPP allowed the delay in constructing the liner, due to its potential for degradation over time.

The bond amount was recalculated when the EPP amendment was approved, and the bond is sufficient. There were no problems noted at this time. The Division appreciates the time spent by the operator traveling to and participating in the inspection.

For questions related to 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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EC: James Blair, BLM, Tres Rios Field Office, Dolores

(Inspection photographs are on the next page.)

**PHOTOGRAPHS**

