



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

July 7, 2014

Rory Williams
Star Mine Operations LLC
1675 Larimer Street, Suite 820
Denver, CO 80202

Re: Revenue Mine, Permit M-2012-032, Proposed Virginus Vent Raise Location, Approved

Dear Mr. Williams,

I was at the Revenue Mine last week, and had the opportunity to meet with Dianna Stoopnikoff of Fortune Minerals and Greg Lewicki, your consultant, plus several Star Mine Operations staff. The Division considers Ms. Stoopnikoff and Mr. Lewicki to have been present to represent Star Mine Operations during the inspection and meeting. A significant part of the day was spent discussing the proposed Virginus vent raise and driving by road to upper Governor Basin to view the raise location. Discussion included the fact that timeliness in construction of needed surface facilities was very important.

The Virginus vent raise is a part of activities originally proposed in the permit application and approved by this office. However, as the construction of the vent raise may be time consuming and there being a question about delays if the actual vent location were different than the mapped and approved vent location, Ms. Stoopnikoff contacted me last week to provide to me the specific vent location, and to inquire specifically whether additional Division approval is needed to begin that project. Recall, permit issuance in early 2013 included approval for up to three vent openings, at defined locations, and the permit's bond amount includes the respective closure costs.

I checked the vent location communicated by Ms. Stoopnikoff in her July 4, 2014 email, and find that it is completely acceptable. It falls within the area we had observed on the July 1, 2014 inspection, from the Virginus L3 portal bench, and determined it to be appropriate to utilize, and it appears to be less than 200 feet from the location shown on Map C-5. It is a very accessible site, being adjacent to the lower road that crosses the old dump and tails.

As such, our office therefore approves this location for developing the vent raise, as proposed and approved in the original permit plan. Since the development disturbance and its bonding are already approved and included in the permit, Star Mine Operations (the current permittee) is authorized to proceed immediately. Work must conform to the details in the approved plan. Recall that the approved "footprint" of disturbance (exclusive of existing access roadways)




is limited to 100 ft x 100 ft. Since this small area is formally considered to be part of the "affected area" of the 112d-1 permit, the Hard Rock Rules require that its boundaries are to be marked. Please ensure that activities remain within the 10,000 sq ft area that is approved. Additionally, please install adequate sediment controls and take proper precautions during earthmoving to avoid disturbances to the historic mineralized materials, so that sediment and metals are not unduly liberated and allowed to move from this headwaters location.

This office would appreciate copies of photos that are taken during and after construction. We will require as-built drawings of the vent opening also.

I appreciate John Trujillo of your staff and Ms. Stoopnikoff for being present during the July 1, 2014 inspection and meeting. It is important that there is direct involvement, accessibility and presence onsite by qualified representatives of Star Mine Operations during this busy construction year at the Revenue Mine.

Please feel free to contact me if there are further questions, at 970-247-5193, or 303-866-3567 ext 8175; or email bob.oswald@state.co.us.

Sincerely,



Bob Oswald
Environmental Protection Specialist

Ec: Russ Means, DRMS, Grand Junction
Dianna Stoopnikoff, Fortune Minerals Limited
Greg Lewicki, Greg Lewicki and Assoc.