



United States
Department of
Agriculture

Forest
Service

Ouray
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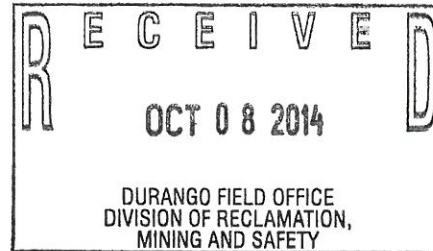
M-2012-032

USFS ROAD USE PERMIT

File Code: 7720

Date: October 8, 2014

DIANNA STOOPNIKOFF
C/O FORTUNE MINERALS LIMITED
FORTUNE REVENUE SILVER MINES, INC
148 FULLARTON ST STE 1600
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Dear Dianna,

I wanted to take this time to document two meetings that were recently held with the Revenue Mine (Mine) and the Forest Service (FS). A meeting was held on September 25, 2014 on NFSR 853.1C, Governor Basin Road between the Mine, Ouray County and FS Road Engineers. In attendance were John Trujillo Jr., Surface Operation Manager, and two other employees; Rich Williams, Inspector and Equipment Operator for Ouray County; Marti Whitmore, Ouray County Attorney; and Kate Doran and Doug Marah, FS Road Engineers. The purpose of the meeting was to stake rolling dip/drainage locations, discuss snowplowing and winter maintenance, and other technical engineering questions about NFSR 853.1C. High clearance 4WD rolling dip drawings, snowplowing drawings and maps showing the locations of drainage structures were provided by the FS. Marti Whitmore asked if the FS would consider adopting the county's snowplowing specifications; the question was forwarded to me for consideration.

A meeting was held at Fortune Revenue Silver Mines, Inc. office in Ouray on October 2, 2014, concerning use of the Governor Basin road and mining operations adjacent to National Forest System (NFS) lands by the Mine. In attendance were Mine Surface Manager John Trujillo; Ouray Ranger District Lands and Minerals Staff Liz Mauch; you, and me. The following topics were covered:

Road Use Permit (RUP): Liz provided copies of the RUP including Appendices A-F. Appendix G, the Annual Operating Plan, will be submitted by you to us by March 1 so that we can begin discussions of 2015 activities as they pertain to use of the Governor Basin Road, other NFSR's required for access to the mine, or activities that may be proposed on NFS land. We will monitor for permit compliance during the current road use permit period.

We reviewed Appendix B, the Traffic Control Plan, Appendix C (Level 2 High Clearance specifications for road drainage), Appendix D (Snow removal specifications) and Appendix F (Map/maintenance areas)

Appendices C and F, road maintenance needs: drainage control was discussed in depth. Both parties agree that water should be drained from the road to protect the road surface. Based on observing the recent runoff events, John suggested a couple of additional locations are needed for rolling dips to get water off the road surface, and that some of the other locations would not be as effective at drainage



control, due to shifts of the drainage pattern in this steep gradient basin (for instance, the Sidney Basin drainage has shifted and intercepts the road in a different location).

We agreed that the long term desire is for the rolling dips to be built per FS specifications so that they are long-lasting and self-cleaning. The Mine feels that for the short term (during the fall 2014 operating season) until the drill is removed, that the dips will be safer for their workers if they are built to a gentler shape.

We agreed to meet in March 2015 to discuss the Mine's 2015 Annual Operating Plan and meet in June 2015 to assess the next steps for road maintenance. In the meantime, if you have any questions about road work, please contact Liz and we will get assistance as needed from our roads engineering staff.

Appendix D Snow Removal Specifications were taken from the Ouray County Snowplowing agreement, changing county road numbers to National Forest System Road numbers and the point of contact to a Forest Service road engineer. The snowplowing specifications apply to NFSR 853 (Camp Bird Rd) and NFSR 853.1b (Yankee Boy Basin Rd).

Maintenance of NFSR 853 (Camp Bird Road) and NFSR 853.1B (Yankee Boy Basin Road). John mentioned concerns about the county's ability to meet the Mine's snowplowing needs from the highway up to the Senator Gulch gate. He also mentioned there is poor drainage on the Yankee Boy Basin and Camp Bird Roads. The county maintains these roads under a Cooperative Forest Road Agreement including a Schedule A list of roads. I suggested that a joint meeting between the FS and Ouray County to discuss winter plowing and general maintenance of these roads may be helpful. I have asked Liz Mauch of my staff to contact you and the county by email to schedule a time and date to meet.

Land ownership. We reviewed maps displaying lands acquired by the Forest Service over several years in the Red Mountain and Yankee Boy Basin areas. Those lands have "acquired" lands status and many claims now owned by the US Government are adjacent to the Mine's patented lands in the Governor Basin, Sidney Basin and Silver Basin areas. There is also a large amount of land that has always been in the Public Domain (PD) and is administered by the U. S Forest Service (maps enclosed).

Hardrock prospecting, exploration or mining activities on NFS land, and regulatory framework. Regulations pertaining to hardrock mining differ between PD and acquired lands. On PD land, the Locatable Minerals regulations at 36 CFR 228 Subpart A apply. For acquired lands, the Department of Interior (DOI) has primary authority to manage the exploration for or leasing of the hardrock minerals. The Forest Service has a role to "consent" or "make recommendations" to the BLM concerning exploration and leasing of those minerals.

Due to the complex land ownership, the Mine should contact us well in advance with any activities that could involve travel on NFSR's above and beyond normal public use of the road system, such as transporting large machinery or commercial haul. Any mine-related surface activities being considered

that will occur on either PD or acquired NFS land, including any land that the Mine has filed unpatented claims on, should be brought to our attention. Additional authorizations from the FS may be needed, such as a Special Use Permit or Road Use Permit. Any subsurface mining believed to be located on unpatented claims, even with no surface disturbance, should be brought to the attention of the FS in advance so that we can verify the land status and the applicable regulations the activity(s) would fall under.

Future mine activities. We briefly discussed the Mine's plans to construct the vent/refuge building during the summer of 2015. The current Road Use Permit expires July 30, 2015, so a new RUP would likely be needed for that activity. The Mine may also like to remove tailings and waste rock located on their patented claims via the vent shaft, prior to installing electrical and hoists. There may be an opportunity to remove adjacent piles located on NFS unpatented land at the same time. The Mine is also exploring options for constructing another vent in Silver Basin, and will keep us informed as soon as possible, of any uses proposed on NFS land as described above.

At this time, the Mine is working on restoring drainage on the Governor Basin road. Drilling is ongoing and the rig is expected to be demobilized in late December or early January.

Thank you for taking the time to meet with us; we would like to strengthen our relationship and improve our coordination with the Mine going forward.

Sincerely,



TAMERA RANDALL-PARKER
District Ranger

Enclosure-map

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