




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: Ruby Trust Mine	MINE/PROSPECTING ID#: M-1979-181	MINERAL: Gold and silver	COUNTY: Ouray
INSPECTION TYPE: Multi Person Inspection	INSPECTOR(S): Wallace H. Erickson, Lucas West	INSP. DATE: August 5, 2014	INSP. TIME: 17:40
OPERATOR: Walker Ruby Mining Company, Inc.	OPERATOR REPRESENTATIVE: Charles Ponchak	TYPE OF OPERATION: 110(2) - Hard Rock Limited Impact	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$18,738.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: November 20, 2014	

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>N</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING----- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE----- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION----- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN----- <u>N</u>	(SB) COMPLETE INSP----- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</u>	(SC) EROSION/SEDIMENTATION----- <u>Y</u>	(RS) RECL PLAN/COMP----- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>Y</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 occurred as part of the Division's routine monitoring program for permitted operations. The Ruby Trust Mine is approved for two acres affected land for the extraction and milling of precious metal ore. Affected lands will be reclaimed to support general agriculture post-mining land use. The Division holds \$18,738 financial warranty. This report is accompanied by an analytical report from Grand Junction Laboratories, dated October 12, 2012, and three photographs taken during the inspection.

As shown in Photos 1 and 2, drainage from the new portal reported to a series of sediment ponds prior to discharge to Sneffels Creek. Discharge is regulated through CDPHE permit.

The mill facility was locked and was not inspected. As noted in the Division's inspection report generated from the September 20, 2013 inspection, the Operator had recently driven three drill holes from the underground mill facility and/or from underground locations accessible through the mill facility. The three drill holes encountered water, which was observed draining from the mill portal and infiltrated into the mine bench; no discharge to Sneffels Creek was observed. As shown in Photo 3, discharge from the mill facility persists and, as observed previously, the drainage infiltrates into the mine bench with no direct discharge to Sneffels Creek observed. The Operator's representative provided a copy of an analytical report from Grand Junction Laboratories, dated October 12, 2012, for a water sample taken September 17, 2012, from #2 Drill Hole. A copy of the lab report is enclosed. The Operator is encouraged to route the drainage from the mill facility to the settling ponds for treatment in accordance with the existing discharge permit from CDPHE.

The protective tarp for the low grade ore pile was partially intact. The Operator is encouraged to ensure the ore pile is covered in accordance with the corrective action from the Division's inspection report generated from the October 1, 2012 inspection, signed October 25, 2012, or remove the ore pile from the site.

Inspection Contact Address

Walker Ruby Mining Company, Inc.
7216 Marsh Terrace
Port St. Lucie, FL 34986

Enclosure: 1) Analytical report of water sample, dated October 12, 2012
 2) Three photographs taken during the inspection

cc w/enclosure: Charles Ponchak
 Consulting Geologist
 15292 6050 Road
 Montrose, CO 81403

ec w/enclosure: Russ Means, DRMS GJFO

JOHN C. KEPHART & CO.
GRAND JUNCTION LABORATORIES

8/5/14 Inspection day
Ruby Trust Mine
M-1979-181

435 NORTH AVENUE ♦ PHONE: (970) 242-7618 ♦ FAX: (970) 243-7235 ♦ GRAND JUNCTION, COLORADO 81501

RECEIVED

— ANALYTICAL REPORT —

AUG 05 2014

Received from:

Walker Ruby Mining
Charles Ponchak
15292 6050 Rd.
Montrose, CO 81403

Durango Field Office
Division of Reclamation,
Mining and Safety
FAX 970-249-2081

Customer No. _____ Laboratory No. 4529 Sample water
Date Received 9/19/12 Date Reported 10/12/12

Lab Number: Sample ID:	4529 #2 Drill Hole 9/17/12		Date Tested	Method
Suspended Solids	0	mg/l	9/21/12	SM2540D-1997
Dissolved Solids	100	mg/l	9/21/12	SM2540C-1997
pH	7.6		9/19/12	SM4500-H+B-2000
Visual Oil	none		9/19/12	
Dissolved Mercury(Hg)	<0.00005	mg/l	9/26/12	SM3112B-2009
Total Recoverable Cadmium(Cd)	<0.0002	mg/l	9/27/12	SM3113B-2004
Total Recoverable Copper(Cu)	<0.001	mg/l	10/11/12	SM3113B-2004
Total Recoverable Lead(Pb)	0.002	mg/l	9/26/12	SM3113B-2004
Total Recoverable Mercury(Hg)	<0.00005	mg/l	9/26/12	SM3112B-2009
Total Recoverable Selenium(Se)	0.005	mg/l	10/3/12	SM3113B-2004
Total Recoverable Silver(Ag)	0.0002	mg/l	10/11/12	SM3113B-2004
Total Recoverable Zinc(Zn)	<0.02	mg/l	9/28/12	SM3111B-1999
Potentially Diss. Cadmium(Cd)	<0.0002	mg/l	9/27/12	SM3113B-2004
Potentially Diss. Copper(Cu)	<0.001	mg/l	10/11/12	SM3113B-2004
Potentially Diss. Lead(Pb)	<0.001	mg/l	9/26/12	SM3113B-2004
Potentially Diss. Selenium(Se)	0.004	mg/l	10/3/12	SM3113B-2004
Potentially Diss. Silver(Ag)	<0.0002	mg/l	10/11/12	SM3113B-2004
Potentially Diss. Zinc(Zn)	<0.02	mg/l	9/28/12	SM3111B-1999

NOTES:

The "less than" sign indicates that the result was zero. The number to the right of the sign is the lower detection limit.
SM = "Standard Methods for the Analysis of Water and Wastewater".

Lab Dir.: Brian S. Bauer

Ruby Trust Mine
M-1979-181
August 5, 2014
Photo 1

Sneffels Creek

New Portal

Sediment pond for treating drainage from New Portal



Ruby Trust Mine
M-1979-181
August 5, 2014
Photo 2



Sediment pond discharge to Sneffels Creek

Ruby Trust Mine
M-1979-181
August 5, 2014
Photo 3

Drainage from the Mill Facility infiltrated into the mine bench. Evidence of direct discharge of Mill Facility drainage to Sneffels Creek was not observed.

