




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.

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| MINE NAME: Revenue Mine | MINE/PROSPECTING ID#: M-2012-032 | MINERAL: Lead, silver and gold | COUNTY: Ouray |
| INSPECTION TYPE: Monitoring | INSPECTOR(S): Travis H. Marshall | INSP. DATE: August 19, 2015 | INSP. TIME: 11:00 |
| OPERATOR: Fortune Revenue Silver Mines, Inc. | OPERATOR REPRESENTATIVE: Dianna Stoopnikoff and John Trujillo | TYPE OF OPERATION: 112d-1 - Designated Mining Operation | |
| REASON FOR INSPECTION: Normal I&E Program | BOND CALCULATION TYPE: Complete Bond | BOND AMOUNT: \$340,570.00 | |
| DATE OF COMPLAINT: NA | POST INSP. CONTACTS: | JOINT INSP. AGENCY: None | |
| WEATHER: Clear | INSPECTOR'S SIGNATURE:  | SIGNATURE DATE: August 28, 2015 | |

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.

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| (AR) RECORDS----- <u>Y</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>NA</u> |
| (PW) PROCESSING WASTE/TAILING---- <u>Y</u> | (SF) PROCESSING FACILITIES----- <u>Y</u> | (TS) TOPSOIL----- <u>Y</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> | (SW) STORM WATER MGT PLAN---- <u>Y</u> | (CI) COMPLETE INSP---- <u>Y</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>Y</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 conducted as part of the normal monitoring program established by the Colorado Division of Reclamation Mining and Safety. The Revenue Mine is a 112d(1) active underground mine. The commodities to be mined are lead, silver and gold. The mine currently consists of 34.19 permitted acres and a maximum allowed disturbance of 20 acres. The Revenue mine is located approximately 5 miles southwest of Ouray Colorado off of Ouray County Road 26. Both John Trujillo and Dianna Stoopnikoff were present during the inspection.

The mine identification sign was observed at the entrance to the mine site and permit boundary markers in the form of tall white PVC posts were observed around the perimeter of the permitted area. Both the sign and the permit boundary markers were in compliance with Rule 3.1.12.

The first area of the mine observed was the location of the mill and thickener. The thickener was almost completely constructed with on a few minor items required to be considered complete. The steel catwalk and piping connecting the thickener to the mill were completed at the time of the inspection. The operator is reminded that the thickener is considered to be an Environmental Protection Facility (EPF), and as such, it must be constructed according to the approved plans, certified by a Colorado – Registered P.E. and inspected by the Division prior to its use. Also, the operator must provide the Division the final as-built drawings with the certification.

Both thickener and mill sump locations were inspected. The mill sump was located on the northeast end of the concrete apron that is located adjacent to the mill entrance. The thickener sump is located at the south west corner of the thickener concrete containment. The operator stated that both sumps are complete and ready for use.

The next component of the mine site inspected was the oil farm located in the sea-can. A concrete apron was recently constructed below it to prevent infiltration of a chemical spill into the soil below it. The area appeared to be well maintained and free of any spills during the inspection.

The mobile portal heater and associated propane tanks were observed and appeared to be in good working order.

The mine water discharge was observed at both the outfall into the lined settling pond and the outfall into Sneffles Creek. No issues or problems were observed at either outfall location.

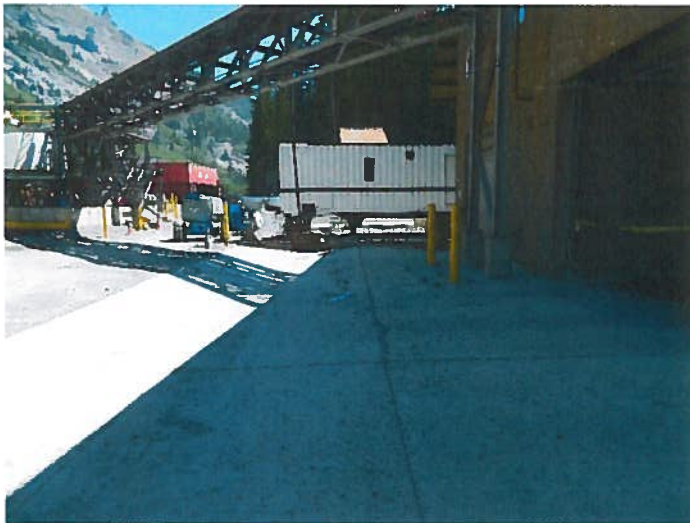
Mr. Trujillo was concerned about an area that was top soiled in the fall of 2014 that was completely void of any vegetation including weeds. Mr. Trujillo was encouraged to collect a sample of the topsoil and have it analyzed to determine what the soil properties are and then determine what vegetation would be best suited to grow in the available growth medium. Mr. Trujillo was also encouraged to utilize a rough grading technique prior to top soiling in the future to better enhance vegetative success in future reclamation efforts.

No erosion or sedimentation issues were noted. There are no major or minor drainages within the permit area that warrant addressing.

No issues or possible violations were observed during the inspection.

Responses to this inspection report should be directed to Travis Marshall at the Division of Reclamation Mining and Safety Grand Junction Field Office, 101 South 3rd Street, Suite 301, Grand Junction, Colorado 81501 phone no. (970) 241-2042.

PHOTOGRAPHS









Inspection Contact Address

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