




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: 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: May 25, 2016	INSP. TIME: 13:00
OPERATOR: Ouray Silver Mines Inc.	OPERATOR REPRESENTATIVE: LJ Trujillo	TYPE OF OPERATION: 112d-1 - Designated Mining Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$464,333.79
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 20, 2016

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>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>NA</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>NA</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>Y</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 (Division). The Revenue Mine is a 112d(1) active underground mine. The Revenue mine is located approximately 5 miles southwest of Ouray Colorado off of Ouray County Road 26. Both John Trujillo and Brianna Greer 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 main focus of the inspection was to observe the current conditions of the permit area and the proposed bio-reactive bed and ground water infiltration line integrated passive treatment system for the management of mine discharge water proposed in Technical Revision No. 8 (TR-08). The site activity observed during the inspection was minimal.

All equipment and facilities appeared to be in good repair during the inspection. The site was free of any unnecessary debris. Mr. Trujillo stated that a covered equipment storage area may be built to the west of the office building. If this storage is actually going to be constructed it must be incorporated into the mine / reclamation plan through a submittal and Division approval of a technical revision.

The course of the mine discharge was walked from the point it leaves the mine entrance to the current stream discharge and the location of the proposed bio-reactive passive treatment system. TR-08 is currently under review and a preliminary adequacy will be sent to the operator under separate cover in the near future.

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

LJ Trujillo
Ouray Silver Mines Inc.
1900 Main Street, Unit 564
Ouray, CO 81427