




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: November 1, 2016	INSP. TIME: 11:00
OPERATOR: Ouray Silver Mines Inc.	OPERATOR REPRESENTATIVE: Brian Briggs	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: November 21, 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>N</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>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>NA</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. Brian Briggs was 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 recently constructed bio-reactive bed and groundwater infiltration treatment system for the management of mine discharge water which was approved in Technical Revision No. 8 (TR-08). The treatment system was functioning during the inspection. Some minor changes were made to the final configuration of the structure that are different than what was submitted in TR-08, the operator provided "as-built" drawings to the DRMS. Overall the treatment system appeared to be properly functioning during the inspection. The operator is testing surface and groundwater down gradient of the infiltration zone to monitor for any changes in water quality.

The underground mill was inspected. Mr. Briggs stated that some equipment changes were planned to refine the milling process. If any major changes to the milling process are to occur a technical revision must be submitted and approved.

All components of the mine that were inspected were in good working order and free of any unnecessary debris. The overall condition and appearance of the mine site has improved since the May 2016 inspection.

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



Overview of the recently installed passive treatment structure.



Facing northeast over passive treatment structure.



Inlet to treatment from existing discharge collection pond.



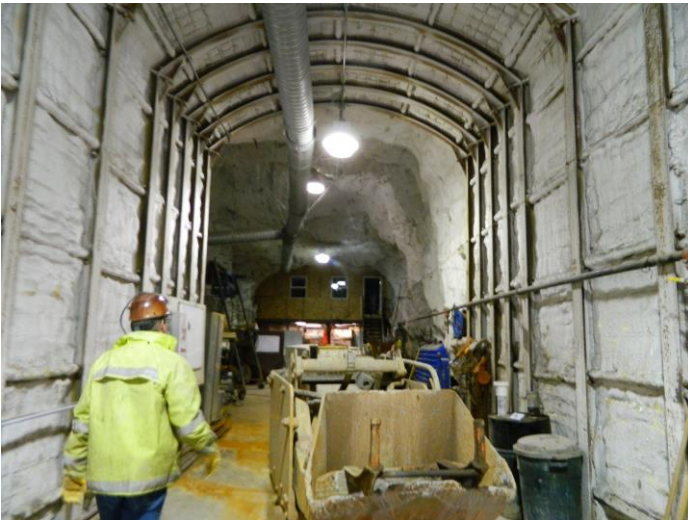
Inlet vault located on west side of treatment structure.



Overflow outlet structure.



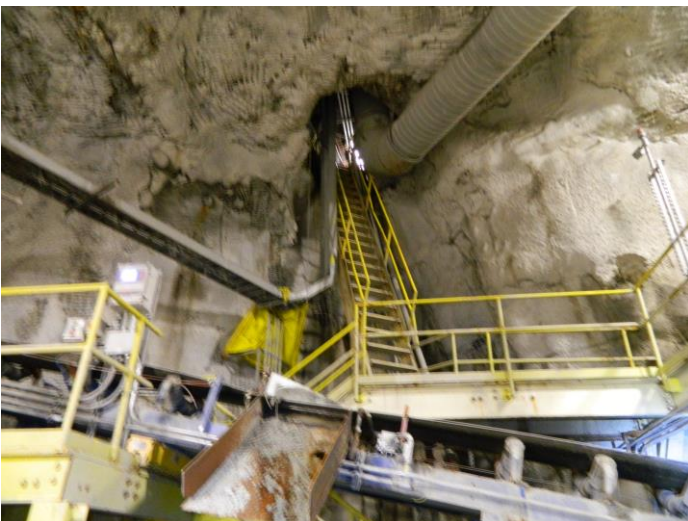
Straw bales adjacent to wetland



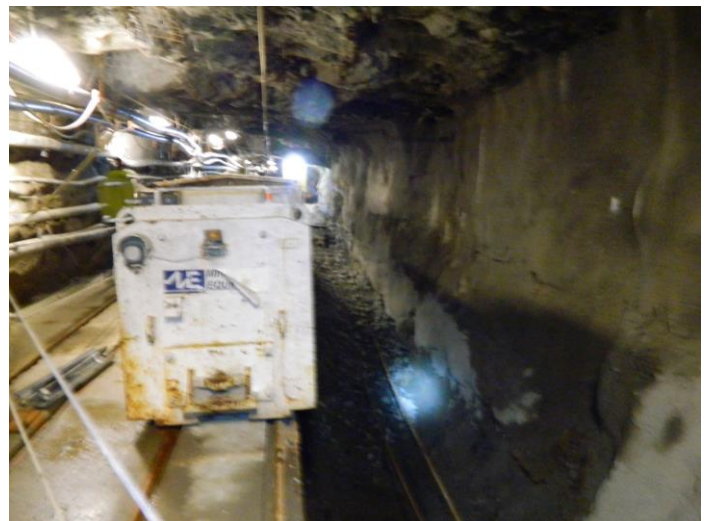
Underground mill.



Underground mill.



Underground mill.



Underground mill.

Inspection Contact Address

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