




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 2015 NOI	MINE/PROSPECTING ID#: P-2015-003	MINERAL: Silver, gold, copper,	COUNTY: Ouray
INSPECTION TYPE: Surety Release Inspection	INSPECTOR(S): Lucas West	INSP. DATE: August 6, 2020	INSP. TIME: 09:53
OPERATOR: Ouray Silver Mines Inc.	OPERATOR REPRESENTATIVE: Kyle Erdmann	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Surety Release Requested	BOND CALCULATION TYPE: None	BOND AMOUNT: \$7,826.61
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 10, 2020

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>N</u>	(RD) ROADS----- <u>N</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>N</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>N</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	

Y = Inspected / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This inspection was conducted in response to the Prospector's request for Final Release of the Notice of Intent to Conduct Prospecting Operations, SL-02. The Revenue Mine 2015 NOI is a Notice of Intent to Conduct Prospecting Operations located at various locations in Silver and Governor's Basins in Ouray County. All sites associated with the NOI are located on Private Patented Claims owned by Ouray Silver Mines, Inc. the sites total .1 Acres of disturbance at varying elevations. The Division currently holds \$7,826.61 in Financial Warranty for the NOI. Four Photos accompany this report to illustrate the current site conditions.

The various sites were not active at the time of the inspection. Full and final reclamation has been completed and no prospecting equipment was observed at any of the drill locations during the inspection. The drill locations range from being located near roadways, above tree line in the tundra vegetation in Governors Basin to densely wooded areas in Silver Basin. In Governor's Basin, a total of 4 drill locations were utilized with several drill holes each. All drill locations that were observed were stable at the time of the inspection. No evidence of surface disturbance or drilling was discernable. In areas where vegetative cover was applicable, the vegetation was dense, diverse and no evidence of activity was observed. Photos One and Two show a representation of the drill locations observed in Governors basin. Three drill locations are located up gradient of the Monongahela Raise Bore and Secondary Escapeway associated with the Revenue Mine Permit Number M-2012-032. These locations were not inspected at this time as they were covered by recent rock slides covering the drill locations making them inaccessible. Discussions with the Operator indicate that all drill holes were properly reclaimed prior to the rock slide events.

The Silver Basin sites that were observed were in a similar condition of those located in Governor's Basin. All drill locations and holes have been properly reclaimed including the drill holes being plugged and abandoned. The reclamation was conducted in a manner that no evidence of prospecting activities or drill holes was observed in the drill locations. In areas where a vegetative cover was applicable the vegetation was dense, diverse and showed signs of self-regeneration. All drill locations were stable and well vegetated at the time of the inspection. Photos Three and Four show a representation of the observed reclaimed drill areas located in Silver Basin.

The overall footprint of the sites were in excellent condition. No trash, debris or prospecting related items were observed. No evidence of settling, slumping or erosion was noted and no State Listed Noxious Weeds were located. There are no problems or possible violations observed at this time. Based on the observations made during this inspection, Division Staff has determined that the Operator has completed all reclamation in accordance with the approved Reclamation Plan, the Act and Rules and Regulations. Therefore, Staff is approving the request for Final Release of the Notice of Intent to Conduct Prospecting Operations. Please see the enclosed Release Request Approval Letter for details.

All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety at 1313 Sherman Street, Room 215, Denver CO, 80203, by phone at 303-866-3567 Ext. 8187 or by email at lucas.west@state.co.us.

PHOTOGRAPHS

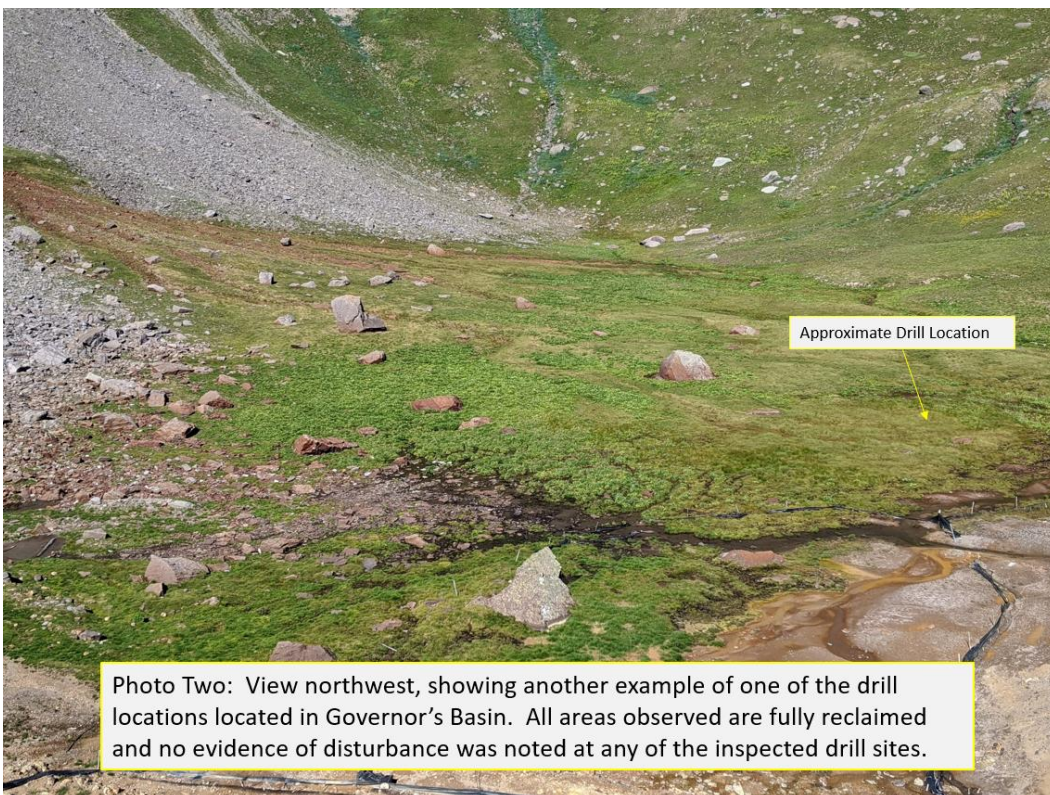




Photo Three: View south, showing an example of a reclaimed drill location in Silver Basin. The area is well vegetated, matching the surrounding area and no evidence of disturbance was observed.



Photo Four: View north, showing the only visible evidence of a drill location in Silver Basin. All drill holes have been reclaimed and re-vegetated.

Inspection Contact Address

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Enclosure P-2015-003 Release Request Approval Letter

CC: Travis Marshall, Senior Environmental Protection Specialist

Ec: Brian Briggs, Ouray Silver Mines Inc.
 Kyle Erdmann, Ouray Silver Mines, Inc.