



## COLORADO

### Division of Reclamation, Mining and Safety

Department of Natural Resources  
1313 Sherman Street, Room 215  
Denver, CO 80203

July 14, 2021

Brian Briggs  
Ouray Silver Mines, Inc.  
PO Box 564  
Ouray, CO 81427

**RE: Revenue Mine, Permit No. M-2012-032, Technical Revision (TR-15), Adequacy Review-2**

Dear Mr. Briggs:

The Division of Reclamation, Mining and Safety (Division) is in the process of reviewing the above referenced Technical Revision in order to ensure that it adequately satisfies the requirements of the Colorado Mined Land Reclamation Act (Act) and the associated Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal, and Designated Mining Operations (Rules). During review of the material submitted, the Division determined that the following issue(s) of concern need to be adequately addressed before the Technical Revision can be considered for approval. Please provide the following:

1. The response submitted in TR-15 does not match design specifications previously submitted to and approved by the Division. The Tailings Storage Facilities as prepared by SRK Consulting in 2016 appear to be in conflict with the Permit File, please submit the currently approved Tailings Storage Facility designs.
2. During the onsite inspection conducted by the Division on July 8, 2021 it was explained that the Slurry Storage Tanks would be located in the crusher gallery at the bottom of the ore conveyor that will deliver ore material to the Rod Mill and the Mill Tunnel, however the drawings depict the Slurry Storage Tanks adjacent to the Mill Tunnel at the top of the conveyor. Please clarify if the drawings are accurate and that is the proposed location of the tanks.
3. Your response to Item 20 of Adequacy Review 1 is noted, however please commit to providing the Division with a representative SDS of the Zinc concentrate and Lead concentrate within 30 days of production of the first shipment as a baseline characterization of the concentrates. Additionally if concentrate materials are significantly changed, also provide updated SDS of the new representative material at that time.



4. The response to Item 29 of Adequacy review #1 is noted. However, if the tailings lines were to break, the material would not have passed through the filter press to remove excess moisture as required by the Tailings and Waste Rock Management Plan prior to final placement in the Tailings Storage Facility. If the lines were to break, the spilled tailings would need to be added back to the system until such time that they could be returned to the filter press and properly dewatered in preparation for final placement. Please Commit that no tailings will be placed in either of the Tailing Storage Facilities until they have been properly dewatered to the expected range of 13% to 18% moisture, or 82-87% solids in accordance with the Tailings and Waste Rock Management Plan.
5. Table 9 does include the list of sumps, their volumes and where they report to, however no drawing references were provided. Please provide a drawing number reference so that the details of the sumps can be verified.
6. Item 31b of adequacy review #1 was in reference to the baseline characterization testing required for tailings prior to final placement in the Tailings Storage Facility, and the commitment to hold the tailings in a secure location until all testing could be completed. During the Jul 2, 2021 meeting, it was agreed that a temporary clay liner would be installed in the Revenue Tailings Storage Facility for temporary holding until the baseline characterization tests could be completed. Please provide details including a written commitment to the temporary storage of tailings on the compacted clay liner, a brief summary of the construction of the liner, a map showing the location of the liner, and the approximate volume of tails to be placed on the pad. Once the tests have been conducted and reviewed by the Division a determination on the final placement will be made.
7. The response to item 31 of adequacy review #1, is insufficient. Under this revision, TR-15, part of the commissioning and testing phase required to obtain mill certification, a full chemistry evaluation of the process water will be required. In order to perform an accurate Reclamation Cost Estimate, the Division needs to understand the chemistry of the process water in order to determine the proper disposal method.
8. The response to item 32 of adequacy review #1, was only partially addressed. It is noted that there is an 18,000 gallon process water tank. Please provide an anticipated total volume of process water contained within the system at any given time. It is understood that the mill runs at a deficit of water and always requires additions, however the Division needs to understand an estimated total volume of process water that includes the holding tank and all various equipment and pipes in order to calculate an accurate reclamation cost estimate.

#### **Commissioning and Wet Testing**

The following items must be completed/ addressed by OSMI during the Commissioning/ Wet Testing of the mill. The Division will incrementally grant approvals to continue testing throughout the certification process. Upon completion of testing and all documentation being provided for final mill certification will be evaluated.

Please see items 6 and 7 of this review regarding the required characterization to be completed during the commissioning process. Proper characterization of process water includes SPLP and TCLP. Proper tailings characterization will include SPLP, ABA and TCLP.

Please submit your responses to the above listed issues by Wednesday July 21, 2021 in order to allow the Division sufficient time for review. If you cannot address the above issues by July 21, 2021 please request an extension to the decision due date to ensure adequate time for the Division to review materials. A decision due date of **July 28, 2021** has been set. If any adequacy issues remain by the decision due date the Division may deny your request.

The Division will continue to review your Technical Revision and will contact you if additional information is needed. If you require additional information, or have questions or concerns, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Lucas West', with a stylized flourish at the end.

**Lucas West**

Environmental Protection Specialist  
Division of Reclamation, Mining and Safety

Ec: Travis Marshall, Senior EPS, DRMS  
Amy Yeldell, DRMS  
Brianna Greer, OSMI  
Todd Jesse, OSMI