



COLORADO
**Division of Reclamation,
Mining and Safety**
Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

July 21, 2021

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

RE: Revenue Mine, Permit No. M-2012-032, Technical Revision (TR-15) Approval and Commitments

Dear Mr. Briggs:

On June 8, 2021 the Division of Reclamation, Mining, and Safety (Division) **approved** the Technical Revision request (TR-15) submitted on April 16, 2021, addressing the following:

Certification of the Mill Facility, an Environmental Protection Facility

Final configuration of the Mill Facility as proposed under TR-15 and the commissioning process including required testing may now commence when the facility is ready. Please note that the commissioning process is directly tied to the Reagent Room, an Environmental Protection Facility, as permitted through Technical Revision 14 (TR-14) to store, mix and deliver the chemicals required for commissioning. No reagents or other chemicals can be stored, mixed or used in the Reagent Room or anywhere else on site until such time as the construction and final certification is complete.

Upon completion of construction, installation and configuration of milling equipment, submission of the certified as-builts, submission and acceptance of the required characteristic testing the Division will issue the final certification of the Mill as an Environmental Protection Facility.

Also, throughout the application and review process of TR-15, commitments were made by OSMI that are now incorporated into the permit file. Those commitments are;

1. Process Water within the Mill Circuit

- a. Submit two samples taken from within the mill circuit as a baseline characterization.
 - i. Samples will be collected from each of the two circuits and the process water tank twice during mill commissioning, once early in the introduction of ore, and once late in the commissioning process to evaluate mill water quality.
- b. Analytes will include the currently approved constituents for groundwater and underground water quality as well as Xanthate, Cresol and Ethyl Glycol.



2. **Tailings:** During the commissioning process 400-700 cubic yards of tailings will be generated and used for baseline characteristics testing.
 - a. Submit baseline characterization of the Tailings using Acid Base Accounting (ABA), Toxicity Characterization Leaching Procedure (TCLP) and Synthetic Precipitation Leachate Procedure (SPLP).
 - b. While awaiting sample analysis results tailings are to be stored on the temporarily constructed liner located in the Revenue Tailings Storage Facility. No tailings are approved for final placement until the analytical results have been received, reviewed and accepted by the Division
 - c. Please note that when the final mill certification is issued, including acceptance of all required characteristics testing, tailings and waste rock will be handled in accordance with the 2015 Tailings and Waste Rock Management Plan.
3. **Concentrate**
 - a. Upon completion of the first batch of Lead and Zinc Concentrate, OSMI will submit a generalized SDS that characterizes the makeup, in ranges, of the concentrate to be shipped off site.
 - b. If OSMI encounters a significantly different ore body in regards to geochemistry, a re-evaluation of these materials will be required to ensure that they are properly characterized.
4. **As Built Certifications:** Upon final completion of construction and installation of the milling equipment, as built drawings certified by OSMI, will be submitted depicting the final configuration of the equipment including but not limited to; all reagent delivery lines; sumps and sump delivery lines.

The terms of the TR-15 approved by the Division are hereby incorporated into Permit No. M-2012-032. All other conditions and requirements of the permit remain in full force and effect. If you require additional information, or have questions or concerns, please feel free to contact me. Lucas West at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 303-866-3567 Ext 8187 or via email at lucas.west@state.co.us.

Sincerely,



Lucas West
Environmental Protection Specialist

Cc: Travis Marshall, Senior EPS, Grand Junction DRMS

Ec: Brian Briggs, OSMI
Todd Jesse, OSMI
Michelle Robbins, OSMI