




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): Lucas West	INSP. DATE: July 6, 2021	INSP. TIME: 10:45
OPERATOR: Ouray Silver Mines Inc.	OPERATOR REPRESENTATIVE: Todd Jesse, Michelle Robbins	TYPE OF OPERATION: 112d-1 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$476,269.41	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: July 26, 2021	

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>N</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>N</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</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 as part of the normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety's Active Mines Program. It also serves as the first of the periodic inspections of the Reagent Room Environmental Protection Facility as set forth in Technical Revision 14 (TR-14). The Revenue Mine is an active 112d (1) underground operation located approximately 5 miles southwest of Ouray, Colorado and is accessed from Ouray County Road 26 at nearly 10,600 Feet in Elevation. Public Access to the site is controlled by a locked gate at the entrance to the site. Todd Jesse and Michelle Robbins represented the Operator and accompanied the inspection. The Division currently holds \$476,269.41 in Financial Warranty for the site. A reclamation cost estimate was not performed at this time. The site was active with various construction and site maintenance activities during the inspection. No mining or milling was taking place at the time of the inspection.

TR-14 was submitted by the Operator for the construction and certification of the Reagent Room, a designated Environmental Protection Facility. The Room will be a concrete floored, steel and concrete framed containment room used for the storage and mixing of reagent chemicals to be used in the milling process. The Reagent Room abuts the partially constructed Compressor Room. This inspection focused on the pre-existing disturbance prior to the approval of TR-14. Those disturbances included the excavation of native material for location preparation, wall footers partial re-bar installation for the walls. As seen in Photos One through Three, footers for the exterior walls have been poured. The west wall between the compressor room and reagent room has been sealed in accordance with the approved designs. Along the southern and eastern walls, the re-bar has partially been constructed and appears to meet the design specifications.

At the time of the inspection, materials were being stored in the area that will become the floor of the building and the proper excavations and concrete preparations for the slab have not been completed. In accordance with the plans the materials is to be excavated to bedrock, backfilled and compacted in preparation for the slab pour. Photos Four and Five show the floor in its current state at the time of the inspection. On site discussion with the Operator indicate that the floors and exterior walls will be poured at one time with all necessary QA/QC checks on the concrete to be completed and documented.

Along the East and South exterior walls, excavations were completed for site prep for the Reagent Room. The excavated hillslope is secured with chain link material to prevent material from falling down in the construction area. At the time of the inspection, no material was observed sloughing from the excavated face. On site discussions with the Operator indicate that the faces will receive a shotcrete coating for added stability. Photo Six shows an example of the excavated faces.

At this time all construction work appears to be in accordance with the approved plans and designs. The Operator was given the verbal approval to proceed with construction and to notify the Division at the next inspection point which will include slab preparations prior to the concrete pour.

All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety, 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 One: View north, showing the adjoining wall between the compressor room and Reagent Building. Also visible is the door pass through where a sealed door will be installed.

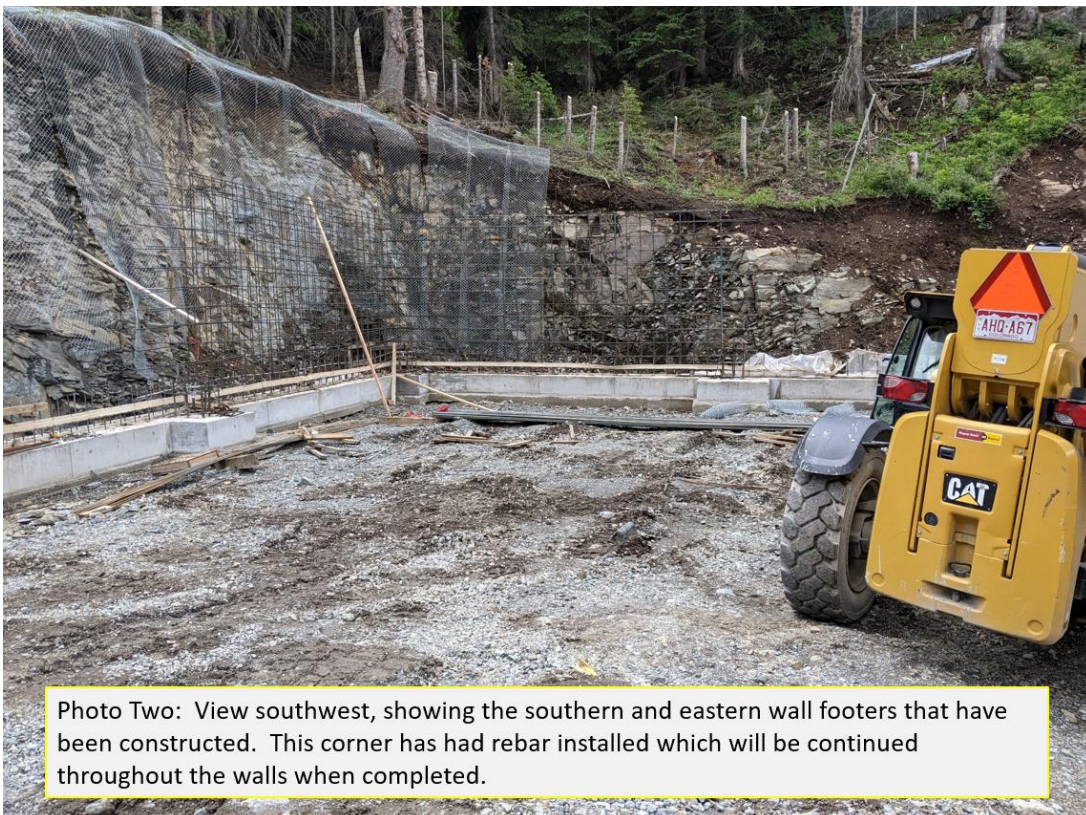


Photo Two: View southwest, showing the southern and eastern wall footers that have been constructed. This corner has had rebar installed which will be continued throughout the walls when completed.

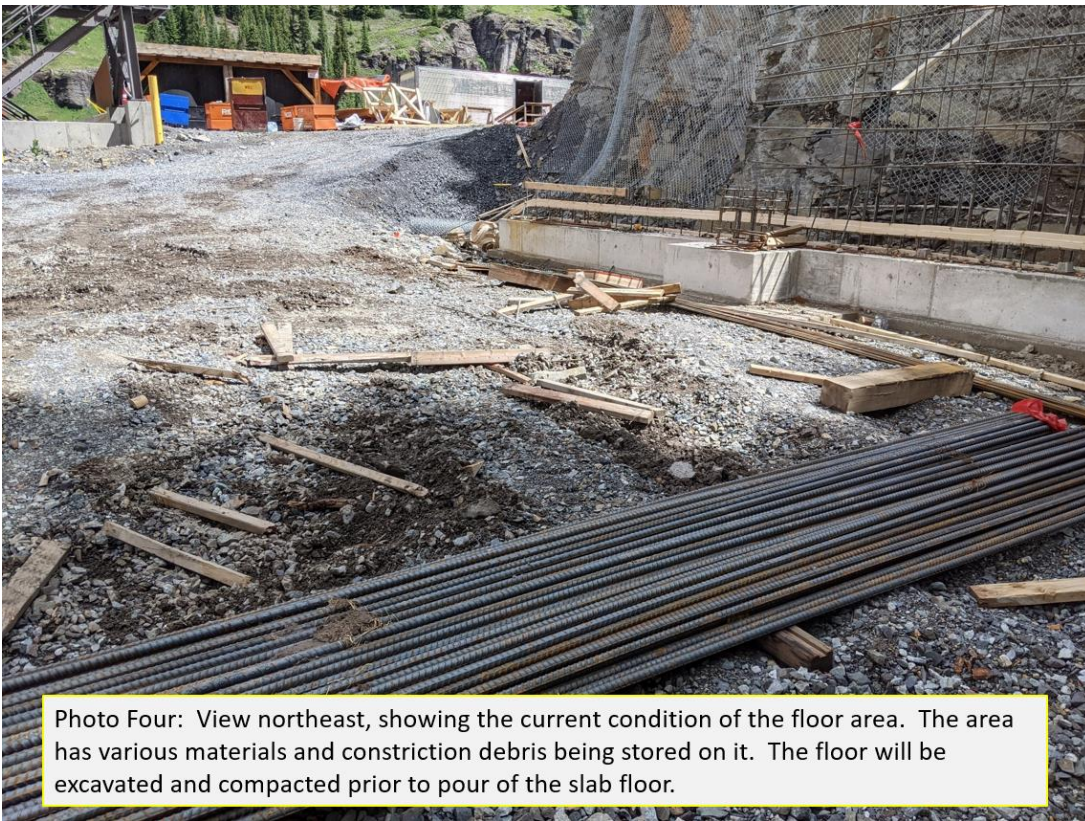




Photo Five: View south, showing another view of the current condition of the floor area. The next inspection will be to verify compaction and grade preparation prior to the pour of the floor.

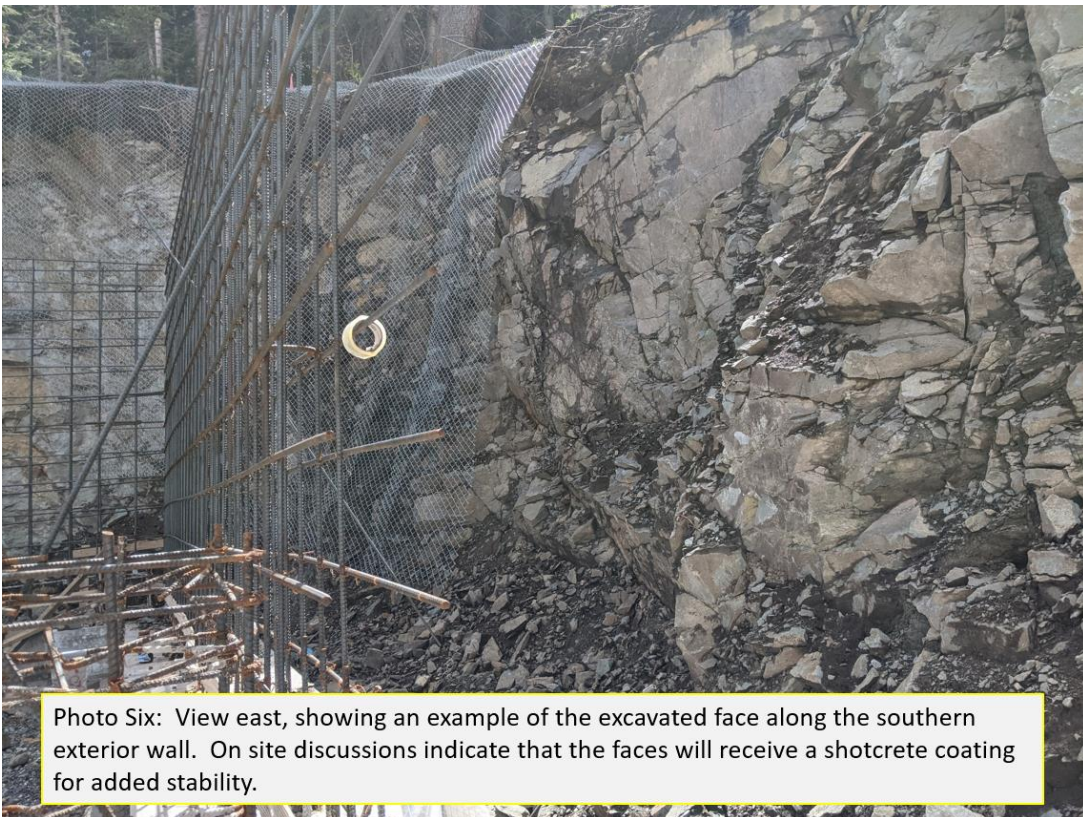


Photo Six: View east, showing an example of the excavated face along the southern exterior wall. On site discussions indicate that the faces will receive a shotcrete coating for added stability.

Inspection Contact Address

Todd Jesse, Michelle Robbins
Ouray Silver Mines Inc.
P.O. Box 564
Ouray, CO 81427

Enclosure

CC: