




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 12, 2021	INSP. TIME: 11:00
OPERATOR: Ouray Silver Mines Inc.	OPERATOR REPRESENTATIVE: Todd Jesse	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 28, 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>N</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>N</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 second 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. Five Photos accompany this report to illustrate the current site conditions.

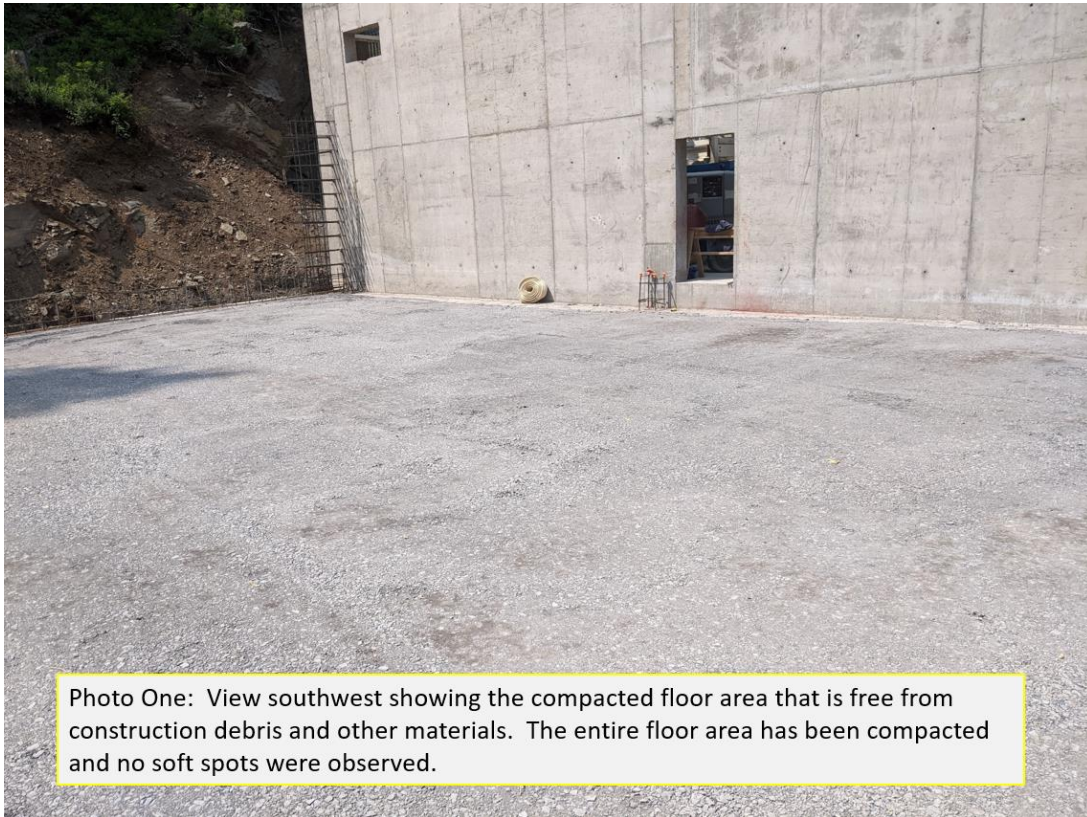
The focus of this inspection was to observe the conditions of the excavation and compaction of the floor area, on which the slab will be poured for the Reagent Room. The plans call for the area to be excavated to bedrock, backfilled and compacted prior to the pour. As seen in Photos One through Three, the floor area has been cleared of all construction debris, excavated and compacted with native material. Visually, the compaction appears to be consistent across the area and no soft spots or areas of settling were noted. Material has been backfilled and compacted on grade with the footers for the exterior walls as seen in Photos Four and Five.

Forms and re-bar were not set at the time of the inspection. The Operator will collect photo documentation of the forms and re-bar that is installed prior to the pour. On site discussions with the concrete foreman indicate that the slab for the floor as well as the exterior walls will be poured at the same time. QA/QC tests will be performed and documented on the concrete as well as field measurements of compaction prior to the pour. This information should be included with the required QA/QC documentation. The floor will be poured with the required sloping in appropriate areas to create drainage and sump locations within the containment areas.

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 inspection of the concrete floor, walls and containment structures within the Reagent Room

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



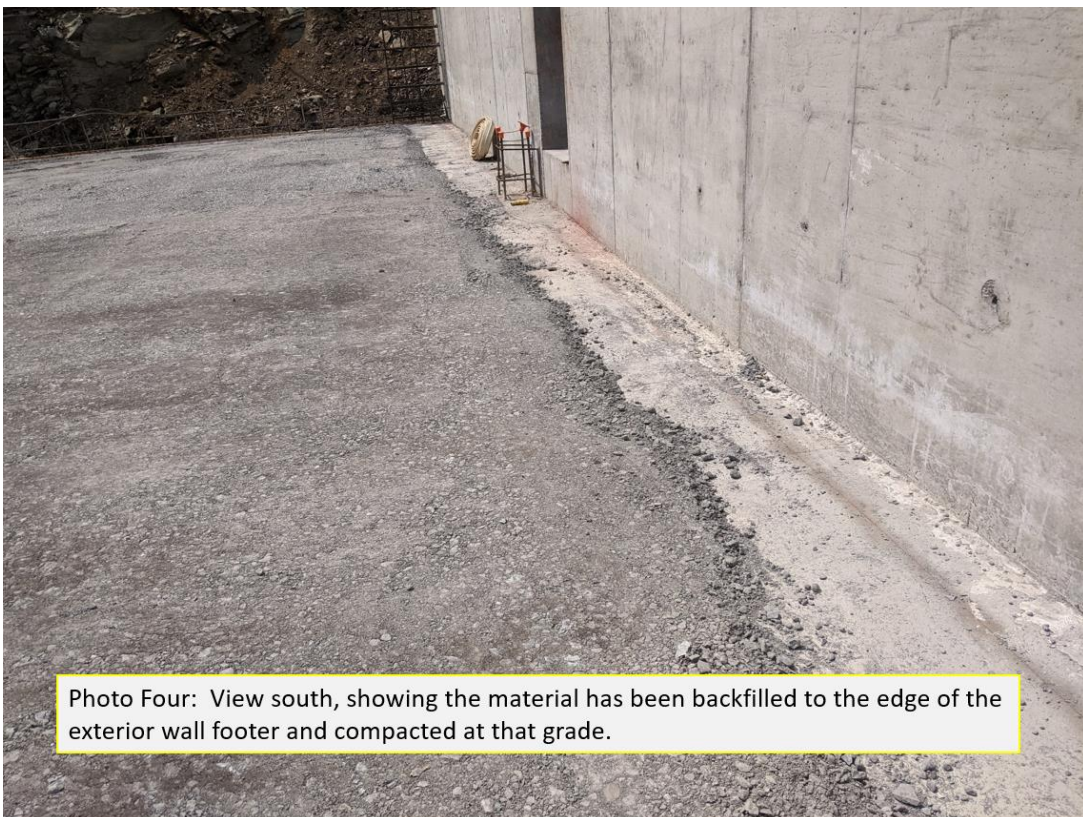
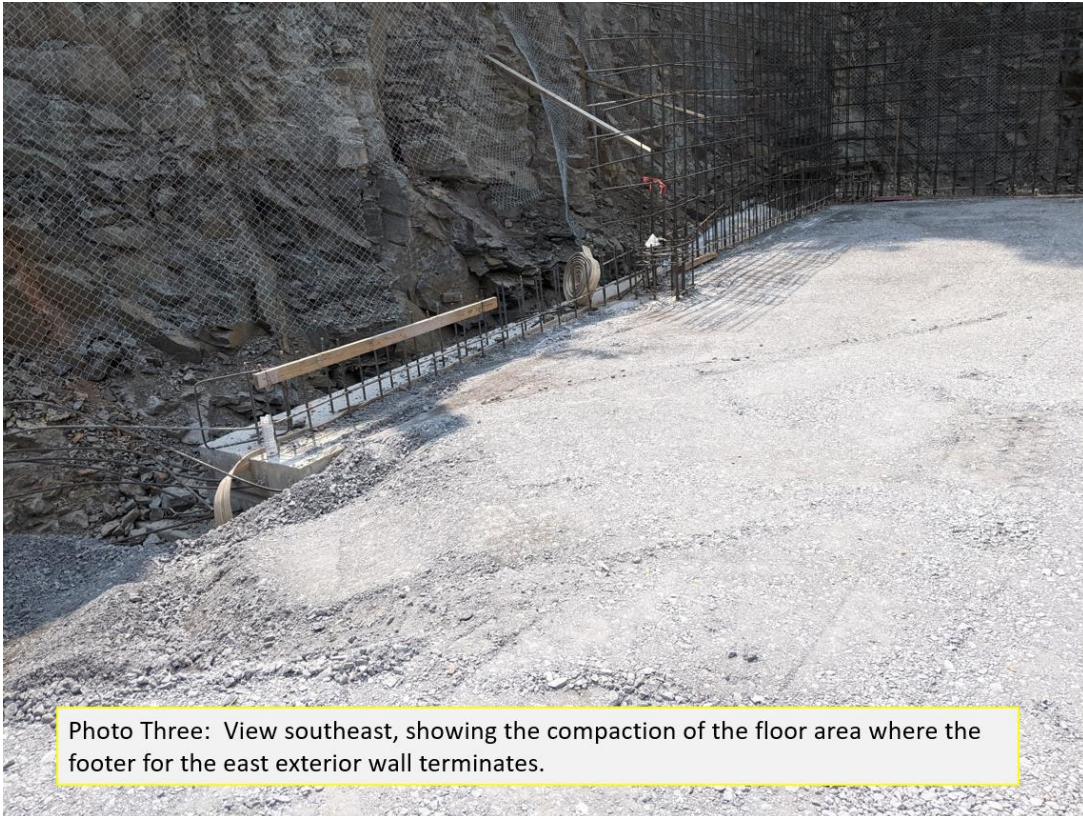




Photo Five: View east, showing the compaction along the edge of the footer for the southern exterior wall.

Inspection Contact Address

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Amy Yeldell, Environmental Protection Specialist