




**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.

<b>MINE NAME:</b> Revenue Mine	<b>MINE/PROSPECTING ID#:</b> M-2012-032	<b>MINERAL:</b> Lead, silver and gold	<b>COUNTY:</b> Ouray
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Lucas West	<b>INSP. DATE:</b> September 27, 2021	<b>INSP. TIME:</b> 10:00
<b>OPERATOR:</b> Ouray Silver Mines Inc.	<b>OPERATOR REPRESENTATIVE:</b> Todd Jesse	<b>TYPE OF OPERATION:</b> 112d-1 - Designated Mining Operation	
<b>REASON FOR INSPECTION:</b> Normal I&E Program		<b>BOND CALCULATION TYPE:</b> None	
<b>DATE OF COMPLAINT:</b> NA		<b>BOND AMOUNT:</b> \$517,219.00	
<b>WEATHER:</b> Clear		<b>JOINT INSP. AGENCY:</b> None	
<b>INSPECTOR'S SIGNATURE:</b> 		<b>SIGNATURE DATE:</b> October 7, 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>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 incremental inspections for the installation of the Reagent Room Environmental Protection Facility associated with 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 represented the Operator and accompanied the inspection. The Division currently holds \$517,219.00 in Financial Warranty for the site. A reclamation cost estimate was performed as a result of Technical Revision 16 and is considered adequate 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. Six Photos accompany this report to illustrate the current site conditions.

The main focus of this inspection was to observe the concrete foundation, walls and secondary containment devices that have been constructed to date. At the time of the inspection, various structural steel elements were being erected for the super structure of the building. All portions of the concrete were visible and in good condition. At this point in construction all concrete work for the floors, exterior walls, tank and equipment foundation and curbing for secondary containment have been completed. Along the south wall of the Reagent Room, foundations for tanks and curbing for secondary containment has been completed for the Xanthate, Frother and 3418A storage rooms. These areas can be seen in Photos One and Two. For these three areas the concrete has been graded towards the center of the rooms and tank foundations have been poured in the Frother and 3418A rooms. The concrete is in excellent condition and no signs of cracking, chipping or compromise during curing was noted. The tank has been rough set in the Frother room but is not connected or final set at this time.

Located in the Southeast corner of the Reagent Room, is the Flocculent storage and mixing area. The curbing for secondary containment has been completed and is in excellent condition. Unlike the Frother, Xanthate and 3418A rooms, the Flocculent area contains an in ground sump that has been constructed in the concrete. The sump and curbing for the Flocculent area can be seen in Photo Three. The sump matches the specifications set forth in the revision. A small amount of collected storm water was present in the sump but is not considered a problem at this time. The concrete for the Flocculent area is also in excellent condition and showed no signs of chipping, cracking or compromise during the curing process. Adjacent to the Flocculent area, in the southwest corner of the reagent room is the lime storage and mixing area shown in Photo Four. The tank foundation has been completed and the tanks have been rough set on the foundation. The tanks needed to be rough set prior to the structural steel installation and will be inspected and finalized at a later date. The curbing is has been installed in accordance with the approved plans. The Lime area also contains an in ground sump located near the northeast corner of the lime area. The sump has been installed, and in accordance with the approved plans as seen in Photo Five.

The common area of the reagent room was also observed. The floor has been graded to create a low spot for material to accumulate in the event of a spill and a portable sump pump will be utilized if necessary. All grading of the concrete appears sufficient, and the concrete itself is in excellent condition. The concrete in this area showed no signs of cracking, chipping or compromise during the curing process. The rough entries for the man way door and equipment doors were observed and also in accordance with the approved plan. The remaining concrete work to be completed includes grading and pouring of the pad in front of the reagent

room used for loading and unloading. This area will include an in ground ditch leading to a sump to contain any materials spilled during loading and unloading. Also, the floor coatings of the concrete and secondary containment areas have not yet been applied.

The hill cuts created on the south and east sides of the reagent room were also observed and in good condition. An example of the east face can be seen in Photo Six. The face of the area has been stabilized with chain link rock fall fencing to prevent any fugitive rocks from coming down on the exterior of the building. At the time of the inspection the faces were stable and in good condition and no evidence of rock fall was observed.

During the inspection, a records check of all QA/QC documentation was attempted, however due to an inadvertent oversight but the contractor the documentation was not available at the time of the inspection. Since the date of the inspection, all QA/QC paperwork for the tests that have been performed to date was provided to the Division by Western Refractory. The documentation has been reviewed and is accepted by the Division. For future reference it is the responsibility of the Operator to ensure all necessary QA/QC documentation is stored on site and available for review during inspections.

The overall footprint of the Reagent Room Area is in excellent condition. Various construction items and equipment are present in the area as construction is ongoing. All concrete work has been conducted in accordance with the approved plan and designs, and no evidence of compromise was observed in any area of the Reagent Room. No evidence of erosion or storm water impacts were noted to the building or the surrounding area. No problems or possible violations were noted during this inspection. 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. Direct contact can be made by phone at 303-866-3567 Ext. 8187 or by email at lucas.west@state.co.us.

**Inspection Contact Address**

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## PHOTOGRAPHS

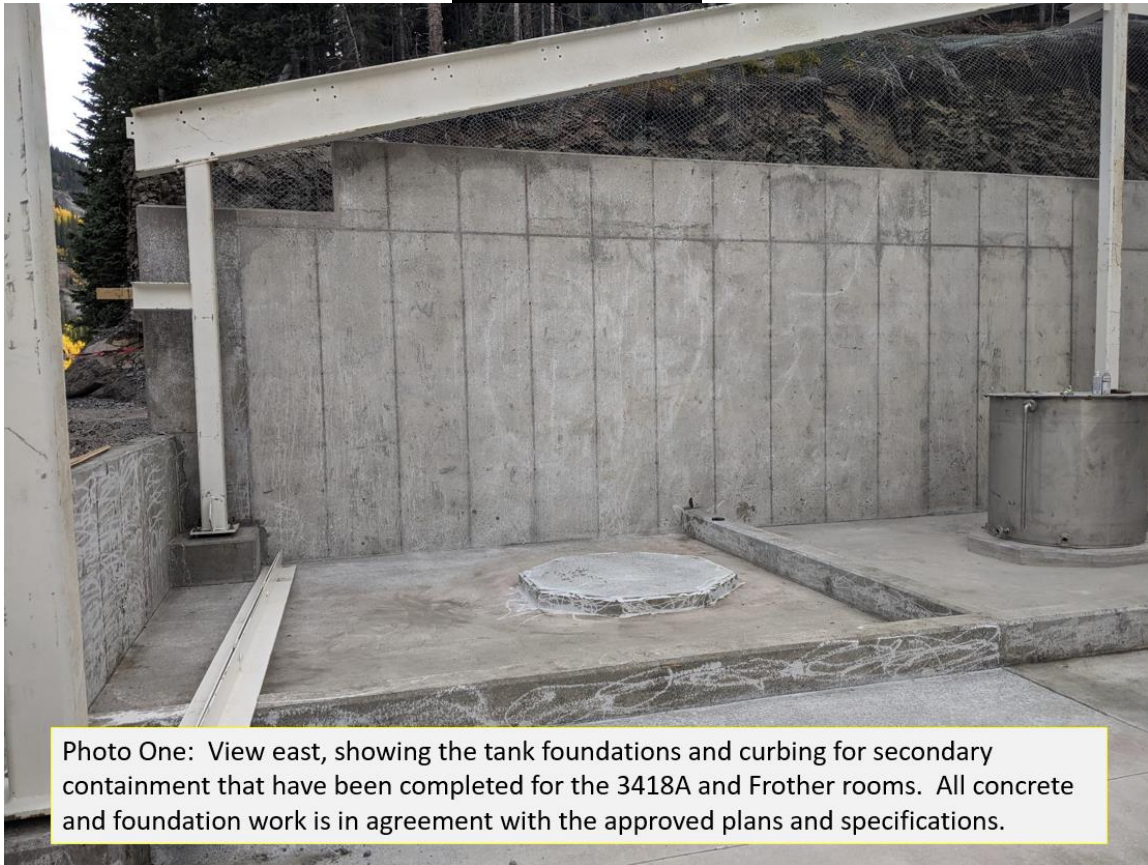




Photo Three: View west, showing the curbing and in ground sump installed in the Flocculent area. The equipment stored in this area is rough set and no in final placement. The sump was observed and verified to be in compliance with the approved plans and specifications.

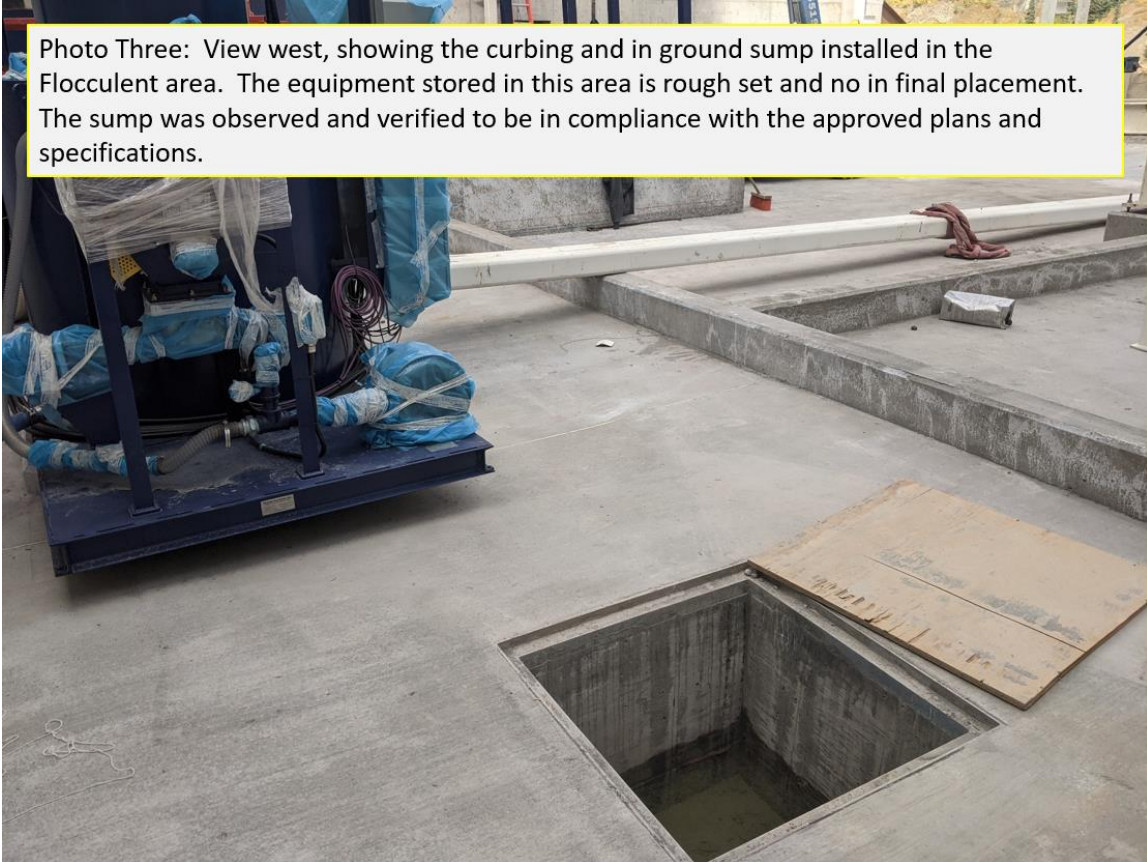


Photo Four: View south, showing the Lime storage and mixing area. The tanks and equipment have been rough set, as well as the entry stair set. The curbing for secondary containment is in excellent condition.



