

Ouray Silver Mines, Inc.  
1900 Main St. Unit 1  
PO Box 564  
Ouray, CO 81427



October 9, 2021

Mr. Lucas West  
Environmental Protection Specialist  
Colorado Division of Reclamation Mining and Safety  
101 3<sup>rd</sup> Street  
Grand Junction, CO 81501

**Subject: Letter of Notification: Loss of Containment  
DRMS Permit No. M-2012-032  
Revenue Mine, Ouray County, Colorado**

Dear Mr. West,

Ouray Silver Mines, Inc. (OSMI) is providing written notification to the Division of Reclamation, Mining and Safety (DRMS) that a loss of containment occurred on October 8, 2021. This letter is being provided as follow-up from our telephone notification provided on October 8, 2021, in accordance with Rule 8 of the Hardrock, Metal and Designated Mining Operations Rules.

Approximately 100 gallons of process water overflowed from the filter feed tank. The process water left secondary containment but did not leave the mine site nor did the solution impact surface water. The spilled process water was contained within 15 feet of containment. Waste rock outside of containment that was impacted by the process water was excavated and placed in the lined temporary tailings storage facility with other tailings to dry. A sample of the material outside of secondary containment that was impacted by process water was collected to conduct Synthetic Precipitation Leachate Procedure (SPLP) testing to verify that no further cleanup action is needed. There are no known or anticipated impacts to human health, property, or the environment as a result of this incident.

Based on an initial investigation, the root cause of the release appears to be

- Automation of the pumps and other mill equipment has not yet been established (this work is scheduled for the week of 10/11);
- Crews working in one part of the mill were not physically monitoring the filter feed tank and without automation were unaware of the overflow conditions when it occurred; and
- A curb that should have contained this material was broken and in need of repair.

To prevent recurrence of this situation, crews have been instructed that if they do not have enough personnel to run the mill without being able to monitor key process areas, they should

cease operations until automation can be established. Operation of the mill ceased the afternoon of October 8, 2021 and will remain down for approximately one week to allow crews to complete automation and improve containment. The float in the tank will be connected to the automated mill software. This will put an automated control in place to prevent the tank from overflowing. Crews also will evaluate secondary containment around the filter feed tank to assess improvements to the containment structures to reduce the risk of future loss of containment. The broken curb will be repaired, and a preventive maintenance program will be established for the sump. The mine is also investigating whether tertiary containment is needed or would be beneficial to mitigate the risk of loss of containment.

Per request by DRMS and to further assess the potential impacts associated with this loss of containment, we will be collecting a sample of the process water in the filter feed tank on Monday October 11. While this will not be representative of the water that was released on Oct 8, it should provide some additional information about potential impacts to groundwater, if any. Lastly, we will be evaluating our network of monitoring wells and assessing whether an additional well located to monitor impacts to groundwater from the mill is feasible. We will continue to keep DRMS apprised of the situation.

We appreciate your assistance in this matter. If you have any questions, please contact me at (970) 325-9830.

Sincerely,



Poppy Staub  
VP Environment and Government Affairs  
Ouray Silver Mine Inc

Cc: Amy Yeldell, DRMS  
Brian Briggs, OSMI  
Todd Jesse, OSMI