




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	WEATHER: Clear	INSP. DATE: August 15, 2023	INSP. TIME: 11:30
OPERATOR: Ouray Silver Mines Inc.	OPERATOR REPRESENTATIVE: CJ Dickerson	TYPE OF OPERATION: 112d-1 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE:	BOND AMOUNT: \$517,219.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Lucas West	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 1, 2023	

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>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</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>Y</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. The Revenue Mine is an 112d (1) underground operation that is currently in Temporary Cessation and includes a total of 51.96 permitted acres in support of the extraction of silver and base metals. The period of Temporary Cessation began on August 16, 2022 and will expire on August 16, 2027. The site is located approximately five miles southwest of Ouray, CO in Ouray County at 10,600 feet in elevation. In addition to the Inspector and Operator Representative listed on page one of this report, Chris Skerik with FAFO Holdings LLC, was present during the inspection. The entirety of the Revenue site, including equipment and land holdings was recently acquired by FAFO Holdings LLC. As part of this inspection, a meeting was held with the representatives of FAFO, discussing the Succession of Operator process and requirements to transfer the DRMS permit to FAFO. Discussions during that meeting indicate that an application for the Succession of Operator and Transfer of Minerals Permit will be forthcoming. The Division currently holds \$517,219.00 in Financial Warranty for the site. The Reclamation Cost Estimate was not updated as a result of this inspection. Five Photos accompany this report to illustrate the current site conditions. The site was not active at the time of the inspection.

This inspection focused on the Hubb-Reed Raise Bore Area, as it was not accessible during the Division's previous inspection. The main portal area and the Atlas Tailings Storage Facility were not inspected at this time. The access gate to the raise bore was locked controlling public access. Rock fall during the winter season made the road impassible by vehicle so access was gained on foot. The rock fall is not considered a problem at this time, but should be cleaned up to maintain vehicle access. The pad area was in excellent condition and free from excessive trash and debris as seen in Photo One All storm water controls, diversion structures and avalanche deflection structures were observed to be in good condition. No evidence of significant erosion or sedimentation was noted. The out slopes of the pad area and access road appeared stable and no signs of slumping or failure were observed.

All structures located in the area, including the hoist house, head frame and refuse access were secure at the time of the inspection. The buildings shown in Photos Two through Four are in good condition and no evidence of attempted unauthorized entry was noted. The south side of the hoist house building had some minor damage from avalanche slides during the winter as seen in Photo Five, however the integrity of the building was not jeopardized and all components contained inside appear to be in good working order. The interior of the refuse chamber was not observed at this time.

The overall footprint of the area is in excellent condition. The operator has done an exemplary job of housekeeping, despite the lack of personnel. No problems or possible violations were documented during this inspection. All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety's Active Mines Program at Room 215, 1001 E 62nd Ave. Denver, CO 80216. Direct contact can be made at the Division's Grand Junction Field Office, by phone 303-866-3567 Ext. 8187 or by email at lucas.west@state.co.us.

PHOTOGRAPHS



Photo One: View Southwest, showing the main pad and all facilities associated with the Hubb Reed Raise Bore Area. The pad is in excellent condition and exhibits positive drainage. No evidence of erosion, sedimentation or settling was noted.



Photo Two: View South, showing the hoist house at the raise bore area. The building shows no signs of vandalism or attempted unauthorized entry.





Inspection Contact Address

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