




COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
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 Exploration	MINE/PROSPECTING ID#: P-2011-030	MINERAL: Silver and gold	COUNTY: Ouray
INSPECTION TYPE: Mineral Prospect Inspection	INSPECTOR(S): Bob Oswald	INSP. DATE: July 19, 2012	INSP. TIME: 11:00
OPERATOR: Silver Star Resources	OPERATOR REPRESENTATIVE: Rory Williams	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$19,813.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 22, 2012

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>Y</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>NA</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>NA</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>NA</u>	(FW) FISH & WILDLIFE----- <u>NA</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>NA</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(SB) COMPLETE INSP---- <u>NA</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION-- <u>NA</u>	(RS) RECL PLAN/COMP-- <u>NA</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>NA</u>	(ST) STIPULATIONS----- <u>NA</u>

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This was a mineral prospecting inspection performed by the Division as part of its monitoring of NOI sites. The operator named on page one was present throughout the inspection. Others that were present and representing the operator included James Williams, John Trujillo and John Bettridge. Also present and representing the Division was Russ Means.

The site was active at the time of the inspection. The approved plan for the prospecting project includes the rehabilitation of the surface structures and underground workings (but no extensions of the workings) and drilling numerous drill holes from drill pads in upland locations. Surface drilling has not begun, as of the date of the inspection. Crews were observed to be engaged in various tasks related to surface structures and the underground workings. That included the Revenue Portal and Revenue Tunnel, portal shed extending to mine office and locomotive shop, equipment shop portal, development rock dump structure, electric supply transformers, generator building and dry room. The profile of the new underground shop portal was painted on a cleared area of competent outcropping rock, in the location approved in the NOI plan. No drilling had begun, as of the date of this inspection.

A small grizzly was onsite, segregating clean development rock to be used for ballast underground or placed in the approved stockpile location. There was a one-half acre laydown area that contained new rail, ties, timbers, pipe and muckers. Heavy equipment onsite included wheeled loader, tracked loader, dozer, drill jumbo, man lift, and excavator.

Old and deteriorated construction- and mining-related materials were being set aside to be disposed of (such as old wood to be burned) or removed from the site (either hauled away as trash or as salvage metal).

The existing pile of low grade ore was present on the waste rock dump adjacent to the pond. No evidence of oxidation, staining or leaching was observed on or around this old pile.

The locations of the surface water sampling program were visited. They are placed so as to separately monitor the water quality of different contributors to Sneffels Creek, including water originating on this site. The operator has collected several quarters of data. Sampling will continue quarterly, with results forwarded to this office.

No further areas were inspected. The site is orderly and there were no problems noted. This office appreciates the cooperation shown by this operator.

For questions related to this inspection please contact the inspector at the Division's Durango Field Office: DRMS – Durango Field Office, 691 CR 233, Room A-2, Durango, CO 81301.

Inspection Contact Address

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CC: John Trujillo, Star Mine Operations, PO Box 835, Ouray, CO 81427

PHOTOGRAPHS

