



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: Oyama Tunnel Exploration Project	MINE/PROSPECTING ID#: P-2011-032	MINERAL: Gold and silver	COUNTY: San Juan
INSPECTION TYPE: Mineral Prospect Inspection	INSPECTOR(S): Wallace H. Erickson	INSP. DATE: September 24, 2012	INSP. TIME: 13:00
OPERATOR: Running Sun Advisory Services LLC	OPERATOR REPRESENTATIVE: Mike Thompson	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$6,783.91
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: <i>Wallace H. Erickson</i>	SIGNATURE DATE: October 9, 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>NA</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>NA</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(SB) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>Y</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 inspection occurred as part of the Division's monitoring program of permitted operations. This report is accompanied by four photos.

Site conditions appeared consistent with the descriptions provided in the NOI application documents. Evidence of commencement of the prospecting activities described within the application was not observed. As shown in the enclosed photos, public access to the underground workings is controlled by steel grate closure. The closure was locked. Portal discharge is conveyed under the grate closure by a buried pipe. Discharge was observed welling up at the pipe outlet, which was submerged in pooled drainage and partially obstructed by rock debris. Discharge was also observed from a pipe protruding from the rock face nearby the portal. All drainage is conveyed to a sediment pond, which ultimately discharges to wetland areas of Stony Gulch. The quality and quantity of the mine discharge, and its potential impact to the water quality of Stony Gulch, is well documented in the application materials.

No problems or possible violations were observed.

Inspection Contact Address

Maurice Lynch
Running Sun Advisory Services LLC
1600 North Oak Street #1225
Arlington, VA 22209

Enclosure: 4 photos

cc w/enclosure: Mike Thompson, Reardon Steel
Russ Means, DRMS GJFO

Oyama Tunnel NOI
P-2011-032
September 24, 2012



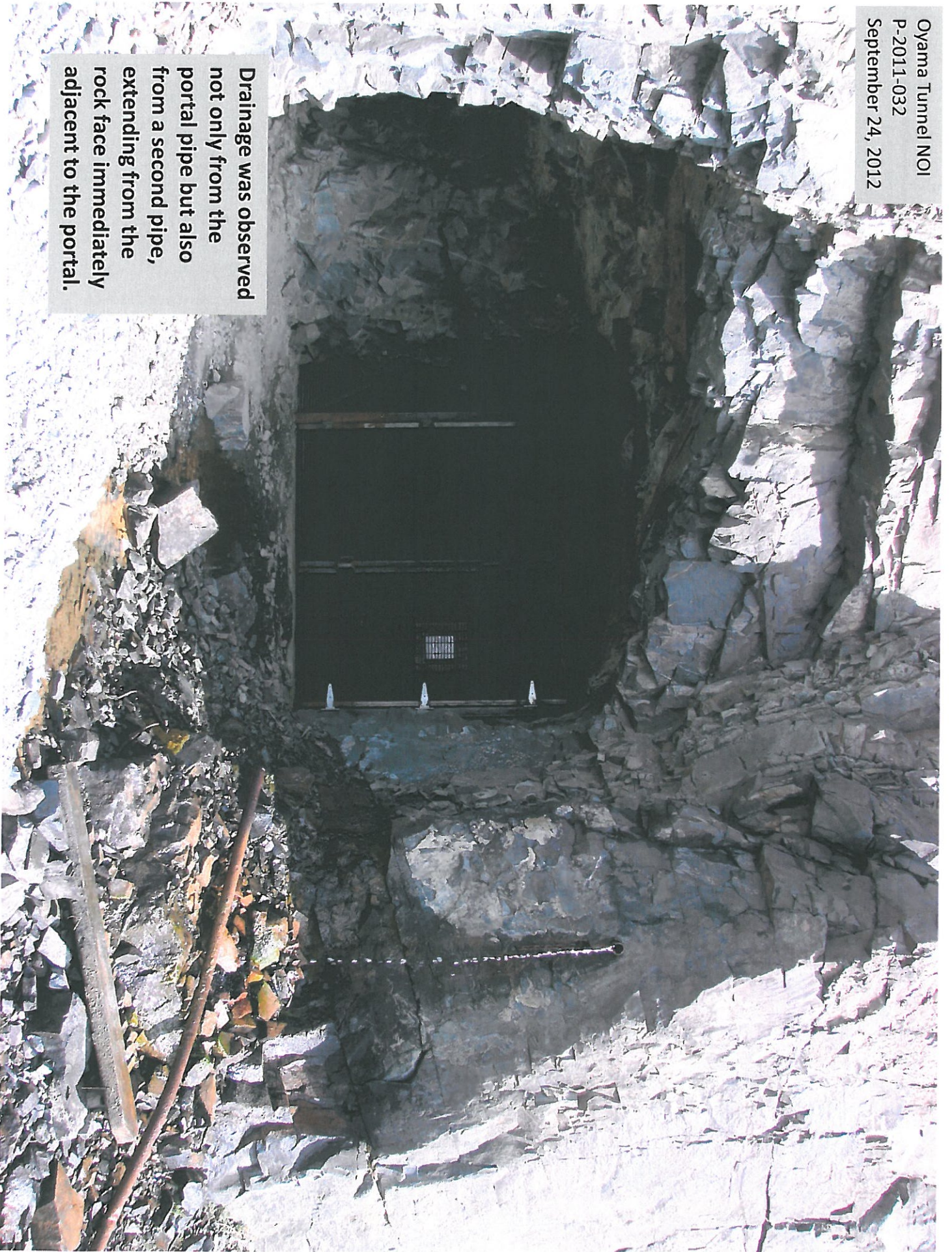
Pipe outlet →

Public access to the underground workings is controlled by a well constructed closure. Portal discharge was observed at a pipe outlet.

Detail photo of drain pipe at portal. Minor flow was observed from the pipe outlet.



Drainage was observed not only from the portal pipe but also from a second pipe, extending from the rock face immediately adjacent to the portal.



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TFL
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Discharge from portal and nearby
pipe from the rock face are routed
by ditch to a sediment pond.

