




**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.

<b>MINE NAME:</b> Ruby Trust Mine	<b>MINE/PROSPECTING ID#:</b> M-1979-181	<b>MINERAL:</b> Gold and silver	<b>COUNTY:</b> Ouray
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Bob Oswald	<b>INSP. DATE:</b> October 1, 2012	<b>INSP. TIME:</b> 10:45
<b>OPERATOR:</b> Walker Ruby Mining Company, Inc.	<b>OPERATOR REPRESENTATIVE:</b> None	<b>TYPE OF OPERATION:</b> 110(2) - Hard Rock Limited Impact	

<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> \$18,738.00
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> October 25, 2012

**The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.**

**INSPECTION TOPIC:** General Compliance With Mine Plan

**PROBLEM/POSSIBLE VIOLATION:** Problem: There is a stockpile of ore on the ore storage pad that has been at the site 180 days or more. The ore has been present in this location the maximum amount of time allowed for a facility that does not provide full containment. It is not protected against the weathering or leaching and must be removed from its present location.

**CORRECTIVE ACTIONS:** This pile of ore must be removed from its present location, and placed where it will not be subject to weathering and leaching. The operator must perform this action and report it to the Division within 30 days of the signature date of this report.

**CORRECTIVE ACTION DUE DATE:** 11/26/12

### OBSERVATIONS

This was a partial inspection performed by the Division as part of its monitoring of Hard Rock 110 permits. It is a follow-up to the Division's inspection earlier this summer during which some limited site clean-up work was being carried out for the new operator. There were no operators at the site and no activity at the time of this inspection. The entrance gate was closed and secured, and the required permit ID sign was posted there.

Much of the equipment that was formerly parked along the south edge of the permit has been removed from the site. Much of the steel debris and parts are still present however. The operator is reminded that these debris items, while they may be useful, carry an amount of reclamation liability that must be bonded. If any such items are not needed, the operator may keep the bond amount minimized by removing and properly disposing of any unnecessary materials.

A large amount of ore processing and milling equipment appears to be stored on the concrete pad immediately outside the mill portal. The mill portal door was shut and it is not known if any mill equipment or other items are stored inside. The concrete pad outside the mill is a vulnerable location, due to being at the base of an avalanche chute. Though the approved mining plan does require it, the operator is urged to place the equipment in the mill or move it to another location that affords better protection. One risk of not doing so is to have it scattered downstream. The operator is reminded that offsite damage is a possible violation.

The lower portal was also shut and secured. It was observed to be discharging into the sediment ponds, which is allowed under the permit. The series of ponds all appeared to be intact and functional.

There were no super-sacks of ore presently on the site. However, the concrete slab constituting the ore storage pad did contain a small stockpile of ore. The entire pad, defined by the jersey barriers at the margins, was occupied by the stockpile; the ore was piled an average of about five feet deep. The estimated volume was less than 100 cubic yards. The ore storage pad is concrete but contains no stem walls or lined berm, and no roof or cover system. As such it does not offer protection against weathering of ore or containment against leaching of minerals. The ore has been stockpiled there all season long, and it has reached the limit of time that it may remain there without cover or containment. This weathering ore must be removed from its present location, and either placed in the mill or elsewhere, to protect it from further weathering and potential releases of minerals or acid drainage. Please see the "problem" description on page one of this report. The corrective action must be performed within 30 days of the signature date of this report, and proof of completing this corrective action (such as narrative and photos) submitted to this office.

There were no further observations. The bond estimate is current and is considered adequate at this time.

For questions related to this report please contact this inspector at the Division's Durango Field Office:

DRMS – Durango Field Office  
691 CR 233, Room A-2  
Durango, CO 81301  
Telephone 970-247-5193

### GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS-----	<u>NA</u>	(FN) FINANCIAL WARRANTY-----	<u>NA</u>	(RD) ROADS-----	<u>NA</u>
(HB) HYDROLOGIC BALANCE-----	<u>N</u>	(BG) BACKFILL & GRADING-----	<u>NA</u>	(EX) EXPLOSIVES-----	<u>N</u>
(PW) PROCESSING WASTE/TAILING----	<u>NA</u>	(SF) PROCESSING FACILITIES-----	<u>N</u>	(TS) TOPSOIL-----	<u>NA</u>
(MP) GENL MINE PLAN COMPLIANCE-	<u>PB</u>	(FW) FISH & WILDLIFE-----	<u>NA</u>	(RV) REVEGETATION----	<u>NA</u>
(SM) SIGNS AND MARKERS-----	<u>Y</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>N</u>

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

#### Inspection Contact Address

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7216 Marsh Terrace  
Port St. Lucie, FL 34986

CC: Charlie Ponchak, 15292 6050 Rd., Montrose, CO 81401