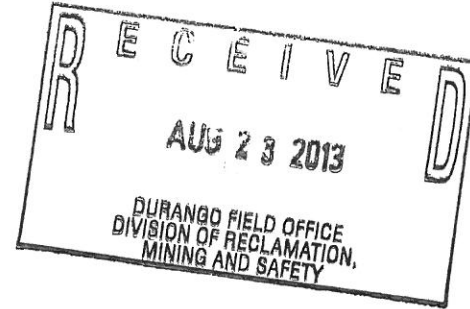




REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
U.S. ARMY ENGINEER DISTRICT, SACRAMENTO
CORPS OF ENGINEERS
1325 J STREET
SACRAMENTO CA 95814-2922

August 20, 2013



Regulatory Division SPK-2012-00953

Rory Williams
Silver Star Resources
1675 Larimer Street, Suite 820
Denver, Colorado 80202

Dear Mr. Williams:

We are responding to your August 16, 2013, request, submitted by WestWater Engineering, for a preliminary jurisdictional determination (JD), in accordance with our Regulatory Guidance Letter (RGL) 08-02, for the Revenue Mine site. The approximately 43-acre site is located on or near Sneffels Creek, approximately seven miles southwest of City of Ouray, Section 21, Township 43 North, Range 8 West, Latitude 37.9706°, Longitude -107.7498°, Ouray County, Colorado.

Based on available information and our site visits of October 1, 2012, and June 18, 2013, we concur with the amount and location of wetlands and other water bodies on the site as depicted on the enclosed **Figure 2, Silver Star Resources Revenue Mine Wetland Delineation, Wetlands Map, dated August 16, 2013, prepared by WestWater Engineering**. The approximately 5.55 acres of wetlands and other water bodies present within the survey area are potential waters of the U.S. regulated under Section 404 of the Clean Water Act.

This preliminary determination has been conducted to identify the potential limits of wetlands and other water bodies which may be subject to Corps of Engineers' jurisdiction for the particular site identified in this request. You may request an approved JD for this site at any time prior to starting work within waters. In certain circumstances, as described in RGL 08-02, an approved JD may later be necessary. You should provide a copy of this letter and notice to all other affected parties, including any individual who has an identifiable and substantial legal interest in the property.

On another note, three areas of work at the mine site have been performed within waters of the U.S. This was confirmed during our site visit, included in the JD report, and addressed in a letter dated July 10, 2013, from Mr. Trujillo of Star Mine Operations. This work includes: 1) berm buildup at the southwest corner of Revenue Pond near Atlas Creek; 2) temporary road culvert and fill placed at the northwest end of the Revenue Seep area; and 3) waste rock encroachment along the south side of the Revenue Seep area. Work items 1 and 2 appear to qualify for Nationwide General Permits 18 (Minor Discharges) and 3 (Maintenance). You have indicated plans to install a new culvert at work area 2 and we ask that you provide our office notice of this effort prior to culvert installation and photographs of the completed work.

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Additionally, work item 3 requires remedy through waste rock removal; and, we understand this is proposed along with silt fencing and straw wattles (also known as BMPs) to minimize silt and sedimentation into this area. Again, please keep our office notified of your progress of this fill removal and provide photo documentation of the clean-up effort and installed BMPs for our concurrence of successful removal. Enclosed you will find a copy of the NWP 3 and 18 and our 2012 Colorado Regional Conditions for your use.

You should not start any additional work in potentially jurisdictional waters of the United States unless you have Department of the Army permit authorization for the activity. In the event you have a required maintenance or emergency activity that requires fill within waters of the U.S., please contact our office to coordinate such work. Otherwise, we anticipate your submittal of a permit application for your proposed mine reactivation and expansion project.

We have assigned identification number SPK-2012-00953 to this site. Please refer to this number in any correspondence concerning this site. If you have any questions, please contact me or Ms. Carrie Sheata at Colorado West Regulatory Branch, 400 Rood Avenue, Room 224, Grand Junction, Colorado 81501, email Carrie.A.Sheata@usace.army.mil, or telephone 970-243-1199 X14. For more information regarding our program, please visit our website at www.spk.usace.army.mil/Missions/Regulatory.aspx. We appreciate your feedback. At your earliest convenience, please tell us how we are doing by completing the customer survey on our website under *Customer Service Survey*.

Sincerely,

Original Signed

Susan Bachini Nall
Chief, Colorado West Regulatory Branch

Enclosures

1. Figure 2, Silver Star Resources Revenue Mine Wetland Delineation, Wetlands Map, dated August 16, 2013, prepared by WestWater Engineering
2. NWP 3, 18, and 2012 Colorado Regional Conditions

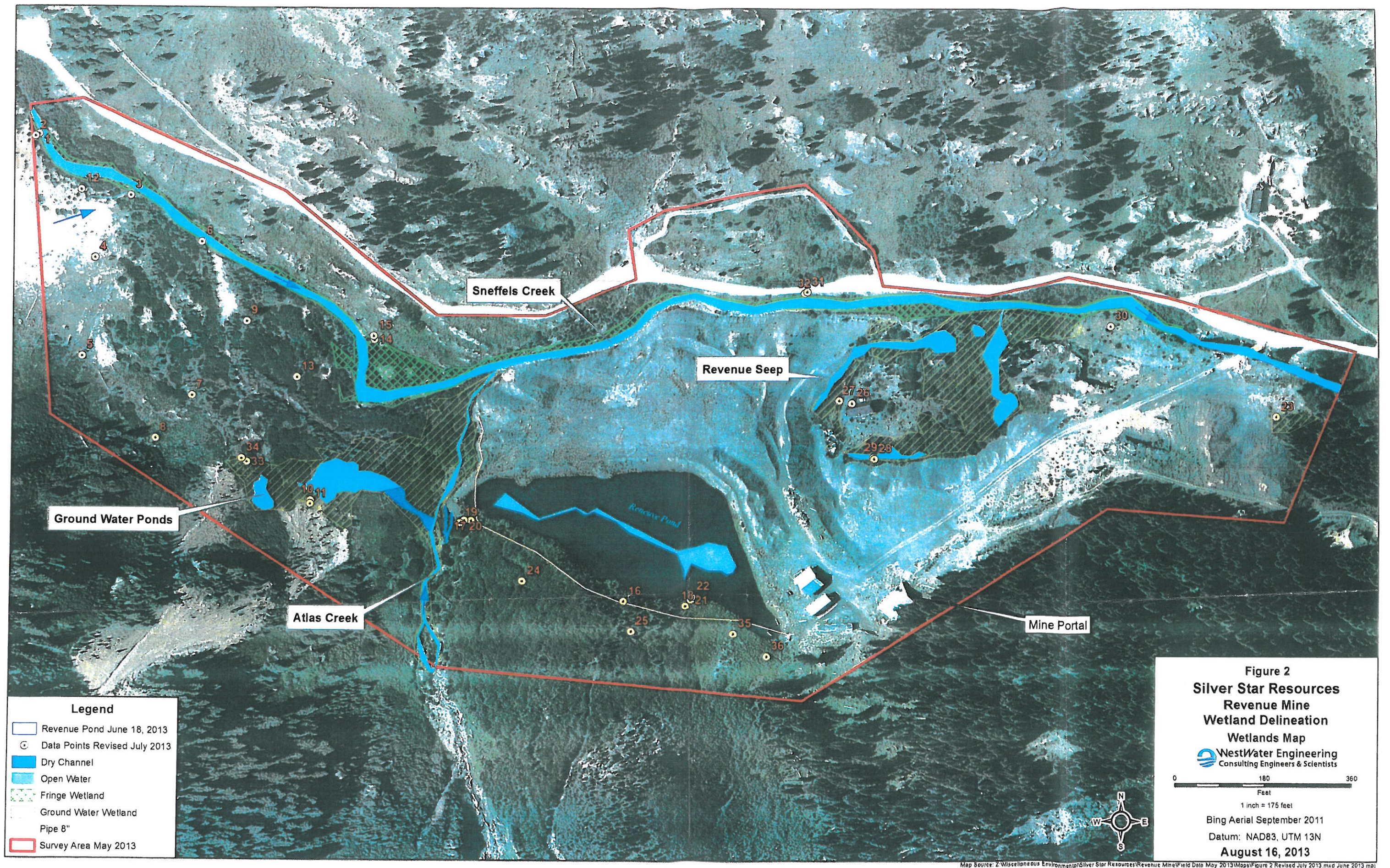
cc: (w/enc 1)

Ms. Melani Jensen, WestWater Engineering, 2516 Foresight Circle #1, Grand Junction, CO 81505

Mr. Greg Lewicki, Greg Lewicki & Associates, PLLC, 11541 Warrington Court, Parker, CO 80138

✓ Mr. Robert Oswald, Colorado Department of Reclamation, Mining, and Safety, 691 CR 233, Suite A-2, Durango, CO 81301

Mr. Mark Castrodale, Ouray County Land Use Department, 11 Mall Road, Ridgway, CO 81432



Enclosure 1