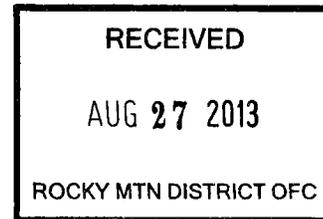




Star Mining Operations LLC

August 23, 2013

Mr. Richard Laufenberg, District Manager
MSHA M/NM Rocky Mountain District
P.O. Box 25367, DFC
Denver, CO 80225

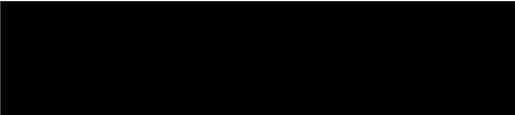


RE: Star Mine Operations 05-03528 57.8520 Ventilation Plan & 57.11053 Escape and Evacuation Plan Update Request.

Dear Mr. Laufenberg,

I am including two copies of our *updated mine map*, showing all the applicable information that your department has requested. The report addresses how we meet the MSHA requirements at this time. We are still in the rehab and development mode and will continue this type of operation until sometime into 2014. If you have any questions please feel free to contact me at (970) 325-7241 ext. 205

Sincerely,


Dannly M. Woodruff

Safety Manager

Star Mining Operations LLC

PO Box 564

Ouray, CO. 81427

57.8520 Ventilation Plan

(a) Mine Name = **Revenue Virginius**

(b) The current mine map and scale = **Attached (scale: 1"=200')**

1. Direction and quantity of principal air flows = **see map**
2. Location of seals used to isolate abandoned workings = **see map**
3. Location of areas withdrawn from the ventilation system = N/A
4. Location of all main, booster, and auxiliary fans = **see map**
5. Location of all air regulators, stoppings, and ventilation doors = **see map**
6. Locations of overcasts, under casts and other airway crossover devices = N/A
7. Locations of known oil or gas wells = N/A
8. Locations of known underground mine opening adjacent to the mine = **see map**
9. Location of permanent underground shops, diesel and oil storage, and hoist rooms, compressors, battery charging stations, and explosive storage facilities. **See map for explosive storage, none of the others apply at this time.**
10. Significant changes in the ventilation system projected for one year. **Secondary escape ways that will serve as exhaust for ventilation are being designed at the current time but exact details aren't available at the present time. We are in the construction phase of a secondary escape way in the mill feed drift raise via a spiral stair case down to the crushing gallery and then exit out through the mill portal.. When the locations and their effect on the current system are known an addendum to this report will be prepared.**

c. Mine fan data = **see attached report**

d. Diagrams, descriptions or sketches showing how ventilation is provided to typical work places. **We currently have two main working areas in the mine, the Yellow Rose Drift S.E. and the main Revenue Tunnel extending into the Monogahela Drift N.W. Both of these working areas are being supplied abundant quantities of fresh air by the main fans as shown on the mine map. As we work in additional areas that are out of the main air flow**

we will use booster (auxiliary) fans and flexible vent bag to provide adequate air to those areas.

e. The number and type of internal combustion engines units used underground. N/A we are using battery locomotives and air powered drills and mucking machines.

57.11053 Escape and Evacuation Plans

a. Mine map with escape routes = see attached map, this map is located at all underground working areas and main intersection areas with "you are here" clearly marked on the map.

b. Procedures of how the miners will be notified of an emergency = described in the attached Escape and Evacuation Plan.

c. An escape plan for each working area of the mine = as described in a & b above.

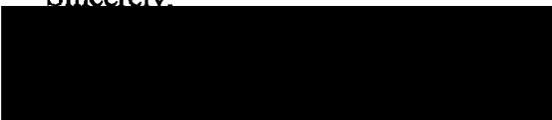
d. A firefighting plan = use of fire extinguishers and water pumps located throughout the mine and on every locomotive, main working area, rolling stock and all shops and fueling stations on the surface. Regular fire drills and evacuation drill will be performed for both the surface crews and the underground personnel.

e. Surface procedure to follow in case of an emergency = see attached report

f. A statement of the availability of emergency communication = see attached report

I will update the map and report as we make progress or significantly alter our activity and keep you informed.

Sincerely,



Danny M. Woodruff

Safety Manager

Star Mine Operations, LLC

Revenue Mine



U.S. Department of Labor

Mine Safety and Health Administration
P.O. Box 25367
Denver, Colorado 80225-0367

ROCKY MOUNTAIN DISTRICT
Metal & Nonmetal Mine Safety and Health

SEP 10 2013

Mr. Danny Woodruff, Safety Manager
Silver Star Resources, LLC
P.O. Box 835
Ouray, CO 81427

RE: Star Mine Operations 05-03528

Dear Mr. Woodruff,

The information you submitted for review for compliance of §57.8520 Ventilation Plan was received and reviewed at the District Office.

The following deficiencies were noted:

1. §57.8520(b)(1) Please provide CFM air quantities readings at all exhaust locations on the mine map.
2. §57.8520(b)(1) Please describe how the Anglo Saxon Crosscut and Terrible Drift is ventilated. Are these areas barricaded and posted as an unventilated area, per 30 CFR § 57.8528.
3. §57.8520(c), Mine fan data for all active main and booster fans including manufacturer's name, type, size, fan speed, blade setting, approximate pressure at present operating point, and motor brake horsepower rating. Please provide the above required information in the ventilation plan.
4. Please refer to the enclosed map #1. Can you describe what the thin lines are referencing?
5. Please refer to the enclosed map #2. Can you describe what the dashed line is referencing?

Please provide **two entire copies** of your corrected plan and **two copies of your map** to the District Office within 10 business days from your receipt of this letter. Feel free to contact Merle Allen Nash, Mine Safety and Health Specialist at 303-231-5678, if you need assistance with this request.

Sincerely,


Richard R. Laufenberg
District Manager

cc: Denver FO
Mine Files

August 23, 2013

Mr. Richard Lafenberg, District Manager
MSHA M/NM Rocky Mountain District
P.O. Box 25367, DFC
Denver, CO 80225



RE: Star Mine Operations 05-03528 57.8520 Ventilation Plan & 57.11053 Escape and Evacuation plan

Dear Mr. Laufenberg,

I am including two copies of our **updated mine map**, showing all the applicable information that your department has requested. The report addresses how we meet the MSHA requirements at this time. We are still in the rehab and development mode and will continue this type of operation until sometime into 2014.

57.8520 Ventilation Plan

- (a) Mine Name = **Revenue Virginus**
- (b) The current mine map and scale = **Attached (scale: 1"=200')**
 1. direction and quantity of principal air flows = **see map**
 2. location of seals used to isolate abandoned workings = **see map**
 3. location of areas withdrawn from the ventilation system = N/A
 4. location of all main, booster, and auxiliary fans = **see map**
 5. Location of all air regulators, stoppings, and ventilation doors = **see map**
 6. Locations of overcasts, under casts and other airway crossover devices = N/A
 7. Locations of known oil or gas wells = N/A
 8. Locations of known underground mine opening adjacent to the mine = **see map**

9. Location of permanent underground shops, diesel and oil storage, and hoist rooms, compressors, battery charging stations, and explosive storage facilities. **See map for explosive storage, none of the others apply at this time.**

10. Significant changes in the ventilation system projected for one year. **Secondary escape ways that will serve as exhaust for ventilation are being designed at the current time but exact details aren't available at the present time. We are in the construction phase of a secondary escape way in the mill feed drift raise via a spiral stair case down to the crushing gallery and then exit out through the mill portal.. When the locations and their effect on the current system are known an addendum to this report will be prepared.**

c. Mine Fan Data. **At the present time Star Mine Operations ventilating the Virginus Mine by drawing air in the portal using an air door / ducted fan system located approximately 1,000 feet in from the portal. The air doors are closed and the ducted fans force air down revenue tunnel to the Virginus vein and historic workings (see attached map). Two Spendrup model 071-035-3600-B-1 fans are installed at the air doors; however, since no mining is be done beyond the air doors at this time, only one fan is being run. The operating curve for this is attached and the operating point is shown on the curve. Development mining is occurring in and along the Yellow Rose Vein, Air is being provided to the working areas through 24 inch rigid ducting and a third Spendrup model 071-035-3600-B-1 fan. The fan curve with the operating point is attached. A fourth Spendrup model 071-035-3600-B-1 fan is being used to ventilate the Mill and Crusher Galleries, fresh air is pushed to each using 24 inch diameter vent bag. The fan curve and operating point is attached. The following table summarizes the fans being used at this time:**

Main Fans	Area of Mine	Spendrup Model	Delivery System	Blade Setting	Volume	Pressure
1	Virginus	071-035-3600-B-1	Air Door Rigid Duct	Fixed	16,500	5"
2	Virginus	071 035-3600-B-1	Air Door Rigid Duct	Fixed	N/A	N/A
3	Yellow Rose	071-035-3600-B-1	Rigid Duct	Fixed	13,200	15"
4	Mill	071-035 3600-B 1	Vent Bag	Fixed	11,300	18"
Booster Fan	Area of Mine	Jetair Model	Delivery System	Blade Setting	Volume	Pressure
5	Mill Feed Drift	AA-1 A	Vent Bag	unknown	3,000	~1"

Main Fan Description

28" Diameter
 14" Hub
 2 stage
 30 Hp each stage
 3,600 rpm

Booster Fan Description

18" Diameter
 14" Hub
 single stage
 5 Hp
 3,000 rpm

d. Diagrams, descriptions or sketches showing how ventilation is provided to typical work places. **We currently have two main working areas in the mine, the Yellow Rose Drift S.E.**

and the main Revenue Tunnel extending into the Monogahela Drift N.W. Both of these working areas are being supplied abundant quantities of fresh air by the main fans as shown on the mine map. As we work in additional areas that are out of the main air flow we will use booster (auxiliary) fans and flexible vent bag to provide adequate air to those areas.

e. The number and type of internal combustion engines units used underground. N/A we are using battery locomotives and air powered drills and mucking machines.

57.11053 Escape and Evacuation Plans

a. mine map with escape routes = **see attached map, this map is located at all underground working areas and main intersection areas with “you are here “ clearly marked on the map.**

b. procedures of how the miners will be notified of an emergency = **described in the attached Escape and Evacuation Plan.**

c. an escape plan for each working area of the mine = **as described in a & b above.**

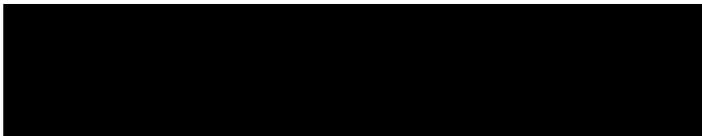
d. a fire fighting plan = **use of fire extinguishers and water pumps located throughout the mine and on every locomotive, main working area, rolling stock and all shops and fueling stations on the surface. Regular fire drills and evacuation drill will be performed for both the surface crews and the underground personnel.**

e. surface procedure to follow in case of an emergency = **see attached report**

f. a statement of the availability of emergency communication = **see attached report**

I will update the map and report as we make progress or significantly alter our activity and keep you informed.

Sincerely,



Danny M. Woodruff Safety Manager

Star Mine Operations, LLC

Revenue Mine

FAN CURVE ATTACHMENTS

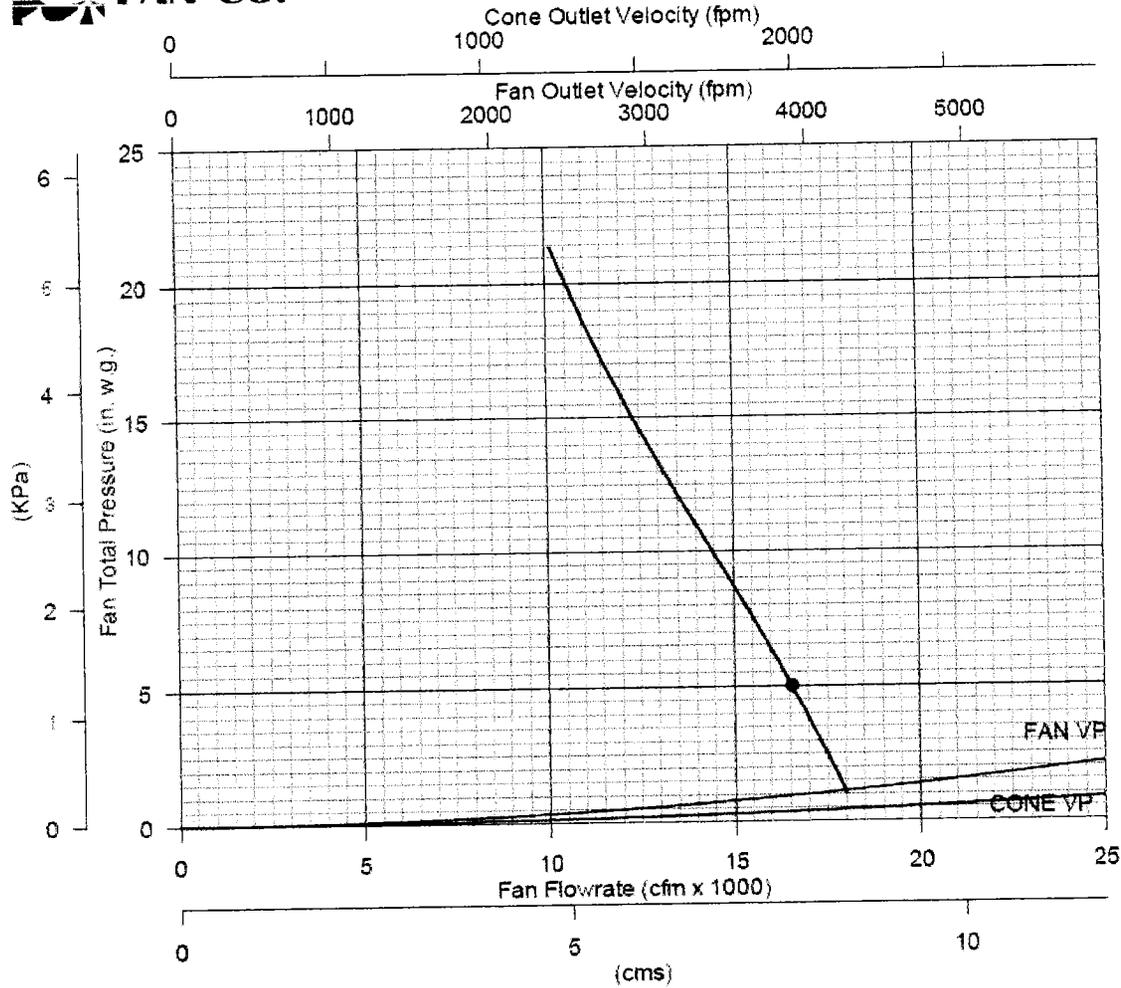


**SPENDRUP
FAN Co.**

Series 071-035-3600-B-1

Fan Diameter 28 inches
Air Density 0.075 lbs./cu. ft

Fan curve for air door fans (1 operating)



- LEGEND
- Pressure Volume
 - Power
 - Efficiency
 - Fan Velocity Pressure
 - Cone Velocity Pressure

DUAL 30 hp

00277 REV
DATE 10/21/2006
THIS CURVE IS FOR THE FAN ONLY
DO NOT USE FOR THE SYSTEM

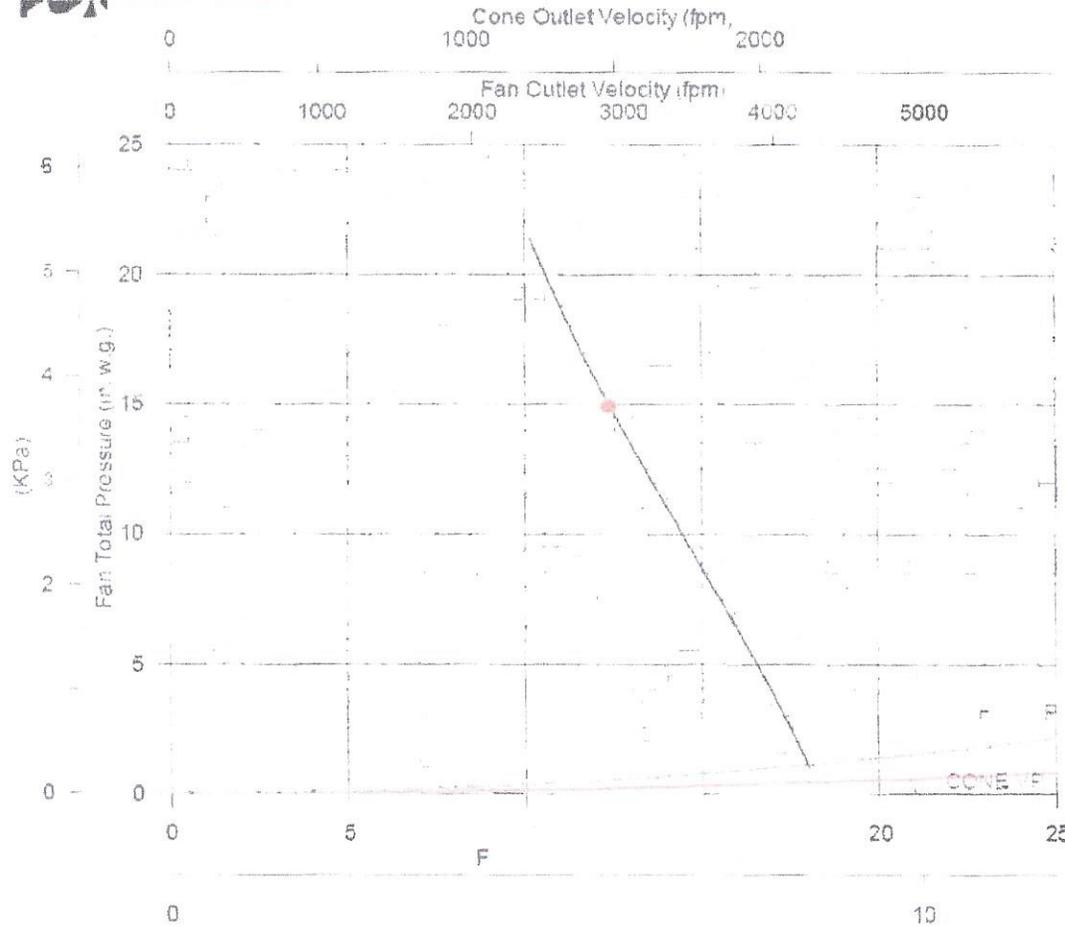


SPENDRUP
FAN Co.

Series 071-035-3600-B-1

Fan Diameter 25 inches
Air Density 0.075 lbs/ft³

Fan curve Yellow Rose



LEGEND

- Pressure Volume
- Power
- Efficiency
- Fan Velocity Pressure
- Cone Velocity Pressure

DUAL 30 hp

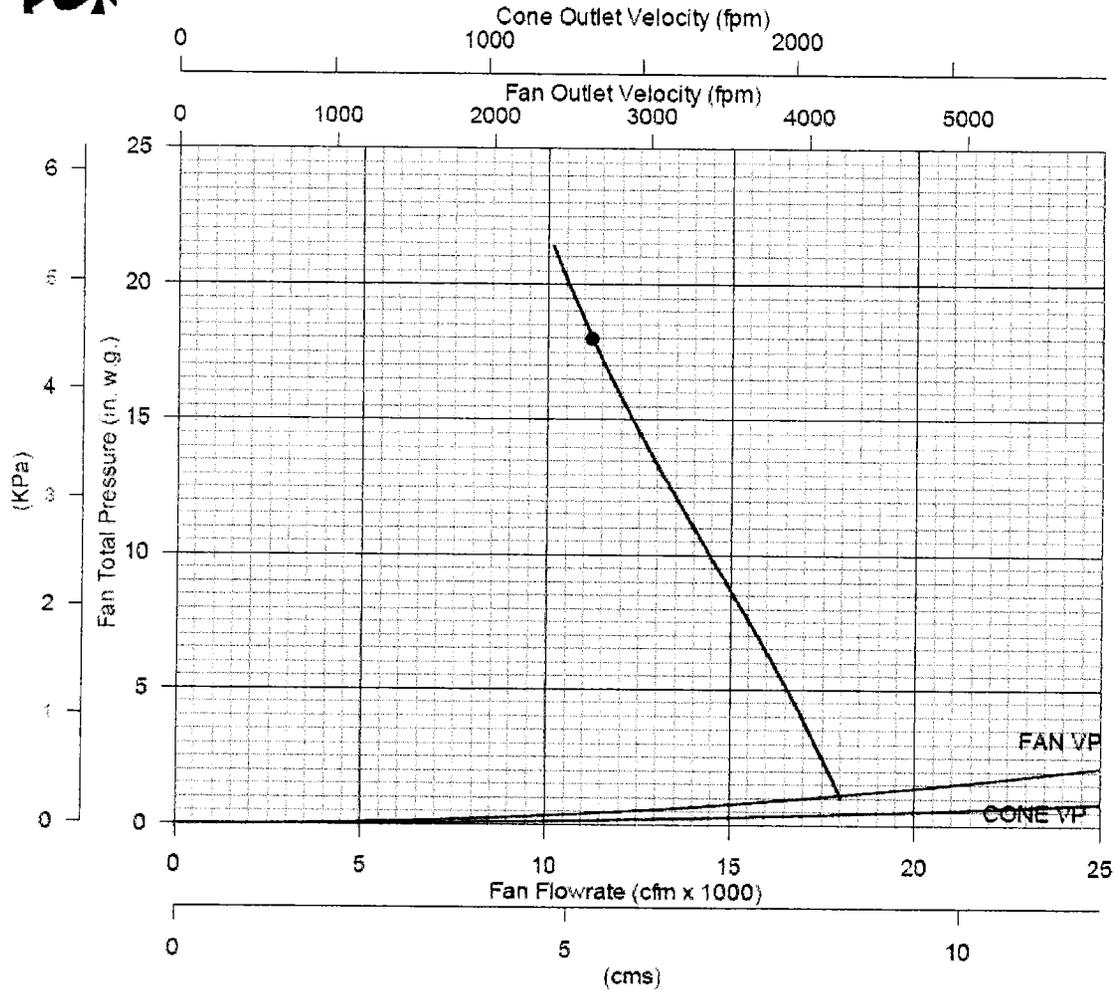


**SPENDRUP
FAN Co.**

Series 071-035-3600-B-1

Fan Diameter 28 inches
Air Density 0.075 lbs./cu. ft.

Fan curve Mill Crusher Gallery



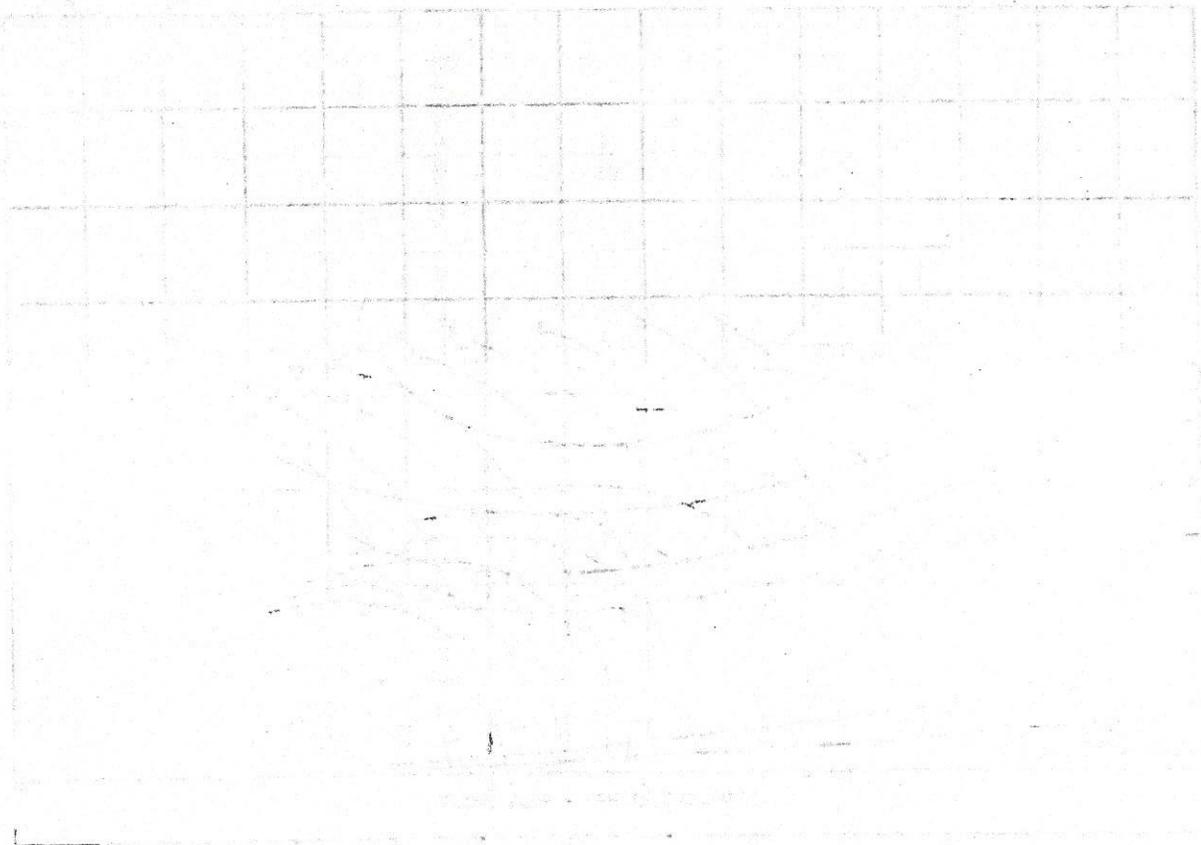
LEGEND

- Pressure Volume
- Power
- Efficiency
- Fan Velocity Pressure
- Cone Velocity Pressure

DUAL 30 hp

62077 REV
DATE 10/31/2006
THIS DRAWING IS A REVISION
DERIVED FROM THE ORIGINAL

Mill feed drift booster fan



John Deere Co.

Model AA-1-A
18" x 14" x 3000 RPM

VENTILATION PLAN CHECK LIST

Company Name Star Mining Mine I.D. 05-03528
 Mine Name REVENUE 1 Mine Contact Person DANNY WOODCRAFT
 Title SAFETY MANAGER Phone 970-325-7241
EXT. 205
 Updated Plan Addendum To Plan

The plan shall, where applicable contain the following:

- A) The mine name:
- B) The current mine map or schematic or series of mine maps (copy map and color code)
 Sectional view
 Plan view
 3D view schematics of an appropriate scale
 legend properly labeled showing locations listed below
 not greater than five hundred feet to the inch, showing:
- 1) Direction and quantity CFM readings on map of principle air flow flows:
 CFM in CFM out Balance
- 2) Location of seals used to isolate abandoned workings N/A
- 3) Locations of areas withdrawn from the ventilation system
- 4) Location of all fans:
 Main
 Booster
 Auxiliary fans not shown in paragraph (d)
- 5) Locations of:
 Air regulators
 Stoppings
 Ventilation doors
 Vent tubes not shown in paragraph (d)
- 6) Locations of overcasts N/A
 Undercasts N/A
 other airway crossover devices not shown in Paragraph (D)
- 7) Locations of known oil and gas wells N/A
- 8) Locations of known underground mine openings
 Old workings adjacent to the mine

- 9) Locations of permanent underground shops N/A
 diesel fuel storage depots N/A hoist room compressors N/A
 battery charging stations N/A explosive storage facilities ✓
 Permanent facilities are those intended to exist for one year or more. _____

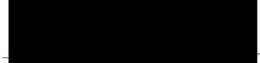
- 10) Significant changes in the ventilation system projected for one year. ✓

- C) Mine fans data for all active main and booster fans including
 manufacture's name type size * fan speed *
 blade setting * approximate pressure at present *
 operating point * fan curve graphs _____
 motor brake horsepower rating *

- D) Diagrams, descriptions or sketches showing how ventilation is accomplished in each typical
 type of working place ✓
 including the approximate quantity of air provided ✓
 typical size of auxiliary fans used _____
 (Copy map and color code) Deficiencies found _____

- E) The number and type of internal combustion engine units used underground, including
 make and model N/A
 Type of engine N/A
 Make and model of engine N/A
 Brake horsepower rating of engine N/A
 Approval number N/A

Comments: The data not included in plan
Exhaust air not documented on map

Date Reviewed 8/30/2013 Reviewed By 
 Supervisor Review Date 9/10/13 Reviewed By 

*****THIS AREA FOR DEFICIENCIES ONLY*****

Plan Deficiencies? Yes ✓ No _____
 Date Deficiency Letter Sent 9/10 Due Date For Corrections 9/21
 Final Review Date 9/21/13 Reviewed By 1306
 Supervisor Review Date _____ Reviewed By _____

U. S. Department of Labor

Mine Safety and Health Administration
P.O. Box 25367
Denver, Colorado 80225-0367



ROCKY MOUNTAIN DISTRICT
Metal & Nonmetal Mine Safety and Health

SEP 27 2013

Mr. Danny Woodruff, Safety Manager
Silver Star Resources, LLC
P. O. Box 835
Ouray, CO

RE: Star Mine Operations 05-03528

Dear Mr. Woodruff:

Your updated Ventilation Plan has been received and reviewed in the District Office; a review of the plan did not indicate any notable deficiencies. Therefore, this plan will be maintained on file at the District Office.

Your next updated Ventilation Plan is due 1 year from the date of this letter sooner if changes to the plan are implemented.

Please be advised this plan is only acceptable while the mine is rehab and development mode. Prior to this mine going into production mode, an update ventilation plan with all required information must be submitted to this office for review.

Please do not hesitate to contact Merle Allen Nash, Mine Safety and Health Specialist in the District Office at 303-231-5678, if you have any questions or need assistance in the future.

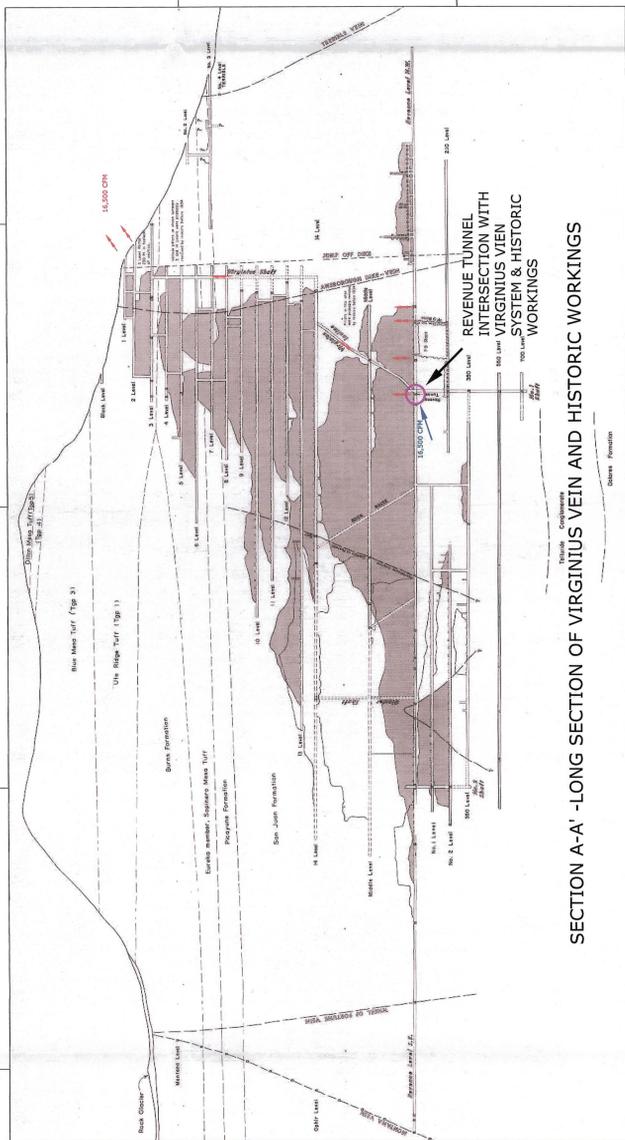
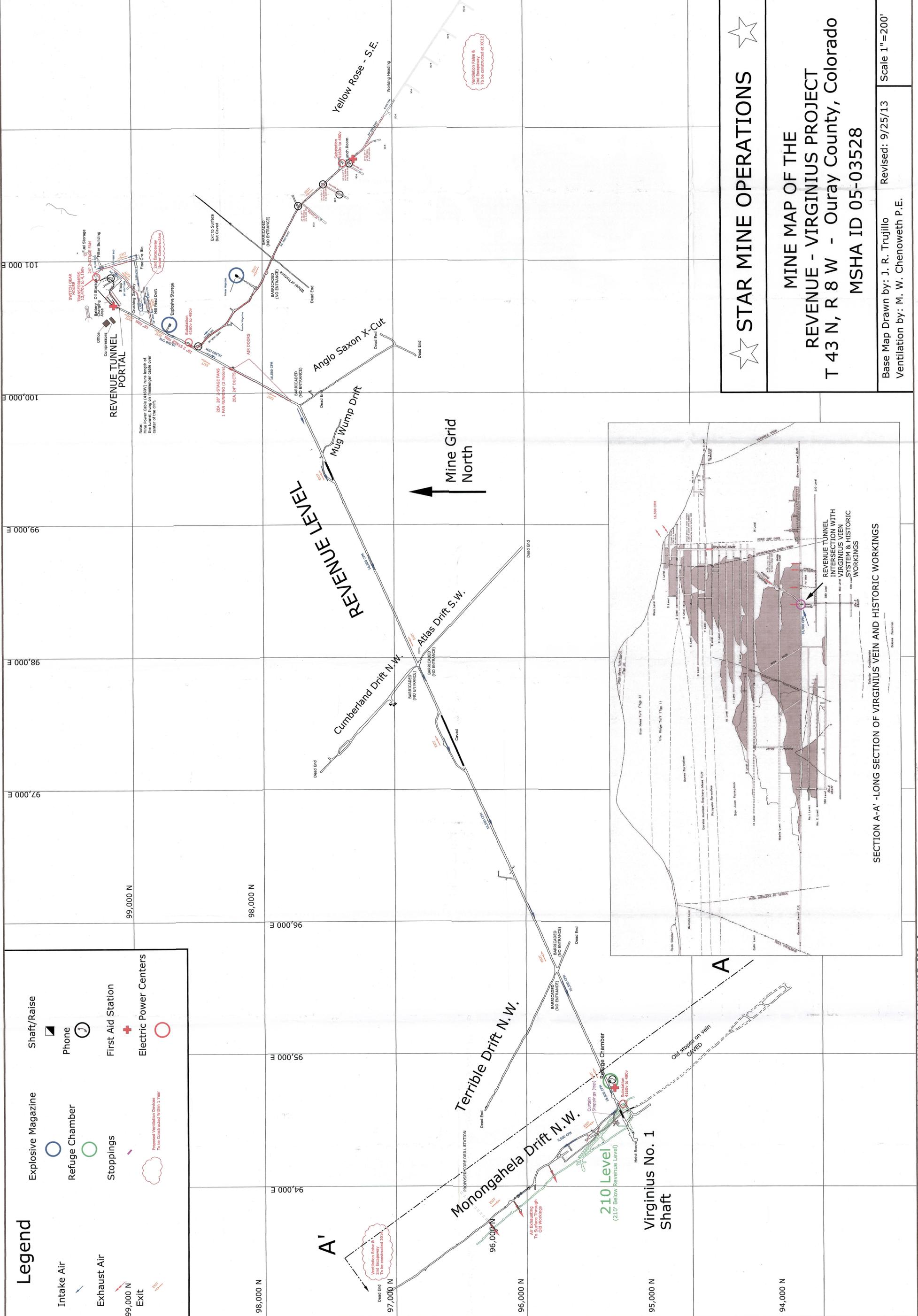
Sincerely,


Richard Latrenberg
District Manager

cc: Denver FO
Mine File

Legend

- Intake Air 
- Exhaust Air 
- Explosive Magazine 
- Refuge Chamber 
- Stoppings 
- Shaft/Raise 
- Phone 
- First Aid Station 
- Electric Power Centers 
-  Proposed Ventilation Revisions To Be Constructed Within 1 Year



★ STAR MINE OPERATIONS ★

MINE MAP OF THE
REVENUE - VIRGINIUS PROJECT
 T 43 N, R 8 W - Ouray County, Colorado
 MSHA ID 05-03528

Base Map Drawn by: J. R. Trujillo
 Ventilation by: M. W. Chenoweth P.E.
 Revised: 9/25/13
 Scale 1"=200'