



Tuesday, February 9, 2010

File: 18080-02-02
Mine No.: 1620302

HMC Services Inc.
Box 2700
Revelstoke BC, V0E 2S0723 Hwy 23 S

Dear Sir:

Re: Mine Inspection February 9, 2010
Property: Kelly Pit

Enclosed are two copies of my Inspection Report for the above noted property and date.

Please have this report posted in a conspicuous place on the property accessible to the workers in accordance with Section 30(1) of the Mines Act.

As noted on page one of the report, please fill in the appropriate areas responding to the Inspector's comments, sign and date the first page, initial the subsequent page(s) and return a copy with your comments to the writer.

Yours truly,

Stephen Rothman, P.Eng.
Inspector of Mines

Enclosures



The Best Place on Earth

Province of British Columbia
MINISTRY OF ENERGY, MINES AND
PETROLEUM RESOURCES

Mining & Mineral Division
Report of Inspector of Mines
(Issued pursuant to Section 15 of the *Mines Act*)

Inspection No.: 17393
File: 18080-02-02
Mine No.: 1620302
Permit No.:
Emp/Cont: 0 / 0
Orders H&S: 8 RECL: 0
Stop Work: 0

Inspection Report

| | | | |
|----------------|-------------------|-----------------|-----------------------------------|
| NAME OF MINE | Kelly Pit | LOCALITY | Revelstoke Hwy 23N |
| OWNER/OPERATOR | HMC Services Inc. | ADDRESS | Box 2700 Revelstoke BC V0E 2S0 |
| MANAGER | | AREAS INSPECTED | Kelly Pit |

Persons Contacted

MANAGEMENT Bill Houseman
OHS COMMITTEE
WORKERS

A copy has been forwarded to the Joint Occupational and Safety Committee and the union as applicable. The Mine manager shall complete the right hand column noting specific corrective actions taken by a specified date, and return a copy to the Inspector within 15 days of receiving the report. Further the manager shall post a copy to the bulletin board, to be replaced by a copy showing the manager's response. In this document, Code means Health, Safety and Reclamation Code for Mines in British Columbia.

INSPECTION ORDERS

SECTION :4.9.4 Vehicle Requirements
The Cat Loader in the pit shall be equipped with wheel chocks and they shall be used each time the loader is parked. To be remedied immediately.

SECTION :4.9.20 Auxiliary Steering
The Cat loader shall have the auxiliary steering tested on a regular basis and the results noted in the vehicle log book. To be remedied immediately.

SECTION :4.9.17 Parking Brake
The Cat loader shall have the park brake tested on a regular basis and the results noted in the vehicle log book. To be remedied immediately.

SECTION :4.9.1 Back-up Alarm
The Cat loader shall have a working back up alarm, the alarm should be clearly audible over the ambient noise in the pit. This

MANAGERS RESPONSE OF ACTION TAKEN

Stephen Rothman, P.Eng.

Inspector of Mines

162 Oriole Road Kamloops BC V2C 4N7

Address

Date of Inspection: 2/9/2010

Copies To Phil Pascuzzi

Signature – Inspector of Mines

Signature – Manager

Dated: _____, 20____

| INSPECTION ORDERS | MANAGERS RESPONSE OF ACTION TAKEN |
|---|-----------------------------------|
| <p>working back up alarm should be noted in the logbook at the time of the pre trip inspection. To be remedied immediately.</p> <p>SECTION :4.9.3 Fire Extinguisher</p> <p>The Cat loader shall have a fire extinguisher of adequate size and the proper type, to be mounted in the loader. To be remedied immediately.</p> <p>SECTION :6.19.2 Logbook to be Maintained</p> <p>The Manager shall provide and maintain an effective logbook system for each unit of mobile equipment over 7000kg GVW where</p> <p>(a)the vehicle operator notes the operating condition prior to operating the vehicle,</p> <p>(b)note any unsafe conditions, and</p> <p>(c)a qualified person making repairs, notes any repairs made and if vehicle is safe to operate. To be remedied immediately.</p> <p>SECTION :6.23.3 Surface Mine Faces and Bench Heights</p> <p>No part of a face or wall of a surface mine shall overhang. To be remedied immediately.</p> <p>SECTION :6.23.4 Surface Mine Faces and Bench Heights</p> <p>Where material is being worked or removed, the vertical component of the mining face shall not be greater than 2 meters beyond the reach of the loading equipment. To be remedied before any material is removed from the face.</p> | |

Date of Inspection

2/9/2010

Initials



(Inspector)

Initials

(Manager)



The Best Place on Earth

Province of British Columbia
MINISTRY OF ENERGY, MINES AND
PETROLEUM RESOURCES

Mining & Mineral Division
Report of Inspector of Mines
(Issued pursuant to Section 15 of the *Mines Act*)

Inspection No.: 17393
File: 18080-02-02
Mine No.: 1620302
Permit No.:
Emp/Cont: 0 / 0
Orders H&S: 8 RECL: 0
Stop Work: 0

Inspection Report

| | | | |
|----------------|-------------------|-----------------|-----------------------------------|
| NAME OF MINE | Kelly Pit | LOCALITY | Revelstoke Hwy 23N |
| OWNER/OPERATOR | HMC Services Inc. | ADDRESS | Box 2700 Revelstoke BC V0E 2S0 |
| MANAGER | | AREAS INSPECTED | Kelly Pit |

Persons Contacted

MANAGEMENT Bill Houseman
OHS COMMITTEE
WORKERS

Ministry of Energy and Mines
Kamloops, B.C.

Rec'd FEB 15 2010

A copy has been forwarded to the Joint Occupational and Safety Committee and the union as applicable. The Mine manager shall complete the right hand column noting specific corrective actions taken by a specified date, and return a copy to the Inspector within 15 days of receiving the report. Further the manager shall post a copy to the bulletin board, to be replaced by a copy showing the manager's response. In this document, Code means Health, Safety and Reclamation Code for Mines in British Columbia.

INSPECTION ORDERS

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The Cat loader shall have the park brake tested on a regular basis and the results noted in the vehicle log book. To be remedied immediately.

SECTION :4.9.1 Back-up Alarm

The Cat loader shall have a working back up alarm, the alarm should be clearly audible over the ambient noise in the pit. This

MANAGERS RESPONSE OF ACTION TAKEN

WHEEL CHOCKS MADE FOR LOADERS

LOADER HAS BEEN SENT
TO THE SHOP FOR REPAIRS

A LOADER WITH A BACK UP
ALARM, EMER. STEERING &
FIRE EXTING. + LOG BOOK
NOW IN KELLY PIT.

Stephen Rothman, P.Eng.

Inspector of Mines

162 Oriole Road Kamloops BC V2C 4N7

Address

Signature - Inspector of Mines

Signature - Manager

Date of Inspection: 2/9/2010

Copies To Phil Pascuzzi

Dated: FEB 11/10

, 20 10

| INSPECTION ORDERS | MANAGERS RESPONSE OF ACTION TAKEN |
|---|--|
| <p>working back up alarm should be noted in the logbook at the time of the pre trip inspection. To be remedied immediately.</p> <p>SECTION :4.9.3 Fire Extinguisher</p> <p>The Cat loader shall have a fire extinguisher of adequate size and the proper type, to be mounted in the loader. To be remedied immediately.</p> <p>SECTION :6.19.2 Logbook to be Maintained</p> <p>The Manager shall provide and maintain an effective logbook system for each unit of mobile equipment over 7000kg GVW where</p> <p>(a)the vehicle operator notes the operating condition prior to operating the vehicle,</p> <p>(b)note any unsafe conditions, and</p> <p>(c)a qualified person making repairs, notes any repairs made and if vehicle is safe to operate. To be remedied immediately.</p> <p>SECTION :6.23.3 Surface Mine Faces and Bench Heights</p> <p>No part of a face or wall of a surface mine shall overhang. To be remedied immediately.</p> <p>SECTION :6.23.4 Surface Mine Faces and Bench Heights</p> <p>Where material is being worked or removed, the vertical component of the mining face shall not be greater than 2 meters beyond the reach of the loading equipment. To be remedied before any material is removed from the face.</p> | <p>LOADER SENT TO SHOP</p> <p>NEW LOG BOOK IN CAT LOADER AND OPERATORS INSTRUCTED TO FILL OUT + MAINTAIN. FEB 10/10</p> <p>EXCAVATOR ON SITE FEB 10/10 @ 12:00</p> <p>OVERHANG + OVER HEIGHT RECTIFIED AS PER PHOTOS</p> <p>EXCAVATOR SENT TO AUCA Pit FEB 11/10</p> |

Date of Inspection

2/9/2010

Initials



(Inspector)

Initials



(Manager)





KELLY PIT.



Kelly Pit.



AVOCA PIT.



Kelly Pit.



The Best Place on Earth

Province of British Columbia
MINISTRY OF ENERGY, MINES AND
PETROLEUM RESOURCES

Mining & Mineral Division
Report of Inspector of Mines
(Issued pursuant to Section 15 of the *Mines Act*)

Inspection No.: 17946
File: 18080-02-02
Mine No.: 1620302
Permit No.:
Emp/Cont: 0 / 0
Orders H&S: 3 RECL: 0
Stop Work: 0

Inspection Report

| | | | |
|----------------|----------------------------|-----------------|--|
| NAME OF MINE | Kelly Pit | LOCALITY | Revelstoke Hwy 23N |
| OWNER/OPERATOR | Ministry of Transportation | ADDRESS | 710-555 Victoria Road, Revelstoke, BC V0E 2S0 |
| MANAGER | | AREAS INSPECTED | |

Persons Contacted

MANAGEMENT

OHS COMMITTEE

WORKERS

A copy has been forwarded to the Joint Occupational and Safety Committee and the union as applicable. The Mine manager shall complete the right hand column noting specific corrective actions taken by a specified date, and return a copy to the Inspector within 15 days of receiving the report. Further the manager shall post a copy to the bulletin board, to be replaced by a copy showing the manager's response. In this document, Code means Health, Safety and Reclamation Code for Mines in British Columbia.

INSPECTION ORDERS

On May 12, 2010, Bruce Milligan of the Ministry of Energy, Mines and Petroleum Resources inspected the Kelly Pit operated by the Ministry of Transportation & Infrastructure. The pit is located northeast of Revelstoke, from Highway 1 at the 3.35 km mark of Highway 23.

During the inspection the following items of concern were noted and the following orders are written;

SECTION : 1.3.1 Authorization

Other that the small sign located at the entrance to the pit access is not controlled. The manager shall ensure site access is controlled pursuant to section 1.3.1 through 1.3.3 of the Health, Safety and Reclamation Code, to be completed within ten days.

MANAGERS RESPONSE OF ACTION TAKEN

DO NOT MODIFY THIS TEXT

Bruce Milligan

Senior Inspector of Mines, Permitting

2nd Floor, 42 - 8th Avenue South Cranbrook BC V1C 2K3

Address

Date of Inspection: 5/12/2010

Copies To

Signature – Inspector of Mines

Signature – Manager

Dated: _____, 20____

INSPECTION ORDERS

MANAGERS RESPONSE OF ACTION TAKEN



SECTION : 6.9.1 Haulage Road Width

Inter ramp roadways were well bermed, however the main access roadway required a berm where the drop-off is more than three meters. The manager shall ensure a berm of at least 3/4 of the height of the largest tire on any vehicle hauling on the road is established, pursuant to section 6.9.1 of the Health Safety and Reclamation Code, to be completed prior to hauling on the road

SECTION : PERMIT

A pile of road construction waste material was noted on the mine site, this pile included used tires. The manager shall forthwith have the tires removed from site and provide clarification on the plan for the assorted waste materials.



Date of Inspection

5/12/2010

Initials

(Inspector)

Initials

(Manager)



Province of British Columbia
MINISTRY OF ENERGY, MINES AND
PETROLEUM RESOURCES
Mining & Mineral Division
Report of Inspector of Mines
(Issued pursuant to Section 15 of the Mines Act)

Inspection No.: 17946
 File: 18080-02-XX
 Mine No.: 1620302
 Permit No.:
 Emp/Cont: 0 / 0
 Orders H&S: 3 RECL: 0
 Stop Work: 0

Inspection Report

| | | | |
|----------------|----------------------------|-----------------|--|
| NAME OF MINE | Kelly Pit | LOCALITY | Revelstoke Hwy 23N |
| OWNER/OPERATOR | Ministry of Transportation | ADDRESS | 710-555 Victoria Road, Revelstoke, BC V0E 2S0 |
| MANAGER | | AREAS INSPECTED | |

Persons Contacted

MANAGEMENT
 OHS COMMITTEE
 WORKERS

A copy has been forwarded to the Joint Occupational and Safety Committee and the union as applicable. The Mine manager shall complete the right hand column noting specific corrective actions taken by a specified date, and return a copy to the Inspector within 15 days of receiving the report. Further the manager shall post a copy to the bulletin board, to be replaced by a copy showing the manager's response. In this document, Code means Health, Safety and Reclamation Code for Mines in British Columbia.

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 During the inspection the following items of concern were noted and the following orders are written;
 SECTION : 1.3.1 Authorization
 Other that the small sign located at the entrance to the pit access is not controlled. The manager shall ensure site access is controlled pursuant to section 1.3.1 through 1.3.3 of the Health, Safety and Reclamation Code, to be completed within ten days.

MANAGERS RESPONSE OF ACTION TAKEN

A gate is to be installed (not sure if we can have it completed in 10 days or not)

Bruce Milligan

Senior Inspector of Mines, Permitting

2nd Floor, 42 - 8th Avenue South Cranbrook BC V1C 2K3

Address

Date of Inspection: 5/12/2010

Copies To

Signature – Inspector of Mines

Signature – Manager

Dated: _____, 20____

INSPECTION ORDERS

MANAGERS RESPONSE OF ACTION TAKEN



SECTION : 6.9.1 Haulage Road Width

Inter ramp roadways were well bermed, however the main access roadway required a berm where the drop-off is more than three meters. The manager shall ensure a berm of at least 3/4 of the height of the largest tire on any vehicle hauling on the road is established, pursuant to section 6.9.1 of the Health Safety and Reclamation Code, to be completed prior to hauling on the road

SECTION : PERMIT

A pile of road construction waste material was noted on the mine site, this pile included used tires. The manager shall forthwith have the tires removed from site and provide clarification on the plan for the assorted waste materials.



A berm will be installed along the access road.

This item is going to be passed onto our Maintenance Contractor for their comment.

Date of Inspection

5/12/2010

Initials

(Inspector)

Initials

(Manager)



July 20, 1998

File: 18080-02
CSRD

Jack McKinnon
Jake & Jay Holdings Ltd.
P.O. Box 440
Revelstoke BC V0E 2S0

Dear Mr. McKinnon:

Re: Inspection - Kelly Pit - July 15, 1998

Enclosed are two copies of my Inspection Report for the above-noted date.

Please have this report posted in a conspicuous place on the property accessible to the workers in accordance with Section 30(1) of the *Mines Act*.

As noted on page one of the report, please fill in the appropriate areas responding to the Inspector's comments, sign and date the first page, initial the subsequent page(s) and return the copy with your comments to the writer.

Yours truly,

For S.G. Rothman, P.Eng.
Inspector of Mines
Ministry of Energy and Mines
Mines Branch, South Central Region

SGR/pi

Enclosures

c: R. Booth, Manager Mining, Victoria
c: E. Mehr, District Manager, Kamloops



Province of British Columbia
Ministry of Energy and Mines
Mines Branch

Report of Inspector of Mines
(Issued pursuant to Section 15 of the Mines Act)

File: 18080-02-02
Permit No:
Employees:
O: 4 E:

Inspection Report

| | | | |
|--------------------|-------------------------|------------------|---|
| NAME OF MINE: | Kelly Pit | LOCALITY: | 2.3 km N of TCH on Hwy 23 East side of Hwy. |
| OWNER OR OPERATOR: | Jake & Jay Holdings Ltd | ADDRESS: | P.O. Box 440 Revelstoke BC V0E 2S0 |
| MANAGER: | Jack McKinnon | AREAS INSPECTED: | Crusher |

Persons Contacted

MANAGEMENT: Jack McKinnon

OHS COMMITTEE:

WORKERS: s.22

A copy has been forwarded to the Joint Occupational Health and Safety Committee and the union. The mine manager shall complete the right hand column noting specific corrective actions taken, or to be taken by a specified date, and return a copy to the Inspector within 15 days of receiving the report. Further, the manager shall post a copy to the bulletin board, to be replaced by a copy showing the manager's response.

In this document, Code means Health, Safety and Reclamation Code for Mines in British Columbia.

| INSPECTION REPORT | MANAGER'S RESPONSE OF ACTION TAKEN |
|--|------------------------------------|
| <p>The crushing operation was inspected on July 15, 1998 by Steve Rothman of the Mines Branch and Jack McKinnon of Jake & Jay Holdings Ltd.</p> <p>Open holes in the electrical switch gear in the power van shall be covered with the approved covers, pursuant to Section 5.1.1 of the Code. To be remedied within 7 days.</p> <p>All head, tail, drive, and tension pulleys of a conveyor shall be effectively guarded at their nip points and the guards shall extend for a distance of at least 1 m from the nip point. Pursuant to Section 4.4.17(6) of the Code. To be remedied within 14 days. As a temporary measure the areas shall be roped off and signed warning of the danger.</p> <p>The 980C loader shall have a backup alarm, pursuant to Section 4.9.1 of the Code. To be remedied within 14 days.</p> | |

Copies To: R. Booth, E. Mehr

S.G. Rothman, P.Eng.

Inspector of Mines

200 - 2985 Airport Drive, Kamloops BC V2B 7W8

Address

Date of Inspection: July 15, 1998


Signature - Inspector of Mines

Signature - Manager

Dated: _____, 19 ____

| INSPECTION REPORT | MANAGER'S RESPONSE OF ACTION TAKEN |
|--|------------------------------------|
| <p>A log book shall be provided and maintained in the 980C loader, pursuant to Section 6.10.4 of the Code. To be remedied within 7 days.</p> | |

Date of Inspection: July 15, 1998

Initials:


Inspector

Manager



July 20, 1998

File: 18080-02
CSRD

Jason Jackson
Ministry of Transportation & Highways
310 Ward Street
Nelson BC V1L 5S4

Dear Mr. Jackson:

Re: Inspection - MoTH Kelly Pit No. 1114 - July 15, 1998

Enclosed are two copies of my Inspection Report for the above-noted date.

Please have this report posted in a conspicuous place on the property accessible to the workers in accordance with Section 30(1) of the *Mines Act*.

As noted on page one of the report, please fill in the appropriate areas responding to the Inspector's comments, sign and date the first page, initial the subsequent page(s) and return the copy with your comments to the writer.

Yours truly,

For S.G. Rothman, P.Eng.
Inspector of Mines
Ministry of Energy and Mines
Mines Branch, South Central Region

SGR/pi

Enclosures

- c: R. Booth, Manager Mining, Victoria
- c: E. Mehr, District Manager, Kamloops
- c: Bryan James
Ministry of Transportation & Highways
1165 Battle Street
Kamloops BC V2C 2N4

Ministry of
Energy and Mines

Mines Branch

Mailing Address:
200-2985 Airport Drive
Kamloops BC V2B 7W8

Telephone: (250) 828-4566
Facsimile: (250) 828-4726



Province of British Columbia
Ministry of Energy and Mines
Mines Branch

Report of Inspector of Mines
(Issued pursuant to Section 15 of the Mines Act)

File: 18080-02-02
Permit No:
Employees:
O: 3 E:

Inspection Report

| | | | |
|--------------------|-------------------------|------------------|--|
| NAME OF MINE: | MoTH Kelly Pit No. 1114 | LOCALITY: | Hwy 23 n of Revelstoke N51 02.365 W118 12.535 |
| OWNER OR OPERATOR: | MoTH | ADDRESS: | 310 Ward St. Nelson BC V1L 5S4 |
| MANAGER: | Jason Jackson | AREAS INSPECTED: | Pit |

Persons Contacted

MANAGEMENT:

OHS COMMITTEE:

WORKERS:

A copy has been forwarded to the Joint Occupational Health and Safety Committee and the union. The mine manager shall complete the right hand column noting specific corrective actions taken, or to be taken by a specified date, and return a copy to the Inspector within 15 days of receiving the report. Further, the manager shall post a copy to the bulletin board, to be replaced by a copy showing the manager's response.

In this document, Code means Health, Safety and Reclamation Code for Mines in British Columbia.

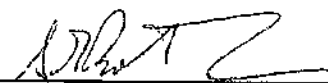
| INSPECTION REPORT | MANAGER'S RESPONSE OF ACTION TAKEN |
|--|------------------------------------|
| The pit was inspected on July 15, 1998 by Steve Rothman of the Mines Branch. | |
| The main gate was broken and shall be repaired, pursuant to Section 1.3.1 of the Code. To be remedied within 7 days. | |
| The aggregate piles shall have their height reduced to no more than the reach of the loading equipment used in the pit. Pursuant to Section 6.7.6 of the Code. To be remedied within 7 days. | |
| No public access thru the active area of the pit shall be allowed. Pursuant to Section 1.3.1 of the Code. | |

Copies To: R. Booth, E. Mehr

S.G. Rothman, P.Eng.
Inspector of Mines

200 - 2985 Airport Drive, Kamloops BC V2B 7W8
Address

Date of Inspection: July 15, 1998


Signature - Inspector of Mines

Signature - Manager

Dated: _____, 19__



Province of British Columbia
Ministry of Energy and Mines
Mines Branch

File: 18080-02-02

Permit No:

Employees:

O: 3 E:

Report of Inspector of Mines
(Issued pursuant to Section 15 of the Mines Act)

Ministry of Energy and Mines
Kamloops, B.C.
Rec'd AUG - 7 1998

Inspection Report

| | | | |
|--------------------|-------------------------|------------------|--|
| NAME OF MINE: | MoTH Kelly Pit No. 1114 | LOCALITY: | Hwy 23 n of Revelstoke N51 02.365 W118 12.535 |
| OWNER OR OPERATOR: | MoTH | ADDRESS: | 310 Ward St. Nelson BC V1L 5S4 |
| MANAGER: | Jason Jackson | AREAS INSPECTED: | Pit |

Persons Contacted

MANAGEMENT:

OHS COMMITTEE:

WORKERS:

A copy has been forwarded to the Joint Occupational Health and Safety Committee and the union. The mine manager shall complete the right hand column noting specific corrective actions taken, or to be taken by a specified date, and return a copy to the Inspector within 15 days of receiving the report. Further, the manager shall post a copy to the bulletin board, to be replaced by a copy showing the manager's response.

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| INSPECTION REPORT | MANAGER'S RESPONSE OF ACTION TAKEN |
|--|------------------------------------|
| <p>The pit was inspected on July 15, 1998 by Steve Rothman of the Mines Branch.</p> <p>The main gate was broken and shall be repaired, pursuant to Section 1.3.1 of the Code. To be remedied within 7 days.</p> <p>The aggregate piles shall have their height reduced to no more than the reach of the loading equipment used in the pit. Pursuant to Section 6.7.6 of the Code. To be remedied within 7 days.</p> <p>No public access thru the active area of the pit shall be allowed. Pursuant to Section 1.3.1 of the Code.</p> | |

Copies To: R. Booth, E. Mchr

S.G. Rothman, P.Eng.

Inspector of Mines

200 - 2985 Airport Drive, Kamloops BC V2B 7W8

Address

Date of Inspection: July 15, 1998

Signature - Inspector of Mines

Signature - Manager

Dated: Aug July 30, 1998



Province of British Columbia
(Ministry of Energy and Mines)
Mines Branch

Report of Inspector of Mines
(Issued pursuant to Section 15 of the Mines Act)

File: 18080-01-02
Ministry of Energy and Mines
Kamloops, BC
Employees: 6
O: 3 E:
AUG 11 1998
Rec'd

Inspection Report

| | | | |
|--------------------|-------------------------|------------------|--|
| NAME OF MINE: | MoTH Kelly Pit No. 1114 | LOCALITY: | Hwy 23 n of Revelstoke N51 02.365 W118 12.535 |
| OWNER OR OPERATOR: | MoTH | ADDRESS: | 310 Ward St. Nelson BC V1L 5S4 |
| MANAGER: | Jason Jackson | AREAS INSPECTED: | Pit |

Persons Contacted

MANAGEMENT:

OHS COMMITTEE:

WORKERS:

A copy has been forwarded to the Joint Occupational Health and Safety Committee and the union. The mine manager shall complete the right hand column noting specific corrective actions taken, or to be taken by a specified date, and return a copy to the Inspector within 15 days of receiving the report. Further, the manager shall post a copy to the bulletin board, to be replaced by a copy showing the manager's response.

In this document, Code means Health, Safety and Reclamation Code for Mines in British Columbia.

| INSPECTION REPORT | MANAGER'S RESPONSE OF ACTION TAKEN |
|--|---|
| The pit was inspected on July 15, 1998 by Steve Rothman of the Mines Branch. | |
| The main gate was broken and shall be repaired, pursuant to Section 1.3.1 of the Code. To be remedied within 7 days. | Main gate repaired July 21, 1998. |
| The aggregate piles shall have their height reduced to no more than the reach of the loading equipment used in the pit. Pursuant to Section 6.7.6 of the Code. To be remedied within 7 days. | Aggregate piles were resloped by VSA Highway Maintenance July 20, 1998. |
| No public access thru the active area of the pit shall be allowed. Pursuant to Section 1.3.1 of the Code. | Outstanding issue yet to be resolved with the local Boy Scout cabin located on adjacent property. |

Copies To: R. Booth, E. Mehr

S.G. Rothman, P.Eng.
Inspector of Mines

200 - 2985 Airport Drive, Kamloops BC V2B 7W8
Address

Date of Inspection: July 15, 1998

Signature - Inspector of Mines

Signature - Manager

Dated: Aug 30, 1998

FAX MEMO

PAGE 1 OF 3

JAKE-JAY HOLDINGS LTD.
P.O. BOX 440
1789 NICHOL ROAD
REVELSTOKE, B.C.
V0E 2S0

PHONE: (250) 837-5288
FAX: (250) 837-2833

DATE: July 30, 1998

TO: Stephen Rothman
Ministry of Energy and Mines
Fax# 250-828-4726

FROM: Jack McKinnonMESSAGE: Please find attached copy of the Inspection Report.

| | |
|--|--|
| | Ministry of Energy and Mines Kamloops, B.C. |
| | JUL 30 1998 |
| | Rec'd |



Province of British Columbia
Ministry of Energy and Mines
Mines Branch

Report of Inspector of Mines
(Issued pursuant to Section 15 of the Mines Act)

Inspection Report

Ministry of Energy and Mines
Kamloops, B.C.
JUL 30 1998
Rec'd

File: 18080-02-02
Permit No:
Employees:
O: 4 E:

| | | | |
|--------------------|-------------------------|------------------|---|
| NAME OF MINE: | Kelly Pit | LOCALITY: | 2.3 km N of TCH on Hwy 23 East side of Hwy. |
| OWNER OR OPERATOR: | Jake & Jay Holdings Ltd | ADDRESS: | P.O. Box 440 Revelstoke BC V0E 2S0 |
| MANAGER: | Jack McKinnon | AREAS INSPECTED: | Crusher |

Persons Contacted

MANAGEMENT: Jack McKinnon

OHS COMMITTEE:

WORKERS: s.22

A copy has been forwarded to the Joint Occupational Health and Safety Committee and the union. The mine manager shall complete the right hand column noting specific corrective actions taken, or to be taken by a specified date, and return a copy to the Inspector within 15 days of receiving the report. Further, the manager shall post a copy to the bulletin board, to be replaced by a copy showing the manager's response.

In this document, Code means Health, Safety and Reclamation Code for Mines in British Columbia.

| INSPECTION REPORT | MANAGER'S RESPONSE OF ACTION TAKEN |
|--|---|
| The crushing operation was inspected on July 15, 1998 by Steve Rothman of the Mines Branch and Jack McKinnon of Jake & Jay Holdings Ltd. | |
| Open holes in the electrical switch gear in the power van shall be covered with the approved covers, pursuant to Section 5.1.1 of the Code. To be remedied within 7 days. | Craig Madlung Electric of Revelstoke made the necessary repairs. |
| All head, tail, drive, and tension pulleys of a conveyor shall be effectively guarded at their nip points and the guards shall extend for a distance of at least 1 m from the nip point. Pursuant to Section 4.4.17(6) of the Code. To be remedied within 14 days. As a temporary measure the areas shall be roped off and signed warning of the danger. | A roll 100' of safety fence has been purchased. This will be used upon setup. |
| The 980C loader shall have a backup alarm, pursuant to Section 4.9.1 of the Code. To be remedied within 14 days. | Finning Canada has installed a new backup alarm. |

Copies To: R. Booth, E. Mehr

S.G. Rothman, P.Eng.

Inspector of Mines

200 - 2985 Airport Drive, Kamloops BC V2B 7W8

Address

Date of Inspection: July 15, 1998

Signature - Inspector of Mines

Signature - Manager

Dated: July 30, 1998

copied to the town July 30/98

Report of Inspector of Mines - Page 2 of 2

Ministry of Energy and Mines
Kamloops, B.C.

INSPECTION REPORT

Rec'd

JUL 30 1998

MANAGER'S RESPONSE OF ACTION TAKEN

A log book shall be provided and maintained in the 980C loader, pursuant to Section 6.10.4 of the Code. To be remedied within 7 days.

A log book has been provided and a copy of section 6.10.4 has been given to the operator.

Date of Inspection: July 15, 1998

Initials:

Inspector

Manager



The Best Place on Earth

Province of British Columbia
**Ministry of Forests, Lands
and Natural Resource
Operations**

Report of Inspector of Mines

Inspection No.: 20000
File: 18080-02-02
Mine No.: 1620302
Permit No.:
Emp/Cont: 0 / 0
Orders H&S: 2 RECL: 0
Stop Work: 0

Inspection Report

| | | | |
|----------------|----------------------------|-----------------|---|
| NAME OF MINE | Kelly Pit | LOCALITY | Revelstoke Hwy 23N |
| OWNER/OPERATOR | Ministry of Transportation | ADDRESS | 2nd Floor - 1011 Forth Avenue Prince George BC V2L 3H9 |
| MANAGER | | AREAS INSPECTED | |

Persons Contacted

MANAGEMENT
OHS COMMITTEE
WORKERS

A copy has been forwarded to the Joint Occupational and Safety Committee and the union as applicable. The Mine manager shall complete the right hand column noting specific corrective actions taken by a specified date, and return a copy to the Inspector within 15 days of receiving the report. Further the manager shall post a copy to the bulletin board, to be replaced by a copy showing the manager's response. In this document, Code means Health, Safety and Reclamation Code for Mines in British Columbia.

INSPECTION ORDERS

On March 14, 2011, B. Milligan and P. Pascuzzi of the Ministry of Forest, Lands and Natural Resource Operations inspected the Kelly Pit operated by the Ministry of Transportation and Infrastructure. The pit is located northeast of Revelstoke, from Highway 1 at the 3.35 km mark of Highway 23.

During the inspection the following items of concern were noted and the following orders are written;

SECTION : 1.3.1 Authorization

An order issued May 12, 2010 went as follows:
"Other than the small sign located at the entrance to the pit access is not controlled. The manager shall ensure site access is controlled pursuant to section

MANAGERS RESPONSE OF ACTION TAKEN

DO NOT MODIFY THIS TEXT

Bruce Milligan

Senior Inspector of Mines, Permitting

2nd Floor, 42 - 8th Avenue South Cranbrook BC V1C 2K3

Address

Date of Inspection: 3/14/2011

Copies To

Signature – Inspector of Mines

Signature – Manager

Dated: _____, 20____

INSPECTION ORDERS

MANAGERS RESPONSE OF ACTION TAKEN

1.3.1 through 1.3.3 of the Health, Safety and Reclamation Code, to be completed within ten days."



The response to the May 12, 2010 inspection was that while it might take more than ten days a gate would be installed. No evidence of a gate or an alternate access control methods was found. The manager shall ensure site access is controlled pursuant to section 1.3.1 through 1.3.3 of the Health, Safety and Reclamation Code, to be completed within thirty days.

SECTION : 6.23.4 Surface Mine Faces and Bench Heights

While no work was being conducted at the pit during the inspection the working faces of one sand pile was bordering on the reach of the loading equipment height. The second pile was far over the reach of the loading equipment; however this pile has not been accessed recently. The manager shall ensure that no vertical face exceeds two meters above the reach of the loading equipment pursuant to section 6.23.4 of the Health, Safety and Reclamation Code, to be completed immediately.

Date of Inspection

3/14/2011

Initials

(Inspector)

Initials

(Manager)



May 15, 2000

File: 18080-02

Don Gilowski, Manager
Okanagan Aggregates Ltd.
PO Box 7
Armstrong BC V0E 1B0

Dear Mr. Gilowski:

Re: Inspection - May 3, 2000 - Kelly Moth Pit

Enclosed are two copies of my Inspection Report for the above-noted date.

Please have this report posted in a conspicuous place on the property accessible to the workers in accordance with Section 30(1) of the *Mines Act*.

As noted on page one of the report, please fill in the appropriate areas responding to the Inspector's comments, sign and date the first page, initial the subsequent page(s) and return the copy with your comments to the writer.

Yours truly,

S.G. Rothman, P.Eng.
Inspector of Mines
South Central Region

SGR/pm

Enclosures

- c: Richard Booth, Manager Mining, Victoria
E. Mehr, District Inspector, Kamloops
- c: R. Furlong, Okanagan Aggregates Ltd. P.O. Box 7, Armstrong BC V0E 1B0
- c: Bryan James
Ministry of Transportation & Highways
1165 Battle Street
Kamloops BC V2C 2N4

THE GOVERNMENT OF BRITISH COLUMBIA IS AN "EMPLOYMENT EQUITY EMPLOYER"

Ministry of
Energy and Mines

Mines Branch

Mailing Address:
200 - 2985 Airport Drive
Kamloops BC V2B 7W8

Telephone: (250) 828-4566
Facsimile: (250) 828-4726



Province of British Columbia
Ministry of Energy and Mines
Mines Branch

Report of Inspector of Mines
(Issued pursuant to Section 15 of the Mines Act)

File: 18080-02-02
Permit No:
Employees: 6
O: 3 E:

Inspection Report

| | | | |
|--------------------|-------------------------|------------------|--------------------------------------|
| NAME OF MINE: | Kelly Pit Moth | LOCALITY: | Hwy 23 N of Revelstoke 5km |
| OWNER OR OPERATOR: | Okanagan Aggregates/VSA | ADDRESS: | P.O. Box 7 Armstrong B.C. V0E 1B0 |
| MANAGER: | Rob Furlong | AREAS INSPECTED: | Crusher |

Persons Contacted

MANAGEMENT: Rob Furlong

OHS COMMITTEE:

WORKERS: s.22

A copy has been forwarded to the Joint Occupational Health and Safety Committee and the union. The mine manager shall complete the right hand column noting specific corrective actions taken, or to be taken by a specified date, and return a copy to the Inspector within 15 days of receiving the report. Further, the manager shall post a copy to the bulletin board, to be replaced by a copy showing the manager's response.

In this document, Code means Health, Safety and Reclamation Code for Mines in British Columbia.

| INSPECTION REPORT | MANAGER'S RESPONSE OF ACTION TAKEN |
|--|------------------------------------|
| <p>The pit was inspected on May 3, 2000 by Steve Rothman of the Mines Branch and Rob Furlong of Okanagan Aggregates Ltd.</p> <p>The working face shall be maintained at no more than the reach of the loading equipment, pursuant to Section 6.7.6 of the Code. The face height was corrected at the time of the inspection.</p> <p>The nip points shall be guarded, pursuant to Section 4.4.17(6) of the Code. The guarding was fabricated and installed by the next morning.</p> <p>The loader operator shall maintain the logbook, pursuant to Section 6.10.4 of the Code.</p> <p>The use of fall protection was discussed with Rob Furlong in regard to changing out the top screens on the screen deck, where the workers are working above the hand rails. A fall protection system and procedure shall be implemented, and a copy of the work procedure submitted to the inspector.</p> | |

Copies To: R. Booth, E. Mehr


S.G. Rothman, P.Eng.

Inspector of Mines

200 - 2985 Airport Drive, Kamloops BC V2B 7W8

Address

Date of Inspection: May 3, 2000



Signature - Inspector of Mines

Signature - Manager

Dated: _____, 19 ____

| INSPECTION REPORT | MANAGER'S RESPONSE OF ACTION TAKEN |
|---|------------------------------------|
| <p>A method of communication shall be put in place where the samplers are working around the crusher.</p> | |

Date of Inspection: May 3, 2000

Initials:


Inspector

Manager



Province of British Columbia
Ministry of Energy and Mines
Mines Branch

File: 18080-02-02

Permit No:

Employees: 6

O: 3 E:

Report of Inspector of Mines
(Issued pursuant to Section 15 of the Mines Act)

Ministry of Energy and Mines
Kamloops, B.C.

Rec'd

JUN 16 2000

Inspection Report

| | | | |
|--------------------|-------------------------|------------------|--------------------------------------|
| NAME OF MINE: | Kelly Pit Moth | LOCALITY: | Hwy 23 N of Revelstoke 5km |
| OWNER OR OPERATOR: | Okanagan Aggregates/VSA | ADDRESS: | P.O. Box 7 Armstrong B.C. V0E 1B0 |
| MANAGER: | Rob Furlong | AREAS INSPECTED: | Crusher |

Persons Contacted

MANAGEMENT: Rob Furlong

OHS COMMITTEE:

WORKERS: s.22

A copy has been forwarded to the Joint Occupational Health and Safety Committee and the union. The mine manager shall complete the right hand column noting specific corrective actions taken, or to be taken by a specified date, and return a copy to the Inspector within 15 days of receiving the report. Further, the manager shall post a copy to the bulletin board, to be replaced by a copy showing the manager's response.

In this document, Code means Health, Safety and Reclamation Code for Mines in British Columbia.

| INSPECTION REPORT | MANAGER'S RESPONSE OF ACTION TAKEN |
|--|---|
| The pit was inspected on May 3, 2000 by Steve Rothman of the Mines Branch and Rob Furlong of Okanagan Aggregates Ltd. | |
| The working face shall be maintained at no more than the reach of the loading equipment, pursuant to Section 6.7.6 of the Code. The face height was corrected at the time of the inspection. | Pit was being mined and being addressed at the time. |
| The nip points shall be guarded, pursuant to Section 4.4.17(6) of the Code. The guarding was fabricated and installed by the next morning | Will ensure a more pro-active approach of hazard inspections to take place. |
| The loader operator shall maintain the logbook, pursuant to Section 6.10.4 of the Code. | |
| The use of fall protection was discussed with Rob Furlong in regard to changing out the top screens on the screen deck, where the workers are working above the hand rails. A fall protection system | |

Copies To: R. Booth, E. Mehr

S.G. Rothman, P.Eng.

Inspector of Mines

200 - 2985 Airport Drive, Kamloops BC V2B 7W8

Address

Signature - Inspector of Mines

D. Gilowski

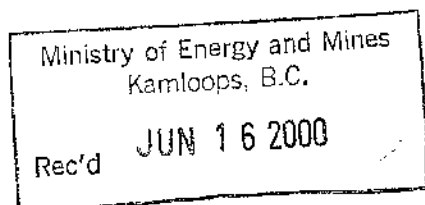
Signature - Manager

Date of Inspection: May 3, 2000

Dated: June 14, 2000

copied to Victoria June 16/00

| INSPECTION REPORT | MANAGER'S RESPONSE OF ACTION TAKEN |
|---|---|
| <p>and procedure shall be implemented, and a copy of the work procedure submitted to the inspector.</p> <p>A method of communication shall be put in place where the samplers are working around the crusher.</p> | <p>Work Procedures are currently being drafted.</p> <p>Samplers to go up into the crusher tower; inform operator they are going to take samples and arrange a safe time to do so.</p> |



Date of Inspection: May 3, 2000

Initials:

R
Inspector

[Signature]
Manager



Province of British Columbia
MINISTRY OF ENERGY AND MINES
MINES BRANCH

Report of Inspector of Mines
(Issued pursuant to Section 15 of the Mines Act)

Inspection No.: 7514
File:
Mine No: 1620302
Permit No: /
Emp/Cont: 0 0
Orders H&S: 11RECL:
Stop Work:

Inspection Report

| | | | |
|----------------|---------------------|-----------------|---------------------------------------|
| NAME OF MINE | Kelly Pit | LOCALITY | Revelstoke Hwy 23N |
| OWNER/OPERATOR | JAKE & JAY HOLDINGS | ADDRESS | PO BOX 440 |
| MANAGER | Jack MacKinnon | AREAS INSPECTED | REVELSTOKE BC V0E 2S0 Crusher, Pit |

Persons Contacted

| | |
|---------------|----------------|
| MANAGEMENT | Jack MacKinnon |
| OHS COMMITTEE | |
| WORKERS | s.22 |

A copy has been forwarded to the Joint Occupational Health and Safety Committee and the union as applicable. The Mine manager shall complete the right hand column noting specific corrective actions taken, or to be taken by a specified date, and return a copy to the Inspector within 15 days of receiving the report. Further the manager shall post a copy to the bulletin board, to be replaced by a copy showing the manager's response. In this document, Code means Health, Safety and Reclamation Code for Mines in British Columbia

INSPECTION ORDERS

The pit was inspected on October 22, 2002 by Steve Rothman of the Mining Division, at the time of the inspection material was being crushed for the new interchange at Revelstoke.

The tail pulley on the feed conveyor for the cone crusher screen deck shall have a guard, pursuant to Section 4.4.17(6) of the Code. To be remedied immediately.

The tail pulley on the jaw crusher fines belt shall have a guard, pursuant to Section 4.4.17(6) of the Code. To be remedied immediately.

The tail pulley on the stacking conveyor shall have a guard, pursuant to Section 4.4.17(6) of the Code. To be remedied immediately.

Nip points on all the conveyors shall be guarded, pursuant to Section 4.4.17(6) of the Code. To be remedied immediately.

The Cat 966 D loader shall have a working park brake, pursuant to Section 4.9.17 of the Code. To be remedied

MANAGERS RESPONSE OF ACTION TAKEN

A snow fence is put up.

✓ ✓ ✓

✓ ✓ ✓

✓ ✓ ✓

Park Brake is repaired
by Finning Tractor.

Stephen Rothman

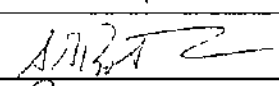
Inspector of Mines

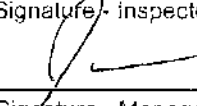
200 2985 Airport Rd Kamloops BC V2B 7W8

Address

Date of Inspection: October 22, 2002

Copies To R. Booth, E. Mehr, B. James


Signature - Inspector of Mines


Signature - Manager

Dated: Nov 5, 20 02

INSPECTION ORDERS

MANAGERS RESPONSE OF ACTION TAKEN

immediately.

The Cat 966D loader shall have a working backup alarm, pursuant to Section 4.9.1 of the Code. To be remedied immediately.

The Cat 966D Loader shall have a logbook and it shall be maintained, pursuant to Section 6.10.4 of the Code. To be remedied immediately.

The Cat 980 C loader shall have a backup alarm that is audible over the ambient noise of the pit, pursuant to Section 4.9.1(1) of the Code. To be remedied immediately.

The Cat 980C Loader shall have a logbook and it shall be maintained, pursuant to Section 6.10.4 of the Code. To be remedied immediately.

The flammable materials stacked in front of the switch gear in the power van shall be removed, pursuant to Section 5.1.1 of the Code. To be remedied immediately.

A second exit shall be provided from the tower of the power van, pursuant to Section 4.1.4 of the Code. To be remedied immediately.

Back up alarm was repaired
by Finning tractor.

Done

Repaired

Done

Moved away from in front
of the switch gear.

Done



Province of British Columbia
MINISTRY OF ENERGY, MINES AND
PETROLEUM RESOURCES
Mining & Mineral Division
Report of Inspector of Mines
(Issued pursuant to Section 15 of the *Mines Act*)

Inspection No.: 7514.0
 File:
 Mine No.: 1620302
 Permit No.:
 Emp/Cont: 0.0 / 0.0
 Orders H&S: 11. RECL: 0.0
 Stop Work: 0.0

Inspection Report

| | | | |
|----------------|--------------------------|-----------------|-------------------------------------|
| NAME OF MINE | Kelly Pit | LOCALITY | Revelstoke Hwy 23N |
| OWNER/OPERATOR | Jake & Jay Holdings Ltd. | ADDRESS | PO Box 440 Revelstoke BC V0E 2S0 |
| MANAGER | Jack MacKinnon | AREAS INSPECTED | Crusher, Pit |

Persons Contacted

MANAGEMENT Jack MacKinnon
 OHS COMMITTEE
 WORKERS s.22

A copy has been forwarded to the Joint Occupational and Safety Committee and the union as applicable. The Mine manager shall complete the right hand column noting specific corrective actions taken by a specified date, and return a copy to the Inspector within 15 days of receiving the report. Further the manager shall post a copy to the bulletin board, to be replaced by a copy showing the manager's response. In this document, Code means Health, Safety and Reclamation Code for Mines in British Columbia.

INSPECTION ORDERS

The pit was inspected on October 22, 2002 by Steve Rothman of the Mining Division, at the time of the inspection material was being crushed for the new interchange at Revelstoke.

MANAGERS RESPONSE OF ACTION TAKEN

DO NOT MODIFY THIS TEXT

Stephen Rothman, P.Eng.

Inspector of Mines

162 Oriole Road Kamloops BC V2C 4N7

Address



Signature – Inspector of Mines

Signature – Manager

Date of Inspection: 10/22/2002

Copies To R. Booth, E. Mehr, B. James

Dated: _____, 20____



Province of British Columbia
MINISTRY OF ENERGY, MINES AND
PETROLEUM RESOURCES
Mining & Mineral Division
Report of Inspector of Mines
(Issued pursuant to Section 15 of the Mines Act)

Inspection No.: 8086.0
 File:
 Mine No.: 1620302
 Permit No.:
 Emp/Cont: 9.0 / 0.0
 Orders H&S: 2.0 RECL: 0.0
 Stop Work: 0.0

Inspection Report

| | | | |
|----------------|----------------|-----------------|--------------------|
| NAME OF MINE | Kelly Pit | LOCALITY | Revelstoke Hwy 23N |
| OWNER/OPERATOR | | ADDRESS | |
| MANAGER | Randy Zbytnuik | AREAS INSPECTED | Crusher |

Persons Contacted

MANAGEMENT George Phillips
 OHS COMMITTEE
 WORKERS s.22

A copy has been forwarded to the Joint Occupational and Safety Committee and the union as applicable. The Mine manager shall complete the right hand column noting specific corrective actions taken by a specified date, and return a copy to the Inspector within 15 days of receiving the report. Further the manager shall post a copy to the bulletin board, to be replaced by a copy showing the manager's response. In this document, Code means Health, Safety and Reclamation Code for Mines in British Columbia.

INSPECTION ORDERS

The pit and crusher were inspected on April 24, 2003 by Steve Rothman of the Mining Division and Cory Dawson of Okanagan Aggregates Ltd. At the time of the inspection the crew was going thru shift change.

MANAGERS RESPONSE OF ACTION TAKEN

DO NOT MODIFY THIS TEXT

Stephen Rothman, P.Eng.

Inspector of Mines

162 Oriole Road Kamloops BC V2C 4N7

Address

Date of Inspection: 4/24/2003

Copies To



Signature – Inspector of Mines

Signature – Manager

Dated: _____, 20____