

1313 Sherman Street, Room 215 Denver, CO 80203

September 16, 2015

Randy McClure Rio Grande Silver, Inc. P.O. Box 610 Creede, CO 81130

Re: Bulldog Mine Operation, Permit No. M-1977-215, Approval of Request for Sampling

Frequency Reduction of Surface and Groundwater Monitoring.

Dear Mr. McClure:

On September 8, 2015 the Division of Reclamation, Mining and Safety (DRMS) received your request for a reduction of the sampling frequency of surface and groundwater monitoring in Windy Gulch. The requested sampling frequency reduction of the approved Sampling and Analysis Plan is due to a reduction of activity at the site which is solely related to the current market conditions. DRMS approves the proposed reduction of sampling frequency. The accepted frequencies are to sample Windy Gulch in early spring when measurable water is present and to sample the groundwater locations in September annually. DRMS will require Rio Grande Silver, Inc. to report water quality data collected after each annual surface and groundwater sampling event.

Once market conditions recover and the Bulldog Mine resumes active status Rio Grande Silver, Inc. will be required to resume the originally approved quarterly sampling and reporting frequency.

If you need additional information, please contact me at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 S. 3rd St., Suite 301, Grand Junction, Colorado 81501, telephone no. 970.241.2042.

Sincerely,

Travis Marshall

Environmental Protection Specialist

ec: Russ Means, DRMS