




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.

MINE NAME: Bulldog Mine Operation	MINE/PROSPECTING ID#: M-1977-215	MINERAL: Lead and silver	COUNTY: Mineral
INSPECTION TYPE: Monitoring	INSPECTOR(S): Travis H. Marshall	INSP. DATE: September 2, 2015	INSP. TIME: 11:00
OPERATOR: Rio Grande Silver, Inc.	OPERATOR REPRESENTATIVE: Randy McClure	TYPE OF OPERATION: 112d-2 - Designated Mining Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$163,228.13
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 15, 2015

GENERAL INSPECTION TOPICS

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. No problems or possible violations were noted during the inspection. The mine operation was found to be in full compliance with Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials and/or for Hard Rock, Metal and Designated Mining Operations. Any person engaged in any mining operation shall notify the office of any failure or imminent failure, as soon as reasonably practicable after such person has knowledge of such condition or of any impoundment, embankment, or slope that poses a reasonable potential for danger to any persons or property or to the environment; or any environmental protection facility designed to contain or control chemicals or waste which are acid or toxic-forming, as identified in the permit.

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SW) STORM WATER MGT PLAN---- <u>Y</u>	(CI) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>Y</u>	(ST) STIPULATIONS----- <u>NA</u>

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

OBSERVATIONS

This inspection was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation Mining and Safety. The Bulldog Mine Operation is a 112d-2 underground mine that is in temporary cessation. The commodities to be mined are lead and silver. The mine currently consists of 568 permitted acres and a maximum allowed disturbance of 60 acres. The Bulldog Mine Operation is located approximately 0.5 miles northwest of Creede Colorado off of Bachelor Road. Rio Grande Silver, Inc. mine manager Randy McClure was present during the inspection.

The mine identification sign was observed at the entrance to the mine site and is in compliance with Rule 3.1.12.

Due to the Bulldog Mine operation being in temporary cessation no mining related activity was observed during the inspection other than routine site maintenance and stormwater management. The main focus of the inspection was to observe the current conditions of the site and determine if any issues needed to be addressed.

Various components of the mine operation were observed. All surface water and groundwater sample locations located in Windy Gulch were observed. The surface water sampling locations were dry during the inspection.

The upper and lower temporary water storage ponds were observed and appeared to be in good condition. Mr. McClure stated that the lower pond was almost dry prior to the recent significant precipitation events.

The drill core storage pads located east of the lower pond were observed and appeared to be in good condition. A few pallets with containers described as drilling mud were observed on the lower pad. The operator stated that he is in search of someone interested in taking the drilling fluids. The Division recommends that if any of the drilling fluids contain toxic or hazardous chemicals that they should be placed in adequate secondary containment as soon as possible.

The final location that is related to Permit No. M-1977-215 that was observed was the vent raise located approximately 2 miles north of the Bulldog Mine Operation office building off of a spur road north of County Road 504. The site was fenced and well maintained.

Currently the Division is reviewing a sample reduction request for the surface and subsurface hydrology sampling locations in Windy Gulch. The locations are currently sampled on a quarterly basis and due to the temporary cessation status of the site the operator is requesting that the Division only require annual sampling until the site becomes active again. The decision for the sampling reduction request will be sent under a separate cover in the near future.

Overall the site was in good condition and no unnecessary debris or trash was observed during the inspection.

No erosion or sedimentation issues were noted. There are no major or minor drainage issues within the permit area that warrant addressing.

Responses to this inspection report should be directed to Travis Marshall at the Division of Reclamation Mining and Safety Grand Junction Field Office, 101 South 3rd Street, Suite 301, Grand Junction, Colorado 81501 phone no. (970) 241-2042.

PHOTOGRAPHS









Inspection Contact Address

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