

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:		MINE/PROSPECTING ID#:	MINERAL:	COUNTY:	
Bulldog Mine Operation		M-1977-215	Lead and silver	Mineral	
INSPECTION TYPE:		INSPECTOR(S):	INSP. DATE:	INSP. TIME:	
Monitoring		Travis H. Marshall	July 18, 2017	08:00	
OPERATOR:		OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:		
Rio Grande Silver, Inc.		Randy McClure	112d-2 - Designated Mining Operation		
REASON FOR INSPECTION:		BOND CALCULATION TYPE:	BOND AMOUNT:		
Normal I&E Program		Complete Bond	\$163,228.13		
DATE OF COMPLAINT:		POST INSP. CONTACTS:	JOINT INSP. AGENCY:		
NA		None	None		
WEATHER:	INSPECTOR'S SIGNATURE:		SIGNATURE DATE:		
Clear	1.02ml1		August 2, 2017		
		A.			

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 \underline{Y}	(TS) TOPSOIL <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE \underline{Y}	(RV) REVEGETATION <u>Y</u>
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN NA	(CI) COMPLETE INSP <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE NA	(SC) EROSION/SEDIMENTATION <u>Y</u>	(RS) RECL PLAN/COMP <u>Y</u>
(AT) ACID OR TOXIC MATERIALS NA	(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.

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.

Overall the operation 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.

Photos that show the conditions observed during the inspection are included at the end of this report.

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













PERMIT #: M-1977-215 INSPECTOR'S INITIALS: THM INSPECTION DATE: July 18, 2017

Inspection Contact Address
Randy McClure
Rio Grande Silver, Inc. PO Box 610 Creede, CO 81130