

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:		
West Equity Project		P-2010-015	Zinc, lead, gold and Mineral			
INSPECTION TYPE:		INSPECTOR(S):	INSP. DATE:	INSP. TIME:		
Mineral Prospect Inspection		Travis H. Marshall	July 18, 2017	08:45		
OPERATOR:		OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:			
Rio Grande Silver, Inc.		Randy McClure	MP - Mineral Prospecting			
REASON FOR INSPECTION:		BOND CALCULATION TYPE:	BOND AMOUNT:			
Normal I&e Program		Complete Bond	\$34,500.00			
DATE OF COMPLAINT:		POST INSP. CONTACTS:	JOINT INSP. AGENCY:			
NA		U.S.Forest Service	None			
WEATHER:	INSPECTOR'S SIGNATURE:		SIGNATURE DATE:			
Clear	2. Quel		August 2, 2017			

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

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

PERMIT #: P-2010-015 INSPECTOR'S INITIALS: THM INSPECTION DATE: July 18, 2017

OBSERVATIONS

This inspection was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation Mining and Safety. The West Equity Project is a 4.04 acre prospecting drilling project. Rio Grande Silver, Inc. mine manager Randy McClure was present during the inspection.

The drilling location observed is still in a drillable condition. The operator stated that the pads associated with the NOI will be reclaimed in 2018.

No erosion or sedimentation issues were noted. There are no major or minor drainage issues within the prospect 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.









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Inspection Contact Address
Randy McClure
Rio Grande Silver, Inc. 112 E. 12th Street Creede, CO 81130

CC: Patrick Moran

USFS – Rio Grande National Forest

1803 West Highway 160 Monte Vista, CO 81144