



October 29, 2018

Colorado Division of Reclamation, Mining, and Safety
Attention: Minerals Program
1313 Sherman St., Room 21
Denver, CO 80203-2273

RE: 2018 Annual Report for Bulldog Mine Operation, Permit No. M-1977-215

Dear Minerals Program,

The Bulldog Mine Operation remains in Temporary Cessation in 2018 and there were no changes or activity from October 31, 2017 to October 30, 2018.

RGS continues to keep all permitting current and the assessment of the economics of the Bulldog Project is ongoing. Until the project is determined to be economically viable, construction and operation of future components like water treatment, additional waste rock storage, mining and milling operations and tailings disposal are not currently envisioned. The EPP will be amended to include these future components once the decision is made to construct such facilities.

Disturbance

There was no new disturbance from October 31, 2017 through October 30, 2018.

Reclamation

Monitoring of re-seeding areas throughout the Bulldog Project was ongoing and no re-seeding was conducted from October 31, 2017 through October 30, 2018. RGS will continue to monitor these areas.

Weed spraying was conducted the week of September 24, 2018 on the following areas showing signs of noxious weeds; 9400 Portal Area, see Figure 1. The TP-2 area, see Figure 2. The 9700 portal area, see Figure 3. A four gallon back pack weed sprayer was used to apply Milestone weed spray to control Canada thistle growth. Monitoring in these areas will continue until no sign of Canada thistle remains.

Other Items

Security of site facilities is monitored on a regular basis and gates to site entrances are kept locked when the site is not occupied.

Monitoring well water levels in BD-MW and HW-3 were recorded on October 25, 2018. Water level in HW-4 was not recorded. See Figure 7.

Annual water quality results for Windy Gulch surface and groundwater samplings were submitted to DRMS on October 10, 2018. Due to a low snow pack and drought conditions in 2018, Windy Gulch did not have any surface water and the groundwater sampling was limited to one well (HW-2). See Bulldog Environmental Protection Plan Figure 3 for Surface water results (No Results) and Figure 5 for groundwater results.

The Bulldog Mine Operation permit boundary map is included. See Figure 9.

Please call or email if you have any questions.



Randy McClure

Consultant

PO Box 610

625 USFS Road 504.1A

Creede, CO 81130

ph: 719.658.1080 ext 2701

cell: 970.317.5355

fax: 719.658.1082

rmcclure@hecla-mining.com