




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: San Juan Silver Project	MINE/PROSPECTING ID#: P-2008-037	MINERAL: Silver and gold	COUNTY: Mineral
INSPECTION TYPE: Monitoring	INSPECTOR(S): Lucas West	INSP. DATE: August 31, 2022	INSP. TIME: 08:30
OPERATOR: Rio Grande Silver, Inc.	OPERATOR REPRESENTATIVE: Randy McClure	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$5,826.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 14, 2022

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

Y = Inspected / 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's Active Mines Program. The San Juan Silver Project is listed as an Active Notice of Intent to Conduct Prospecting Operations (NOI) located approximately one mile northwest of Creede, CO in Mineral County at approximately 11,000 feet in elevation. Public access to the site is controlled by a locked gate along the access road. Proper site identification signage was posted on the gate of the site. The NOI consists of underground drilling operations in the exploration of Silver and Gold resources in the area. The Division currently holds \$5,826.00 in Financial Warranty for the site. A reclamation cost estimate was performed as a result of this inspection and staff calculations determined that the currently held Financial Warranty is sufficient to complete reclamation of the site. Two Photos accompany this report to illustrate the current site conditions.

The entire NOI consists of 6 drill pads constructed in support of drilling operations. Of those 6 pads, 5 have been reclaimed (BD-1 through 5) along with the access road associated with those pads. The reclaimed pads and road sections were not observed as part of this inspection. The only active pad remaining on the project is the BD-6 pad which is currently being used as a water storage and transfer location in support of the Bulldog Project NOI, file no P-2010-014. The pad is leveled and cleared of most vegetation with the exception of a few volunteer plants that have become established. The cut slope on the western edge of the pad was stable at the time of the inspection and no evidence of settling, slumping or erosion was observed. The pad area can be seen in Photo One.

Water storage and transfer operations were active at the time of the inspection. The operator is extracting water from Willow Creek in accordance with their approved Forest Service Permit, hauling it to the BD-6 pad and storing in a series of four 2,500 gallon above ground storage tanks. The water is then pumped by way of a trailer mounted, self-contained water pump up the remainder of the access road to the Bulldog Exploration Project Area. The tanks and pump are in excellent condition, and the pump and trailer are set within a temporary secondary containment structure. The secondary containment structure is in excellent condition and of sufficient capacity to prevent any adverse impacts to the prevailing hydrologic balance. The tanks, piping and pump set up can be seen in Photo Two. The access road and BD-6 exhibit positive drainage and no excessive impounded storm water was noted. Minimal amounts of storm water was noted in response to recent precipitation, however is not considered a problem at this time.

The overall footprint of the inspected area is in excellent condition and free from any excessive trash and debris. No state listed noxious weeds were observed in or around the affected area. No problems or possible violations were noted during this inspection. All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety at 1001 E 62nd Street, Room 215 Denver, CO 80216. Direct contact can be made at the Division's Grand Junction Field Office, by phone at 303-866-3567 Ext. 8187 or by email at lucas.west@state.co.us.

PHOTOGRAPHS



Inspection Contact Address

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