

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:		WEATHER: Clear	INSP. DATE:	INSP. TIME:
Monitoring			July 6, 2023	11:00
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		None	\$163,228.13	
DATE OF COMPLAINT:		POST INSP. CONTACTS:	JOINT INSP. AGENCY:	
NA		None	None	
INSPECTOR(S):	INSPECTOR'S SIGNATURE:		SIGNATURE DATE:	
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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 N	(RD) ROADS <u>N</u>
(HB) HYDROLOGIC BALANCE <u>Y</u>	(BG) BACKFILL & GRADING <u>Y</u>	(EX) EXPLOSIVES <u>N</u>
(PW) PROCESSING WASTE/TAILING N	(SF) PROCESSING FACILITIES \underline{Y}	(TS) TOPSOIL <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE $\underline{\mathbf{Y}}$	(RV) REVEGETATION <u>Y</u>
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN N	(RS) RECL PLAN/COMP N
(ES) OVERBURDEN/DEV. WASTE <u>N</u>	(SC) EROSION/SEDIMENTATION \underline{N}	(ST) STIPULATIONS <u>N</u>
(AT) ACID OR TOXIC MATERIALS N	(OD) OFF-SITE DAMAGE <u>N</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 progam established by the Colorado Division of Reclamation Mining and Safety's Active Mines Program. The Bulldog Mine is a 112d-2 Operiation in Active status. The site is loctated approximately ½ mile northwest of Creede, CO in Mineral County at an elevation of 9370 feet. The site consist of 568 Permitted Acres for the underground extraction of gold, silver, and other base metals. Public access to the site is controlled by a locked gate along the access road to the office and facilities area, as well as a series of locked gates along the access roads of the ancillary facilities located across the permitted area. A reclamation cost estimate update was done as part of the most recent technical revision. The Financial Warranty for the site is sufficent and will not be recalculated at this time. Operator representative Randy McClure of Rio Grande Silver accompanied the inspection.

Facilities and Office Area

The proper Mine Identification Sign was posted at the entrance to the site and throughout the various areas of the permit boundaries. The main facilited adjacent to the office include a core logging building, maintenance shop, fuel storage building and material storage. Wildlife fequent the area and a deer was observed in the facilities area resting in the shade during the inspection. The core logging building was in immaculate condition and very well kept in anticipation of upcoming exploration programs. The shotcrete batch plant was removed from site and the building that housed it is now used for a maintenance and storage building. Like the core loggind building, all other structures in the facilities area are in good condition and very well kept. On site fuel storage is an above ground diesel tank. The tank is double walled and set within a lined containment structure providing tertiary spill containment. A spill pad has been installed in the front of the building to prevent spills. Propane used for heat in the winter is also stored in pressurized tanks in the facilities area. The tanks are located on stable pads that show no signs of slumping or erosion. The propane tanks are proteced by guard rail to prevent them from being hit by vehicles. There were no state listed invasive species observed in the facilities area.

9400 Level Portal Area

The 9400 Level portal is the main access and ore removal for underground workings. The main portal was secure at the time of the inspection. The vent fan was not operating at the time of the inspection because there is no work being done underground at this time. The portal door is in excellent condition and shows no signs of damage or vandalism. There are no signs of settling, slumping, or erosion above or around the portal. The operator sprayed for Canada Thistle in this area in 2022. The treatment appears effective as no state listed invasive species were identified in the area.

The dewatering system was not inspected because it was not in operation at the time of the inspection as no work is being conducted underground and no work is planned to be carried out it in the near future. The mine is applying for a discharge permit with the CDPHE and plans to discharge water into Windy Gulch in the future. The operator will need to apply for a techical revision to modify surface infrastucture before constructing the discharge system.

9700 Level Portal Area/ Windy Gulch Vent Shaft

The 9700 Level Portal has been reclaimed and is not used in operations. The bat gate at the portal was secured at the time of the inspection. The portal closure is stable. There are no signs of displacement around the gate. The slopes above and adjacent to the closure are stable and show no signs of slumping or erosion. Weed treatment in the area appears to be effective. The Annual Report indicated that there was invasive species treatment in this area during 2022. No state listed invasive species were observed in the treatment area. Approxiamtely a mile to the north of the 9700 Portal is the Windy Gulch Vent Shaft. The Windy Gulch Vent Shaft is surrounded by chain link fence with a locked gate to prevent unauthorized entry and vandalism. The shaft is in good condition. The collar and closure show no evidence of displacement, settling, slumping, or erosion. A number of groundwater monitoring wells were also observed while in route to these outlying areas of the permit. The wells are well marked and protected by posts to prevent the wells from being struck by a vehicle. The wells are also capped and secured to prevent contamination or tampering from the general public.

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TP-2 Area

The Tailings Pond 2 area lies approximately 1.5 miles to the south of the main facilities and office area. This area consists of the lined Taining Storage Facility (TSF) that was utilized during active mining operations. Active tailings deposition in this facility has not occurred in in some time. The TSF shows no signs of structural instability such as displacement, cracking or erosion. Within the TP-2 facility lies a lined contact water pond that was used to help dewater the mine during maintencance. There is still water in the pond even though the mine is not being activly dewatered. The pond is lined with HDPE liner that still appears to be good condition after winter snows. Evaporators are on site at TP-2, but were not in use at the time of the inspection. Adjacent to the TSF is a cleared pad utilized to store core samples from recent drilling projects. The pad is well kept with no signs of instability. This core may be buried as approved under a technical revision in the future.

PHOTOGRAPHS



View to the north showing proper Mine ID signage at the entrance



View to the northeast showing good housekeeping in facilities and a deer resting in the shade of the building.



View to the west showing the 9400 Level Portal. Gate is secure and well kept.



View to the west showing 9700 Portal closure.



View to the northwest of the Windy Gulch Vent Raise. The raise is well protected.



View to the southwest showing TP-2. Evaporators are on the far side of the pond.

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

Enclosure

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