



September 4, 2012

RE: Modification Notice of Intent to Conduct Prospecting

Dear Mineral County Commissioners,

Rio Grande Silver, Inc is submitting a modification to the Notice of Intent to Conduct Prospecting Operations (NOI #P-2011-010) with the Colorado Division of Reclamation, Mining and Safety (modification dated August 30, 2012).

The modification to the NOI is for the Equity Exploration Project and will involve placing underground development rock onto the surface in two development rock piles. One rock pile will be placed to the north and one to the south of the Equity Portal. Both of these rock piles will be designed with surrounding berms (to contain material) and access ramps to allow for proper contouring of the development rock material. Both the north and south rock piles, combined, will cover 0.89 acres of Rio Grande Silver's private property. This activity will increase the disturbed acreage from 2.0 acres (approved under DRMS NOI #P-2011-010) to 3.8 acres. Construction of these development rock piles is scheduled to begin September 15, 2012 and will be ongoing. Refer to attached location map.

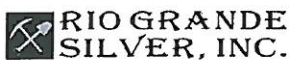
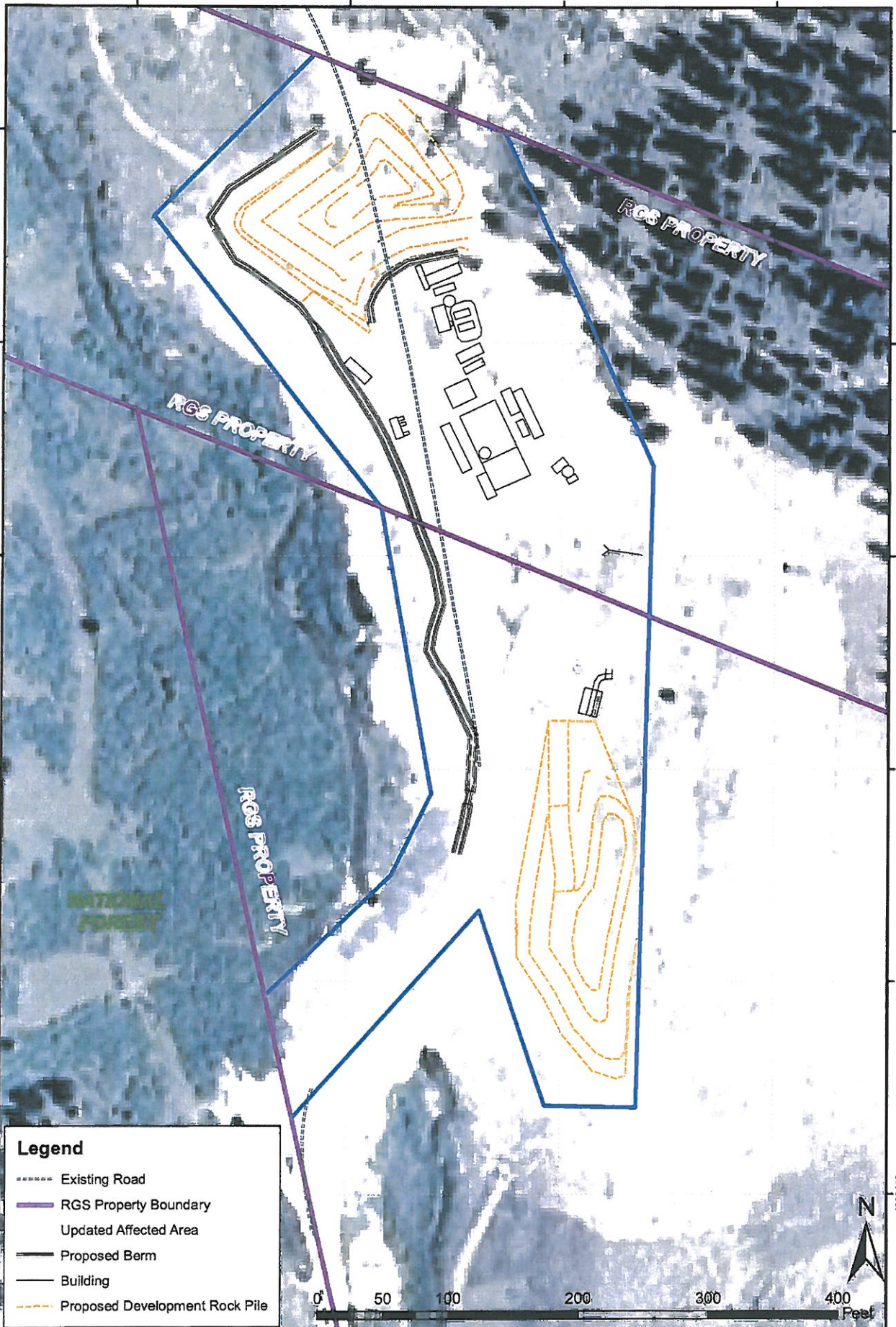
Copies of the NOI modification are available at the Rio Grande Silver, Inc office or online at Colorado DRMS.

Please call me at 970-946-0111 if you have questions.

Best Regards,

Randy McClure  
General Manager  
Rio Grande Silver, Inc.  
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Creede, CO 81130  
(719) 658-1080  
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**RGS PROPOSED 2012 MODIFICATION  
TO SURFACE INFRASTRUCTURE**

Equity Exploration Project  
Creede, CO, USA

9-4-12

DRWN BY: CLH  
SCALE: 1:800  
PROJECTION: UTM NAD83, Z13  
DATE: 8/28/2012  
SIGNATURE: