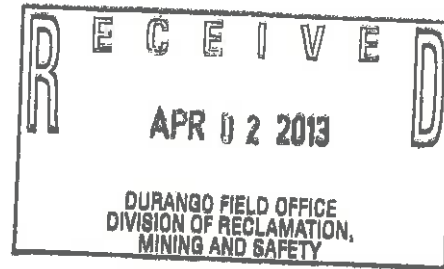




April 1, 2013

Bob Oswald
Colorado Department of Natural Resources
Division of Reclamation, Mining, and Safety
691 CR 233
Suite A-2
Durango, CO 81301



RE: Prospector Application for Release of Warranty: DRMS NOI #P-2011-011, East Upper Rat Creek

SL-1

Dear Mr. Oswald,

Enclosed is a Prospector Application package for Release of Warranty for the Rio Grande Silver Prospecting Notice of Intent DRMS-NOI#P-2011-011, East Upper Rat Creek. This package includes:

- A signed statement indicating that all reclamation requirements of the prospecting notice have been satisfied;
- Bond release request;
- Summary of site reclamation performed, including maps; and
- Proof that a copy of this request was sent to the USDA Forest Service.

Detailed photos of the reclaimed site will be taken later in the spring once snow cover has melted. Aerial photography of the site shows the pre-disturbance (June 2010) and post-disturbance (August 2010) states of the drill pad and access road and are provided in this letter.

Please call me at 719-658-1080 ext. 2701 if you have questions or if this Prospector Application for Release of Warranty is deficient in any way.

Best Regards,

Randy McClure

Randy McClure
General Manager
Rio Grande Silver, Inc.
625 USFS Road 504.1A
Creede, CO 81130
(719) 658-1080 ext. 2701
rmcclure@hecla-mining.com



Prospector Application for Release of Warranties

Rio Grande Silver (RGS) hereby states that all reclamation requirements for the Prospecting Notice of Intent File Number P-2011-011 for the drill pad and drill road listed below have been satisfied. RGS estimates that 100% of the reclamation requirements are complete and requests the Release of Warranties in the amount of \$16,435 (the current total bond amount).

Randy McClure

Randy McClure
General Manager
Rio Grande Silver, Inc.
625 USFS Road 504.1A
Creede, CO 81130
(719) 658-1080 ext. 2701
rmcclure@hecla-mining.com

Summary or Reclamation Performed:

In the spring of 2010, one (1) approximately 100 foot by 100 foot drill pad was constructed along with an approximately 65-foot, temporary, low-standard access road to the pad. The drilling of two drillholes commenced on August 8, 2011 and was completed on October 11, 2011. The drillholes were filled from bottom to top with cement and a 10-20 foot cement plug cap was placed at the top of each drillhole. This plug will ensure that any settling of the cement below will not affect the long-term integrity of the plugging procedure. Preserved topsoil was spread over the top of the cemented and plugged hole.

In the NOI application, it was estimated that depth to topsoil would range from zero to 12 inches, locally. During pad and road construction, topsoil (where present) was salvaged and stockpiled adjacent to the drill pad and road. After the drill pad and road were re-contoured and scarified, an average of 4-6 inches of topsoil was redistributed over the final graded areas.

A gate has been installed at the entrance to the temporary, low-standard access road to close them to motorized travel. Disturbed areas (drill pad and access road) have been returned back to the contour and topography present prior to disturbance. Compacted areas have been loosened as necessary by ripping or discing. Topsoil has been redistributed where present. Disturbed areas have been reseeded and covered with slash cut from construction. Reclamation also included the installation of water bars where necessary to prevent degradation of the reclaimed area. Following grading activities, the area was scarified to help promote the re-establishment of vegetation. Seeding was done by broadcasting a certified weed-free species mixture approved by Colorado DRMS and the USDA Forest Service.

Seed Mixture used in the re-establishment of Vegetation: Sub Alpine Mix
Plant Name (Seeding rate in approximate seed/acre)

San Luis Slender Wheatgrass (4.40)
Sodar Streambank Wheatgrass (2.30)
Mountain Brome (3.90)

322000

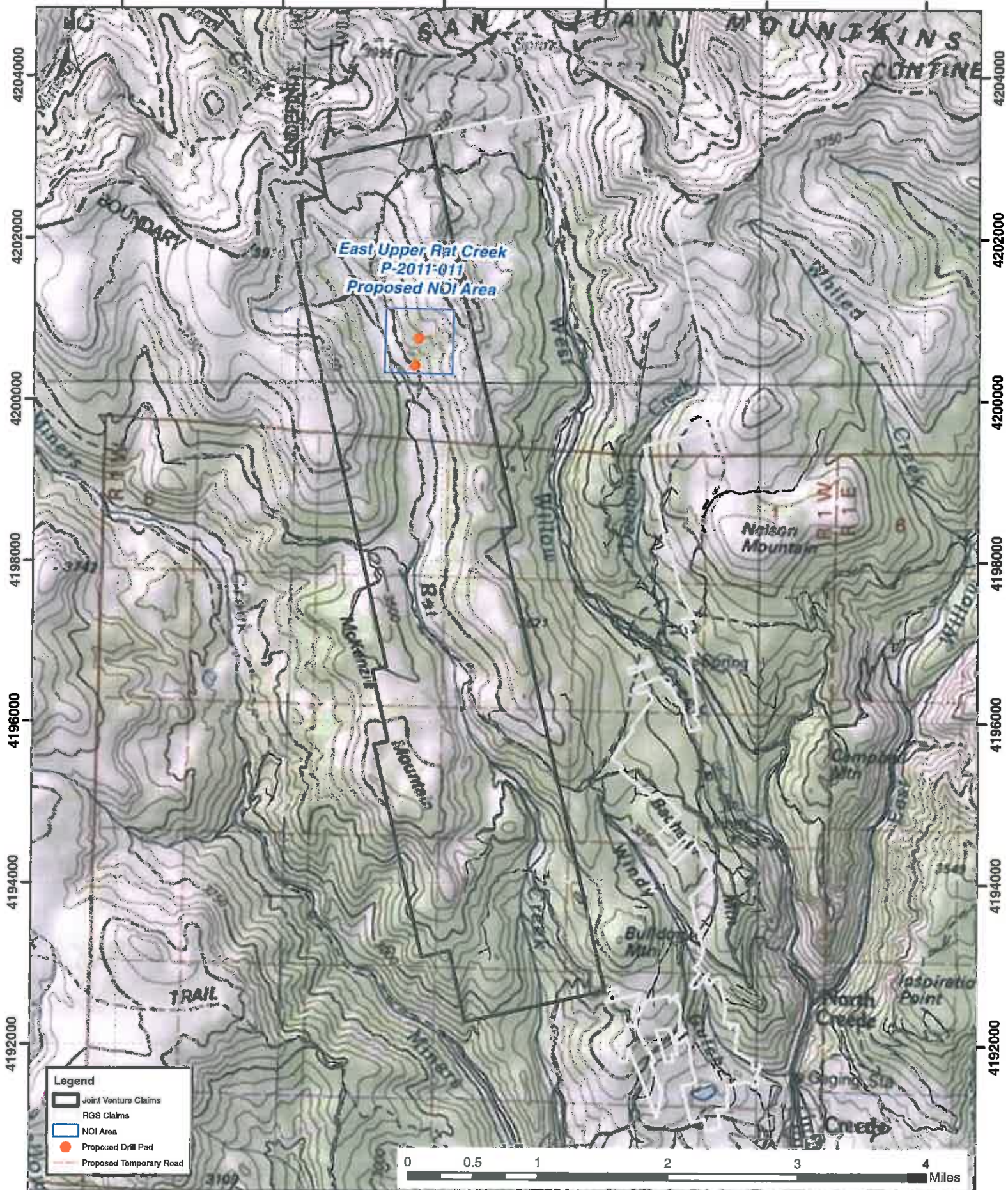
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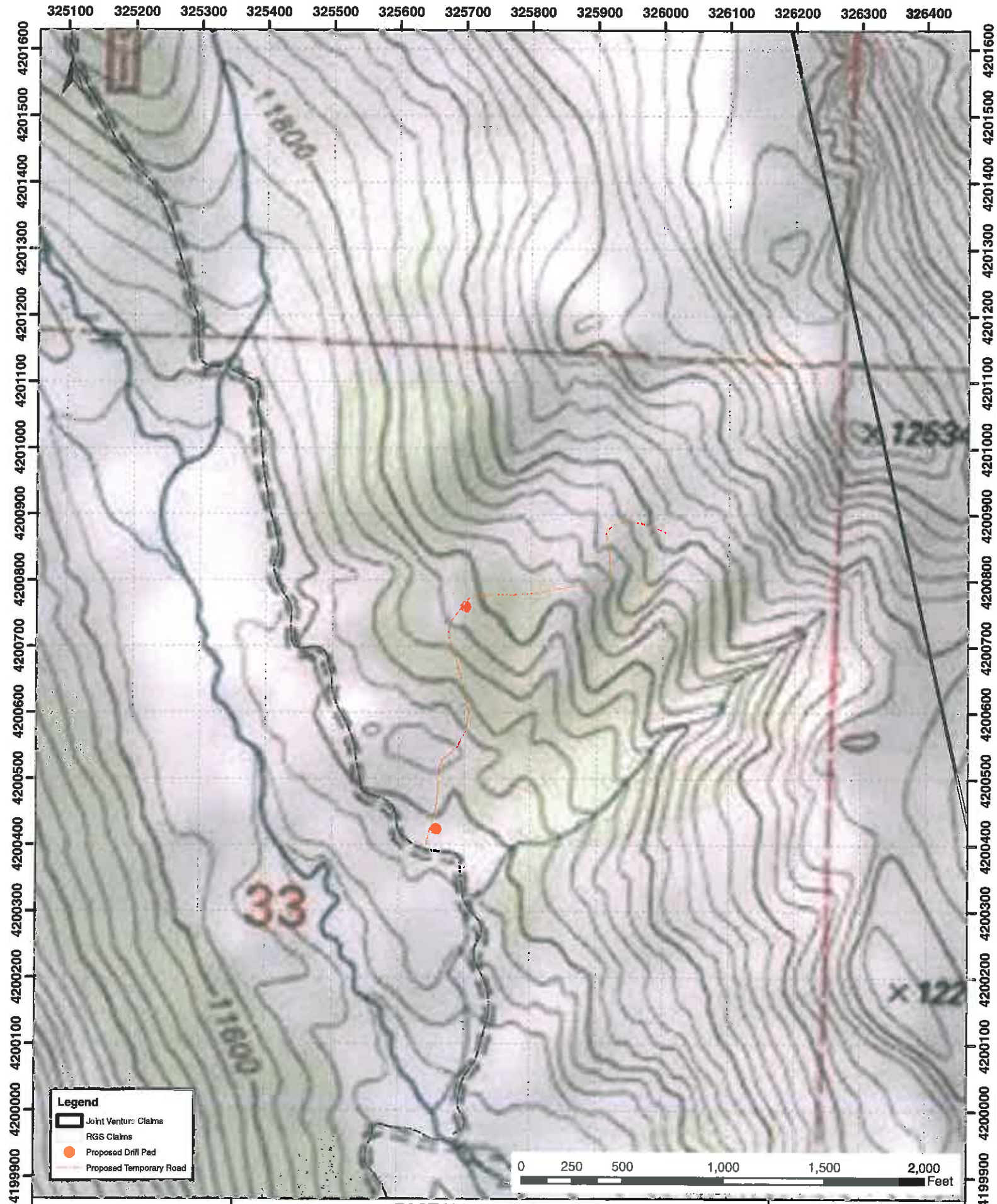


**RIO GRANDE
SILVER, INC.**

**EAST UPPER RAT CREEK
NOI #P-2011-011 LOCATION**

Rat Creek
Creede, CO, USA

DRWN BY: CLH
SCALE: 1:60,000
PROJECTION: UTM NAD83, Z13
DATE: 3/25/2013
SIGNATURE: *Randy McKinnon*




Legend

- Joint Venture Claims
- RGS Claims
- Proposed Drill Pad
- Proposed Temporary Road

 **RIO GRANDE SILVER, INC.**

**EAST UPPER RAT CREEK
NOI #P-2011-011 LOCATION**

Rat Creek
Creede, CO, USA

DRWN BY: CLH
SCALE: 1:7,200
PROJECTION: UTM NAD83, Z13
DATE: 3/25/2013
SIGNATURE: 




Legend
● Proposed Drill Pad

0 50 100 200 300 400 Feet

 **RIO GRANDE SILVER, INC.**

**EAST UPPER RAT CREEK NOI #P-2011-011
PRE-DRILLING**

*Rat Creek
Creede, CO, USA*

DRWN BY: CLH
SCALE: 1:800
PROJECTION: UTM NAD83, Z13
DATE: 3/25/2013
SIGNATURE: 




Legend
● Proposed Drill Pad

0 50 100 200 300 400 Feet

 **RIO GRANDE
SILVER, INC.**

**EAST UPPER RAT CREEK NOI #P-2011-011
DRILL PAD**

Rat Creek
Creede, CO, USA

DRWN BY: CLH
SCALE: 1:800
PROJECTION: UTM NAD83, Z13
DATE: 3/25/2013
SIGNATURE: 

 **RIO GRANDE
SILVER, INC.**

P.O. Box 610 Creede, CO 81130

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD DATE DOTTER LINE.

CERTIFIED MAILTM



7009 0820 0000 7045 5348

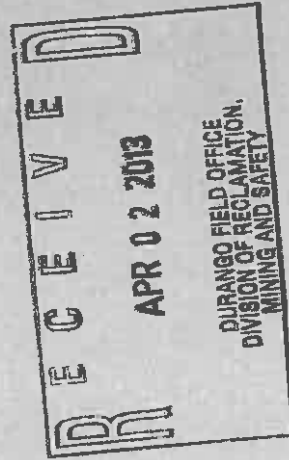


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81301

U.S. POSTAGE
CREEDE
APR 02 2013



Colorado DRMS
691 CR 233, Suite A-2
Durango, CO 81301