

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

1313 Sherman St., Room 215

Denver, Colorado 80203

Phone: (303) 866-3567

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John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta E. Piñeda
Director

July 16, 2013

Mr. Randy McClure
Rio Grande Silver, Inc.
PO Box 610
Creede, CO 81130

Re: Bulldog Mine Operation, Permit No. M-1977-215, Amendment Approval, Revision No. AM-1

Dear Mr. McClure,

On July 12, 2013 the Division of Reclamation, Mining and Safety approved the Amendment application submitted to the Division on April 11, 2013, addressing the following:

Addition of permitted acreage for future mining-related activities. The permitted area is increased to 568.0 acres, and the affected area remains at 60.0 acres.

The terms of the Amendment No. 1 approved by the Division are hereby incorporated into Permit No. M-1977-215. All other conditions and requirements of Permit No. M-1977-215 remain in full force and effect.

This amendment did not include any changes to the amount of mining-related activity, to the existing mining plan, or to the existing reclamation plan. As such, and since the required bond amount was recently recalculated during the Division's review of Technical Revision TR-22, the bond amount does not change as a result of the approval of this amendment. The existing bond amount of \$159,250.72 is sufficient to reclaim the permitted mining disturbance. Since there is no change to the bond amount, this amendment is considered fully approved and final.

Please be reminded that, pursuant to Hard Rock and Metals Rule 3.1.12(2)(b), the affected area boundaries must be marked. It is understood that the existing disturbed areas are less than the currently-approved 60.0 acres, and future activities will affect additional acreage. Until the affected area acreage is increased under a revision to the permit, the total of all affected areas must not exceed 60.0 acres.

The Division thanks you and the staff of Rio Grande Silver for the quality of the amendment materials submitted; we look forward to working with Rio Grande Silver on further activities at the Bulldog Mine.

If you have any questions, I may be reached at the Division's Durango Field Office: 691 CR 233, Room A-2, Durango, CO 81301; telephone 970-247-5193.

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Sincerely,

A handwritten signature in dark ink, appearing to read "Bob Oswald". The signature is fluid and cursive, with the first name "Bob" and last name "Oswald" clearly distinguishable.

Bob Oswald
Environmental Protection Specialist

Ec: Russ Means, DRMS Grand Junction
Barbara Coria, DRMS Denver
Tom Malecek, USFS Monte Vista

(c:\13-07 docs\Bulldog AM-1 appr/rco)