




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: May Day Idaho Mine Complex	MINE/PROSPECTING ID#: M-1981-185	MINERAL: Gold and silver	COUNTY: La Plata
INSPECTION TYPE: Multi Person Inspection	INSPECTOR(S): Lucas J. West	INSP. DATE: October 18, 2016	INSP. TIME: 08:00
OPERATOR: Wildcat Mining Corporation	OPERATOR REPRESENTATIVE: Ray Ferguson	TYPE OF OPERATION: 112d-1 - Designated Mining Operation	
REASON FOR INSPECTION: High Priority	BOND CALCULATION TYPE: None	BOND AMOUNT: \$204,562.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: November 3, 2016	

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>Y</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>Y</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>N</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>	(CI) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	(ST) STIPULATIONS----- <u>N</u>

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This inspection was conducted as a follow up inspection to the Board Order signed March 3, 2016. Details regarding all Board actions will be addressed in a separate correspondence. The Mayday Idaho Mine Complex is listed as an active 112d-1 permit consisting of 274.7 permitted acres. The site lies approximately fifteen miles northwest of Durango at 8,700 feet in elevation. Public access is controlled by a locked gate. The Division currently holds \$204,562.00 in financial warranty for the site. A reclamation cost estimate was not performed at this time. Seven Photos accompany this report to illustrate the current site conditions.

This inspection was focused on the three main areas of the operation, the Chief Portal, the May Day 1 and the May Day 2 areas. The main areas of activity have been concentrated at the Chief Portal and the May Day 2. The site was not active during the inspection, however, equipment was staged on site. Along with the inspector listed on page one of this report, Russ Means of the Division of Reclamation, Mining and Safety was present during the inspection.

Chief Portal Area

The restoration activities at the Chief Portal Area appears to have been completed. As seen in Photo One, the culvert has been installed with a grated closure on the inlet to prevent plugging. The outfall of the culvert has been armored with rip rap to prevent down cutting shown in Photo Two. The area has been backfilled, mulched and secured / seeded with the vegetated matting. All backfilled areas appear to be stable and in good condition, no evidence of settling, slumping or subsidence was observed. The matting extends from the access road down to the bottom of the gulch as well as up the other side. Photo Three shows the area with the vegetative matting as seen from the access road above. The secondary escape / emergency access has been further buttressed with the restoration of Little Deadwood Gulch. The portal was not secured with a grated closure, however discussions with the operator indicate that the closure will be installed soon. Approximately 12-14 precast concrete blocks have been installed to buttress the installed culvert and backfilled area of the gulch. Photo Four shows the blocks and area that has been buttressed. A secondary drain has been installed to allow any water generated from the portal to be conveyed into Little Deadwood Gulch. The slope above the secondary access which had been backfilled as of the previous inspection by Division staff appears to be in good condition. The areas that were identified to be revegetated or secured with the vegetative matting have been addressed. No evidence of erosion, slumping or subsidence was noted. The area at the top of the slope, adjacent to the road was identified to need a safety barrier which has been installed.

May Day 2 Area

The required work at the May Day 2 area was the installation of a series of culverts where the access road crosses Little Deadwood Gulch. Photo Five shows where the access road crosses the gulch, and that the culverts have been installed. Three culverts, with grated closures at their inlets to prevent clogging, as well as concrete abutments to prevent degradation of the surrounding material has been installed. The outfall of the culverts has been armored to prevent down cutting of the channel immediately downstream of the culverts. The armoring can be seen in Photo Six. Within the channel immediately upstream of the culverts, two water bars have been installed to help dissipate the energy as the stream flow approaches the crossing. The portal at the May Day 2 Area remains partially collapsed. A small waste rock pile was located adjacent to the closure,

and was present during the previous inspection. The pile appears to be stable and in good condition. During the previous inspection a large population of noxious weeds were identified at the May Day 2 Area. The noxious weeds have been treated, and or removed and no noxious weeds were observed during this inspection.

May Day 1 Area

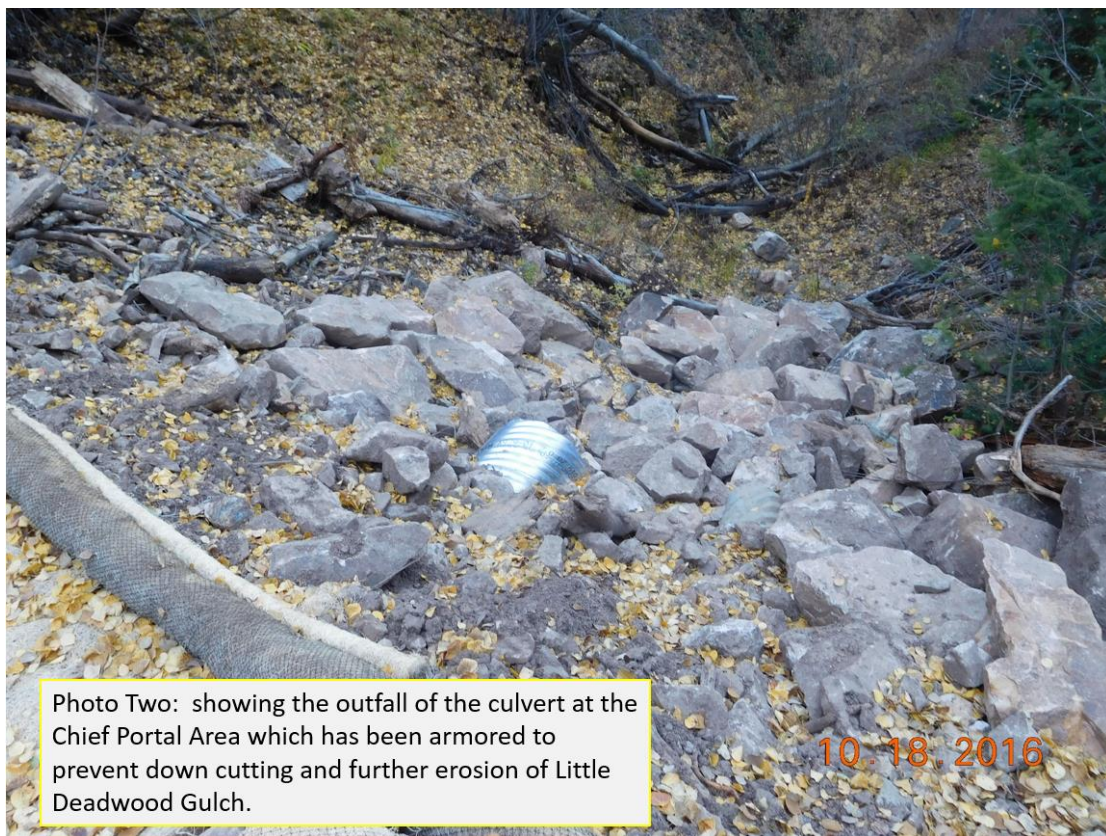
There has been some minimal activity at the May Day 1 area. The portal remains closed with a locked gate, and the surrounding slopes buttressed with the placement of large boulders. The area above the portal has been stabilized with wire mesh and rock bolts. Photo Seven shows the portal with the locked gate and buttressed slopes as well as the rock bolts and wire mesh. The Mill building was not inspected at this time. A variety of equipment was observed throughout the May Day 1 area. The surface conditions of the area are largely unchanged from the October 2015 Inspection.

Wetlands Area

The wetlands area located adjacent to the access road, immediately downstream from the bridge over the La Plata River was inspected. Evidence of revegetation efforts in the way of planting both wetlands and upland vegetation was observed. The area appeared to be stable and in good condition.

The overall footprint of the site was in good condition and free from excessive trash and debris. No significant erosion, settling or slumping was observed throughout the site. No noxious weeds were noted during the inspection. All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety at 1313 Sherman Street, Room 215, Denver CO, 80203, by phone at (970)-243-6368 or by email at lucas.west@state.co.us.

PHOTOGRAPHS









Inspection Contact Address

George Robinson
Wildcat Mining Corporation
3926 North State Hwy 67
Sedalia, Co 80135

Enclosure

CC: Russ Means, Senior Environmental Protection Specialist
Dusting Czapla, Environmental Protection Specialist