

**McClane Canyon Mining LLC**  
 Water Sampling Report  
 Date: 11/24/17

Fourth Quarter 2017  
 Sampled by: Jim Stover  
 Meters Calibrated: Yes

Weather Conditions: Clear ~40-50 degrees F.

Surface Water					
Sample Point	Time	Flow (cfs)	pH	EC umhos/cm	Temp (C)
SW-1	9:40 AM	Dry	-	-	-
SW-2	9:40 AM	Dry	-	-	-
SW-3	8:30 AM	Dry	-	-	-
SW-5	10:10 AM	Dry	-	-	-
SW-8	8:20 AM	Dry	-	-	-

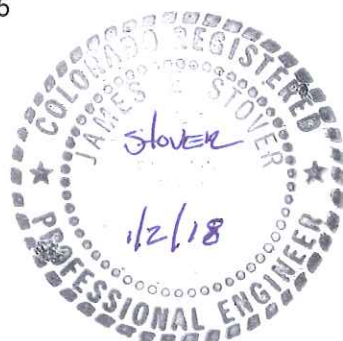
Ground Water					
Sample Point	Time	SWL (feet)	pH	EC umhos/cm	Temp (C)
GW-1	9:30 AM	13.8	Not adequate water to collect sample		
GW-3	8:25 AM	33.9	7.0	4600	11.2
GW-6	Sealed October 2016				
GW-9	10:00 AM	28.3	8.2	5500	12.0

#### Location of Points/Wells

SW-1 East Salt Creek above McClane under haul road bridge  
 SW-2 McClane Creek at culvert below mine  
 SW-3 Munger Creek at haul road culvert below mine  
 SW-4 East Salt Creek ~2 miles downstream of SW-8  
 SW-5 McClane Creek above mine site at culvert inlet  
 SW-6 Munger Creek below mine before north split  
 SW-7 Munger Creek above Mine  
 SW-8 East Salt Creek between Munger and McClane Creeks at bridge  
 SW-X McClane Creek at confluence with East Salt Creek

GW-1 Alluvium of East Salt Creek about 3 Miles above McClane - TD 14.3'  
 GW-3 Alluvium of East Salt Creek just below Munger Canyon - TD 47.3'  
 GW-6 In Munger Canyon at the permitted waste rock disposal area - TD 18.8'  
 Sealed October 2016  
 GW-9 Alluvium of East Salt Creek south of McClane Office - TD 53.5

		Feet
GW-1	Total Depth	14.0
GW-3	Total Depth	47.3
GW-6	Total Depth	18.8 Sealed October 2016
GW-9	Total Depth	53.5



## QUARTERLY POND INSPECTION REPORT

Operator:	McClane Canyon Mining LLC	Quarter:	Fourth 2017
Mine:	McClane Canyon Mine C-1980-004	Inspection Date:	24-Nov-17

### Pond Identification

Sediment				
Location				

### Status During Inspection:

Approximate Water Level	Dry			
Sediment (% total storage)	100%			
Outflow (cfs)	0			

### Features

Problem				
Yes/No				

### Erosional

Rills & Gulleys	No			
Inadequate Vegetation	No			
Outlet Channel Erosion	No			
Burrows	No			
Other	No			

### Structural

Differential Settling	No			
Cracks or Slides	No			
Seepage	No			
Other	No			

### Appurtenant Structures

Defective Spillways	No			
Dewatering Devices Clogged	No			
Faulty Gates, Etc.	No			
Other	No			

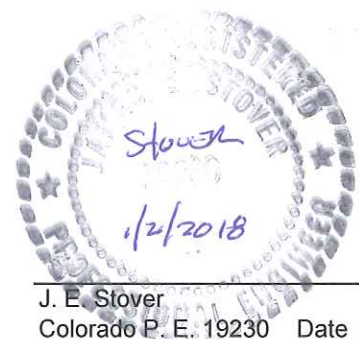
### Additional Comments

Invert of primary spillway is at elevation 5457.00.  
Invert of emergency spillway is at elevation 5462.00.

### Maintenance Required:

None

Name of Inspector: Jim Stover



J. E. Stover  
Colorado P. E. 19230    Date