

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:		MINE/PROSPECTING ID#:	MINERAL:	COUNTY:		
May Day Idaho Mine Complex		M-1981-185	Gold and silver	La Plata		
INSPECTION TYPE:		INSPECTOR(S):	INSP. DATE:	INSP. TIME:		
Monitoring		Lucas J. West	April 27, 2018	10:30		
OPERATOR:		OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:			
Sunrise Mining LLC		Sarah Glinatsis, Jack Nielson	112d-2 - Designated Mining Operation			
REASON FOR INSPECTION:		BOND CALCULATION TYPE:	BOND AMOUNT:			
Normal I&E Program		None	\$204,562.00			
DATE OF COMPLAINT:		POST INSP. CONTACTS:	JOINT INSP. AGENCY:			
NA		None	None			
WEATHER:	INSPECTOR'S SIGNATURE:		SIGNATURE DATE:			
Clear	and we		May 17, 2018			

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>N</u>	(FN) FINANCIAL WARRANTY N	(RD) ROADS <u>Y</u>
(HB) HYDROLOGIC BALANCE <u>N</u>	(BG) BACKFILL & GRADING <u>N</u>	(EX) EXPLOSIVES <u>N</u>
(PW) PROCESSING WASTE/TAILING N	(SF) PROCESSING FACILITIES \underline{N}	(TS) TOPSOIL <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE \underline{N}	(RV) REVEGETATION <u>Y</u>
(SM) SIGNS AND MARKERS <u>N</u>	(SP) STORM WATER MGT PLAN N	(RS) RECL PLAN/COMP N
(ES) OVERBURDEN/DEV. WASTE N	(SC) EROSION/SEDIMENTATION \underline{N}	(ST) STIPULATIONS <u>N</u>
(AT) ACID OR TOXIC MATERIALS N	(OD) OFF-SITE DAMAGE <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

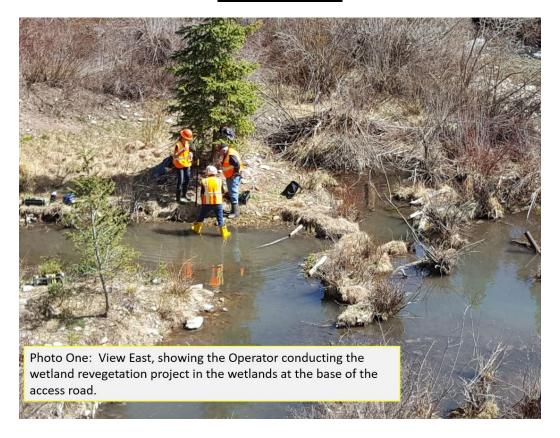
This inspection was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation Mining and Safety. The Mayday Idaho Mine Complex is listed as an active 112d-2 permit consisting of 274 permitted acres and 56 acres of affected lands. The site lies approximately 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. Two Photos accompany this report to illustrate the current site conditions.

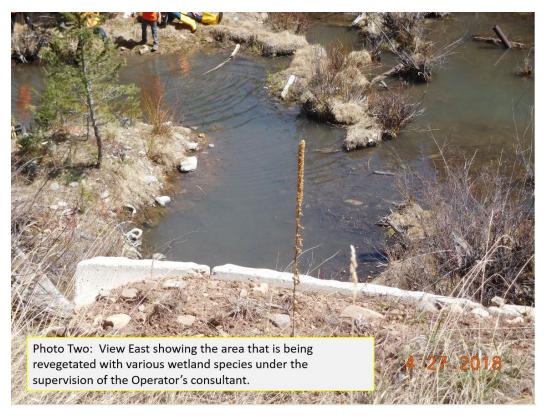
The site was not active during the inspection, and this was not a complete site inspection. The main focus of this inspection was to meet with the Operators for an update on the current status of obtaining other required state, local and federal permits as well as monitor the wetland vegetation project that has been mandated through Federal enforcement actions. The area that is being revegetated can be seen in Photos One and Two. The revegetation project is taking place in the wetland areas at the base of the access road and adjacent to the La Plata River. The project has been designed and is under the care of the Operator's consultants.

Discussions with the operator indicate the permitting process with various agencies including the Colorado Department of Public Health and Environment and La Plata County are ongoing. One the required permits are obtained by the Operator copies of those permits should be submitted to the Division to be added to the Permit File. Discussions also focused on the portion of the mining plan that includes upgrading the La Plata River Bridge. The Operator and the Division agree that given the lack of snowfall over the winter and subsequent low flows in the River, that this summer would be an ideal time to construct the new bridge. The Operator indicate that they will be seeking approval for those activities through La Plata County and may alter the design of the bridge to a pre-fabricated design. The change to bridge design will need to be addressed through the Technical Revision Process. A Technical Revision Request Form has been enclosed with this report, when the design is finalized please submit the completed cover sheet, required fee, and design specifications of the new bridge for approval prior to construction.

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 observed areas of the site. All access roads were in good condition and appear to be stable. No noxious weeds were noted during the inspection. No problems or possible violations were observed 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





PERMIT #: M-1981-185 INSPECTOR'S INITIALS: LJW INSPECTION DATE: April 27, 2018

<u>Inspection Contact Address</u> Sarah Glinatsis, Jack Nielson Sunrise Mining LLC P.O. Box 160 Arvada, CO 80001

Enclosure: Technical Revision Request Form

CC: Russ Means, Senior Environmental Protection Specialist

Wally Erickson, Senior Environmental Protection Specialist



COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY 1313 Sherman Street, Room 215, Denver, Colorado 80203 ph(303) 866-3567

REQUEST FOR TECHNICAL REVISION (TR) COVER SHEET

File No.: M-	Site Name:	
County	TR#	(DRMS Use only)
Permittee:		
Operator (If Other than Pern	nittee):	
Permittee Representative:		
Please provide a brief descri	ption of the proposed revision:	
which does not have more the Environmental Protection Planets this definition. If the the Division may require the to the permit.	Rules, a Technical Revision (TR) is: "a nan a minor effect upon the approved or lan." The Division is charged with dete Division determines that the proposed resubmittal of a permit amendment to me considered "filed for review" until the a	r proposed Reclamation or ermining if the revision as submitted revision is beyond the scope of a TR, ake the required or desired changes
Division (as listed below by expedite the review process. determine if it is approvable TR, you will be notified of s day review period there are	permit type). Please submit the appropriate After the TR is submitted with the appropriate within 30 days. If the Division requires specific deficiencies that will need to be still outstanding deficiencies, the Divisible lime, in writing, to provide the require	priate fee with your request to propriate fee, the Division will additional information to approve a addressed. If at the end of the 30 ion must deny the TR unless the
sufficient information to the	nat for the submittal of a TR; however, in Division to approve the TR request, in accurately depict the changes proposed	cluding updated mining and
Required Fees for Technical your request for a Technical	Revision by Permit Type - Please mark Revision.	k the correct fee and submit it with
Permit Type 110c, 111, 112 construction materials, and 112 quarries	Required TR Fee \$216	Submitted (mark only one)
112 hard rock (not DMO)	\$175	
110d, 112d(1, 2 or 3)	\$1006	