




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.

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|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------|
| MINE NAME: May Day Idaho Mine Complex | MINE/PROSPECTING ID#: M-1981-185 | MINERAL: Gold and silver | COUNTY: La Plata |
| INSPECTION TYPE: Monitoring | INSPECTOR(S): Lucas J. West | INSP. DATE: April 27, 2018 | INSP. TIME: 10:30 |
| OPERATOR: Sunrise Mining LLC | OPERATOR REPRESENTATIVE: Sarah Glinatsis, Jack Nielson | TYPE OF OPERATION: 112d-2 - Designated Mining Operation | |
| REASON FOR INSPECTION: Normal I&E Program | 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: 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----- <u>N</u> | (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---- <u>N</u> | (SF) PROCESSING FACILITIES----- <u>N</u> | (TS) TOPSOIL----- <u>N</u> |
| (MP) GENL MINE PLAN COMPLIANCE- <u>Y</u> | (FW) FISH & WILDLIFE----- <u>N</u> | (RV) REVEGETATION---- <u>Y</u> |
| (SM) SIGNS AND MARKERS----- <u>N</u> | (SP) STORM WATER MGT PLAN---- <u>N</u> | (RS) RECL PLAN/COMP-- <u>N</u> |
| (ES) OVERBURDEN/DEV. WASTE----- <u>N</u> | (SC) EROSION/SEDIMENTATION--- <u>N</u> | (ST) STIPULATIONS----- <u>N</u> |
| (AT) ACID OR TOXIC MATERIALS----- <u>N</u> | (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



Photo One: View East, showing the Operator conducting the wetland revegetation project in the wetlands at the base of the access road.



Photo Two: View East showing the area that is being revegetated with various wetland species under the supervision of the Operator's consultant.

Inspection Contact Address

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 Permittee): _____

Permittee Representative: _____

Please provide a brief description of the proposed revision: _____

As defined by the Minerals Rules, a Technical Revision (TR) is: “a change in the permit or application which does not have more than a minor effect upon the approved or proposed Reclamation or Environmental Protection Plan.” The Division is charged with determining if the revision as submitted meets this definition. If the Division determines that the proposed revision is beyond the scope of a TR, the Division may require the submittal of a permit amendment to make the required or desired changes to the permit.

The request for a TR is not considered “filed for review” until the appropriate fee is received by the Division (as listed below by permit type). Please submit the appropriate fee with your request to expedite the review process. After the TR is submitted with the appropriate fee, the Division will determine if it is approvable within 30 days. If the Division requires additional information to approve a TR, you will be notified of specific deficiencies that will need to be addressed. If at the end of the 30 day review period there are still outstanding deficiencies, the Division must deny the TR unless the permittee requests additional time, in writing, to provide the required information.

There is no pre-defined format for the submittal of a TR; however, it is up to the permittee to provide sufficient information to the Division to approve the TR request, including updated mining and reclamation plan maps that accurately depict the changes proposed in the requested TR.

Required Fees for Technical Revision by Permit Type - Please mark the correct fee and submit it with your request for a Technical Revision.

| <u>Permit Type</u> | <u>Required TR Fee</u> | <u>Submitted</u> (mark only one) |
|---------------------------------------------------------|------------------------|----------------------------------|
| 110c, 111, 112 construction materials, and 112 quarries | \$216 | <input type="checkbox"/> |
| 112 hard rock (not DMO) | \$175 | <input type="checkbox"/> |
| 110d, 112d(1, 2 or 3) | \$1006 | <input type="checkbox"/> |