




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: Monitoring	INSPECTOR(S): Lucas J. West	INSP. DATE: August 7, 2018	INSP. TIME: 08:34
OPERATOR: Sunrise Mining LLC	OPERATOR REPRESENTATIVE: Sara Glinatsis, Jack & Barb 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: September 6, 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>Y</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</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>N</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>Y</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 for Designated Mining Operations 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 274.7 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 update was not performed at this time. The operator is still working to secure their county conditional use permit, therefore the site remains largely unchanged from the previous inspections. Eight Photos accompany this report to illustrate the current site conditions.

Base of Operations: The Base of Operations area will be the location of the mine offices as well as the lined ore storage pad used to stage ore prior to transport. Construction of these facilities has not begun yet and the area is in the same condition as it was during the previous inspection. Several pieces of leftover materials from construction activities including pieces of culvert and large boulders are located in the area. The area can be seen in Photo One.

May Day 1 Area: The May Day area is in similar condition from the previous inspections and no significant changes have been made. 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. The old mill building was not inspected at this time. Various equipment including an underground loader, several shipping containers and various other mining related debris are still on site. The surface conditions of the area are largely unchanged from the October 2016 Inspection. Photos Two, and Three show the conditions of the May Day 1 Area.

May Day 2 Area: The three culverts, and associated structures that were constructed as part of the restoration of Little Deadwood Gulch appear to be functioning as designed and are in good condition as seen in Photo Four. The outfall of the culverts has been armored to prevent down cutting of the channel immediately downstream of the culverts. 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 minor erosion of the channel that was noted during the previous inspection has been monitored and addressed. No further erosion in this area was noted. The portal at the May Day 2 Area remains closed. 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.

Idaho Area: The Idaho affected area consists of a main pad area, a small office building, shop structure and storage area. The extent of the proposed activity is minimal at the area, however they may be expanded in the future. The structures located at the Idaho area appear to be stable and in good condition. The Idaho spring was observed, as seen in Photo Five, was flowing at approximately 40 Gallons Per Minute.

Chief Portal Area: The restoration activities at the Chief Portal Area were completed and inspected in the fall of 2016 and remains in good condition. The Chief Portal is designed to function as a secondary escape way and underground access point. As seen in Photo Six, the culvert in Little Deadwood Gulch has been installed with a grated closure on the inlet to prevent plugging and it appears to be functioning as designed. All backfilled areas appear to be stable and in good condition, no evidence of settling, slumping or subsidence

was observed. Areas where the vegetation matting was installed are well vegetated and stable. Photo Seven shows an examples of the vegetative cover in the area. The secondary escape / emergency access has been further buttressed with the restoration of Little Deadwood Gulch. Photo Eight shows the buttressing and secondary escape way. A secondary drain has been installed to allow any water generated from the portal to be conveyed into Little Deadwood Gulch.

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. All access roads were in good condition and appear to be stable. 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



Photo One: View West, showing the area where the Base of Operations will be constructed. The area is stable and well vegetated. Also visible is some of the leftover construction materials from the restoration work.

8.7.2018

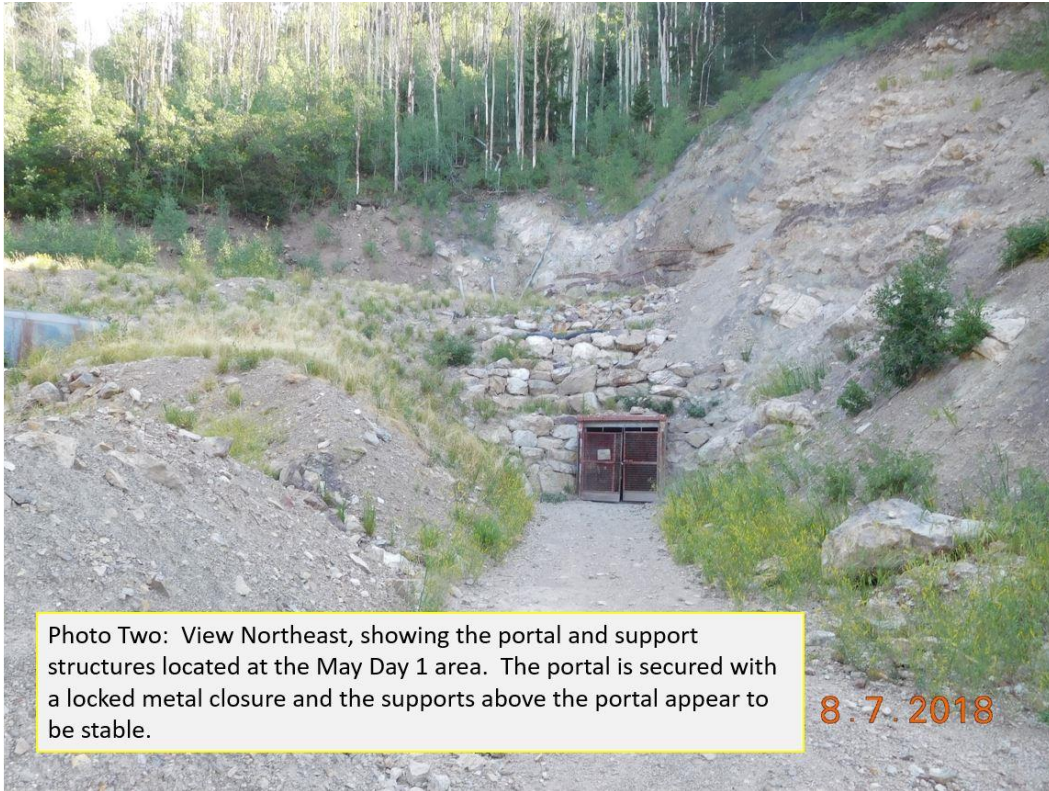


Photo Two: View Northeast, showing the portal and support structures located at the May Day 1 area. The portal is secured with a locked metal closure and the supports above the portal appear to be stable.



Photo Three: View North, showing some of the various equipment located at the May Day 1 Area. The equipment and storage facilities are in similar condition to the previous inspections.







Inspection Contact Address

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Enclosure

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