




**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.

<b>MINE NAME:</b> Sunnyside Gold Mine	<b>MINE/PROSPECTING ID#:</b> M-1977-378	<b>MINERAL:</b> Lead, zinc, copper, iron	<b>COUNTY:</b> San Juan
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Lucas West	<b>INSP. DATE:</b> October 6, 2020	<b>INSP. TIME:</b> 15:00
<b>OPERATOR:</b> Sunnyside Gold Corp	<b>OPERATOR REPRESENTATIVE:</b> Pat Maley, Terry Turner	<b>TYPE OF OPERATION:</b> 112 - Hard Rock Regular Operation	
<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> \$60,534.00	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None	
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> November 16, 2020	

**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>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION----- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN----- <u>N</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	

Y = Inspected / 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 as well as the inspection for activities conducted under the recently approved TR-32. The Sunnyside gold mine is listed as an active 112 operation that is currently in final reclamation. The affected lands have been reclaimed to support wildlife habitat and rangeland post-mining land use. The site consists of 64.23 permitted acres at the Mayflower Tailings Pond #4. The Division currently holds \$60,534.00 in financial warranty for the site and was not recalculated at this time. Three Photos accompany this report to illustrate the current site conditions.

Proper mine identification signage was posted at the entrance to the site. Access to the site is controlled by a locked gate just off County Road 2. As a whole, the site is in similar condition to the previous inspections. The side slopes and top of the constructed repository were stable at the time of the inspection and are in good condition. Photos One and Two show the top of the repository which is well vegetated and showing signs of self-sustainment with previous years biomass observed. The vegetative cover on the top and side slopes of the facility is in excellent condition. The repository exhibits positive drainage and no impounded storm water or erosional issues were noted.

The recently approved TR-32 is for the installation of eight (8) monitoring wells around TP-4 to investigate groundwater quality, the potential for saturated basal tailings and act as continued groundwater monitoring wells. The eight wells consist of three new wells that will twin existing wells, two new wells to confirm existing data, two toe drain monitoring wells installed on the west and south sides of the facility and one completely new well located on the east end. Conversations with the Operator indicate that one more additional well may be required within the permit boundary. This may be submitted as an Addendum to TR-32 as the purpose and construction details are almost the exact same as the other wells completed under the Revision. An example of the twinned holes can be seen in Photo Three. All work that was conducted appears to be within the design specifications and locations described in TR-32. The core samples were still stored on the surface however were protected with a heavy plastic tarp.

The overall footprint of the site is in good condition and free from trash and debris. No problems or possible violations were noted at this time. No evidence of significant erosion or State Listed Noxious Weeds 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](mailto:lucas.west@state.co.us).

### **Inspection Contact Address**

Pat Maley  
Sunnyside Gold Corp  
P.O. Box 177  
Silverton, CO 81433

## **PHOTOGRAPHS**



Photo One: View northwest, showing the vegetative cover along the surface of TP-4. The vegetative cover is dense, diverse and in good condition despite the region experiencing ongoing drought conditions.

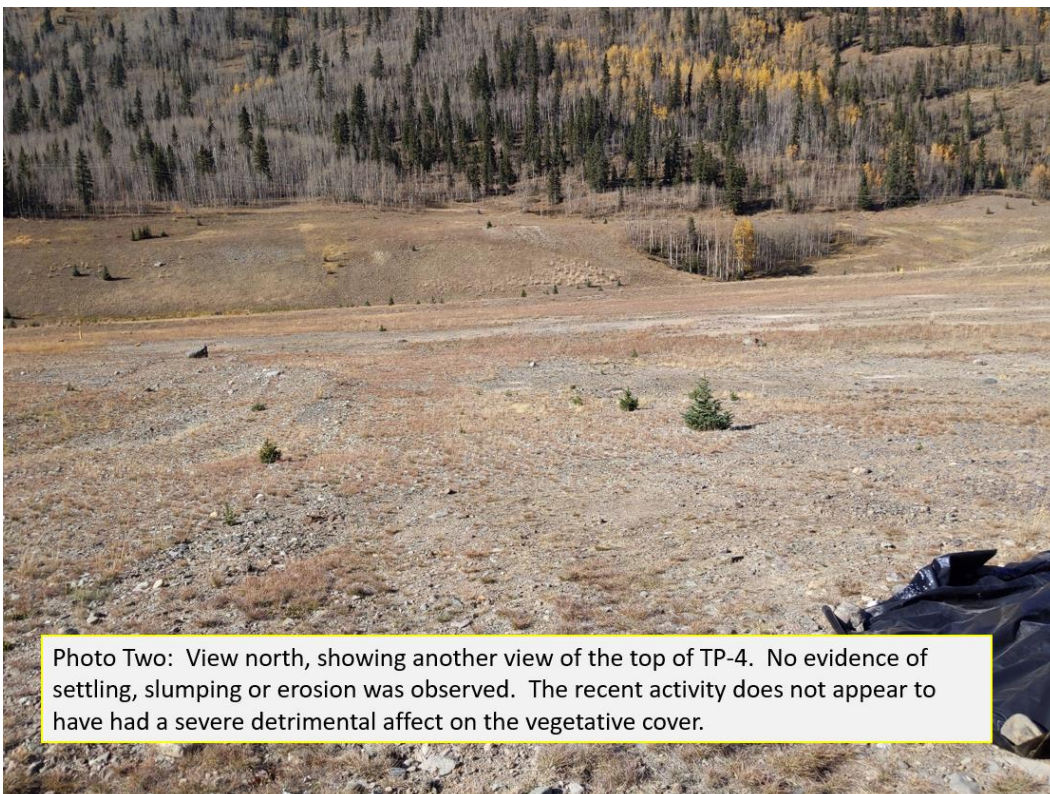


Photo Two: View north, showing another view of the top of TP-4. No evidence of settling, slumping or erosion was observed. The recent activity does not appear to have had a severe detrimental affect on the vegetative cover.





Photo Three: View northeast, showing an example of the newly drilled wells as part of TR-32. These wells are twins of each other used as verification. Adjacent to the wells is the stored core samples secured with a heavy plastic tarp.