




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 West	INSP. DATE: November 5, 2020	INSP. TIME: 08:15
OPERATOR: Sunrise Mining LLC	OPERATOR REPRESENTATIVE: Jack and Barbara Nielson	TYPE OF OPERATION: 112d-2 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$137,448.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: November 19, 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>N</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>Y</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>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's Minerals program. The Mayday Idaho Mine Complex is a 112d-2 permit that is currently in Temporary Cessation. The first period of Temporary Cessation expires on 5/1/2024. The site consists 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 \$137,448.00 in financial warranty for the site. Eight Photos accompany this report to illustrate the current site conditions.

Parking Area and Access Road: The parking and storage area has undergone an extensive site cleanup and is in excellent condition. Much of the scrap metal, trash and debris has been removed and the area was in good condition at the time of the inspection. Only a few items including a bumper pull camper in disrepair remain for removal. Conversations with the Operator indicate that the removal of the camper is imminent and should be completed soon. The access roads throughout the site are in good condition, the storm water control features at various locations along the roads have been well maintained and appear to be functioning as designed.

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. A few 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 secure and was 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 were functioning as designed at the time of the inspection 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. No significant signs of erosion in the channel or around the culvert structure 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. This pile was previously thought to be a low grade ore stockpile, however on site discussions with the Operator indicate that it is not, nor has ever been low grade ore and the pile is in fact waste rock and benign in nature. No evidence of leaching or mineral staining was observed on or around the pile. The May Day 2 Area can be seen in Photo Five.

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 buildings associated with the Idaho area can be seen in Photo Six. All miscellaneous equipment and materials being stored in the area are in a neat and orderly fashion and not considered to be a problem at this time. The Idaho Seep was observed, and was flowing in its typical fashion. The discharge was clear, with no evidence of mineral staining or accumulation of precipitates observed.

Chief Portal Area: The Chief Portal is designed to function as a secondary escape way and underground access point. 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 portal is temporarily secured by wire fencing and prior to operations will need to be upgraded to an MSHA compliant safety gate.

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 303-866-3567 Ext. 8187 or by email at lucas.west@state.co.us.

Inspection Contact Address

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PHOTOGRAPHS



Photo One: View west, showing the Base of Operations Area. The area is in good condition, construction of the Environmental Protection Facilities has not yet begun as the site is in TC.

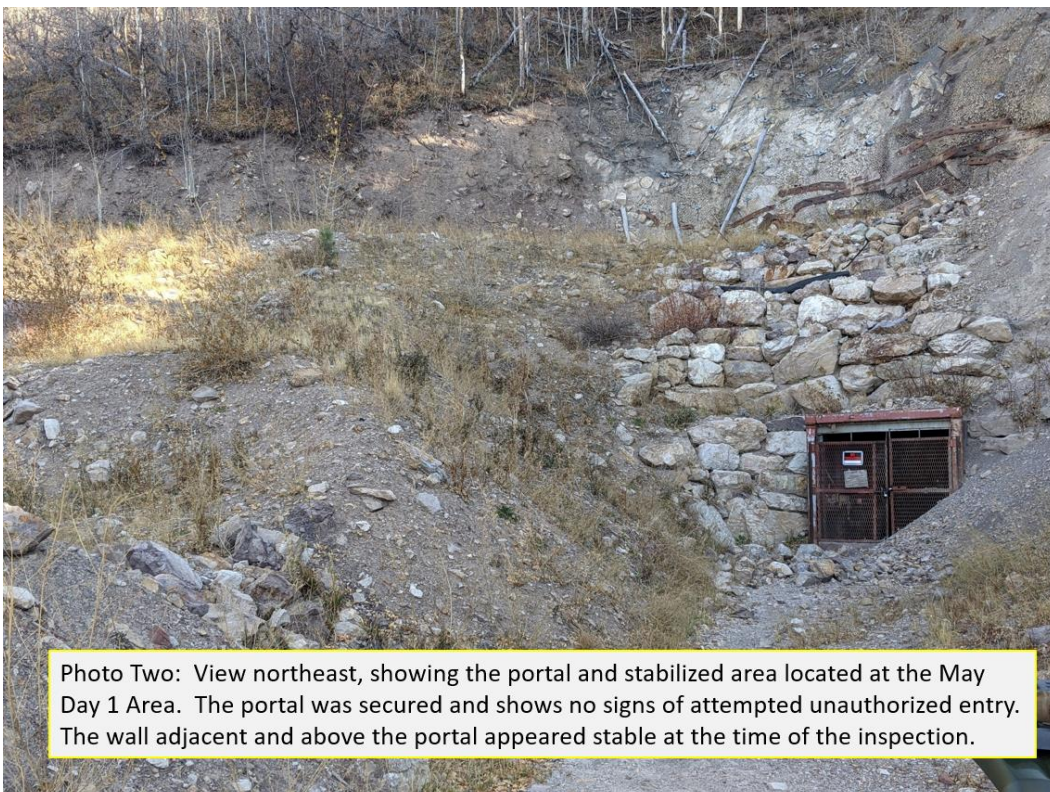


Photo Two: View northeast, showing the portal and stabilized area located at the May Day 1 Area. The portal was secured and shows no signs of attempted unauthorized entry. The wall adjacent and above the portal appeared stable at the time of the inspection.



Photo Three: View northwest, showing some of the miscellaneous equipment stored at the May Day 1 Area. The equipment is in similar condition as the previous inspections and is not considered a problem at this time.



Photo Four: View southwest, showing the culvert structure located at the May Day 2 Area. The culverts, their outfall and the channel are in good condition. No signs of significant channel erosion or head cutting around the structure was noted during the inspection.



