

Please include the following with your request:

Rule 1.13.5 (3) The Notice for the second period shall include the following to be considered filed for Board consideration:

(a) demonstration that the existing Financial Warranty is adequate to cover the reclamation liability;

Sunrise has two surety bonds held by CDRMS, one for \$110,120 and another for \$27,328, in certificates of deposit held by TBK Bank of Durango, a total of \$137,448.

I am attaching the summary of the CDRMS costs approved 10/4/2019 to be covered by security bond at \$117,641. Since that time, Sunrise has completed its removal of the Idaho property from the Sunrise Mining permit and tasks 7-11 for reclamation on the summary have been completed. At the request of the Idaho property owner Wildcat Mining (task 12), the monitoring well on the Idaho was capped but not removed. Sunrise Mining still has responsibility for the 3 other Monitoring Wells on La Plata County Land. The completion of the tasks associated with the Idaho totals \$8921.50 (Items 7 to 11 total \$7426 and one well sealed is \$1495.50). If this amount were removed from the security bond required, the amount required held would be \$108,719.50. (The task list would total \$79,977.50 with Overhead, Profit, and Engineering costs of \$28,742 added to bring the amount of the required bonding to be \$108,719.50). The surety bonds at TBK Bank of \$137,448 exceed the required amount by \$28,728.50.

COST SUMMARY WORK

Task description: _____

May Day Idaho Mine
Site: Complex

Permit Action:
SR-02

Permit/Job#: M1981185

PROJECT IDENTIFICATION

Task #: 000
Date: 10/4/2019
User: LJW

State: Colorado
County: La Plata

Abbreviation: None
Filename: M185-000

Agency or organization name: Deep End Solutions

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	May Day 1 protal closure	MINESEAL	1	40.00	\$4,211
002	Demo and disposal of structures and equipment at May Day 1	DEMOLISH	1	80.00	\$16,200
003	Backfill Highwall to appx.2H: 1V slope and regrade May Day 1	DOZER	1	41.96	\$7,716
003a	Haul material from May Day 2 to May Day 1 for Backfill	TRUCK1	1	96.49	\$29,788
004	Reveg May Day 1	REVEGE	1	16.00	\$1,015
005	Regrading at May Day 2	DOZER	1	8.50	\$1,603
006	Reveg May Day 2	REVEGE	1	16.00	\$966
007	Seal Chief Tunnel	MINESEAL	1	8.00	\$2,105
008	Reveg Cheif Area	REVEGE	1	16.00	\$327
009	Dispose of equipment and debris at Idaho area	DEMOLISH	1	20.00	\$984
010	Regrade and Rip Idaho area	DOZER	1	12.11	\$2,284
011	Reveg Idaho	REVEGE	1	16.00	\$1,726
012	Seal monitoring wells (4 wells)	BOREHOLE	1	40.00	\$5,982
013	Mobilization	MOBILIZE	1	17.50	\$13,992
<u>SUBTOTALS:</u>				428.56	\$88,899

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02
Performance bond: 1.05
Job superintendent: 166.03
Profit: 10.00

Total = \$1,796
Total = \$933
Total = \$11,521
Total = \$8,890

TOTAL O & P = \$23,140

CONTRACT AMOUNT (direct + O & P) = \$112,039

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): \$0
Engineering work and/or contract/bid preparation: 0.00
Reclamation management and/or administration: 5.00

Total = \$0
Total = \$0
Total = \$5,602

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$28,742

TOTAL BOND AMOUNT (direct + indirect) = \$117,641

(b) explanation as to why the Operator has not recommenced operations or begun reclamation;

Sunrise has not recommenced operations because it has been in the process of separating the May Day property from the Wildcat/Idaho property and redefining Sunrise's goals and identity. The release of the Idaho acreage from the Sunrise permit was completed in October 2023

(c) demonstration of continued commitment to conduct mining operations at the site by the end of the second five (5) year period including a plan for resumption of mining operations and production;

Sunrise remains committed to a viable plan for mining operations within the second five years. A planned analysis for mineral samples to be taken throughout the rock pile within the May Day One stope will begin the summer of 2024. The goal is to request an Intermittent Permit status if value of ore is determined as exterior samples in 2016 from Hazen Laboratories indicated.

Sunrise will reconnect with La Plata County to receive County approval of work to be done since the changes made in ownership and partnership of the May Day. Approval of a plan to support the bridge across the La Plata will be sought as well as installation of a truck turn in and out and gates along County Road 124 with a limited number of loads (3 per day), a Monday through Friday work week, and working hours per day limited to a reasonable time (7 a.m. to 7 p.m.)

(d) the measures to be taken to comply with reclamation requirements and/or other activities related to the performance standards of Rule 3.1 while the mine is in Temporary Cessation including, but not limited to, any permit requirements for environmental monitoring and water quality treatment if required, and a schedule for reporting monitoring data;

A new storm water management permit with CDPHE is being defined and implemented under Hallie Crow's supervision at CDPHE. SGM water specialists David Schiowitz and Amanda Webb are providing the test results and the monthly CDPHE reports required. Logan Hartle with San Juan Water Services is a Class D Wastewater Operator to be the Operator in Responsible Charge of Sunrise's water permit and reports to CDPHE.

An effort to determine machinery ownership left on the May Day site is being sought to allow reclamation efforts and define new machinery needs.

(e) for an in situ leach mining operation, a description of the groundwater monitoring and pumping regime that will be maintained during the period of cessation of operations and a schedule for reporting monitoring data;

Sunrise is not an in situ leach mining operation so the groundwater monitoring and pumping will not apply nor be required.

(f) acknowledgement of the ten (10) consecutive year limit for non-production and temporary cessation of mining activities.

Sunrise acknowledges that there is a ten year limit for non-production and plans to ask for an intermittent mining status if the goals above can be met.