




COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
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): Dustin Czapla	INSP. DATE: June 5, 2013	INSP. TIME: 08:30
OPERATOR: Wildcat Mining Corporation	OPERATOR REPRESENTATIVE: Randy Oser	TYPE OF OPERATION: 112d-1 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$204,562.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 24, 2013	

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

1. INSPECTION TOPIC: Roads

PROBLEM/POSSIBLE VIOLATION: Construction of the new access road as approved through TR-2 has not been completed in a timely manner. The access road, in its current unstable condition continues to present risk to human health, safety and the environment.

CORRECTIVE ACTIONS: Complete construction of the New Access Road pursuant to the conditions approved through TR-2.

CORRECTIVE ACTION DUE DATE: 09/30/2013

2. INSPECTION TOPIC: Sediment Control

PROBLEM/POSSIBLE VIOLATION: Throughout the affected area the operator has utilized sand bags as part of their sediment detention structures along the access roads. These structures have not been adequately maintained and the bags are deteriorating and spilling sand down the slopes where they were placed, effectively contributing to additional sedimentation of the affected area.

CORRECTIVE ACTIONS: Clean up spilled sand and repair sediment control structures as necessary to function properly.

CORRECTIVE ACTION DUE DATE: 7/25/13

OBSERVATIONS

This inspection was conducted by Dustin Czapla, Kate Pickford and Russ Means as part of the Division of Reclamation, Mining and Safety's (Division) normal monitoring program. The Operator was notified via email of the inspection on May 7, 2013 and responded that a representative would be on site during the inspection. A representative for the operator was not present during this inspection. The access road gate was locked so vehicular access to the site was prohibited. As a result, the site was accessed by the inspectors on foot. Photographs are included with this report in order to illustrate some of the conditions observed.

The May Day Idaho Mine complex is located approximately twelve miles northwest of Durango and accessed from CR 124. The site is a 112d-1 operation that includes a total of 274.7 permitted acres. The Division currently holds a financial warranty amount of \$204,562.00 for this site. The Division will review the reclamation costs in order to ensure the financial warranty reflects the actual current cost of fulfilling the requirements of the Reclamation Plan. The Operator will be notified under separate cover if the Division determines that the current financial warranty amount is insufficient.

Adequate mine identification signage was noted at the entrance to the site.

New Access Road

Since the Division's last inspection the operator graded the road surface to slope toward the cut-slope in order to divert stormwater away from the wetlands on the east side of the road. A safety berm was also constructed on the outside edge of the road. According to correspondence received from the operator on December 12, 2012, these were preliminary construction activities performed in preparation for conducting the construction of the new access road as approved through TR-2, which is now anticipated to occur during the 2013 construction season. TR-2 proposed that construction of the new access road would commence in June, 2012. Construction of the new access road as approved through TR-2 has not been completed in a timely manner and in its current unstable condition continues to present risk to human health, safety and the environment. Renovation of the La Plata River bridge, as approved through TR-3, has not yet commenced. Evidence of the operator's utilization of the road for vehicular access to the site was not observed during this inspection.



Figure 1: Looking down the access road.



Figure 2: Looking down the access road.



Figure 3: Looking up the access road.



Figure 4: View of the access road from across the canyon.

May Day 1 area

Activities approved through TR-1 appeared to have been completed. The access portal has been reopened. It was secured with a locked gate. Wire mesh and rock bolts were used to stabilize the highwall above the portal. The mill portal door was locked during this inspection. Milling equipment removed from the mill portal was located on the May Day 1 pad, along with four locked storage containers and other various refuse and debris.



Figure 5: May Day 1 access portal and highwall.



Figure 6: View of May Day 1 area from the north side of the pad.



Figure 7: Highwall above the access portal.

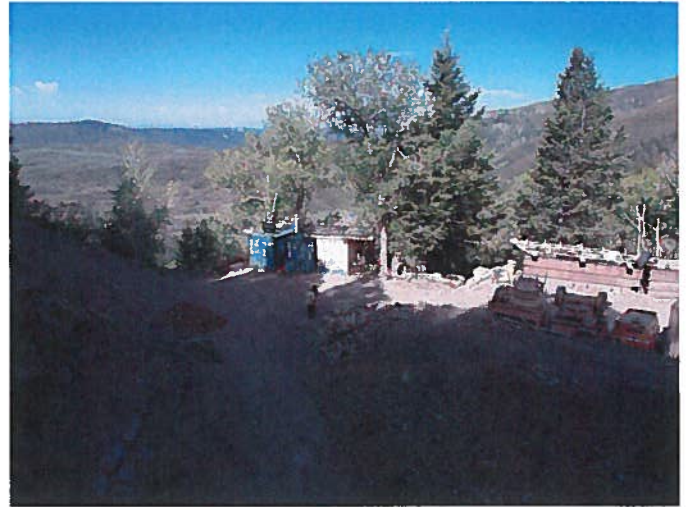


Figure 8: View of the May Day 1 area from the bench above the access portal.

May Day 2 area

Since the Division's last inspection, the area west of the access road has been graded and the pad area enlarged. It was unclear during this inspection where the material that was previously bermed around the western edge of the pad area during the last inspection has been placed. It appeared to have been pushed over the western edge of the pad. The purpose of this earthwork is unclear at this time. The restoration of Little Deadwood Gulch, as approved through TR-4, has not yet commenced.



Figure 9: View from access road toward the May Day 2 portal.



Figure 10: View from access road, facing west.



Figure 11: View from the pad area west of the access road, facing down slope.



Figure 12: View from the pad area west of the access road, facing down slope.

Chief Tunnel area

The overall conditions at the Chief Tunnel area appeared unchanged from previous inspections. Evidence of any recent activity in this area was not noted. Rock debris, which appeared to have sloughed from the slope above the tunnel, was located in front of the collapsed opening. Restoration of Little Deadwood Gulch and repair of the Chief Portal, as approved through TR-5, has not yet commenced.



Figure 13: Looking up the access road to the Chief Tunnel.



Figure 14: Chief Tunnel collapsed opening.

Idaho area

Evidence of recent activity in this area was not observed. Miscellaneous debris and equipment are located around the building area in an orderly fashion. The building interior was not inspected.



Figure 15: Area on the south side of the mill building.



Figure 16: Area on the south side of the mill building.



Figure 17: Area on the north side of the mill building.



Figure 18: Area on the north side of the mill building.

Throughout the affected area the operator has utilized sand bags as part of their sediment detention structures along the access roads. These structures have not been adequately maintained and the bags are deteriorating and spilling sand down the slopes where they were placed, effectively contributing to additional sedimentation of the affected area.



Figure 19: Sand bags utilized for sediment detention structures along access roads are deteriorating and sliding down slope.



Figure 20: Sand bags utilized for sediment detention structures along access roads are deteriorating and sliding down slope.

Responses to this inspection report should be directed to Dustin Czapla at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone number (970) 243-6299.

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>PB</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>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(SB) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>PB</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	(ST) STIPULATIONS----- <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

Inspection Contact Address

Randall Oser
Wildcat Mining Corporation
1630 Ringling Boulevard
Sarasota, FL 34236

Enclosure

CC: