



Date: January 27, 2015

To: Wolf Wise, CEO
May Mac – Golden Dawn Minerals Inc.
[Sent by Email: wolf@goldendawnminerals.com]

Cc: Diane Howe, Deputy Chief Inspector, Reclamation and Permitting, MEM
George Warnock, Manager, Geotechnical Engineering, MEM
Heather Narynski, Sr. Geotechnical Inspector, MEM

Re: **Chief Inspector's Orders Issued on August 18, 2014**

The Ministry of Energy and Mines has not received a submission from May Mac in response to the Chief Inspector's Orders issued on August 18, 2014. You have indicated that you were unable to retain a consultant in time prior to snowfall, further you have committed to satisfy the Chief Inspector's Orders following spring freshet. The Ministry is disappointed that a greater effort was not made to satisfy the original Orders, however we recognize that a dam safety inspection is not practical until after spring melt and hereby grant extension as follows:

- Site inspection to be carried out immediately following snow melt and no later than June 30, 2015
- The Dam Safety Inspection report and all other documents required under the Order shall be submitted by July 31, 2015.

In addition to the requirements listed above, all recommendations made by your consultants within each document submitted shall be addressed in the timeframe specified. MEM will be following-up in the fall of 2015 to obtain a status update with respect to all recommendations and commitments, as well as any submission deficiencies as noted above.

This review is specific to the orders issued on August 18, 2014, which does not encompass all aspects of dam safety relating to the tailings dam(s). Please ensure that you are meeting your ongoing requirements with respect to the following:

- Satisfying any outstanding orders from previous Ministry's inspection reports.
- Satisfying any outstanding recommendations from previous Dam Safety Inspections (DSI) or Dam Safety Reviews (DSR).
- Submission of annual Dam Safety Inspection (DSI) reports as per Section 10.5.3 of the Health, Safety and Reclamation Code for Mines in BC (Code). These reports are to be submitted by

March 31st in the year following the inspection. The next DSI (for 2015) will be due March 31, 2016.

- Submission of Dam Safety Review (DSR) reports based on the dam consequence classification frequency as outlined in the Canadian Dam Association (CDA), 2007 Dam Safety Guidelines. The DSR shall follow APEGBC's "Professional Practice Guidelines for Legislated Dam Safety Reviews in BC". This document can be located at: <http://www.empr.gov.bc.ca/MINING/PERMITTING-RECLAMATION/GEOTECH/Pages/default.aspx>, or on the APEGBC website.
- A current Operation, Maintenance and Surveillance (OMS) manual which shall be regularly revised during operations, decommissioning and closure as per Section 10.5.2 of the Code.
- A current Emergency Preparedness and Response Plan (EPRP) and Dam Break Inundation Study which shall be regularly revised (applies to "high", "very high" and "extreme" consequence dams).
- Submission of as-built reports subsequent to new construction and any dam raise as per Section 10.5.1 of the Code.
- Submission of closure plans, and installation of a spillway, designed by a Professional Engineer, in accordance with the CDA, Dam Safety Guidelines prior to closure as per Sections 10.6.10 and 10.7.19 of the Code, respectively.

I remind you of your responsibility to ensure full compliance with orders, permit conditions and the requirements of the *Mines Act* and Health, Safety and Reclamation Code at all times. It is my expectation that the information required will be submitted in the timeframe provided.

Failure to satisfy the Orders listed above may result in further action under the *Mines Act*.

I look forward to your diligent and timely attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Al Hoffman", written over a horizontal line.

Al Hoffman, P. Eng.
Chief Inspector of Mines
Ministry of Energy and Mines