

February 19, 2019

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Sunnyside Gold Corporation
PO Box 1
Silverton, CO 81433

Attention: Larry Perino, Reclamation Manager

Dear Mr. Perino:

RE: Peer Review – Knight Piésold Evaluation of Animas River Water Quality

I have reviewed the SGC Mining and Reclamation – Evaluating Animas River Water Quality at A-72 Paper prepared by Steven Lange, M.S., Senior Geochemist, Knight Piésold Consulting, for presentation at the upcoming SME Annual Conference & Expo and CMA 121st National Western Mining Conference. Specifically, at your request, I have reviewed: 1) the underlying data subject to analysis; 2) the application of the Colorado Department of Public Health (CDPHE) methodology utilized in the analysis; and 3) the conclusion reached in the Paper.

After a comprehensive review of the materials, I have found the underlying data credible, the application of the CDPHE analysis sound, and the conclusion of the Paper accurate.

The data consist of more than 22 years of recorded flows and zinc concentrations at sampling point A-72, just below Silverton, Colorado. The flows were recorded by the United States Geological Survey. The zinc concentrations are from samples collected by various entities, including Riverwatch, the Animas River Stakeholders Group, the United States Geological Survey, Sunnyside Gold Corporation (SGC) and the Environmental Protection Agency. It is my understanding that data from sampling point A-72 has been utilized by numerous entities in the past. I have reviewed the underlying data collected by these third parties and analyzed by Knight Piésold and see no reason to doubt its accuracy.

The methodology employed by Knight Piésold to analyze the data was taken directly from the Consent Decree between the CDPHE and SGC. The methodology was designed to account for seasonal fluctuations in streamflow. I have reviewed the application of the CDPHE methodology by Knight Piésold and find that the methodology was properly and correctly applied.

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The Paper concludes that the analysis of zinc loading using CDPHE methodology at A-72 from 1996 through the present demonstrates that SGC's Bulkheading and Remediation improved water quality by substantially reducing zinc loading in the Animas River. I find that this conclusion is supported by the proper application of the CDPHE methodology to the underlying data. The conclusion is supported by the fact that, in the absence of SGC's bulkheading and remediation, the CDPHE target was not met, even when a water treatment plant was being operated at Gladstone.

Sincerely,

SRK Consulting (Canada) Inc.



Stephen Day, PGeo (British Columbia)
Corporate Consultant

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