



November 30, 2016

Travis Marshall
CO Division of Reclamation Mining & Safety
101 South 3rd, Ste. 301
Grand Junction, CO 81501

Re: Corrective Actions Response – Inspection Report dated Nov 7, 2016 (Golden Wonder Mine)

Travis,

Shortly after your site inspection, I informed, by telephone, our Kinross exploration project managers, and LKA's former operator, Mike Schell via email, of the need to drain and properly dispose of the rainwater that has accumulated in the two fuel storage containment tanks on 6 Level. Additionally, I asked Mike Schell if he would pick up any/all loose and "un-contained" oil, antifreeze, and batteries. I was informed by Mike in an email on 11/4/16 that he was "on it." I have not yet rec'd pics...since I forgot to ask for them at the time I made the request and before I rec'd your report. I will be at the mine next Wednesday 12/7/16 and take the pics myself and get them to you when I come back to the office the following week...or I'll try to email them to you from the mine. The Kinross people and Mike Schell clearly understand the importance of these issues and the associated regulations. I have no reason to doubt that it has been handled properly but will personally inspect next week.

As to the improvements being made to our mine water treatment facility, the lab tests with the new iron ore slag material (recommended by our engineers) is underway now. As you're aware, I have been supervising this process from the beginning (see previous email updates to CDPHE) but confirmed the status of the project again this morning with lab owner, Liese Thompson at Enviro-Chem Analytical, Inc. in Grand Junction. Liese does not believe that they can have all of the required test data submitted to the engineers until early next year...probably Feb - March. If all goes as planned, we expect to have the improvements to the existing facility made in the second quarter of 2017. Accordingly, we won't be able to meet your currently required corrective action date for this issue.

I hope you can accept this description of required, corrective actions via this email and find it to be adequate and responsive. I'm also requesting that you grant us the additional time we need to complete the mine water treatment improvements per the schedule we've been given by the lab and our engineers....we're currently thinking May 10, 2017. I will keep you updated on progress as this develops.

Please let me know if anything further is required at this time.

Thank you.

President