




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: Golden Wonder Mine	MINE/PROSPECTING ID#: M-1978-091-UG	MINERAL: Gold	COUNTY: Hinsdale
INSPECTION TYPE: Monitoring	INSPECTOR(S): Travis H. Marshall	INSP. DATE: June 1, 2017	INSP. TIME: 11:00
OPERATOR: LKA International Inc.	OPERATOR REPRESENTATIVE: Kye Abraham	TYPE OF OPERATION: 110d - Designated Limited Impact	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$100,042.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 20, 2017	

GENERAL INSPECTION TOPICS

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. No problems or possible violations were noted during the inspection. The mine operation was found to be in full compliance with Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials and/or for Hard Rock, Metal and Designated Mining Operations. Any person engaged in any mining operation shall notify the office of any failure or imminent failure, as soon as reasonably practicable after such person has knowledge of such condition or of any impoundment, embankment, or slope that poses a reasonable potential for danger to any persons or property or to the environment; or any environmental protection facility designed to contain or control chemicals or waste which are acid or toxic-forming, as identified in the permit.

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>NA</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>NA</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(CI) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>NA</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>Y</u>	(ST) STIPULATIONS----- <u>NA</u>

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This inspection was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation Mining and Safety. The Golden Wonder Mine Operation is an active 110d underground mine. The commodity mined is gold. The mine currently consists of 3.5 permitted acres. The Golden Wonder Mine operation is located approximately 2.5 miles southeast of Lake City Colorado. LKA International Inc. mine manager Kye Abraham was present during the inspection.

The mine identification sign was observed at the entrance to the mine site and is in compliance with Rule 3.1.12.

The main focus of the inspection was to observe the current conditions of the site and determine if any issues needed to be addressed.

Upon arrival to the site the geologist from Kinross was observed cutting drilling core from the prospecting project that was taking place above the mine during the inspection.

6 Level:

No mining activity was observed. An orange colored mine water discharge was observed exiting the porta. The flow is still estimated to be 0.1 gpm. This discharge was noted as a problem during the October 12, 2016 inspection with a corrective action of a submittal of a technical revision to address the issue submitted no later than May 10, 2017. The technical revision was submitted timely and is currently under technical review. The discharge is still considered a problem but is currently being addressed by the operator through the technical revision submitted.

The passive limestone treatment facility located at the toe of the mine dump was observed. The limestone used for the system is considered spent and is no longer adequately treating the acid drainage coming from the mine. The technical revision under review is to incorporate a pH buffering system on the mine bench that will use slag from a metal smelter to treat the mine discharge. The spent lime stone at the toe of the mine dump may be removed and replaced if needed.

No new problems or possible violations were observed during the inspection.

Photos that show the conditions observed during the inspection are included with this report.

Responses to this inspection report should be directed to Travis Marshall at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone no. (970) 241-2042.

PHOTOGRAPHS



Inspection Contact Address

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