




**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.

<b>MINE NAME:</b> Golden Wonder Exploration Project	<b>MINE/PROSPECTING ID#:</b> P-2018-010	<b>MINERAL:</b> Silver and gold	<b>COUNTY:</b> Hinsdale
<b>INSPECTION TYPE:</b> Mineral Prospect Inspection	<b>INSPECTOR(S):</b> Travis H. Marshall	<b>INSP. DATE:</b> May 29, 2018	<b>INSP. TIME:</b> 12:30
<b>OPERATOR:</b> LKA International Inc.	<b>OPERATOR REPRESENTATIVE:</b> Mike Schell	<b>TYPE OF OPERATION:</b> MP - Mineral Prospecting	
<b>REASON FOR INSPECTION:</b> Pre-operation Inspection	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> No Bond Held	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None	
<b>WEATHER:</b> Cloudy	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> July 24, 2018	

**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>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>NA</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>NA</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>NA</u>
(SM) SIGNS AND MARKERS----- <u>NA</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(RS) RECL PLAN/COMP-- <u>NA</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>NA</u>	(ST) STIPULATIONS----- <u>NA</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>Y</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 (Division). The Golden Wonder Exploration Project is located 2.5 miles southeast of Lake City in Hinsdale County. Mike Schell was present during the inspection. Mr. Schell is a contractor hired by LKA International Inc.

This was a pre-operational inspection of an already existing drilling project currently held by Kinross Gold USA Inc. LKA International is seeking a new Notice of Intent to Prospect.

The drill sites are located at an approximate elevation of 10,400 feet above the Golden Wonder mine. All drilling by Kinross Gold U.S.A. Inc. was completed the summer of 2016. All drill pads associated with the drilling project have been regraded and re-seeded. The majority of the drill sites had minimal topsoil and subsoil prior to construction therefore no soil was replaced upon regrading. The regraded drill sites observed during the inspection are compliant with the approved reclamation plan.

The northern most drill pad is the only drilling location with abundant topsoil. The topsoil has been replaced and seeding has been conducted. Due to a low precipitation winter and spring minimal vegetation was observed on the reclaimed pad.

Photos that show the conditions observed during the inspection are located at the end of this report.

No problems or possible violations were observed during the inspection.

If you have any questions regarding this report or the conditions observed please do not hesitate to contact me at (970) 241-2042.



**PHOTOGRAPHS**





**Inspection Contact Address**

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