

COLORADO Division of Reclamation, Mining and Safety Department of Natural Resources

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:		MINE/PROSPECTING ID#:	MINERAL:	COUNTY:	
Golden Wonder		P-2016-021	Gold	Hinsdale	
INSPECTION TYPE:		INSPECTOR(S):	INSP. DATE:	INSP. TIME:	
Mineral Prospect Inspection		Travis H. Marshall	October 3, 2018	12:00	
OPERATOR:		OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:		
Kinross Gold U.S.A. Inc.		NA	MP - Mineral Prospecting		
REASON FOR INSPECTION:		BOND CALCULATION TYPE:	BOND AMOUNT:		
Surety Release Requested		None	\$37,500.00		
DATE OF COMPLAINT:		POST INSP. CONTACTS:	JOINT INSP. AGENCY:		
NA		U.S.BLM	None		
WEATHER:	INSPECTOR'S SIGNATURE:		SIGNATURE DATE:		
Clear	1	- Quel	October 17, 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 toxicforming, as identified in the permit.

(AR) RECORDS <u>Y</u>	(FN) FINANCIAL WARRANTY	<u>Y</u>	(RD) ROADS <u>NA</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>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE	<u>Y</u>	(RV) REVEGETATION Y
(SM) SIGNS AND MARKERS <u>NA</u>	(SP) STORM WATER MGT PLAN	<u>NA</u>	(RS) RECL PLAN/COMPY
(ES) OVERBURDEN/DEV. WASTE <u>NA</u>	(SC) EROSION/SEDIMENTATION	<u>Y</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 drilling project is located 2.5 miles southeast of Lake City in Hinsdale County. The operator was not present during the inspection.

The drill sites are located at an approximate elevation of 10,400 feet above the Golden Wonder mine. All drilling 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 conditions observed were similar to what was observed on May 29, 2018. 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 recent precipitation the vegetation is beginning to grow on the pad.

All drilling disturbances associated with P-2016-021 have been overlapped with a new Notice of Intent to Prospect, P-2018-010, issued to LKA International, Inc. on August 7, 2018. The request to release financial warranties is approved and all reclamation liability is released as of October 10, 2018. If the reclamation bond has not been returned please contact Barbara Coria at (303) 866-3567 extension 8148 for assistance.

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.

PERMIT #: P-2016-021 INSPECTOR'S INITIALS: THM INSPECTION DATE: October 3, 2018

PHOTOGRAPHS



Inspection Contact Address

Kathleen Autenrieth Echo Bay Exploration Inc. 363 Fish Hatchery Road Republic, WA 99166

cc: David Lazorchak BLM – Gunnison Field Office 210 West Spencer, Suite A Gunnison, CO 81230