



COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
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 Exploration Project	MINE/PROSPECTING ID#: P-2018-010	MINERAL: Silver and gold	COUNTY: Hinsdale
INSPECTION TYPE: Mineral Prospect Inspection	INSPECTOR(S): Travis H. Marshall	INSP. DATE: October 3, 2018	INSP. TIME: 12:00
OPERATOR: LKA International Inc.	OPERATOR REPRESENTATIVE: NA	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Normal I&e Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$14,768.13
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: U.S.BLM	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE:	SIGNATURE DATE: October 22, 2018

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

INSPECTION TOPIC: Gen. Compliance With Mine Plan

PROBLEM/POSSIBLE VIOLATION: Problem: The current prospecting plan needs to be updated and clarified pursuant to Hard Rock / Metal Mining Rule 5.3.1(c). The operator must include roads and areas upgraded into the affected acreage.

CORRECTIVE ACTIONS: The operator shall submit a modification to the existing prospecting notice, with the required \$86 revision fee, to update and clarify the current approved prospecting plan to reflect existing and proposed activities by the corrective action date of November 30, 2018.

CORRECTIVE ACTION DUE DATE: 11/30/18

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. LKA International Inc. overlapped the existing prospecting project originally operated by Kinross Gold U.S.A. on August 7, 2018. Kinross Gold U.S.A. has been release of all reclamation liability.

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.

Mr. Abraham indicated that he did not wish to drill from the existing pads used and reclaimed by Kinross U.S.A. and widened an area of an existing road which was observed during the inspection. Mr. Abraham stated that the drilling location was on patented claims owned by LKA International Inc. A photo of the drilling location is located in the photograph section at the end of this report. Due to the insignificant nature of the new drilling location this is not seen as a possible violation but is considered a problem. LKA International, Inc. must submit a modification to the approved drilling plan to address the deviation from what was originally approved no later than November 30, 2018 to avoid enforcement action. The modification should include all proposed changes and an updated reclamation plan. If the operator wishes to add new drilling locations on land managed by the US BLM approval must be granted before any construction and drilling begins.

No noxious weeds were observed during the inspection.

No erosional issues were observed during the inspection.

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

If you have any questions regarding the content of this inspection report please contact me at the Division of Reclamation, Mining and Safety Grand Junction Field office at 970-241-2042.

PHOTOGRAPHS



New pad constructed on patented claim.



Reclaimed northern pad.

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(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>Y</u>
(MP) GENL MINE PLAN COMPLIANCE-	<u>PB</u>	(FW) FISH & WILDLIFE-----	<u>Y</u>	(RV) REVEGETATION----	<u>Y</u>
(SM) SIGNS AND MARKERS-----	<u>NA</u>	(SP) STORM WATER MGT PLAN----	<u>NA</u>	(RS) RECL PLAN/COMP--	<u>Y</u>
(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>N</u>		

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

Inspection Contact Address

Kye Abraham
LKA International Inc.
3724 47th Street Ct NW
Gig Harbor, WA 98335

CC: David Lazorchak
BLM – Gunnison Field Office
210 W. Spencer Ave. Ste. A
Gunnison, CO 81230