




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: Monitoring	INSPECTOR(S): Lucas West	INSP. DATE: October 11, 2021	INSP. TIME: 12:10
OPERATOR: LKA International Inc.	OPERATOR REPRESENTATIVE: Kye Abraham	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: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: October 25, 2021

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

Y = Inspected / 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's Active Mines Program. The Golden Wonder Exploration Project is listed as an Active Notice of Intent to Conduct Prospecting Operations (NOI) File located just outside of Lake City, CO in Hinsdale County. The NOI was filed for a drilling project for the exploration of ore bodies of Silver and Gold that is to be reclaimed to an intended post mining land use of Rangeland. The site is located approximately 2.75 Miles southwest of Lake City at an elevation of 10776 Feet. Public access to the site is controlled by a series of locked gates. The Division currently holds a \$14,768.13 Financial Warranty for the site. A Reclamation Cost Estimate Update was performed and staff calculations found that the currently held Financial Warranty is sufficient to achieve reclamation in accordance with the approved Reclamation Plan. Three Photos accompany this report to illustrate the site conditions.

The site was not active during the inspection as all drilling and coring activities have been completed, and no exploration equipment was on site. The project consisted of 4 drilling locations, along existing access roads, all of which have been completed, with the drill holes plugged and abandoned in accordance with the approved plan. The areas will further be referred to as the upper and lower drill areas. The lower two drill areas were observed and in good condition at the time of the inspection. Photos One and Two show the two lower pads. The areas were minimally impacted, and what impacts did exist were unapparent. The holes have been plugged and abandoned, and salvaged growth medium has been redistributed over the pads. The grading was stable at the time of inspection and no evidence of settling, slumping or significant erosion was observed. The areas have also been hand broadcast seeded and some of the vegetation has taken hold.

The upper areas were more extensively impacted, however similar to the lower areas, have been reclaimed and the impact was minimally apparent. The holes associated with the upper areas have been plugged and abandoned in accordance with the approved plan and salvaged growth material has been redistributed. An example of the upper areas can be seen in Photo Three. The areas have been hand broadcast seeded, however no vegetation has established as of the date of this inspection. The grading and shaping of the area is in good condition and no evidence of settling, slumping or significant erosion was observed. In addition, on both the upper and lower areas no State Listed Noxious Weeds were noted.

To date, the Division has not received the required Drill Hole Abandonment reports required under the terms of the NOI. The Operator should complete the forms, copy enclosed, with information from the specific holes and submit them to the Division as soon as they are completed.

The overall footprint of the sites were in good condition and no problems or possible violations were noted. The sites were free from excessive trash and debris and stable at the time of the inspection. All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety at 1313 Sherman Street, Room 215, Denver CO, 80203. Direct contact can be made at the Division's Grand Junction Field Office, by phone at 303-866-3567 Ext. 8187 or by email at lucas.west@state.co.us.

PHOTOGRAPHS



Photo One: View north, showing drill location DH-A2. The drill hole has been plugged and abandoned, the site regraded and seeded.



Photo Two: View west, showing drill location DH-B1. Similar to DH-A2, this holes have been plugged, the pad regraded and seeded. Vegetative cover is sparse but is beginning to establish.



Inspection Contact Address

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

Enclosure NOI Drill Hole Abandonment Form

CC: Travis Marshall, Senior Environmental Protection Specialist



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

MINERAL PROSPECTING DRILL HOLE PERMANENT ABANDONMENT FINAL REPORT

Pursuant to the terms of 34-32-113(5.5)(d) and (e) of the Act and Rule 5.7 of the Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal, and Designated Mining Operations, abandonment reports shall be submitted to the Division within 60 days of abandonment for any drill hole with artesian flow, or within 12 months of abandonment for any other drill hole.

(PROSPECT SITE NAME)

(PROSPECT NOI No.)

I. DRILL HOLE: Drill Hole I.D. No.

For this Section I, please attach completed drill hole logs **OR** complete the following information:

(Total Depth)

(Depth of Unconsolidated Material)

(Depth of Penetration into Bedrock)

Was water encountered: No ☐ Yes ☐ if so, at what depth(s):

Was water encountered in either Volcanic or Sedimentary Rock: No ☐ Yes ☐

Date Drilled:

Date Permanently Abandoned:

II. OPERATOR (PROSPECTOR) :

DRILLER:

(Name)

(Name)

(Address)

(Address)

(City)

(State)

(City)

(State)

(Zip)

(Telephone No.)

(Zip)

(Telephone No.)



III. LOCATION:

The following information is required for ALL prospecting drill holes:

1/4 of the 1/4 of Section Township Range

Prime Meridian County

If the area has not been surveyed, supply the Longitude West and Latitude North,
or attach a location map, preferably a USGS Quad.

The following additional information is required for artesian flowing holes:

Feet North South from the South North section line
 feet east West from the west East section line

NOTE: In the case of closely spaced drill holes having similar geologic and hydrologic characteristics, the Operator may, with the approval of the Division, submit a single consolidated final report including the location of all drill holes and a description of abandonment technique. In such case, complete one abandonment final report form and attach a list of drill hole locations. If more space is needed to provide any of the information for this form, please attach separate sheets.

IV. Complete Either Subsection A or B:

PERMANENT ABANDONMENT (Check either box 1 or subsection 2 boxes as appropriate and provide the requested information)

☐ 1. Plugged dry hole, method of plugging:

Depth at which concrete plug set: feet below ground surface.

☐ 2. Sealed Hole (when groundwater is encountered):

☐ 2a. Neat Cement Grout, top to bottom: grout mixture used:

Intervals grouted (feet beneath ground surface, method and materials):

☐ 2b. Neat Cement Grout, interval grouting: grout mixture used:

Intervals grouted (feet beneath ground surface, method and materials):

☐ 2c. Abandonment Fluid Mixture (Such as Sodium Bentonite with Polymer) Brand Name:

Marsh Funnel viscosity of abandonment fluid: sec.

Type of surface plugging used:

Depth at which plug set: feet below ground surface,

Method:

☐ 2d. Other method used with approval of the Division of Reclamation, Mining and Safety; describe in detail method and materials used on a separate attached sheet.

B. CONVERSION TO A WATER WELL

State Engineer's Permit No.: (attach copy of permit)

County Where Well is Located:

Water Well Use:

V. METHOD OF RECLAIMING DRILL SITE SURFACE DISTURBANCE:

The Operator who conducted the prospecting drill operation states that the information set forth hereupon is true to the best of their knowledge.

(Name of Operator's Representative)

(Title)

(Signature of Operator's Representative)

(Date)