

LKA Gold Incorporated

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December 1, 2021

(draft report submitted via email 11/30/21)

**DIVISION OF RECLAMATION
MINING AND SAFETY**

Lucas West
Environmental Protection Specialist
Colorado Division of Reclamation Mining & Safety
101 S 3rd Street, Suite 301
Grand Junction, CO 81501

Re: Golden Wonder Inspection Report – Corrective Actions & Status

Lucas,

Since we were last on site, we've had an exceptionally difficult time getting local contractors to commit to the corrective actions we discussed and as outlined in your report. The most imperative aspects (time and weather sensitive) of the program involve removing and treating stormwater and minewater from the two reservoirs which are at capacity. Removal of at least 5,000 gallons from each reservoir should provide sufficient capacity to accommodate snow melt and rain, as well as early mine drainage until regular water treatment resumes in the spring of 2021.

Corrective Actions:

This week, Whinnery Construction, a local contractor, plans to have a backhoe and operator on site to accomplish three of the objectives we discussed.

First, they will bring in the additional polyethylene mixing tanks we require for mine water and stormwater treatment. They will also reset the big 5,000 gallon polyethylene treatment tank.

Second, they plan to re-contour, clean up, and unplug culvert inlets on the mine road to 6 Level. This considerably relieves stormwater pressure on the mine pad....as per our original design. Re-contouring drainage features on the pad between the two reservoirs will also be done.

Third, water treatment preparations will begin on Monday 12/6/21. Portable electric heaters, powered by the mine generator, will be strategically placed in holes thru the ice covering the stormwater reservoir. Hopefully this will heat the water sufficiently to allow for treatment and keep plumbing from freezing. The objective will be to treat at least 5,000 gallons to make room for anticipated stormwater collected from the mine pad as snow melt and rain commences next spring....historically late April. If possible, we will also treat and discharge 5,000 gallons from the minewater reservoir.

With overnight temperatures at the mine in the low single digits, this will be a challenge. Since this will be the only opportunity we've had to get a qualified contractor with equipment on site, we'll have to do whatever we can to make the most of it. We will follow up this report with an after-action report and pictures.

If the weather holds, we'll attempt to get the trash cleaned up on 3 Level (drill core boxes mentioned in your report). We consider this, and think you'll agree, a lower-priority than the water related issues.

We recognize that we are delinquent in meeting the timetable set forth in your report. Please understand that coordinating this effort has been an on-going process and only within the last few days have we been able to pull together a plan that has a reasonable chance of success.

Sincerely,

Kye Abraham, *President*
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