




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: Klondike Basin Exploratory Drilling Project	MINE/PROSPECTING ID#: P-2022-005	MINERAL: Copper	COUNTY: San Miguel
INSPECTION TYPE: Multi Person Inspection	WEATHER: Clear	INSP. DATE: October 2, 2024	INSP. TIME: 10:15
OPERATOR: Tarsis Resources US Inc.	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Surety Release Requested	BOND CALCULATION TYPE:	BOND AMOUNT: \$23,828.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
INSPECTOR(S): Lucas West	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: October 21, 2024

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.

<p>INSPECTION TOPIC: Other</p> <p>PROBLEM/POSSIBLE VIOLATION: Problem: Trash and refuse was noticed on the site. This is a problem at this time for failure to dispose of refuse in a manner that controls unsightliness or deleterious effects of such refuse pursuant to C.R.S. 34-32.5-116(4)(e). Specifically excess erosion control devices were left in three separate locations that must be removed.</p> <p>CORRECTIVE ACTIONS: The operator shall submit photo documentation to the Division that the items have been removed from the site by the corrective action date.</p> <p>CORRECTIVE ACTION DUE DATE: 12/02/24</p>

OBSERVATIONS

This inspection was conducted in response to the Operator's request for Full and Final Release of the Entire Permit Area, by the Colorado Division of Reclamation, Mining and Safety's Active Mines Program. The Klondike Basin Exploratory Drilling Project is a Notice of Intent to Conduct Prospecting Operation (NOI) for the exploration of Copper resources. The NOI is located in the Klondike Basin area of San Miguel County approximately 16 Miles South of Naturita, CO on lands administered by the Bureau of Land Management (BLM). The approved Notice included 3.13 Acres of land that contained 14 drill pads, 16 drill holes and access roads, however during operations only 5 pads with corresponding drill holes and access roads were completed. The Division currently holds \$23,828.00 in Financial Warranty for the site, no Reclamation Cost Estimate was completed. Along with the inspector listed on Page One of this report, Bridget Wade of the BLM was present during the inspection. No Operator representative was present during the inspection. Twelve Photos and one google earth map accompany this report to illustrate the site conditions.

Of the proposed drill sites, only five were completed and named KDB-22-001 through KDB-22-005. During the permit process the sites were annotated PDH A through G. The subject headers give both identifiers for clarity. All five drill pads and access roads were observed during the inspection.

KDB-22-001/ PDH L

The KDB-22-001 pad and associated access road is located North of an area referred to as Buck Knob. The access road has been graded, and made to blend with the surrounding area by spreading woody debris across the footprint of the road. The area was seeded, however given the aspect of the road, and soil conditions very few reclamation species were identified. This is not considered a problem however, given the condition of adjacent undisturbed lands. An example of the access road can be seen in Photo One. Photo Two shows the pad area. The pad has been graded to blend the surrounding landscape, seeded and covered with large rocks as well as woody debris. Similar to the access road, the vegetative cover is minimal, however is as good or better than the surrounding area. The drill hole was successfully reclaimed to the point where it was unable to be located. The drill hole abandoned report confirms the details of the reclamation.

KDB-22-002/ PDH A

The KDB-22-002/ PDH A was completed on a wide spot of an existing access road. Very minimal surface work was needed to complete the pad and was largely indiscernible from the site photos of pre-existing conditions. Photos Three and Four show the area. Based on the received Drill Hole Abandonment Report and the pre-disturbance photographs the reclamation of the area is considered successful.

KDB-22-003/ PDH G

The KDB-22-003/ PDH G site lies at the end of a long stretch of improved access road associated with the project and the pad sits on the crest of a ridge. The pad was observed to be in good condition, all dirt work appeared to be stable and in good condition. No evidence of erosion or sediment transport was noted. Reclamation included seeding and distribution of downed woody debris. The vegetative cover was a little sparse, however given the exposure and aspect of the pad, and when compared to adjacent undisturbed areas it is considered sufficient. The pad, and vegetative cover can be seen in Photo Five. Similarly along the access road, areas were reclaimed using the same method. The downed woody debris provides cover for the vegetation. The reclaimed portion of the access roads are in good condition and can be seen in Photo Six. Along the access road, a bundle of approximately 20 Linear Feet of unused straw wattles were found to be forgotten during the demobilization process of the reclamation crews. Photo Seven shows the bundled wattles and it is labeled as such in the enclosed map. This is a problem at this time for failure to dispose of

refuse in a manner that controls unsightliness or deleterious effects of such refuse pursuant to C.R.S. 34-32.5-116(4)(e). The operator shall submit photo documentation to the Division that the items have been removed from the site no later than Monday December 2, 2024.

KDB-22-004/ PDH N

The KDB-22-004/ PDH N site also lies at the end of a long stretch of access road near the area known as Buck Knob. The access road has been graded, reseeded and covered by woody debris such that it was difficult to locate in the juniper trees. The access road appeared to be stable and in good condition along the entire length. No evidence of erosion or sedimentation was noted and an example of the area can be seen in Photo Eight. Along the access road several erosion control devices were noted to be left in place. While straw wattles are allowed to be left in place, a traditional black mesh silt fence with staking was observed to be in place that needs to be removed. Photo Nine shows the silt fence and it is annotated on the enclosed map. This is a problem at this time for failure to dispose of refuse in a manner that controls unsightliness or deleterious effects of such refuse pursuant to C.R.S. 34-32.5-116(4)(e). The operator shall submit photo documentation to the Division that the items have been removed from the site no later than Monday December 2, 2024.

The pad and drill location was observed and found to be stable at the time of the inspection. The pad has been graded, seeded and had large boulders and woody debris spread across it to blend it with the surrounding area. No evidence of erosion or sedimentation was observed and the vegetative cover is dense, diverse and in good condition. The pad area can be seen in Photo Ten.

KDB-22-005/ PDH D

The KDB-22-005/ PDH D site is located next to a wash down gradient from PDH A. A small section of access road was improved at the end of an existing historic road. The access road has been graded and seeded. Along the access road, another piece of erosion control structure was found discarded next to the road. A green mesh erosion control fence with lathes was found between the access road and the wash as seen in Photo Eleven. This is a problem at this time for failure to dispose of refuse in a manner that controls unsightliness or deleterious effects of such refuse pursuant to C.R.S. 34-32.5-116(4)(e). The operator shall submit photo documentation to the Division that the items have been removed from the site no later than Monday December 2, 2024.

The drill pad at the site was also observed and can be seen in Photo Twelve. The pad has been graded and seeded. No evidence of significant erosion or sediment transport was noted, and the vegetative cover is dense and diverse. Some annual weeds were noted in the footprint of the pad, however this is not considered a problem at this time as reclamation species were noted and the annual weeds are sparse.

The overall footprint of the reclaimed sites are in excellent condition. Aside from the few items that must be removed, all reclamation efforts are considered to be successful. No signs of significant settling, slumping or erosion was noted and no State Listed Noxious Weeds were observed. Once photo documentation of the corrective actions has been received by the Division, the release request can be approved. All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety's Active Mines Program, Room 215, 1001 East 62nd Ave, Denver CO, 80216. Direct contact can be made at the Division's Grand Junction Field Office, by phone at 303-919-2997 or by email at lucas.west@state.co.us.

PHOTOGRAPHS



Photo One: View East, showing the drill pad area of KDB-22-001/ PDH L. The area has been graded seeded and covered with woody debris.



Photo Two: View South, showing the access road to the KDB-22-001 drill pad area. The access road has also been graded, seeded and covered with woody debris.



Photo Three: View North, showing the KDB-22-002/ PDH A area. This site was drilled within the footprint of an existing access road, and all disturbances reclaimed to match the pre-disturbance photographs.



Photo Four: View South, showing another section of the KDB-22-002/ PDH A drilling area.



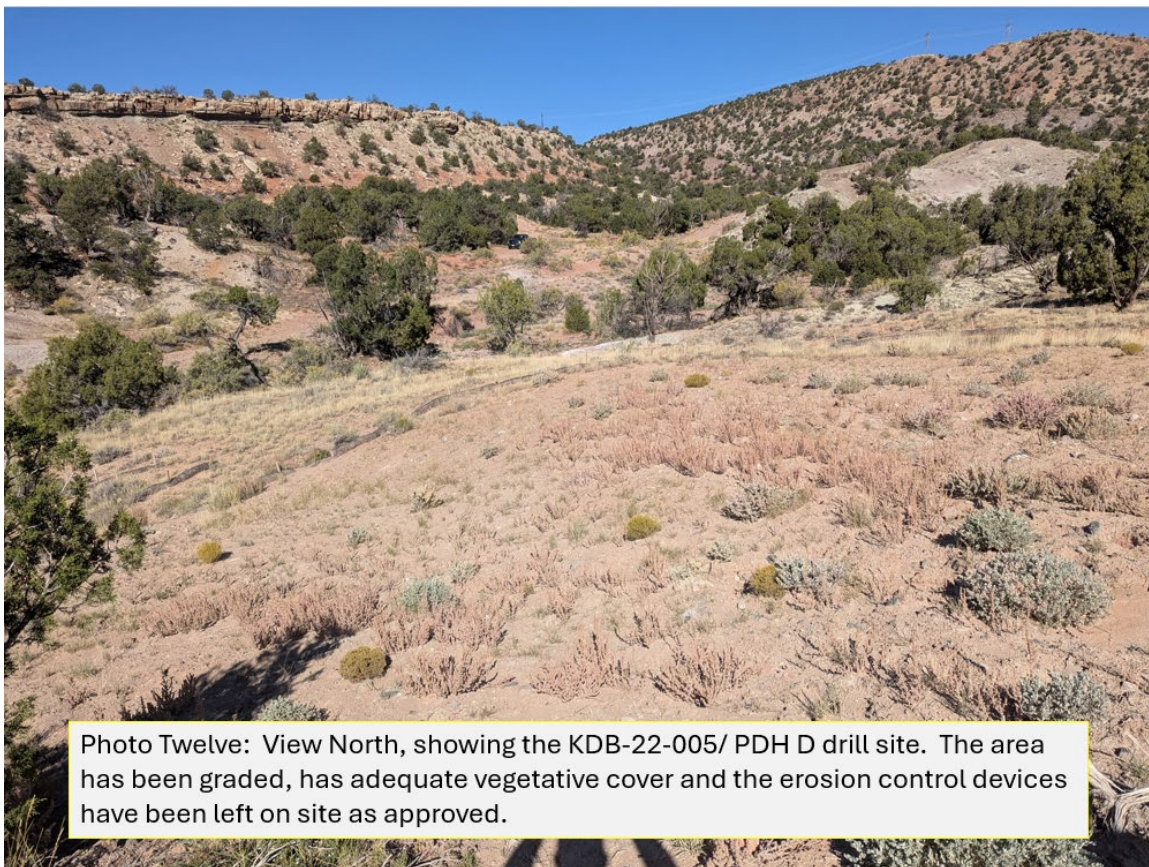




Photo Nine: View East, showing a silt fence left in place that must be removed. The silt fence is annotated on the Google Earth Map.



Photo Ten: View West, showing the reclaimed drill pad area of KDB-22-004/PDH N. The area has been graded to blend surrounding topography, has adequate vegetative cover and has rocks and woody debris spread across the 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>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</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

Inspection Contact Address

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Tarsis Resources US Inc.
2505 W Superior St
Duluth, MN 55806

Enclosure [Google Earth Map](#)

CC: Travis Marshall, DRMS
 Bridget Wade, BLM

Corrective Action Map

Location of items to be removed as perscribed by the DRMS



Bundled Straw Wattles

Mesh fencing

Silt Fencing