

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.

Octob R REPRESENTATIVE: TYPE MP -	DATE: IN 12 Per 2, 2024 12 Per OPERATION Mineral Prospecting		
Octob R REPRESENTATIVE: TYPI MP -	per 2, 2024 12 E OF OPERATIO Mineral Prospecting	:40 N:	
Octob R REPRESENTATIVE: TYPI MP -	per 2, 2024 12 E OF OPERATIO Mineral Prospecting	:40 N:	
R REPRESENTATIVE: TYPI MP -	E OF OPERATIO Mineral Prospecting	N:	
MP -	Mineral Prospecting		
		7	
CULATION TYPE: BON		MP - Mineral Prospecting	
BOIL	D AMOUNT:		
\$12,3	90.00		
CONTACTS: JOIN	T INSP. AGENCY	₹:	
None			
R'S SIGNATURE: SIGN	NATURE DATE:		
Octob	per 22, 2024		
	None R'S SIGNATURE: SIGN	None	

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

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

PERMIT #: P-2022-007 INSPECTOR'S INITIALS: LJW INSPECTION DATE: October 2, 2024

OBSERVATIONS

This inspection was conducted in response to the Operator's Request for Full and Final Release of the Entire Permitted area by the Colorado Division of Reclamation, Mining and Safety's Active Mines Program. The Klondike Basin Exploratory Drilling Project COSLB Section 16 is a Notice of Intent to Conduct Prospecting Operations (NOI) located in San Miguel County, approximately 16 Miles South of Naturita, CO on lands administered by the Colorado State Land Board. The project proposed six drill pads, eight drill holes approximately 700 feet deep and access roads for a total disturbance of 1.25 Acres. The proposed reclamation was proposed to support a rangeland Post Mining Land Use. No Operator Representative was present during the inspection. The Division currently holds \$12,390.00 in Financial Warranty for the site and a Reclamation Cost Estimate Update was not performed as a result of this inspection as release has been requested.

For this operation none of the proposed activities were conducted. An affidavit was submitted, along with the release request on August 6, 2024 attesting that none of the activities were completed. No drill hole abandonment reports were submitted or received by the Division. The area was inspected, and no signs of disturbance or reclamation was noted.

Therefore, the Division has approved the Operator's Request for Full and Final Release of the Entire Permitted Area as requested. Please see the attached SL-1 Approval Letter for more information. 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.

Inspection Contact Address

Rob Duncan Tarsis Resources US Inc. 2505 W. Superior Street Duluth, MN 55806

Enclosure SL-1 Approval Letter

CC: Travis Marshall, DRMS