

# LKA Gold Incorporated

3724 47<sup>th</sup> Street Ct NW  
Gig Harbor, WA 98335  
(253) 514-6661

June 21, 2017

Travis Marshall  
Division of Reclamation Mining & Safety  
1313 Sherman Street, Room 215  
Denver, CO 80203

**RE: Responses - Golden Wonder Mine, Permit No. M-1978-091-UG, Technical Revision Application, TR-3, Preliminary Adequacy Review.**

Mr. Marshall,

The following responses to the above referenced Adequacy Review are presented in the order presented in your letter of June 2, 2017:

- 1.) We agree. Wood is not appropriate for this application. We've planned to use a more durable base of either HDPE or a concrete product.
- 2.) Since neither we, nor our engineers, have constructed and have experience with a "slag based" system such as the one we've proposed, we actually don't know how often the system will require maintenance, i.e., removing/cleaning/replacing slag and cleaning out the precipitate. Unlike limestone, the slag will not be subject to "coating." Accordingly, the experts involved in this project believe that the effective life of the slag will exceed that of limestone by many orders of magnitude. We expect to monitor this system on a very regular basis until we're convinced that it is functioning properly and we collect actual, continual-use, data during the field pilot study ("Pilot Study") to make these kind of maintenance related determinations. We do not believe that lab testing will provide accurate or conclusive information in this regard.
- 3.) None expected. We will continue to monitor and test the mine discharge water to remain within the parameters of our permit requirements. We expect to know conclusively upon completing of the Pilot Study.
- 4.) Harsco Pueblo produces steel slag continuously as a byproduct of their steel milling operation...over 150,000 tons per year. Harsco is very interested in the Golden Wonder Pilot Study and have expressed their support to its success in whatever reasonably applicable way possible. We should have no difficulty in securing a long-term supply of slag.
- 5.) We've lab tested the Harsco steel slag and intend to use it exclusively. We currently believe

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5. Cont'd) that this is an ideal way, environmentally speaking, to repurpose a product that is currently considered nuisance waste material.

I hope that you find the above responses satisfy any questions or concerns you have regarding our mine water treatment proposal.

Sincerely,

President

EC: Hinsdale County Commissioners (Stan Whinnery)

Peter Mazzearella, Harsco Minerals

Steve Belz, Black Creek Hydrology

Liese Thompson, Enviro-Chem Analytical