




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 Mine	MINE/PROSPECTING ID#: M-1978-091-UG	MINERAL: Gold	COUNTY: Hinsdale
INSPECTION TYPE: Monitoring	INSPECTOR(S): Travis H. Marshall	INSP. DATE: October 3, 2018	INSP. TIME: 10:30
OPERATOR: LKA International Inc.	OPERATOR REPRESENTATIVE: Kye Abraham	TYPE OF OPERATION: 110d - Designated Limited Impact	
REASON FOR INSPECTION: Normal I&E Program		BOND CALCULATION TYPE: None	
DATE OF COMPLAINT: NA		BOND AMOUNT: \$134,388.10	
POST INSP. CONTACTS: U.S. BLM		JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: October 24, 2018	

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

Y = Inspected and found in compliance / 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 (Division). The Golden Wonder Mine is a 110d consisting of 3.5 acres located 2.5 miles southeast of Lake City in Hinsdale County. Kye Abraham of LKA International Inc. (Operator) was present during the inspection.

The purpose of the inspection was to observe the site conditions and the mine discharge water treatment system. The site conditions appeared to be in an orderly condition. An ore stockpile was observed on the mine bench covered by a compromised blue tarp partially covering it. **This is noted as a problem and the operator must replace the tarp or remove the ore pile no later than November 30, 2018 and provide photo-documentation demonstrating that the corrective action has been completed.**

The mine discharge water treatment system appeared to be properly functioning during the inspection. Mr. Abraham stated that the system was recently maintained. Red stained "spent slag" was observed on the concrete pad immediately east of the mine entrance. Mine water was observed discharging from a PVC pipe that discharges directly into Deadman Gulch. The treatment system discharge point is a limestone lined channel that leads to the NPDES individual Permit No. CO0048119 Outfall 001A. In order to determine to effectiveness of the discharge water treatment system the Division requests that the Operator submit water quality samples from the point where water discharges from the mine opening and the point where the water discharges from the PVC pipe into Deadman Gulch. The analyses must include potentially dissolved copper, lead, selenium, zinc, total copper, total recoverable iron, TSS, pH and flow at the time of sampling. **Samples must be collected using standard sampling methods, sample handling and employ proper chain of custody protocol. Sample results must be provided to the Division no later than November 30, 2018 to avoid potential enforcement action for failure to protect the hydrologic balance.**

No noxious weeds were observed during the inspection.

Photos that show the conditions observed during the inspection are included at the end of this report.

If you have any questions regarding the content of this inspection report please contact me at the Division of Reclamation, Mining and Safety Grand Junction Field office at 970-241-2042.

PHOTOGRAPHS



Mine Entrance



Mine water discharge collection point.



Mine bench, discharge pipe buried.



Mine office / shop.



New unused slag.



Used slag, note red coloration.



Ore pile with compromised tarp.



Rhyolitic waste rock pile on mine bench.



Slag treatment system inlet.



Treatment system settling point.



Treatment system outlet into limestone channel.



Material processing system located on mine bench.

Inspection Contact Address

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