




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): Stephanie J. Mitchell	INSP. DATE: June 19, 2019	INSP. TIME: 12:00
OPERATOR: LKA International Inc.	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION: 110d - Designated Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE:	BOND AMOUNT: \$134,388.10
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: October 3, 2019

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.

INSPECTION TOPIC: Hydrologic Balance

PROBLEM/POSSIBLE VIOLATION: Problem: The operator failed to prevent disturbances to the hydrologic balance through inadequate containment or treatment of processing wastewater, specifically; the operator has not properly installed the approved process water treatment in accordance with the approved application. Furthermore, ponds that have been installed are malfunctioning by allowing leakage and loss of containment of the process water. C.R.S. 34-32.5-116(4)(h) and Rule 6.4.7(2)(c)

CORRECTIVE ACTIONS: The operator shall install the process water control system as designed and approved in the permit application including lining of any ponds or compaction of embankments as necessary to prevent loss of containment of the process water by the corrective action date.

CORRECTIVE ACTION DUE DATE: 12/01/19

INSPECTION TOPIC: Hydrologic Monitoring

PROBLEM/POSSIBLE VIOLATION: Problem: The operator failed to prevent disturbances to the hydrologic balance through not providing samples indicating the effectiveness of the water treatment system located on the mine bench.

CORRECTIVE ACTIONS: The operator shall provide sample results for potentially dissolved copper, lead, selenium, zinc, total copper, total recoverable iron, TSS, pH and flow rate at time of sample collection.

CORRECTIVE ACTION DUE DATE: 11/30/18

OBSERVATIONS

This was a routine inspection conducted by the Division as part of its monitoring of Hard Rock and Metals 110d permits. The Golden Wonder Mine Operation is an active 110d underground mine. The commodity mined is gold. The mine currently consists of 3.5 permitted acres. The Golden Wonder Mine operation is located approximately 2.5 miles southeast of Lake City Colorado.

The Mine Identification sign was in place and boundary markers or fencing was noted.

The main focus of the inspection was to observe the current configuration of the proposed water treatment system that was approved under technical revision no. 3, sample water coming out of the portal and after the discharge from the water treatment system that discharges into the limestone rip rapped channel below level 3.

No active mining was observed during the inspection. An orange colored mine water discharge was observed exiting the portal which was observed during prior inspections. The discharge was NOT collecting into the grate that then goes into piping that directed the water into the passive metal slag treatment system. The flow is still estimated to be 0.1 gpm. **This is noted as a problem at the beginning of this inspection report.** The Operator will have 60 days to make repairs to the water treatment system to insure that water is indeed conveying into the piping and provide water sample results to the Division and CDPHE. At this time the water is running across the parking lot as a surface runoff, not entering into the water treatment system, flowing past the shop and into the limestone rip rap channel. Water samples were taken at the portal, near the water treatment system and in the channel. Results of the water sampling included very low pH (2.5 pH), high levels of iron, copper, lead and zinc. All exceeding the limits of CDPHE standards.

If the Operator would like to invent or construct a different type of water treatment system, a Technical Revision will be required.

Miscellaneous mining debris / trash was observed along the eastern portion of the mine bench. The materials appeared disorganized and out of place. The conditions observed are not considered problem but poor housekeeping and is noted in this inspection report to be used as a tool to monitor future site conditions.

Above the portal at the level 3, there appears to be some subsidence or collapsing. The Operator is encouraged to repair the feature to reduce future collapsing.

In an effort to ensure the financial warranty remains adequate to reclaim this site per the requirements of the approved reclamation plan, DRMS will update the reclamation cost estimate. The estimate will be forwarded to the operator under separate cover.

Photos that show the conditions observed during the inspection are included with this report.

Responses to this inspection report should be directed to Stephanie Mitchell at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone no. (303)866-3567 ext 8180.

PHOTOGRAPHS



Portal with subsidence above



Unsightly trash





Water running past Office



AMD surface runoff



Water not draining into drain



Level 3 Pad



Water Treatment System- Water not entering
system (Dry)





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>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>PB</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>Y</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	

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

Inspection Contact Address

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Enclosure: DRMS Water Sample Results

CC: Andrea Beebout
CDPHE
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