




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 Mitchell	INSP. DATE: August 13, 2020	INSP. TIME: 11:00
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	BOND AMOUNT: \$136,046.10	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: Sept 20, 2020	

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>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</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>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 / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

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. 4. At this time the proposed water treatment system was NOT installed. The Operator stated that they are waiting for equipment to be shipped. DRMS will do a follow up inspection in the Spring of 2021 to observe new treatment measures.

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.

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 6, 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



Water treatment- not repaired- waiting on new treatment system to be installed from TR4



Level 6 Portal with Subsidence/Collapse above



Subsidence/collapse to be repaired



Portal- level 6



Level 3



Level 3 Pad



Debris on site- level 3

Inspection Contact Address

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