




**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.

<b>MINE NAME:</b> Golden Wonder Mine	<b>MINE/PROSPECTING ID#:</b> M-1978-091-UG	<b>MINERAL:</b> Gold	<b>COUNTY:</b> Hinsdale
<b>INSPECTION TYPE:</b> Multi Person Inspection	<b>INSPECTOR(S):</b> Lucas West	<b>INSP. DATE:</b> December 8, 2021	<b>INSP. TIME:</b> 11:15
<b>OPERATOR:</b> LKA International Inc.	<b>OPERATOR REPRESENTATIVE:</b> Kye Abraham	<b>TYPE OF OPERATION:</b> 110d - Designated Limited Impact	
<b>REASON FOR INSPECTION:</b> High Priority	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> \$136,046.10	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None	
<b>WEATHER:</b> Cloudy	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> January 4, 2022	

**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----- <u>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>N</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>N</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>N</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(ST) STIPULATIONS----- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</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 inspection was conducted as a follow up inspection to observe the status of Corrective Actions cited in the Inspection Report dated October 21, 2021. The Corrective Actions are related to a Possible Violation and pending a hearing before the Mined Land Reclamation Board. In addition to the Inspector and Operator listed on Page One of this report, Travis Marshall, Senior Environmental Protection Specialist of DRMS and Steve Belz a contractor for the Operator were present during the inspection. The Golden Wonder Mine is listed as an active 110-d Operation, located in Hinsdale County, approximately 2.5 miles southeast of Lake City at an elevation of 9895 feet. Public access to the site is controlled by a series of locked gates. The permit area consists of 3.5 acres in support of the underground extraction of gold and the approved reclamation plan supports a post-mining land use of wildlife habitat. The Division currently holds \$136,046.10 in financial warranty for the site. Eight photos accompany this report to illustrate the observed site conditions.

In general, the Corrective Actions required were for the Operator to repair the Storm Water Control Structures located along the access road to prevent additional storm water from entering the pad area, repair the water conveyance structures delivering water from the portal discharge to the Mine Water Pond, make repairs to the Water Treatment System and resume treating and discharging water from the Mine Water and Storm Water Ponds. All treatment and discharging activities are to be done in compliance with the approved DRMS and CDPHE Permits. The storm water control structures, specifically culverts used to divert storm water away from the pad, have been cleaned out and repaired. An example one of the culverts can be seen in Photo One. Additionally the Operator constructed a small berm where the access road meets the portal pad. The berm is designed to assist in diverting storm water and can be seen in Photo Two.

During the inspection, water treatment operations were actively being conducted. Water from the Mine Water Pond was being pumped into the 5,000 gallon treatment tank, where chemicals were being added to adjust the pH and precipitate out metals. Once the precipitant had settled, the sludge was pumped to a smaller holding tank, and treated water was tested and discharged. The condition of the Mine Water Pond can be seen in Photo Three. Photo Four shows the tanks being utilized in the treatment process. Discussions with the Operator indicate that once the Mine Water Pond was pumped down sufficiently the Storm Water Pond would be pumped and treated in the same manner. Photo Five shows the condition of the Storm Water Pond as observed at the time of the inspection. The treated water is being conveyed down the limestone channel via PVC pipe and discharged as seen in Photo Six.

The portal pad is covered in a considerable amount of ice, suggesting that additional surface flow was present prior to the freezing temperatures and has caused ice to accumulate on the pad. The pad and portal can be seen in Photo Seven. The conveyance system designed to deliver mine discharge water to the Mine Water Pond appears to have been cleared, and no flowing discharge was observed. Photo Eight shows the conveyance system.

Although the Corrective Action compliance date has elapsed, the required actions have been taken in accordance with the Divisions October 21, 2021 Inspection Report. Continued maintenance and treatment operations are required moving forward and were conveyed to the Operator during the Mined Land Reclamation Board Hearing. Also, during this inspection an Unmanned Aerial Vehicle flight was conducted successfully. The flight was used to document the current site conditions as well as a visual aid used during the MLRB Hearing.

All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety at 1001 E 62<sup>nd</sup> Ave. Room 215, Denver CO 80203. Direct contact can be made at the Division's Grand Junction Field Office, by phone at 202-866-3567 Ext. 8187 or by email at [lucas.west@state.co.us](mailto:lucas.west@state.co.us).

### **PHOTOGRAPHS**



Photo One: View southwest, showing an example of the storm water control structures that have been repaired along the access road. All culverts along the access road were verified to be clear and functional to convey storm water.













Photo Six: View south, showing the discharge point for treated waters in the limestone lined channel. Water was not actively being discharged during the inspection.



Photo Seven: View northeast, showing the portal and pad area. Significant ice build up was present on the pad surrounding the portal and the Mine Water Pond.



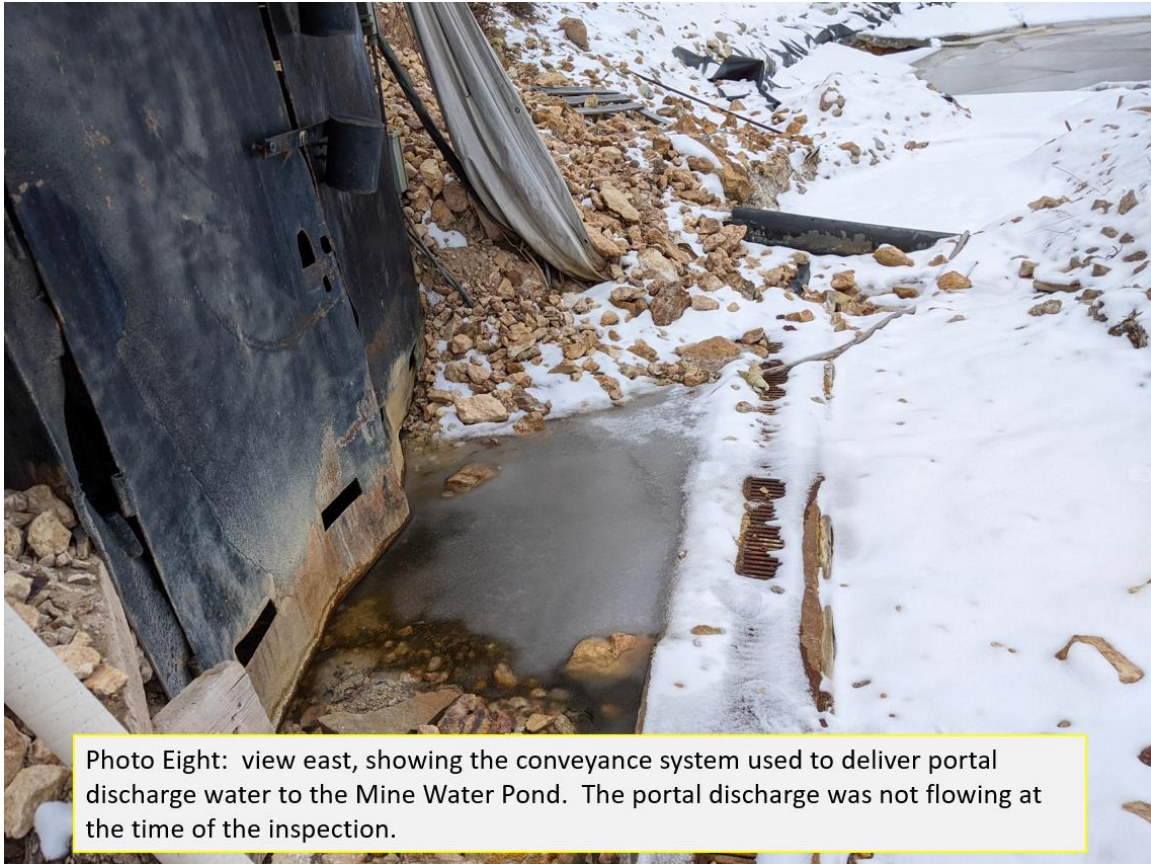


Photo Eight: view east, showing the conveyance system used to deliver portal discharge water to the Mine Water Pond. The portal discharge was not flowing at the time of the inspection.

**Inspection Contact Address**

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Enclosure

CC: Travis Marshall, Senior Environmental Protection Specialist