Walter Creek Heap Leach Project
Weekly Review

July 9th, 2008

Dial-in Conference Call:	**Toronto**	**1-416-883-0133**
	Others	**1-877-304-7800**

Participant Code: **62247#**

HSE Performance

- No injuries this week
- No environmental compliance issues this week.

Hours Worked Since Jan 1st

NSC 2,276 hr. this week; 72,883 total

AMI 410 hr. this week; 960 total

Merit 120 hr. this week; 1,610 total

KP & Geo Temps 299 hr. this week; 1,931 total

FGMI 160 hr. this week; 5,400 total

Project; 3,264 hr. Total 82,784

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HSE Performance

- 11 safety checks this week – 4 deficiencies found
  - Trigger locks on hand tools
  - Seat belt not worn
  - Unmarked containers
  - NO SMOKING signs not in place
- 5 walk throughs of CIC building site – 2 minor deficiencies found
  - All corrected on spot or date to have work done set
- 5 walk throughs of Heap Leach earthworks site – 2 minor deficiencies found
  - All corrected on spot or date to have work done set
- 1 walk through of mobile lab site – no minor deficiencies found

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Construction

- Weather continues to be an issue
- 5 shifts lost for Independence Day Weekend
- Embankment fill and transition fill continue
- Stage 1 perimeter road grading completed, wearing course being placed
- Subbase test sections are ongoing
  - Test strip on flat met compaction specification
  - Test strip on slope is underway
- Screening plant has been producing 800-1000 CY per shift
- CIC footing rebar is in progress and first pour will occur today
- Fencing contractor is slated to come on site on July 15th

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3 Week Construction Schedule

		M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S
ID	**Activity**	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1	Mine Waste Embankment - Elev. 1540 to 1653																					
2	East Slope: Prepared Subbase - Place and Compact																					
3	West Slope: Regrade, & Compact - Cut to Fill Completion July 15th (Rain Delays)																					
4	Crusher: Prepare Sub-base Material, approx 60 K CY																					
5	Mine Waste: Haul Road Fill as Fill Elevation Increases (Schist) - On Going																					
6	Embankment Transition Fill Placement as Embankment Progresses - On Going																					
7	Tie in stage 1 road to access road																					
8	Construct West Slope Pond Limit Road																					
9	Alaska Mechanical F/R/P																					
10	Alaska Mechanical CIC Concrete																					
11	Offload Liner in Fairbanks Yard - Ongoing																					
12	Prepare LCRS (30,000 CY)																					
13	Fence Construction																					

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Construction – Pictures

West Slope Regrade – Nearing Completion

West Slope Re-grade – Nearing Completion

Compaction Fleet – 2 smooth drum, 2 sheepsfoot

Test Fill

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Construction – Pictures

Forms and Re-bar – Ready for First Pour

Mud Slab – Replaced Gravel Fill Below Footers

Crushing Plant – Separated to Produce Stemming and LCRS

Embankment Fill

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Mine Rock – Embankment Construction

- **Mine Random Fill Summary as of end of June 7th, 2008**

Average Daily Since April 18th (CY/Day):	16,618
Average Daily Previous Week (CY/Day):	12,794
Actual Placement Thus Far (CY):	1,738,464
Budgeted Placement Thus Far (CY):	2,474,142
Placement Remaining (CY)	735,678
Variance from Budget (CY):	-735,678
↳% Variance from Budget:	-30%
Total Random Fill Volume (CY):	2,474,142
↳% Complete Total Random Fill:	70%
Estimated Completion	20-Aug-08

  - **Note: Estimated Completion assumes average daily since April 18th is rate through to completion**

- **Last Week; Mine Random Fill Summary as of end of June 30th, 2008**

Average Daily Since April 18th (CY/Day):	16,979
Average Daily Previous Week (CY/Day):	3,221
Actual Placement Thus Far (CY):	1,648,904
Budgeted Placement Thus Far (CY):	2,310,000
Placement Remaining (CY)	825,238
Variance from Budget (CY):	-661,096
↳% Variance from Budget:	-29%
Total Random Fill Volume (CY):	2,474,142
↳% Complete Total Random Fill:	67%
Estimated Completion	17-Aug-08

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Engineering Status

- **CIC Building plans still under review by State Fire Martial**
  - **Footings, building design, hazard classification, occupancy, life safety, "allowable area"**

- **Mine & Mill Engineering**
  - **Tie-ins and piping engineering in progress**
  - **CIC Electrical/Mechanical engineering in progress**
  - **ALPM Design Ongoing**
  - **Deadlines for IFC drawings have been set**
    - **All IFCs expected to be complete by Aug.15th**

- **Subbase material**
  - **Production of material meeting #200 specifications has become consistent**
  - **Now out of spec on #4 gradation (spec is 48–70% passing #4, results showing around 76%)**
  - **KP is coordinating interface sheer test on two samples with the highest %passing #4 sieve to determine if this product is suitable**

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Engineering Status

- **Overliner Material**
  - **KP is performing liner integrity testing to see if the mill reject material currently being produced is suitable for use as overliner on the leach pad outside of the flat area (<10%) where the LCRS drain aggregate is underneath the liner**
  - **2 options being considered for area over LCRS drain aggregate**
    - **1 – Screen sandy gravels removed from hillside to produce subbase material to be used as 'cushion' for overliner on top of LCRS drain aggregate area (approx. 15,000 CY)**
    - **2 – Screen/crush mill reject to reduce course fraction and use this as overliner in area of LCRS drain aggregate (approx. 30,000 CY)**
    - **Cost/benefit analysis of 2 options is required**

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