Kennecott Greens Creek Mining Company
PO Box 32199
Juneau, Alaska 99803-2199
Phone # 907 790-8170
Fax # 907 789-8119

Kennecott Minerals

8 March 2007

Jeff DeFreest
Tongass Minerals Program
Juneau Ranger District
U.S. Forest Service
8465 Old Dairy Road
Juneau, AK 99801

Ed Emswiler
Solid Waste Department
Environmental Health Division
Alaska Department of Environmental Conservation
410 Willoughby Avenue, Suite 303
Juneau, AK 99801-1795

RE: Stage 2 Tailings Facility Expansion-Construction Plan update for 2007

Gentlemen:

Kennecott Greens Creek Mining Company (KGCMC) wishes to submit the Stage 2 Tailings Expansion – Year 2007 Construction Plan for regulatory approval. An overall plan was submitted for the expansion area for the Years 2004 – 2008. KGCMC committed to yearly updates to the plan and is submitting this letter and the attached 2007 Work Summary for approval for the 2007 construction season.

KGCMC wishes to continue construction activities in 2007 that are required to develop the tailing site. Use of this area was approved in a Record of Decision Notice signed October, 2003 from the U.S. Forest Service.

KGCMC has previously submitted a revised General Plan of Operations (GPO) - Appendix 3 Tailings Impoundment for the operation and changes associated with the Record of Decision supporting an expansion of the tailing facility at Greens Creek.

The 2007 Plan details the year's construction activities which will not develop the site to the fullest extent allowed in the Record of Decision. KGCMC will continue to incrementally expand the tailings impoundment using developed methods to limit the disturbances at the site.

The major components of the 2007 construction activities are:

- Pond 7 Activity will include construction of the new water treatment plant from April through March 2008. Detail plant drawings will be submitted as soon as they become finalized for construction. The new plant will increase water treatment capacity at tailings to optimize the permitted discharge capacity of the NPDES outfall line to Hawk Inlet. Decommissioning of the Pit 5 water treatment plants will be scheduled after the new Pond 7 plant is operational (Spring 2008). Also, surface runoff from the tailings impoundment area will be rerouted to bypass Pond 6 and into Pond 7. This is the initial phase for the eventual decommissioning of Pond 6, which is scheduled for 2008.

- Northwest Corner excavation and lining will continue from the northwest corner of the pile with material excavated placed in the SE tailings area. The project was started in 2006 and is 40% complete. A liner will be placed over the bedrock exposure in the Northwest corner to address a potential source of anomalous sulfate concentrations in wells to the north and west of the tailings impoundment. A slurry wall extension will be added to enhance containment systems, as the liner is installed in this area.

- Northwest Development placement area for new tailings started in 2006 with clearing, grubbing and topsoil removal (80% completed in 2006). Quarrying will continue in this area this Spring to the west and south of the Pit 5 water treatment plant. Two stages of liner installation will occur in 2007 and 2008 for tailings placement area in the NW area. Remaining overburden materials from this area will be stored in Pit 7, Pond 7 stockpile or a new overburden storage area on the east side of the "B" road as outlined in the permit. Rock quarried from this site will be used to construct the liner foundation and for temporary tailings access roads. A slurry wall extension will be added to enhance containment systems, as the liner is installed in this area.

- Northeast Corner Development will include a new stormwater pond configuration to maximize the tailings placement footprint area in this area. The existing North Retention Pond will be de-commissioned and the drainage pipe to the south will be incorporated into the new pond. A new drain system will be added from the NE corner to the west to enhance water collection and transport capacities under the pile from the pond.

- A portable tailings dry storage structure will be erected within tailings containment in close proximity to the truck wash building. This building will be used for temporary storage of tailings during inclement weather which can adversely effect proper permanent placement of tailings. As the tailings pile is developed it is anticipated that this building will be periodically relocated. Scheduled for a mid-summer start after the NW Corner excavation is completed.

- Continued site development of the Sand Source at 1.5 Mile "A" Road – will include processing of additional sand materials to use in construction at the tailings area. Overburden materials will continue to be stockpiled at Pit 7. It is not anticipated that any additional clearing will be required at this site in 2007.

We appreciate the opportunity to continue working with you to develop the mine site. Should you or other Agency staff have any questions regarding the enclosed report, please feel free to contact either Tom Zimmer at 790-8460 or myself at 790-8442.

Respectfully,

Eric Sundberg

Eric Sundberg
Kennecott Greens Creek Mine