INSPECTION REPORT: GREENS CREEK MINE

Tongass National Forest Minerals Group
8510 Mendenhall Loop Rd
Juneau, AK 99801
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Date of Inspection: Tuesday, February 26, 2019
Date of Report: Tuesday, March 5, 2019
USDA Forest Service Inspector: Matthew Reece

Ranger District: Admiralty National Monument, Juneau Ranger District
Weather Conditions: Clear       Temperature: 30’s (°F).

**Any conditions noted as UNSATISFACTORY will require follow up action by the Mine Inspector and a written memorandum to the operator, outlining the necessary work.**

<table>
<thead>
<tr>
<th>Exploration in accordance with operating plan</th>
<th>Not Applicable</th>
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<tbody>
<tr>
<td>Timber removal following timber sale contract</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>BMP for erosion control</td>
<td>Satisfactory</td>
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<tr>
<td>Water Quality BMP</td>
<td>Satisfactory</td>
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<tr>
<td>Public safety &amp; fire prevention</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Reclamation work adequate and timely</td>
<td>Satisfactory</td>
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<tr>
<td>Roads maintenance adequate and current</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Tails placement in accordance with plan</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Waste Rock placement in compliance</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Company supervision of operation</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Operating in a clean and orderly manner</td>
<td>Satisfactory</td>
</tr>
</tbody>
</table>

NEW REMARKS

Ward Air provided a Cessna 206 floatplane to and from site.

David Landes (Environmental Engineer, (HGCMC)) accompanied Matthew Reece (Minerals Program Manager, United States Forest Service (USFS)), Richard Tankersley (Geologist, US Bureau of Land Management (BLM)), and James Whitlock (Mining Inspection and Compliance Coordinator, US Bureau of Land Management (BLM))

The site inspection included the Access Road B, 920 area, 860 area, Site 23, Site E, 7.4 mile B-road Bridge (Killer Creek Bridge), 3.4 mile B-road Bridge (Falls Creek Bridge), 3.0 mile B-road Bridge (Zinc Creek Bridge), and the Tailings Disposal Facility (TDF).

ACTION ITEMS

- No new action items to report.

NOTE WORTHY ITEMS

- Mr. Landes informed the inspectors that HGCMC will not be conducting surface exploration operations in 2019.
- Significant snowpack was covering a majority of the facility at the time of inspection.

B Road

At the time of the inspection, the B-road was in adequate condition. Surface Operations continue with routine winter road maintenance. Significant snowpack and snow berms are present nearly consistently along the B road.
920 AREA
The 920 Bridge is being properly maintained and the splashguards are effective in preventing sediment splash over from vehicular traffic (Photo 1).

Due to low temperatures and freezing conditions, flows in Greens Creek have occasionally dropped low enough to prohibit freshwater withdrawals. HGCMC is maintaining compliance with their minimum discharge rates through the Greens Creek weir. (Photo 2)

The 920 warehouse was tidy and in order. All petroleum and chemical products were properly stored within secondary containment (Photo 3).

SITE 23
HGCMC continues to stock pile class 1, and class 2/3 waste rock (Photos 8-9) at this location (Appendix 1 Integrated Monitoring Plan; page 3-1).

7.4-MILE B-ROAD BRIDGE (KILLER CREEK BRIDGE)
The bridge’s decking is being adequately maintained by HGCMC Surface Operations. The bridges splashguards are effective in preventing sediment splash over from vehicular traffic (Photo 4).

3.4-MILE B-ROAD BRIDGE (FALLS CREEK BRIDGE)
The bridge’s decking is being properly maintained by HGCMC Surface Operations. The bridges splashguards are effectively working to prevent sediment splash over from vehicular traffic (Photo 5).

3.0-MILE B-ROAD BRIDGE (ZINC CREEK BRIDGE)
HGCMC Surface Operations are maintaining the bridge, and the BMPs at the abutment are covered in snow and ice (Photo 6).

TAILINGS DISPOSAL FACILITY (TDF) AREA
Surface Operations continue to deposit tailings in the S3P1 expansion area (Photo 7).

A majority of the TDF is covered in snowpack. Portable windscreens are in place around the south end of the facility. The misting system is still inoperational and HGCMC is working with the vendor on solutions to some technical issues.

Some adjustments have been made to the truck wash to allow for wheel washing without fouling Maxhaul brakes during freezing temperatures.

FOLLOW UP ITEMS
- Operation of misting system

PHOTOS (Images available upon request)
Photo 1. Greens Creek Bridge.

Photo 2. BLM and HGCMC staff at the Greens Creek weir.
Photo 3. External storage at the 920 Warehouse.

Photo 4. 7.4 Mile Bridge.
Photo 5. 3.4 Mile Bridge.

Photo 6. 3 Mile Bridge.
Photo 7. Active placement of tailings in the S3P1 Expansion area (center of frame)

Thanks to HGCMC for a safe visit.
U.S. Forest Service Officer: /s/ Matthew Reece