Agenda

- Overview
- Tailings
  - Annual Report Summary
  - Tailings FMWP Summary
- Site 23
  - Annual Report Summary
  - 920 FMWP Summary
- Biomonitoring Report Summary
- Discussions
  - FWMP proposed changes
  - Financial assurance meeting plans
  - Tour Wednesday
### Overview

- Production statistics
- Exploration statistics
- Spills and releases
- Disturbances and water usage
- Construction activities
- 2009 planned projects
- Reclamation activities
- Closure studies
2008 Production Statistics

- Tons mined per day: 2,021
- Tons milled per day: 2,007
- Shipments of concentrate: 13 (157,436 tons)
Exploration Activities

- 2008 Activities
  - Drilled 14 holes (17,450 ft)
  - All pads were in immediate mine area
    - Big Sore, Gallagher, Bruin Creeks
  - Continued same environmental controls as developed in the 2004-2005 drill seasons

- 2009 Plans
  - Road accessible sites only; 2 sites planned at 920
Disturbances and Water Usage

- Tailings Area Northwest Expansion cleared to approximately 14 acres

- Up to 700 gpm Greens Creek withdrawal (creek flow dependent) for mine and mill use

- Variable Cannery Creek withdrawal for truck wash, camp and port uses
## 2008 Spills and Releases

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Quantity spilled (gal)</th>
<th>Spilled material</th>
<th>Description of Incident</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/1/08</td>
<td>warehouse</td>
<td>300</td>
<td>50% hydrogen peroxide</td>
<td>hard plastic bladder on inner tote started spilling from a ruptured opening above the valve during forklift transport</td>
</tr>
<tr>
<td>2/27/08</td>
<td>HI water building pad</td>
<td>25-50</td>
<td>Jet-A fuel</td>
<td>ISO container hose valve was left partially open causing fuel to drip onto ground. Spill likely began at 0100 hours on 2/27 and was not discovered until 1430 on the 27th.</td>
</tr>
<tr>
<td>3/19/08</td>
<td>ug shop</td>
<td>350</td>
<td>hydraulic oil</td>
<td>mechanic was moving hydraulic oil tote and bumped another oil tote valve, breaking off the bottom of the tote. The tote emptied into the containment area at the ug shop</td>
</tr>
<tr>
<td>5/20/08</td>
<td>lab pipeline to mill</td>
<td>100</td>
<td>low pH lab water</td>
<td>pipeline had likely frozen in winter and cracked; thawed and began to drip</td>
</tr>
<tr>
<td>6/26/08</td>
<td>warehouse</td>
<td>250</td>
<td>concrete admixture</td>
<td>during transport, tote was compromised by forklift</td>
</tr>
<tr>
<td>9/28/08</td>
<td>warehouse</td>
<td>45</td>
<td>automatic transmission fluid</td>
<td>drum was compromised while moving it out of a connex container</td>
</tr>
<tr>
<td>10/14/08</td>
<td>ug paste plant</td>
<td>100</td>
<td>hydraulic oil</td>
<td>build up on pump caused powerpack in pump to fail</td>
</tr>
<tr>
<td>10/23/08</td>
<td>ug paste plant</td>
<td>100</td>
<td>hydraulic oil</td>
<td>fitting wasn't secure on pump after maintenance work</td>
</tr>
<tr>
<td>12/30/08</td>
<td>outside powerhouse</td>
<td>305</td>
<td>glycol</td>
<td>forklift tire slipped on ice and tote fell off of forklift and top broke off</td>
</tr>
</tbody>
</table>
2008 Construction Activities

- Commissioning of Pond 7 water treatment facility
- Decommissioning of Pit 5 water treatment facility
- Decommissioning of Pond 6

- Installation of 18” HDPE stormwater pipeline
  - replacement of production rock bedding materials
- Extension of liner system at tails
- Construction of interim storage facility at Site 23 (25,000 cy capacity)
Pond 7 Water Treatment Facility
July 2008
2009 Planned Projects

- Continuation of Pond 6 area expansion
- 1.4 mile A road sand pit expansion
- Divert clean water away from Pond C
- Batch plant drainage improvements
- Cons building roof work
- Greens Creek water intake screen replacement
  - Completed late winter
Reclamation Activities

- 2008 completed production rock removal
  - B pond berm removal: 2600 cy
  - 1350: 4220 cy
  - B road pipeline bedding: 30,000 cy

- 2009 planned production rock removal
  - Site E (15-20 %)
  - Pond D berm
  - 1.8 Mile
  - Site 1350
Closure Studies

- Ongoing Closure Studies
  - Soil cover-forest hydrology study
  - Sulfate reduction monitoring program (SRMP)
  - Underground hydrology study
Key aspects of the study

- Current water table and hydrologic characteristics
- Characterize geochemistry of underground waters
- Develop water balance for the mine system
- Estimate the stored soluble load
- Model natural and manual flooding scenarios
- Predict post-closure flow rates and drainage compositions
- Evaluate potential active and passive treatment options for mine waters

HGCMC anticipates receiving an interim report in 2009