INSPECTION REPORT: GREENS CREEK MINE

Tongass National Forest Minerals Group
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Date Of Inspection: Thursday, March 28, 2013
USDA FS Inspector: Jessica Lopez Pearce
Ranger Districts: Admiralty National Monument
Juneau Ranger District
Weather Conditions: partly cloudy, temps in the 40s.

| 1. Exploration in accordance with operating plan | Not Applicable |
| 2. Timber removal following timber sale contract | Not Applicable |
| 3. BMPs for erosion control | OK |
| 4. Water Quality BMPs | OK |
| 5. Public safety & fire prevention | OK |
| 6. Reclamation work adequate and timely | OK |
| 7. Roads maintenance is adequate and current | OK |
| 8. Tails placement in accordance with plan | OK |
| 9. Waste Rock placement in compliance | OK |
| 10. Company supervision of operation | OK |
| 11. Operating in a clean and orderly manner | OK |

**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.**

NEW REMARKS

Mitch Brooks (HGCMC) accompanied Jessica Lopez Pearce (USFS) on an inspection of the Greens Creek Mine. The site visit included stops at 1.4 Mile A Road Pit, Pit 7, the Tailings Disposal Facility, Site 23, Pond A, the portal, and the 920 Warehouse.

1.4 MILE A ROAD PIT
The first stop of the site visit was at the 1.4 Mile A Road aggregate pit. The pit contains stockpiles of unscreened, screened, and crushed material. A FY 2013 Contract for the Sale of Mineral Materials will be generated for the near future disposal of sand and gravel from this pit. Material from this pit is used for road maintenance, operational activities, and tailings expansion construction projects. The initial 5-acre authorization for the 1.4 Mile A Road Pit was granted in a Decision Memo dated May 7, 2004. All salvageable organic materials and topsoil are stockpiled in Pit 7 for use in future reclamation. A 10-acre expansion to the pre-existing 5-acre footprint of disturbance was authorized in a Decision Notice dated February 3, 2010. The current footprint and future expansion areas have been designated in drawings and flagged on the ground. Several pieces of equipment are stored there, including a mobile screen plant and a light plant (Photo 1). The light plant is powered by a diesel generator that lacked secondary containment.

The drive along the A Road included stops at the Young Bay Ferry Dock and culverts in the Fowler Creek drainage.

PIT 7
Pit 7, located at A Road milepost 1.9, contains a population of invasive thistle. Last summer, a group effort was coordinated to pull up the thistle. Another effort will be made again this spring.
to further the eradication of this invasive species.

TAILINGS DISPOSAL FACILITY
Tailings placement continues in a vertical and northerly direction. Photos were taken at each of the three tracking points established in February: the northern high point looking south (Photo 2); directly adjacent to the water treatment plant, looking northeast (Photo 3); and Mile 1 on the B Road looking west (Photo 4).

Results from the ongoing fugitive dust program indicates heavier dust amounts accumulate on the west side of the TDF. The southern side of the TDF also incurs a high volume of dust accumulation. Northern and eastern data collection points has lesser values of dust accumulation. A large portable windscreen containing two 10-foot by 20-foot panels is currently under construction and will be used in the TDF to decrease wind velocity and reduce airborne dust dispersion.

The visit included a short stop into the TDF Water Treatment Plant and Pond 7. Operations were normal and good housekeeping practices were in place.

SITE 23
Current underground operations are removing predominately Class 2 and 3 waste rock. During the site visit, a sign indicating Class 1 waste rock was present, but signs for other classifications of rock was absent (Photo 5). Upon discussion with Mike, an equipment operator at the site, the Class 3 sign often gets buried by equipment operators as they dump the waste rock. A stockpile of signs is kept at the site to readily replace the buried signs.

Approximately two weeks ago, two FWMP sites were established. The first samples were taken from the new FWMP site 62. Site 62 is located on Greens Creek, adjacent to 7.8 Mile B Road. This is the lowest extent of FWMP sampling sites and will be sampled on a monthly basis. Site 61 is located downgradient of D Pond, on an upper bank that drains into Greens Creek and will be sampled on a quarterly basis starting in May.

POND A
Pond A held a fairly high volume of water and sediment (Photo 6).

PORTAL
There are plans to continue drainage improvement projects this summer near the Greens Creek Bridge and portal (Photo 7). Drainage of waters near the portal report to Pond A. Contractors are scheduled to begin working on in mid-July.

920 WAREHOUSE
The warehouse had many liquid containment issues that have been noted in multiple previous inspections. Barrels and buckets of petroleum products within shipping containers and outside on pallets lacked secondary containment. Chemical totes containing oil and antifreeze and boxes of grease and lubricant were stored outside without secondary containment (Photo 8). Boxes of nitric acid were stored within shipping containers without secondary containment.

Issues with the placement of a snow push pile in the warehouse yard was apparent again during this visit. The snow pile, including dirt and gravels from the warehouse yard, was placed partially outside the internal 920 drainage system and had the potential to melt and transport contaminants out to Greens Creek (Photo 9).
PHOTOS
(High-resolution version of all images available upon request)

Photo 1. Mobile light plant in 1.4 Mile A Road Pit lacks secondary containment.

Photo 2. Tailings Facility taken from the northern photopoint.
Photo 3. Tailings Facility taken from the Water Treatment Plant photopoint.

Photo 4. Tailings facility taken from Mile 1 B Road photopoint.

Photo 5. Class 2 and 3 waste rock in Site 23.
Photo 6. Pond A.

Photo 7. An upcoming drainage improvement project will eliminate ponding around the Greens Creek bridge.
Photo 8. Examples of lack of secondary containment at the warehouse.

Photo 9. Poor placement of snow push pile adjacent to drainage at the warehouse.

Thank you very much to Hecla Greens Creek Mining Company for a safe and informative visit.

/s/ Jessica Lopez Pearce, Minerals Administrator