INSPECTION REPORT: GREENS CREEK MINE

Tongass National Forest Minerals Group
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Juneau, AK 99801
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Date of Inspection: Thursday, February 27, 2014
Date of Report: Friday, March 14, 2014
USDA FS Inspector: Curtis Caton

Ranger Districts: Admiralty National Monument, Juneau Ranger District
Weather Conditions: sunny, temperatures in the 30s

<table>
<thead>
<tr>
<th>Inspection Item</th>
<th>Inspection Status</th>
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<tbody>
<tr>
<td>Exploration in accordance with operating plan</td>
<td>Not Applicable</td>
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<tr>
<td>Timber removal following timber sale contract</td>
<td>Not Applicable</td>
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<tr>
<td>BMPs for erosion control</td>
<td>Satisfactory</td>
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<tr>
<td>Water Quality BMPs</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>
</tr>
<tr>
<td>Road maintenance adequate and current</td>
<td>Satisfactory</td>
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<tr>
<td>Tails placement in accordance with plan</td>
<td>Satisfactory</td>
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<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>
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</tbody>
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**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 (Environmental Engineer, Hecla Greens Creek Mining Company) accompanied Dave Wilfong (Department of Natural Resources), Cody MacCabe (US Forest Service), and Curtis Caton (Geologist, US Forest Service) on this inspection.

Arrival to Hecla Greens Creek Mine and departure from HGCMC was by a Ward Air Cessna floatplane. Mitch met the team at the pier and led us to the Red House (Environmental Operations). Cody completed on site safety training while we discussed NPDES outfall 003, Tee 7 diversion ditch, Tee 7 settling pond, and storm water drainage across the Truck Pad.

The inspection included stops at Young Bay Dock, Pit 7, Tailings Disposal Facility (TDF), TDF Water Treatment Plant Pond 7, 920 Area, Mill, and the Truck Pad (Tee 7 settling pond).

HGCMC gave the team a tour of the TDF Water Treatment Plant, Mill and the core shack.

A-ROAD
The team traveled from the Red House down the A road towards Young Bay Dock. The A road was in good condition, no obvious signs of storm water run-off or erosion.

YOUNG BAY DOCK
The area around Young Bay Dock was clean and reflected good housekeeping practices.
PIT 7
The area around Pit 7 was frozen and mostly covered with snow (Photo 1). The outflow from beneath the stored overburden heap was barely visible.

B-ROAD
The B road was in good condition with no obvious signs of erosion or storm water run-off.

TAILINGS DISPOSAL FACILITY
The team stopped at the three established TDF tracking photo points, from the north end of the TDF looking south (Photo 02), from the Water Treatment Plant looking north (Photo 03), and looking west across the TDF from the B road (Photo 04). We stopped on the southern edge of Pond 7 and took a photo of the TDF Water Treatment plant and the southern end of the TDF (Photo 05). Pond 7 was in good shape.

920 AREA
Due to mechanical problems with the Forest Service inspection vehicle, the team moved on foot from the 860 area to inspect the 920 area. Overall, the 920 area was clean, neat, and orderly. All fluids were in proper secondary containment at the 920 Warehouse. Curtained sea vans that had precipitation in the containment basin, on the last inspection, had been drained.

HGCMC plans to position the remaining 3 new sea vans at the 920 Warehouse after the ground thaws (Photo 06). The team walked past the Ore Pad en route to the 920 Portal from the warehouse (Photo 07).

MILL AREA
The team observed the loading of haul trucks with backfill tailings to see if they were loaded beyond capacity and then accidently spilling tailings onto the road surface. The haul trucks were not overfilled and there was no evidence of spillage onto the road surface to the 920 Portal from the Mill area (Photo 08).

Only two notable issues existed during this inspection of the Mill area; a bung missing on a partly filled container of used glycol (Photo 9), and 3 (55-gallon) barrels of crushed oil filters not properly stored (Photo 10-11). The General Plan of Operations, Appendix 05, page 5-21 states that where all chemicals are stored, drain across concrete surfaces to the lined containment ditch which flows to Pond A.

HGCMC positioned one new secondary containment sea van near the Mill (Photo 12).

TRUCK PAD
The team walked across the Truck pad to inspect the Tee 7 settling pond and Tee 7 diversion ditch. Snow cover hid the exact location of the settling pond. Once the snow melts, a more thorough inspection of the area will take place.
Photos:

Photo 1. Top soil storage at Pit 7.

Photo 2. Looking from north to south at the TDF.
Photo 3. View from Water Treatment Plant looking northeast.

Photo 4. View from the east side of TDF looking west.
Photo 5. Water Treatment Plant and Pond 7, TDF in background.

Photo 6. Frozen ground behind 920 Warehouse.
Photo 7. Ore pad and the Mill in the background.

Photo 8. Properly loaded underground haul truck returning to the 920 portal.
Photo 9. Uncapped barrel of glycol near the powerhouse.

Photo 10. 55-gallon barrels stored on a wooden pallet over a gravel surface.
Photo 11. 55-gallon barrels stored on a wooden pallet over a gravel surface.


Thanks to HGCMC for an efficient and safe visit.

U.S. Forest Service Officer: /s/ Curtis Caton