INSPECTION REPORT: KENSINGTON GOLD MINE

Tongass National Forest Minerals Group
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Date of Inspection: Thursday February 27, 2020
Date of Report: Tuesday March 10, 2020
USDA Forest Service Inspector: Richard Dudek

Ranger District: Juneau Ranger District
Weather Conditions: Cloudy with a mix of snow and rain. Temperature: High 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>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>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

Coeur Alaska provided their crew boat for transportation to and from site.

Ryan Baily (Environmental Technician, Coeur Alaska), and Sierra Lammers (Environmental Technician, Coeur Alaska) accompanied Richard Dudek (Geologist, United States Forest Service (USFS)).

This inspection included the Access roads, Comet Development Pile, Comet Water Treatment Plant (CTWP), Sherman Creek Outfall 001, the TTF area, Assay Laboratory, the fuel depot, Bridge 1, and Bridge 2.

ACTION ITEMS:

- The silt sock for the port facility stormwater collection ditch needs to be cleaned out (Photos 1-3). Additional mitigations for sediment controls are required at this location. Since the inspection, Surface Operations have installed a new silt sock, and new silt curtains to the stormwater ditch.

NOTEWORTHY ITEMS: The pug plant is currently offline for the winter months (Photo 4).

ACCESS ROADS

During the inspection, the access roads were in adequate condition (2016 BMP Plan; Table 4-4). During the winter months Surface Operations apply pea gravel to the roads to help enhance traction.
COMET DEVELOPMENT PILE
This site has been inactive during the winter months.

COMET WATER TREATMENT PLANT (CWTP)
On 2/27/2020, the CWTP was treating 1,000 gallons per minute (gpm). Pond 1 was receiving mine site water (Photo 5). Pond 2 was receiving back wash from the water treatment plant (Photo 6).

White material was observed on the clean test rock used for monitoring its accumulation (Photo 7).

SHERMAN CREEK OUTFALL
White material was observed on the rocks in the creek bed (Photos 8-9).

TAILINGS TREATMENT FACILITY (TTF) AREA
The TTF is mostly frozen over and covered in snow (Photo 10). The TTF’s recorded water level on 2/27/2020 was 712.4 feet.

The TTF dam spillway (Photo 11) and the effluent spillway were functioning as intended.

The northern TTF, and the laydown area were covered in snow and ice.

The water treatment plant was discharging approximately 1,160-gpm to the effluent spillway, and the withdrawal rate from the Upper Slate Lake (USL) bypass was 460-gpm.

Good housekeeping practices were observed at the TTF water treatment plant ((Photo 12) (Appendix 4g BMP plan; Table 4-1)).

ASSAY LABORATORY
Good housekeeping practices were observed at the assay laboratory ((Photo 13) (Appendix 4g BMP plan; Table 4-1)).

FUEL DEPOT
There was no observed fuel sheening, and/or spills at the facility (Photo 14).

KENSINGTON ACCESS ROAD BRIDGES
There were no sediments observed along the abutments of the bridges from vehicular splash over (Photos 15-16). Additional cutouts and other BMPs are required at the bridges for snowmelt management.

FOLLOW UP ITEMS:
Stormwater ditch at the port facility.
Inspect the access roads.
Inspect the Comet water treatment plant and settling ponds.
Inspect for white material in Sherman Creek.
Inspect the TTF area.
PHOTOS (Additional photos available upon request)

Photo 1. The Kensington Beach settling pond.

Photo 2. Discharging water from the settling pond.
Photo 3. The turbid water flowing into Slate Cove.

Photo 4. The pug plant at pit 4.

Photo 5. Comet settling pond-1.

Photo 7. The test rock for white material accumulation observations.

Photo 8. White material adhering to rocks in the creek bed.
Photo 9. White material observed in Sherman Creek.

Photo 10. The TTF was mostly frozen over and covered in snow.

Photo 11. The TTF Dam Spillway.
Photo 12. The TTF water treatment plant.

Photo 13. The fire assay laboratory.

Photo 14. The fuel depot.
Thanks to Kensington Mine for a safe visit.
U.S. Forest Service Officer: /s/ Richard Dudek

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