INSPECTION REPORT: GREENS CREEK MINE

Tongass National Forest Minerals Group
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Date Of Inspection: Tuesday, April 16, 2013
USDA FS Inspector: Jessica Lopez Pearce
Ranger Districts: Admiralty National Monument
Juneau Ranger District
Weather Conditions: cloudy, light rain, 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

Chris Wallace (HGCMC) accompanied Jessica Lopez Pearce (USFS) and David Wilfong (Alaska DNR) on an inspection of the Greens Creek Mine. The site visit included stops at Youngs Bay, 1.4 Mile A-Road Pit, the Tailings Disposal Facility, Site 23, and the 920 Area.

YOUNGS BAY FERRY DOCK

The inspection began with a drive down the A-Road to the Youngs Bay Ferry Dock. Good housekeeping practices were in place at this site (Photo 1).

1.4 MILE A-ROAD PIT

There was a follow-up discussion at the 1.4 Mile A-Road Pit regarding the secondary containment requirements for light plants at the Greens Creek Mine. The only light plant that has secondary containment is the one adjacent to the Youngs Bay Ferry Dock and this exception exists because if its proximity to Youngs Bay. The standards for light plants do not require secondary containment. Thereby, the lightplant that is located within the 1.4 Mile A Road Pit is within standards.

Chris Wallace stated that on Sunday, April 7, there was a spill of liquid petroleum products at the Hawk Inlet Beach. A fuel line from a lube truck ruptured and spilled approximately 250 gallons from the truck onto the ground. Approximately 150 cubic yards of potentially contaminated material was removed and a sample was sent out for analysis. If data indicates that the sample is dirty, the quarantined material will be shipped off site. During the spill response, the hauling of concentrate to the beach was temporarily stopped. Sarah Moore at the Alaska Department of Environmental Conservation was notified after the spill. She visited the spill site on Monday, April 8. It was later discovered that the spill occurred because the lube

truck's fuel line was worn and needed replacement.

TAILINGS DISPOSAL FACILITY
The tailings placement continues in a vertical and northerly direction. Photos were taken at two of the three tracking points established in February 2013: the northern high point looking south (Photo 2) and directly adjacent to the water treatment plant, looking northeast (Photo 3). The Mile 1 on the B-Road looking west photos were not taken due to time constraints.

The large portable windscreen that was under construction and described in previous inspection reports is now in use at the TDF (Photo 4). The mesh fabric currently on the frame has 50% porosity. HGCMC intends to construct more screen panels and eventually use approximately 100 ft of windscreen. The longer windscreen may utilize a 30% porosity fabric instead. The windscreen has the potential to create a 75% reduction of windspeed directly adjacent to the leeward side of the screen. There is a ten-foot lateral reduction of windspeed for every one-foot of height of the panel. The pail tests within the fugitive dust program are collected every two weeks and will provide data as to whether the windscreens are contributing to less dust dispersion.

SITE 23
While driving up the B-Road to Site 23, Chris Wallace said that ditch-cleaning along the B-Road would occur soon. First, surface operators are scheduled to take a road maintenance class where they will learn practices to keep roads in good condition. It is the hope that this training will improve the maintenance practices of HGCMC personnel and reduce the frequency of road maintenance.

At Site 23, the sign indicating Class 1 waste rock was present, but signs for other classifications of waste rock were absent (Photo 5). Site 23 contains a large central pile of material approximately 15,000 cubic yards in volume (Photo 6). This pile is gradually being reduced and placed underground. Once this material has been completely removed, a new pad will be built for waste rock to be relocated from the 1350 area. The 1350 area held 40,000 to 60,000 cubic yards of material. To date, approximately 30,000 cubic yards have been placed underground. Approximately 10,000 to 30,000 cubic yards remain in the 1350 area. A portion of this material is within the road base, which currently will be left in place. The current storage facility at Site 23 was designed to hold 25,000 cubic yards of material; but, upon its rebuilding, it will only hold 10,000 cubic yards of material. This results in a decrease in the amount of material that can be removed on a yearly basis. HGCMC is planning on at least two more years for the completion of this project.

920 AREA
A walking tour around the 920 Mill buildings was informative. We observed the daily operations around the Mill including the loading of tailings into Max Haul trucks (Photo 7). Housekeeping practices in the Mill area were good. Five generators were running during the visit. Chris informed us that daily fuel needs are approximately 12,000 gallons per day for power generation.

PHOTOS
(High-resolution version of all images available upon request)

Photo 1. Youngs Bay ferry dock.


Photo 2. Tailings Facility taken from the northern photopoint.


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

Photo 4. Large portable windscreen at the TDF.

Photo 5. The sign indicating Class 1 waste rock was present at Site 23, but signs for other classifications of waste rock were absent.

Photo 6. Approximately 30,000 cubic yards remain from the central pile of intermixed Class 2/3/4 waste rock in Site 23.

Photo 7. Loading a Max Haul truck at the Tailings Loadout.

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

/s/ Jessica Lopez Pearce, Minerals Administrator