

**File Code:** 2810  
**Date:** January 4, 2021

Kevin Eppers  
Environmental Manager  
Coeur Alaska  
3031 Clinton Drive, Suite 202  
Juneau, AK 99801

Mr. Eppers,

Thank you for the updated surety bond for the previously approved Kensington Mine Reclamation Cost Estimate and updated model dated January 24, 2019. Further amendments or changes are subject to review and approval by the Forest Service.

I am now in receipt of five surety bonds from Coeur Alaska. These bonds are:

Bond #: ES 00006614 -- Issued by Everest Reinsurance Company, in the amount of \$9,194,725.

Bond #: ES 00006612 -- Issued by Everest Reinsurance Company, in the amount of \$1,096,894.

Bond #: 39S206948 -- Issued by Liberty Mutual Insurance Company, in the amount of \$10,337,561.

Bond #: 39S204970--Issued by Liberty Mutual Insurance Company, in the amount of \$9,194,725.

Bond #: SU 1124050 -- Issued by Arch Insurance Company, in the amount of \$880,103.

These bonds total \$30,704,008. This sum conforms to the Forest Service and State of Alaska reclamation cost estimate reviews and is equal to the sum approved by the State of Alaska in the Department of Environmental Conservation (DEC) Waste Management Permit and the Department of Natural Resources (DNR) Reclamation Plan Approval. Each individual bond conforms with guidance established in Department of Treasury Circular 570, and, as such, I accept these bonds in fulfillment of Coeur Alaska's obligation to provide financial assurance for reclamation under 36 CFR 228.13.

With the acceptance of bond ES 00006614, ES 00006612 and the amendment to 39S206948, the previous bonds SU 27806, SU 27811, and SU 53969 issued by Aspen American Insurance Company, in the amounts of \$9,194,725, \$5,168,781 and \$1,096,894, respectively, are hereby released effective 11/17/2020.

According to the Memorandum of Understanding Concerning Reclamation/Closure/Post-Closure



Bonding for the Kensington Gold Mine (MOU), which was finalized by the Forest Service and the State of Alaska DNR and DEC in April 2017, the Forest Service shall continue to hold the reclamation financial assurance mechanisms provided by Coeur Alaska, in the form of surety bonds detailed above, to guarantee the costs of site reclamation.

Nothing in this approval by the USDA Forest Service to amend the Plan of Operations and Reclamation and Closure Plan authorizes or in any way permits a release or threat of a release of hazardous substances into the environment that will require a response action or result in the incurrence of response costs. All designs, monitoring plans, and analyses required by the Plan of Operations are subject to the requirement of 36 CFR 228.8 that mining operations be conducted so as, where feasible, to minimize adverse environmental impacts on National Forest surface resources.

However, Coeur Alaska's compliance with such requirement in no way insulates or releases it from any liability or obligations which may arise with respect to its operations under any applicable environmental law, including but not limited to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, 42 USC 9601 et seq.). The United States reserves its rights and claims under CERCLA to seek performance of response actions and/or reimbursement of response costs that may be incurred as a result of any release or threat of a release of a hazardous substance from the Kensington Gold Mine, or any ancillary operation for the mining activity.

I appreciate your hard work and cooperation with us to complete the Plan of Operations Reclamation and Closure Plan Reclamation and Closure cost estimate review and update. If you have any questions, please call me at 907-228-6200 or Matthew Reece at 907-789-6274.

Sincerely,



M. EARL STEWART  
Forest Supervisor, Tongass NF

cc: Tristan Fluharty, Matthew Reece, Sylvia Kreeel - OPMP