



INSPECTION REPORT: KENSINGTON GOLD MINE

Tongass National Forest Minerals Group
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Date of Inspection: Thursday, July 27, 2017
Date of Report: Wednesday, August 2, 2017
USDA Forest Service Inspector: Richard Dudek

Ranger District: Juneau Ranger District
Weather Conditions: Cloudy . Temperature: High 50’s °F.

Exploration in accordance with operating plan	Not Applicable
Timber removal following timber sale contract	Not Applicable
BMPs for erosion control	Satisfactory
Water Quality BMPs	Satisfactory
Public safety & fire prevention	Satisfactory
Reclamation work adequate and timely	Satisfactory
Roads maintenance adequate and current	Satisfactory
Tails placement in accordance with plan	Satisfactory
Waste Rock placement in compliance	Satisfactory
Company supervision of operation	Satisfactory
Operating in a clean and orderly manner	Satisfactory

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

Ward Air provided transportation (Cessna 185) to/from site.

Kevin Eppers (Environmental Manager, Coeur Alaska) accompanied Richard Dudek (Geologist, Forest Service).

This inspection included the Access roads, Comet Development Pile, Comet water treatment plant, Sherman Creek Outfall, Ophir Creek, Comet Beach, Kensington mill bench, Mud Dump, Pit 4, TTF area, the Fuel Depot, and the Cold storage warehouse.

ACTION ITEMS:

South Fork Sherman Creek Bridge: Sediment buildup has exceeded the maximum capacity for silt fencing and requires maintenance.

NOTEWORTHY ITEMS:

Coeur Alaska is currently conducting geotechnical drilling in the northern TTF area. The geotechnical drilling is part of the Forest Service approved 2017 Surface Exploration Annual Work Plan.

Contractors have completed the wetland delineation studies.

ACCESS ROADS

The access roads are in good condition and comply with Coeur Alaska’s mitigation for road maintenance (BMP Plan Table 4-4).





COMET DEVELOPMENT PILE

Coeur Alaska continues to stockpile waste rock from the Raven drift at the southwest end of the development pile (Photo 1).

COMET WATER TREATMENT PLANT (CWTP)

At the time of the inspection, the CWTP was treating 1600 gallons of water per minute (gpm). Due to its ineffectiveness, the CWTP personnel removed the silt curtain from Pond 1 (Photo 2). Coeur Alaska has no plans to reinstall another silt curtain in Pond 1. The silt curtain was originally installed to help minimize the sediment deposition area for Pond 1. However, sediments were still depositing throughout the pond.

The CWTP is using a new test barrel (Photo 3) for measuring white material accumulation below the discharge turbidity meter.

The CWTP meets the guidelines for good housekeeping practices (Appendix 4g BMP Plan; Table 4-1).

SHERMAN CREEK OUTFALL

White material was not observed in Sherman Creek (Outfall 001) during this inspection (Photos 4-5).

OPHIR CREEK

Coeur Alaska personnel placed riprap (Photo 6) along the creek's cut bank to help reduce erosion. The area where the riprap was placed is adjacent to the fill material used for the Comet development pile.

COMET BRIDGES/COMET BEACH

Sections of the silt fencing (Photos 7-8) require maintenance along the South Fork Sherman Creek Bridge abutments. A section of silt fencing has fallen over, and another section has sediment and woody debris buildup that has exceeded the maximum height of nine inches for the silt fencing (Coeur Alaska BMP Plan; page C-11).

The rock core (Photo 9) that is staged at this location will be stored inside the large shop building at Comet Beach. Coeur Alaska has plans to install storage racks, and make some improvements to the building, prior to moving the core inside the building for long-term storage.

KENSINGTON MILL AREA

The construction for the concrete foundation pad and powerhouse is ongoing (Photo 10). The concrete foundation will support the four new (4-megawatt) generators, the 30,000-gallon "day tank", and the refueling pad.

The absorbent pads and hydrocarbon containment booms were removed from generator seven after soil tests came back indicating no soil contamination.

MUD DUMP

Surface operations recently hand dug a small trench (Photos 11) near the HDPE liner for a Graphitic Phyllite (GP) stockpile. The trench was installed because water under the HDPE liner was not flowing into an existing drain. Coeur Alaska personnel cut a hole into the HDPE liner and pumped the water into the trench. The water was then pumped into a water truck and sent to the seep plant for treatment and discharge. The hole was patched (Photo 12) after the water was pumped out.





PIT-4

The Pug plant is online (Photo 13) and the temporary GP stockpile that is being worked into the cement is almost gone (Photo 14). Once this GP stockpile has been completely removed, the Pug plant operators will begin utilizing GP material stockpiled at Pit 7.

TAILINGS TREATMENT FACILITY (TTF) AREA

The water level for the TTF was 697.1 feet (Photo 15). During the site visit, the water treatment plant (Photo 16) was treating 700 gallons of water per minute. Good Housekeeping practices were observed inside the water treatment plant (Appendix 4g BMP Plan; Table 4-1).

Coeur Alaska continues geotechnical drilling (Photos 17-18) in the northern TTF area. This drilling is to evaluate stability and other baseline geotechnical factors, as well as determine whether underlying rocks may potentially be acid generating. Approximately one-hundred linear feet is drilled from each geotech pad.

FUEL DEPOT

The fuel depot is well kept and in order (Photo 19).

COLD STORAGE WAREHOUSE

Coeur Alaska personnel have installed steel shelving inside the facility (Photo 20).

FOLLOW UP ITEMS

Sherman Creek Outfall

Comet Bridges

Geotech drilling pad

PHOTOS (Additional photos available upon request)





Photo 1. The Comet Development Pile.



Photo 2. Image shown is Pond 1 at the Comet water treatment plant.



Photo 3. The test barrel used for white material observations located inside the Comet water treatment.



Photo 4. Sherman Creek (outfall 001) image 1 of 2.



Photo 5. Sherman Creek image 2 of 2.



Photo 6. Riprap placed along the cut bank of Ophir Creek.



Photo 7. Silt fencing for the South Fork Sherman Creek Bridge is pushed over.



Photo 8. There is sediment buildup along a section of silt fencing at South Fork Sherman Creek Bridge.



Photo 9. Palletized drilling core staged at the Comet Beach area.



Photo 10. Image shown is the construction for the concrete foundation pad.



Photo 11. The hand dug trench at the Mud dump.



Photo 12. The patches covering the hole where water was pumped out.



Photo 13. A haul truck at the Pug plant is receiving cement for underground backfill.



Photo 14. The GP stockpile that is being utilized at the Pug plant.



Photo 15. The Tailings Treatment Facility (TTF).



Photo 16. The TTF water treatment plant.



Photo 17. Geo-tech drill BH-006.



Photo 18. A constructed drilling pad located in the northern TTF area.



Photo 19. Coeur Alaska's fuel depot.



Photo 20. Image shown here is steel shelving that was installed in the chemical cold storage warehouse.



Thanks to Kensington Mine for a safe visit.
U.S. Forest Service Officer: /s/ Richard Dudek

