INSPECTION REPORT: KENSINGTON GOLD MINE

Tongass National Forest Minerals Group
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Date of Inspection: March 24, 2023
Date of Report: June 21, 2023
USDA Forest Service Inspector: Casey Loofbourrow

Ranger District: Juneau Ranger District
Weather Conditions: Overcast. Temperature: mid 30's ◦F.

Exploration in accordance with operating plan	Not Applicable
Timber removal following timber sale contract	Satisfactory
BMPs for erosion control	Satisfactory
Water Quality BMPs	Satisfactory
Public safety & fire prevention	Satisfactory
Reclamation work adequate and timely	Satisfactory
Road 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.
Any conditions noted as Requires Action will require attention from the operator and suggestions for necessary work are listed below

Transportation to and from the mine was provided by Alaska Seaplanes.

Ryan Bailey (Coeur Alaska Environmental Technician) accompanied Casey Loofbourrow (Geologist, USFS) and Austin Kief (Geologic Technician, USFS).

Sites visited during the inspection included: Access roads, Comet waste rock storage area, Comet Water Treatment Plant (CWTP), Sherman Creek Outfall 001, Mill Ponds, Pit 4, Fuel Depot, Port Facility, Tailings Treatment Facility (TTF) and access road.

***This inspection was conducted in part to comply with the requirement of the Plan of Operations Amendment 1 (POA1) Record of Decision (ROD) signed February 24, 2022, to conduct quarterly BMP-focused inspections. This inspection was completed with a focus on management of hazardous materials, particularly fuel.**

STATUS OF PENDING ACTION ITEMS FROM PREVIOUS INSPECTIONS:

ID	Action Item	Status

191-1	Staining on the TTF dam lower access road will be investigated to determine source and if additional mitigation measures are necessary.	**Pending.** Coeur has constructed catchment sumps and taken water quality samples. Preliminary results have been shared with the USFS, but further sampling is planned to determine the source and physical parameters of the seep.
192-2	Investigate source of surface discharge near abandoned borehole in Pit 4.	**Pending.** Further investigation is necessary to determine source of groundwater.
194-3	Large woody debris was observed along the face of the TTF dam.	**Pending.** The woody debris is currently frozen in the TTF.

NEW ACTION ITEMS:
No new actions items were observed on this inspection.

ACCESS ROADS
Access roads appeared in good condition.

COMET DEVELOPMENT PILE
The Comet waste rock storage pile was stable (Photo 1) and there had been no recent waste rock placement at this site.

COMET WATER TREATMENT PLANT (CWTP)
Pond one was not accessible during this inspection. Pond 2 appeared in good condition (Photo 2).

White material was observed on the test rocks used for monitoring in the CWTP (Photo 3).

Fuel tanks (Photos 4-5) and spill response materials (Photo 6) were observed and appeared in good condition.

SHERMAN CREEK OUTFALL
White material was observed at Outfall 001 in Sherman Creek (Photo 7). Coeur Alaska believes colloidal sulfur generated by acidification of sodium thiosulfate following breakpoint chlorination is likely the white material and is evaluating the use of soda ash to prevent its formation.

MILL BENCH AND CAMP AREA
Day tanks for fuel storage (Photos 8-9) at the mill bench and camp area were inspected. No leaks or maintenance issues were observed.

Spill response materials were staged at several locations (Photos 10-11).

Adjacent to the 30,000 gallon generator fuel tank there is a fuel bay drain (Photo 12) containing an oil water separator which appeared to be functioning as intended and not covered in snow or ice. This

equipment is inspected and maintained as necessary weekly and was inspected the day before this inspection.

The warehouse containing hazardous materials was orderly (Photos 13-14). Snow contaminated with hydrocarbons was staged at this location (Photo 15) and will be disposed of at an approved facility.

Fuel spill response trailers were located on the access road below the camp (Photos 16-17)

PIT 4/PUG PLANT
The Pug Plant was currently offline during the winter months (Photo 18).

Graphitic phyllite is stockpiled at this location and covered to prevent rainwater infiltration. A small portion of the cover had blown off the stockpile (Photo 19), and Mr. Bailey informed the Forest Service it was covered the next day and provided a photograph (Photo 20).

Spill response materials are present at this location (Photos 21-23) and the fuel tank for a mobile heater unit was observed placed in secondary containment (Photo 24).

PENDING ACTION ITEM 194-2: In warmer weather, groundwater was observed flowing from the site of an abandoned exploration drill hole. Possibly due to freezing conditions at the time of inspection, no water was observed. The site will be monitored in future inspections.

TAILINGS TREATMENT FACILITY (TTF)
Tailings deposition was occurring near the southeast portion of the TTF (Photo 25).

The TTF dam spillway appeared in good condition and was covered with snow and ice. There were no visual signs of ARD seepage in the spillway (Photo 26).

The fuel tanks adjacent to the WTP were in good condition (Photos 27-28).

PENDING ACTION ITEM 191-1: Coeur Alaska constructed a containment sump adjacent to the TTF dam access road for collecting water quality samples. Preliminary results showed elevated metals and sampling at this location. Coeur Alaska will continue sampling/monitoring after the winter season is over.

Good housekeeping (Appendix 4g BMP plan; Table 4-1) practices were observed inside the TTF water treatment plant (Photo 29).

FUEL DEPOT
The fuel depot was in good condition with the BMPs functioning as intended. No fuel sheening was observed around the fuel containment area (Photo 30).

PORT FACILITY
The port facility appeared in good condition. Stormwater BMPs were functioning well (Photo 31).

Spill response trailers are present on the bench adjoining the port facilities (Photo 32) and on the beach for marine fuel spill response (Photos 33-35)

PHOTOS. All photos taken on day of inspection. Additional photos available upon request.

Photo 1. The Comet development pile.

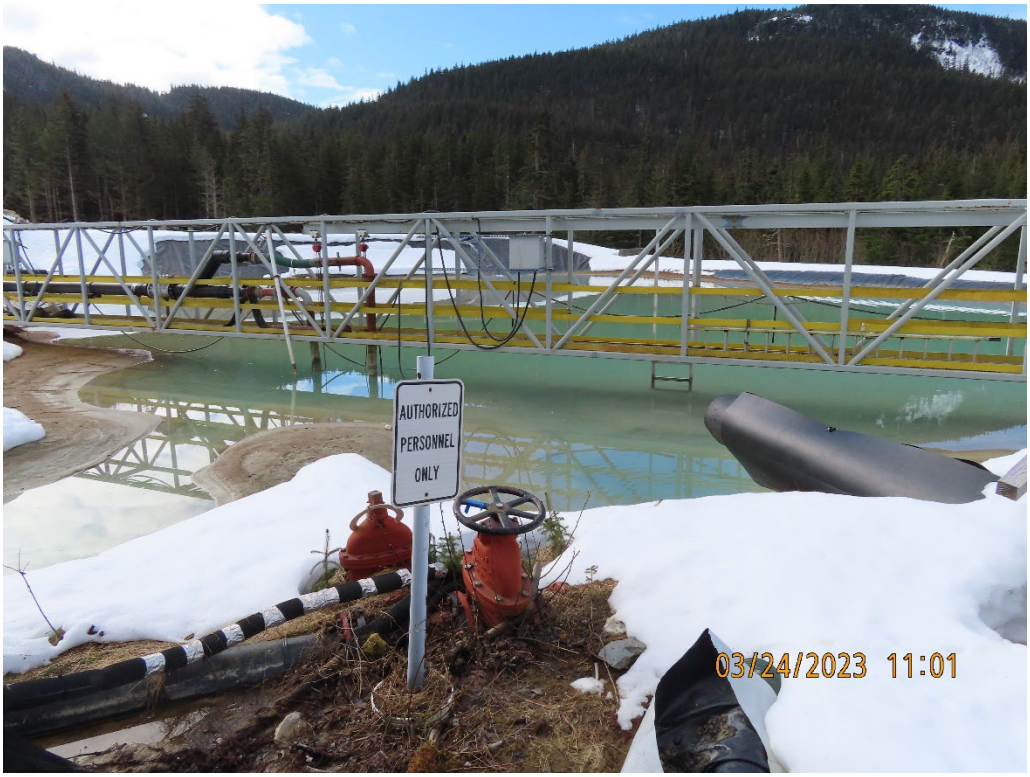

Photo 2. CWTP pond 2.

Photo 3. White material test rocks in the CWTP.

Photo 4. Fuel tank near CWTP.

Photo 5. Fuel tank near CWTP.

Photo 6. Spill response materials staged at CWTP.

Photo 7. Sherman Creek Outfall 001 showing white material.

Photo 8. Day tank adjacent to generators.

Photo 9. Fuel tank near warehouse area.

Photo 10. Spill response materials near mill bench.

Photo 11. Spill response materials near mill bench.

Photo 12. Drain leading to oil water separator near generator fuel tank.

Photo 13. Warehouse interior.

Photo 14. Warehouse interior.

Photo 15. Contaminated material staged for disposal.

Photo 16. Mobile fuel response trailers.

Photo 17. Inside mobile fuel response trailers.

Photo 18. Pug Plant.

Photo 19. Graphitic phyllite stockpile partially uncovered.

Photo 20. Graphitic phyllite stockpile covered March 25, photo curtesy Coeur Alaska.

Photo 21. Container used for contaminated spill response materials at Pit 4.

Photo 22. Spill response materials at Pit 4.

Photo 23. Spill response materials at Pit 4.

Photo 24. Mobile heater unit, fuel tank in secondary containment.

Photo 25. TTF tailings deposition area.

Photo 26. TTF spillway.

Photo 27. Fuel tank at TTF WTP.

Photo 28. Fuel tank at TTF WTP.

Photo 29. TTF WTP interior.

Photo 30. Fuel depot near Slave Cove.

Photo 31. Stormwater BMP's near port facility.

Photo 32. Spill response trailer near port facility generator.

Photo 33. Marine fuel spill response trailers.

Photo 34. Marine fuel spill response trailer interior.

Photo 35. Marine fuel spill response trailer interior.

Thanks to the Kensington Mine for a safe visit.
U.S. Forest Service: /s/ Casey Loofbourrow