



INSPECTION REPORT: KENSINGTON GOLD MINE

Tongass National Forest Minerals Group
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Date of Inspection: Tuesday November 28, 2017
Date of Report: Monday December 11, 2017
USDA Forest Service Inspector: Richard Dudek

Ranger District: Juneau Ranger District
Weather Conditions: Partly cloudy. Temperature: Low 30'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 206) to/from site.

Kevin Eppers (Environmental Manager, Coeur Alaska) accompanied Edward Gazzetti (Hydrogeologist, USFS) and Richard Dudek (Geologist, USFS).

This inspection included the Access roads, Comet Development Pile, Comet water treatment plant, Sherman Creek Outfall, Kensington mill area, Kensington administration area, Pit 4, Pit 7, TTF area, and the Fuel Depot.

ACTION ITEMS:

- No new items were observed during this inspection.

NOTEWORTHY ITEMS:

Coeur Alaska began staging a modular housing complex to be constructed at main (upper) camp (Photo 1). This will increase the living quarter's capacity by an additional eighty people.

ACCESS ROADS

At the time of the inspection, the access roads were in adequate condition. During the winter months, Coeur Alaska Surface operations will plow snow and place gravel on the access roads to provide safe driving conditions (2016 BMP Plan; page C-53).





COMET DEVELOPMENT PILE

No additional waste rock has been stockpiled at this location (Photos 2).

COMET WATER TREATMENT PLANT (CWTP)

On the day of the inspection, the CWTP was treating 1,000 gallons of water per minute (gpm), and the monthly average is 1300 gpm. Pond-1 (Photo 3) was receiving mine site water, and Pond-2 (Photo 4) was receiving backwash from the CWTP. Good housekeeping practices (2016 BMP plan Table 4-1) were observed inside the CWTP (Photo 5).

While grouting the Jualin exploration adit, some shotcrete accidentally entered the water pipeline that reports to Pond-1, which caused the water's pH to increase. Coeur Alaska self-reported a water quality 10-hour exceedance for high pH to the Alaska Department of Environmental Conservation (ADEC). To lower the water's pH in Pond-1, CWTP personnel applied hydrochloric acid (HCl) to Pond-1 (Photo 6). The pH levels have lowered to near neutral levels and HCl is no longer being applied to Pond-1.

There was no white material on the test rock/barrel used for monitoring white material in treated mine site water (Photo 7).

SHERMAN CREEK OUTFALL

No white material was observed in Sherman Creek (Photo 8). These observations were made from the water discharge manifold for outfall 001 because the lower footpath was unsafe.

KENSINGTON MILL AREA

Contractors continue with the construction of the new powerhouse station (Photo 9). Coeur Alaska anticipates that the powerhouse will come online in the spring of 2018.

All waste rock generated from the underground workings is currently being deposited at the Kensington development pile (Photo 10).

KENSINGTON ADMIN. AREA

Contractors continue with construction of the new carpenters shop (Photo 11).

PIT 4

The Pug plant and X-ray sorter are inactive for the winter months (Photos 12-13). All pebble rock generated from milling is currently staged at the Kensington mill bench. A temporary liner covers the graphitic phyllite (GP) stockpile at Pit 4 (Photo 14).

PIT 7

This site is inactive for the winter months. The GP stockpile is covered with a temporary liner (Photo 15), and the waste rock stockpiled at this location will be utilized for the 2018 TTF dam construction.

TAILINGS TREATMENT FACILITY (TTF) AREA

The TTF was mostly frozen over and the recorded water level on 11/28/2017 was 700.6 feet (Photo 16). The day of this inspection, the water treatment plant was treating 738 gpm and the monthly average is 695 gpm. Good housekeeping practices (BMP plan Table 4-1) were observed inside the water treatment plant (Photo 17). At the northern TTF area, the ARD collection sump was mostly frozen over and covered in snow (Photo 18).



FUEL DEPOT

This site was tidy and in order (Photo 19-21).

FOLLOW UP ITEMS

Sherman Creek outfall

The construction of the powerhouse facility

PHOTOS (Additional photos available upon request)



Photo 1. New stackable living quarters located at the Kensington camp.



Photo 2. The Comet development pile.



Photo 3. CWTP Pond-1



Photo 4. CWTP Pond-2



Photo 5. The Comet water treatment plant.



Photo 6. A 300-gallon tote of hydrochloric acid staged within secondary containment.



Photo 7. The test rock/barrel for monitoring white material accumulation.



Photo 8. Sherman Creek outfall (Outfall 001).



Photo 9. Contractors continue with the construction of the powerhouse steel structure.



Photo 10. The Kensington development pile.



Photo 11. The new carpenters shop.



Photo 12. The Pug plant at Pit 4.



Photo 13. The X-ray sorter at Pit 4.



Photo 14. Snow covering the GP stockpile at Pit 4, which is covered by a temporary liner.



Photo 15. The remaining GP material is covered by a polyethylene liner and the separately stockpiled waste rock are both covered in snow at pit 7.



Photo 16. The TTF with the water reclaim barge in the background.



Photo 17. The TTF water treatment plant was tidy and in order.



Photo 18. The ARD collection sump was frozen over and covered in snow.



Photo 19. The 50,000 gallon tanks at the fuel depot.



Photo 20. There were no apparent fuel spills on the concrete refueling pad.



Photo 21. No small fuel spills were observed at the fuel transfer line.

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