INSPECTION REPORT: KENSINGTON GOLD MINE

Tongass National Forest Minerals Group
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Date of Inspection: February 15, 2023
Date of Report: March 7, 2023
USDA Forest Service Inspector: Casey Loofbourrow

Ranger District: Juneau Ranger District
Weather Conditions: Snowy. Temperature: mid 20'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 the Coeur Alaska crew boat.

Pete Strow (Coeur Alaska Environmental Manager) accompanied Casey Loofbourrow (Geologist) of the USFS Tongass Minerals Group and Shannon Kelly, William Groom, and Aaron Kruse from the Alaska Department of Natural Resources (ADNR).

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.

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.
194-1	Graphitic phyllite stockpiled at Pit 4 was not covered.	**Resolved.** Stockpile was covered since previous inspection.

192-2	Investigate source of surface discharge near abandoned borehole in Pit 4.	**Pending.** Further investigation is necessary to determine if 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. During the winter months, Surface Operations apply pea gravel to the roads for traction.

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

COMET WATER TREATMENT PLANT (CWTP)
The CWTP treatment rate was approximately 1,760 gpm. A dredge was observed in Pond 1 (Photo 2) and was not operating at the time of this inspection. Pond 2 was receiving backwash water from the CWTP (Photo 3).

White material was observed on the test rocks used for monitoring in the CWTP (Photo 4).

SHERMAN CREEK OUTFALL
Outfall 001 was not observed beyond the manifold (Photo 5) due to deep snow. The white material on the test rocks in the CWTP suggested it might be present in Sherman Creek as well, but this was not confirmed in this inspection. 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.

PIT 4/PUG PLANT
The Pug Plant is currently offline during the winter months (Photo 6).

Adjacent to Pit 4 along the access road, four large tanks that previously contained contaminated water from a fuel spill near the upper camp stormwater ponds are staged (Photos 7-8). A contained stockpile of contaminated sediment from that spill is also located at Pit 4 (Photo 9). Coeur is evaluating options for safe disposal of this material.

RESOLVED ACTION ITEM 194-1: Graphitic phyllite stockpiled at Pit 4 has been covered since the previous inspection.

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 10).

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 11).

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 12).

The TTF water treatment plant was treating approximately 1000 gpm.

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 13).

PORT FACILITY
The port facility appeared in good condition (Photos 14-15). Stormwater BMPs were frozen and covered in snow (Photo 16).

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

Photo 1. The Comet development pile.

Photo 2. CWTP pond 1.

Photo 3. CWTP pond 2.

Photo 4. White material test rocks in the CWTP

Photo 5. Outfall 001 manifold.

Photo 6. Pug Plant.

Photo 7. Tanks previously used to contain diesel-contaminated water at Pit 4.

Photo 8. Tanks previously used to contain diesel-contaminated water at Pit 4.

Photo 9. Diesel-contaminated soil stockpile at Pit 4.

Photo 10. TTF Lower Slate Lake.

Photo 11. The TTF spillway.

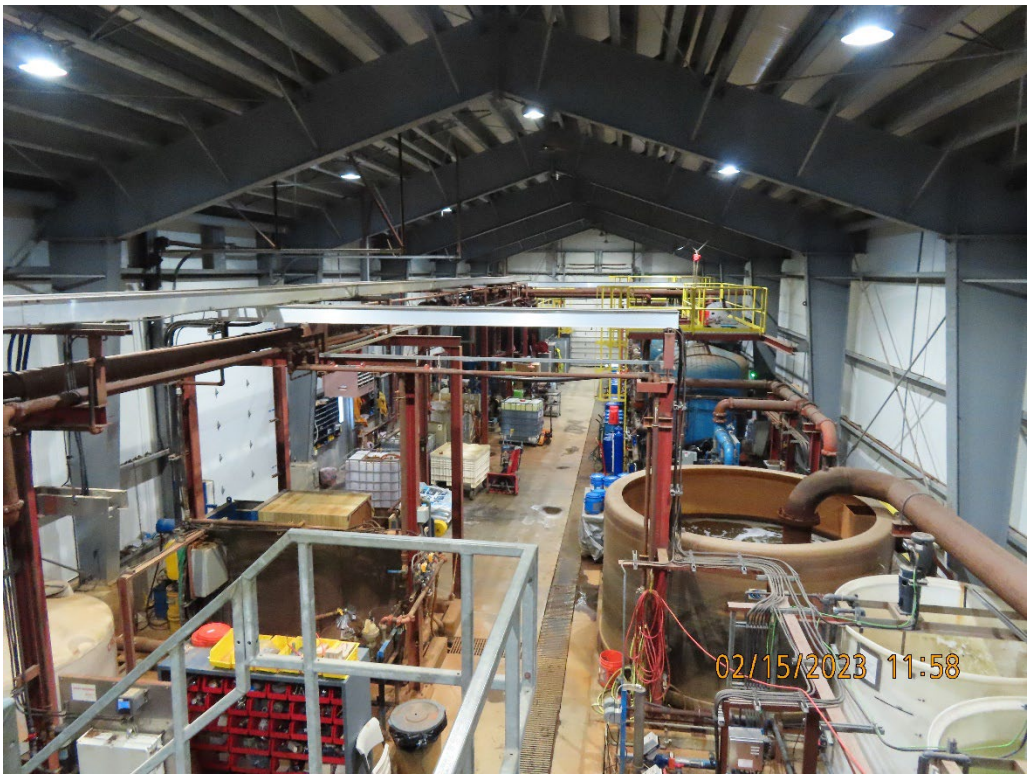

Photo 12. TTF Water Treatment Plant.

Photo 13. Fuel Depot.

Photo 14. Slate Cove Port Facility.

Photo 15. Slate Cove Port Facility.

Photo 16. Port facility stormwater BMP's.

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