



INSPECTION REPORT: KENSINGTON GOLD MINE

Tongass National Forest Minerals Group
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Date of Inspection: Wednesday March 22, 2017
Date of Report: Wednesday April 5, 2017
USDA Forest Service Inspector: Richard Dudek

Ranger District: Juneau Ranger District
Weather Conditions: Sunny. Temperature: High 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.

Casandra Joos (Senior Environmental Coordinator, Coeur Alaska) accompanied Richard Dudek (Geologist, Forest Service).

This inspection included the Access roads, Comet Development Pile, Comet water treatment plant, Sherman Creek Outfall, Kensington warehouse, TTF area, Fuel depot, and the Kensington port.

NOTEWORTHY ITEMS:

The Jualin adit is 4363 feet from the portal.

ACTION ITEMS:

Sherman Creek outfall white material continues to precipitate in the creek.
Keep an oil containment boom in the TTF water treatment plant clarifier's outlet until the TTF's surface can be thoroughly inspected for fuel sheening.

ACCESS ROADS

The access roads are in adequate condition. During the winter months, Coeur Alaska's Surface Operations are removing snow and placing gravel on the access roads to provide safe driving conditions (Coeur Alaska's 2016 BMP plan).





COMET DEVELOPMENT PILE

Waste rock from the Raven adit was recently deposited at the southern end of the development pile (Photo 1). The upgraded brass board shelter (Photo 2) is equipped with a communication system for underground blasting crews.

COMET WATER TREATMENT PLANT

The Comet water treatment plant was treating 700 gallons of water per minute (gpm). Pond-1 was receiving mine site water, and Pond-2 was inactive (Photos 3-4). Coeur Alaska continues weekly monitoring of the test barrel to measure white material accumulation in the treated mine site water (Photo 5).

Coeur Alaska continues to bench test different flocculants and coagulants for precipitating white material out of solution. The Comet water treatment plant was tidy and in order.

SHERMAN CREEK OUTFALL

White material continues to precipitate in the creek bed (Photos 6-7). Coeur Alaska is still using a dewatering bag, near the underground 445 level sump, to help remove white material prior to the water treatment process. In conjunction with the barrel tests, Coeur Alaska personnel continue testing different flocculants and coagulants for removing white material out of solution in the triple underground sumps.

KENSINGTON WAREHOUSE

The construction for the cold storage warehouse is near completion (Photo 8). Chemicals used for the water treatment process will be stored in this facility.

TAILINGS TREATMENT FACILITY (TTF) AREA

A fuel spill occurred at the Mill's 30,000-gallon "day tank" on 12/22/2016. There is a possibility that fuel made its way into the TTF. The water reclaim barge located in the TTF, routes water back to the mill and to the water treatment plant. The water treatment plant does not treat water for hydrocarbons. Therefore, an oil containment boom will remain in place in the water clarifier's outlet (Photo 9) until the ice cover thaws in the TTF, and the surface is thoroughly inspected for fuel sheen.

The water level for the TTF was 697.8 feet (Photo 10). The TTF water treatment plant was treating 550 gallons per minute (gpm). The reclaim water returning to the mill was 185 gallons per minute (gpm). The TTF water treatment plant was tidy and in order (Photo 11). All petroleum and chemicals were properly stored with secondary containment (Photo 12).

The seep plant was inactive due to the acid rock drainage (ARD) catchments are covered in snow and ice (Photos 13-14).

FUEL DEPOT

The fuel depot is online and supplying fuel for the mine site (Photo 15). There were no fuel drips or sheening observed on the concrete refueling pad (Photo 16).

KENSINGTON PORT

No fuel drips were observed on the marine fuel header's concrete foundation (Photo 17). The stormwater runoff drainage ditch was covered in snow (Photo 18).



FOLLOW UP ITEMS

Sherman Creek will have continued observations for white material accumulation.
TTF water treatment plant's clarifier outlet continues to have an oil containment boom.

PHOTOS (Additional photos available upon request).



Photo 1. Raven adit development rock (waste rock).



Photo 2. The new brass board shelter.



Photo 3. Comet water treatment plant Pond-1.



Photo 4. Comet water treatment plant Pond-2.



Photo 5. A rock used for monitoring white material accumulation at the Comet water treatment plant.



Photo 6. White material continues to accumulate in Sherman Creek outfall 001 (Image 1 of 2).



Photo 7. White material in Sherman Creek outfall 001 (image 2 of 2).



Photo 8. Coeur Alaska's cold storage facility for chemicals used for water treatment.



Photo 9. Oil containment boom.



Photo 10. The TTF water reclaim barge.



Photo 11. TTF water treatment plant.



Photo 12. A TTF water treatment plant storage container with secondary containment.



Photo 13. TTF dam plunge pool.



Photo 14. Northern TTF ARD catchments covered in snow.



Photo 15. Kensington fuel depot.



Photo 16. Fuel depot's refueling pad.



Photo 17. Kensington port marine fuel header.



Photo 18. Kensington port drainage ditch.

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