INSPECTION REPORT: KENSINGTON GOLD MINE

Tongass National Forest Minerals Group
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Date of Inspection: Wednesday August 18, 2021
Date of Report: Thursday, September 2, 2021
USDA Forest Service Inspector: Richard Dudek

Ranger District: Juneau Ranger District
Weather Conditions: Cloudy and rain. Temperature: 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
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.

The Kensington crew boat was provided for transportation to and from the mine.

Kevin Eppers (Environmental Manager, Coeur Alaska) accompanied Richard Dudek (geologist) of the USFS Tongass Minerals Group and Timothy Marshall of the USFS Heritage Group.

Sites visited during the inspection included: access roads, Comet Development Pile, Comet Water Treatment Plant (CWTP), Sherman Creek Outfall 001, Comet access road bridges, Pit 4, the Tailings Treatment Facility (TTF) area, and the Fuel Depot.

STATUS OF PENDING ACTION ITEMS FROM PREVIOUS INSPECTIONS:

ID	Action Item	Status
183-1	Investigate the light color spots within the TTF and 9-foot water cover.	**Resolved. No light areas were observed.** (Photo 15).
182-2	Graphitic phyllite stockpile at Pit 4 requires covering.	**Resolved.** The Stockpile is covered and protected from wind gusts (Photo 11).
183-3	Remove log from face of TTF dam.	**Resolved.** The log has been removed from the dam's face (Photo 14).
183-2	ARD at the TTF SE abutment.	**Pending. Once the application of concrete is completed at the TTF spillway wall, the contractors will**

		apply concrete to the SE abutment.

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

ACCESS ROADS
The access roads were in adequate condition (2016 BMP Plan; Table 4-4). Surface Operations were in the process of removing sediments with a Vacuum truck from the Spur Road settling ponds (Photos 1-2).

COMET DEVELOPMENT PILE
The slopes of the Comet waste rock storage area appear stable (Photo 3-4).

COMET WATER TREATMENT PLANT (CWTP)
The CWTP was treating approximately 2,187 gallons per minute (gpm). Pond 1 (Photo 5) was receiving mine site water and functioning as intended. At time of this site inspection, CWTP personnel were in the process of dredging Pond 2 (Photos 6). The dredging process takes about two to three weeks. The mobile water treatment plant (CWTP plant 2.5) was online and treating water from the underground mine.

White material was not observed on the test rocks used for monitoring in the CWTP (Photo 7).

SHERMAN CREEK OUTFALL
White material was not observed in Sherman Creek (Photo 8).

COMET BEACH ROAD BRIDGES
Surface Operations recently installed new silt fencing along the bridge abutments (Photo 9).

PIT 4/PUG PLANT
The pug plant was not operating at the time of inspection due to no available haul trucks to use that day (Photo 10).

The graphitic phyllite (GP) pile (Photo 11) at Pit 4 was completely covered to prevent ARD generation.

TAILINGS TREATMENT FACILITY (TTF) AREA
The TTF dam spillway was functioning as intended and free of debris (Photos 12-13).

No debris was observed at the face of the TTF dam (Photo 14).

The TTF water level was 714.5 feet.

During the inspection of this location. No light-colored spots were observed in the TTF (Photo 15). TTF personnel checked the northern TTF area for light spots. No light spots were found at the locations noted by the Forest Service in the previous inspection report. TTF personnel will be conducting a bathymetry survey in early September.

The acid rock drainage (ARD) observed below the dam will be covered with shotcrete once contractors finish the TTF spillway wall work (Photo 16). This area is contoured so that any potential ARD seepage will flow directly into an ARD sump.

The effluent discharge was 882 gpm. The discharge from the Upper Slate Lake (USL) bypass was approximately 189 gpm.

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

FUEL DEPOT
The fuel depot and re-fueling pad were in good condition and free of spills (Photos 17-18).

PHOTOS Additional photos available upon request.

Photo 1. A Spur Road settling pond recently mucked out.

Photo 2. The muck from the Spur Road settling ponds is currently being staged in the northern TTF lay down.

Photo 3. The Comet development pile.

Photo 4. The Comet Development Pile viewed from the Comet water treatment plant.

Photo 5. Pond-1 receiving mine site water.

Photo 6. Dredging taking place at Pond 2.

Photo 7. Test rocks used for monitoring white material.

Photo 8. Sherman Creek (outfall 001).

Photo 9. New silt fencing installed along the Sherman Creek Bridge abutments.

Photo 10. Pug plant at Pit 4.

Photo 11. The GP pile at Pit 4 is covered to prevent the potential ARD generation.

Photo 12. TTF spillway wall.

Photo 13. TTF spillway, Spillway plunge pool, and Upper Slate Lake (USL) bypass.

Photo 14. TTF Dam face. No debris touching the dam's face.

Photo 15. No light-colored spots were observed. Light color could indicate that tailings are not covered by 9-feet of water.

Photo 16. ARD seepage observed below the dam. The source is from a partially exposed outcrop of graphitic phyllite (GP).

Photo 17. No fuel sheen was observed inside the fuel depot pad.

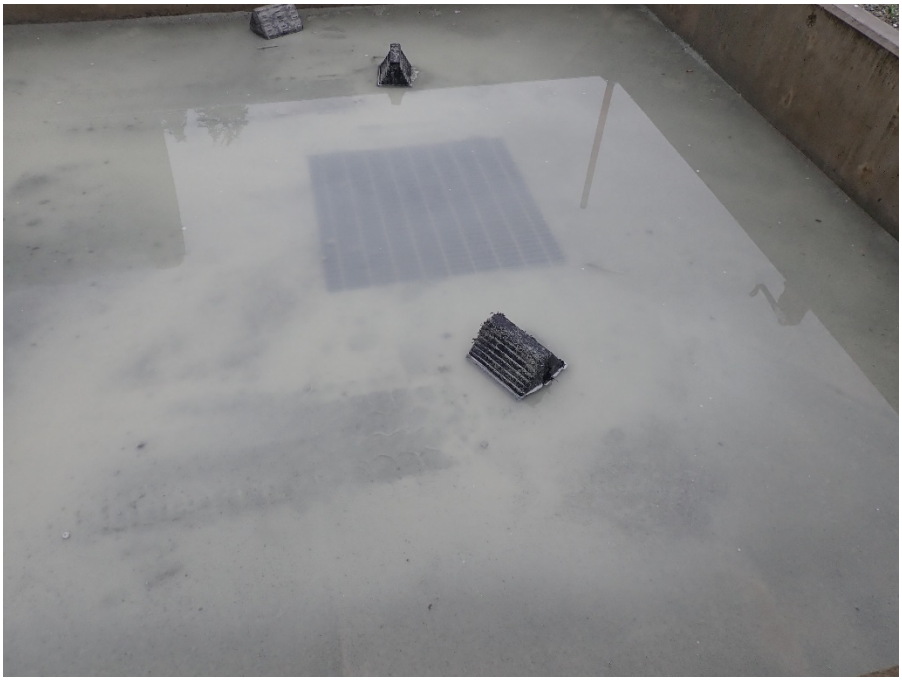

Photo 18. There were no signs of leaks at the refueling pad.

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