

Department of Natural Resources

Division of Mining, Land & Water Mining Resources Section

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POGO MINE INSPECTION REPORT

Inspection Date: June 3, 2014

Weather: Clear skies changing to rain during the afternoon, light wind

Time of Inspection: 11:30am to 4:30pm

Operator Contact: Makoto Umedera, Sally McLeod, Jim Ward

Agency Personnel: OPMP – Jack DiMarchi

ADNR - Scott Pexton, Brent Martellaro, Stephanie Lovell,

Carolyn Curley, Jim Vohden, Kindra Geis, Melissa Hill, William

Cole, Richard Lessard, Ben Wagner.

ADEC - Tim Pilon, Renee Evans, Will Collingwood, Neil Lehner,

Melanie Helmick-Murphy

ADF&G – Heather Scannell

Inspection Objectives: General Inspection and Site Familiarization Tour

Agency personnel signed into the site prior to traveling on the Mine Access Road. Those driving vehicles, or who may be driving vehicles within the next year, watched the required video for driving on the mine site. The road was in good condition. Caribou were sighted along the access road around Mile 35-Mile 40. Upon arrival at the Administration Building, agency personnel were met, provided lunch and safety briefings. The agency personnel divided into two groups for the surface inspection and underground/surface tour. Both groups were escorted through the site by POGO personnel.

Pogo's Jim Ward guided Scott Pexton, Stephanie Lovell, Melissa Hill, Renee Evans, Richard Lessard, and William Cole through the underground mine workings and then on a short surface tour to familiarize those personnel with the mine site. Sally McLeod and Makoto Umedera guided the remaining agency personnel on the surface inspection followed with a closeout meeting. We departed the mine around 4:30 pm.

On the surface, agency personnel began by viewing the new diversion ditch and inlets. Inlet 1 was dry while Inlet 2 had water flowing into the ditch (Photo 1) and down the hill in the North Diversion Ditch (Photo 2). Inlet 3 was farther up the road at the headwaters of Liese Creek. Photo 3 shows water flowing down the South Diversion Ditch. The new diversion ditch construction has intercepted more water and prevented contact with mining operations than expected and was reflected in the lower quantity of water stored in the RTP. Agency personnel observed that the Diversion Ditches and the flumes at the RTP Dam for Liese Creek appeared to be in good condition. Agency personnel observed loading on the Dry Stack Tailings Facility (DSTF) which is in conformance with applicable permits (Photos 4-6).



Photo 1: Water flowing into the North Diversion Ditch at Inlet 2.



Photo 2: Water flowing down the shotcrete-lined North Diversion Ditch.



Photo 3: Inlet 3 with water flowing into the South Diversion Ditch.



Photo 4: View of the DSTF looking down the valley.





Photo 5: Truck operations on the DSTF Facility.

Photo 6: Close-up view of material placed onto the DSTF.

Work continues at the 2150 portal entrance (Photos 7 and 8). A drill located on the bench outside the portal is in the process of drilling a vent raise for the underground workings (Photos 9 and 10). Work has begun on the Mill Bench to replace the existing CIP. En route to the Water Treatment Facilities, helicopter operations supporting the exploration program were seen (Photo 11). The scrubber for the incinerator just arrived on site and is waiting to be installed. The site for Water Treatment Plant #3 has been cleared and prepared for construction (Photo 12).







Photo 8: View of 2150 portal.



Photo 9: Barricades in place around the drill outside the 2150 portal.



Photo 10: Ventilation raise drilling is in process.



Photo 11: Helicopter-supported exploration activities are on-going this summer.



Photo 12: Location for Water Treatment Plant #3 is cleared and getting prepared for construction.

The waste metal storage location was inspected and verified that the pad holding the material was cleaned up and the base pad increased in elevation from last year's flood stage (Photo 13). Agency personnel also inspected the Off-River Treatment Works (ORTW) and noted that inflow into the ORTW (Photo 14) appeared free of visible sediment and that the ORTW appeared to be operated in compliance with applicable permits. The inlet channel (Photo 15), the primary pond (Photo 16), and the secondary pond (Photo 17) were visited on this inspection.



Photo 13: Waste metal storage pad has been cleaned up and raised.



Photo 14: ORTP inlet from the Goodpaster River.







Photo 16: View of ORTW primary pond.



Photo 17: A view of the ORTW secondary pond.



Photo 18: Storage facility near the Pogo airfield.

After the surface inspection, Pogo employees and agency personnel entered into a discussion regarding the inspection and deliverables from previous inspections and authorizations. Pogo employees shared the groundwater model and discussed aspects of the findings. Additional discussion addressed humidity cell testing for material from the East Deep deposit, periodic work on the power line access, anticipated results from the scrubbers to be installed on the incinerator which will be tested around July 19th, and the upcoming meeting to be held in Delta Junction on June 19th at 5pm. It was agreed that we would allow Pogo additional time to complete humidity cell testing before the East Deep Rock Characterization Report submittal.



Photo 19: That's all folks...You get my point?

Conclusions:

Operations continue to be conducted in a manner consistent with the terms of the Plan of Operations. Maintenance work is in progress on the access road. Dumps, stockpiles and haul roads appear to be maintained in a stable configuration which minimizes the potential for erosion. The diversion ditches and flumes appeared to be working as expected. The work on the storage pads near the airfield is complete, raising the working surface above flood stage.

Action Items:

Pogo will submit a request for extension for the East Deep Underground Expansion Characterization report to include humidity cell testing.

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