STATE OF ALASKA

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

DIVISION OF WATER

SEAN PARNELL, GOVERNOR
410 WILLOUGHBY AVE., SUITE 303
POB 111800
JUNEAU, ALASKA 99811-1800
PHONE: (907) 465-5313
Fax: (907) 465-5274

FIELD SITE VISIT REPORT
COEUR ALASKA/KENSINGTON MINE

Inspection Date: June 26, 2012, 07:00 - 14:00
Report Date: June 28, 2012
Weather: Overcast, a little light rain at times. Temperature 50's

Coeur Personnel: Kevin Eppers, Environmental Manager; Pete Strow, Environmental Coordinator

Agency Personnel: Kenwyn George, ADEC; Carl Reese, ADEC; Kyle Moselle, ADNR; Dave Wilfong, ADNR; Alex Whitehead, ADNR; Ted Deats, ADNR; Marti Marshall, USFS; Joe Manning, USFS, John Kato, USFS; Deb Rudis, USF&WS; Chista Derr, NMFS; Teri Camery, CBJ;

Purpose of visit: Annual meeting site visit for agency staff

Access to and from the site was by Coeur boat, with a departure first by bus at 5:00 AM, and returning by boat leaving Slate Creek Cove at 2 PM.

Mill: A tour of the mill was provided. The mill was operating at the time of the inspection.

Comet area: Pond 2 was in use. Sediment from the degritting bags was being removed, so the dredge was not operating in Pond 1. Sediment is taken either to the production rock disposal area outside the Comet portal, or underground. (Photo 1). Once the underground sumps are operational, expected within the next two weeks, water from the mine will go to Pond 2. Pond 1 will then be cleaned out, deepened, and lined. Lining is proposed to be done when the contractors are on site to line the temporary Graphitic Phyllite storage cell.

Paste plant: This was toured; it was operational; the underground chambers were impressive in size to accommodate the sludge dewatering infrastructure and the cement addition and mixing and paste pumping. Presently 80% of tails go to this plant for use as structural fill in mined stopes. (Photos 2-6).

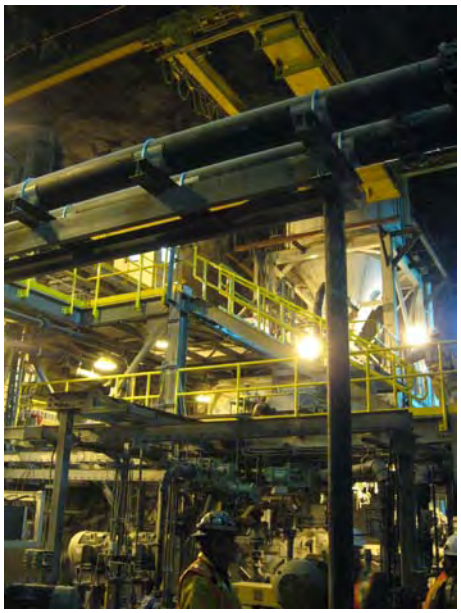
Tailings Treatment Facility (TTF): Excavation had commenced on re-locating the graphitic phyllite drainage sump in preparation for the Phase 2 dam raise. Graphitic phyllite material was exposed on the side wall of the sump. (Photos 7 & 8).

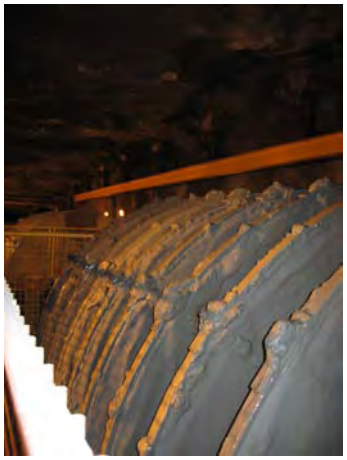
TTF treatment plant: A tour was provided of this treatment plant.

Graphitic Phyllite temporary storage site: Sand was being placed as protection to the polyethylene bottom liner. (Photo 9).

Photographs

Photo 1: Comet water treatment plant, Pond 2 in operation, sediment removal in progress.





Photos 2-6: 2. Paste Plant room. 3. Paste pumps. 4. Dewatering tailings.

5. Vacuum & pressure pump room.

6. Vacuum pumps.

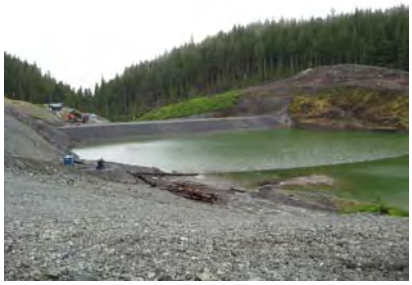


Photo 7: Tailings facility

Photo 8: Graphitic phyllite sump

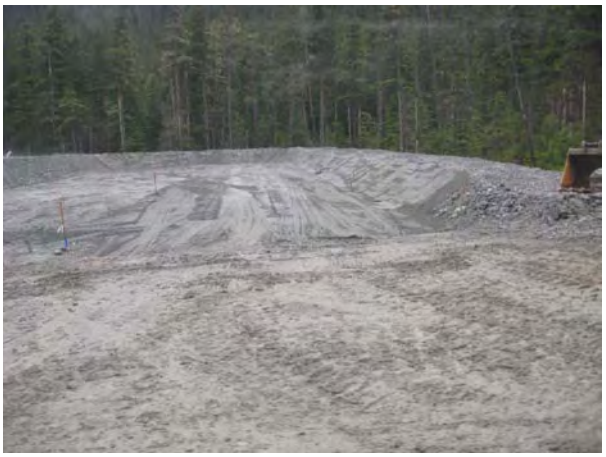
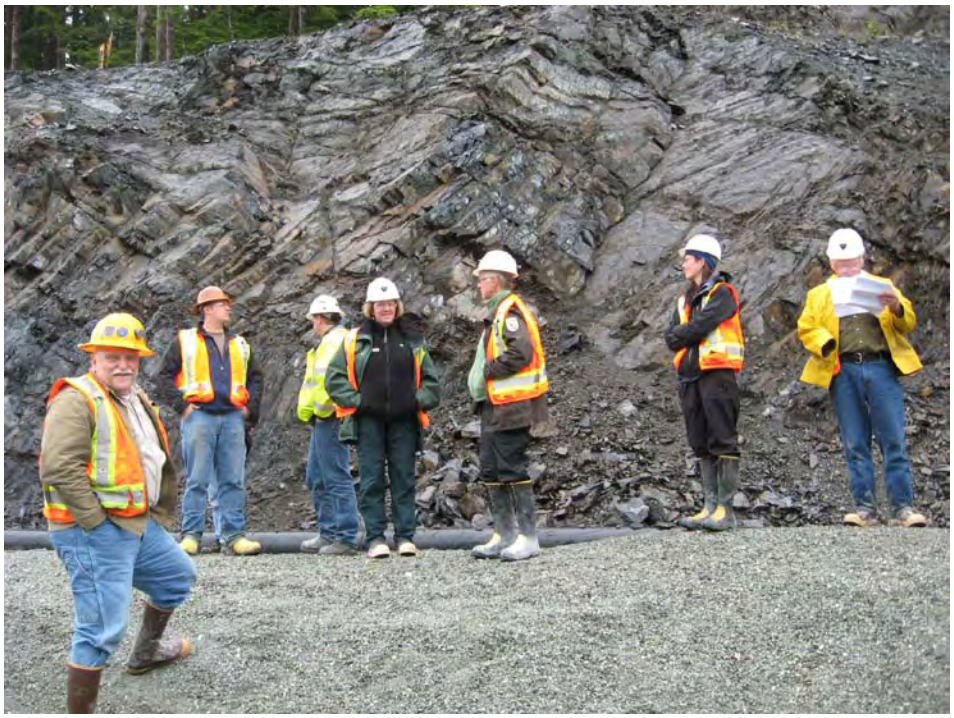


Photo 9: Graphitic phyllite temporary storage area.



Some of the agency people on the tour.