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Matthew Reece, Project Manager
Kensington Gold Mine POA 1 SEIS
U.S. Forest Service
8510 Mendenhall Loop Road
Juneau, Alaska 99801

December 29, 2020

Dear Mr. Reece,

On behalf of, myself and Hyak Mining Company, Inc. please find the following comments on Coeur Alaska, Inc.'s (Coeur) Kensington Gold Mine POA 1 draft SEIS.

I am a graduate Mining Engineer from the University of Alaska, Fairbanks, fourth generation Alaskan and the founder, President and major stockholder of Hyak Mining Company. Hyak is the owner of the Jualin mine and has leased it, and other patented land and mining claims Hyak controls in Berners Bay, to Coeur Alaska.

I have been working since 1972 to acquire and develop the Jualin mine and its mineral endowment. In that time I have become intimately familiar with the area, its history, geology, physiography, and zoology that can only come from a lifetime of living in, studying and working at developing the mines in the district.

Hyak has had a direct contractual relationship with Coeur for over twenty seven years. - Coeur purchased an interest in the lease Hyak had at the time with International Curator Resources for the mineral interests held in the Jualin Mine and adjacent mineral lands. Since then, we have found Coeur to be excellent to work with, often going beyond the letter of our lease agreement to the spirit of making a world class mining operation. Their care for "doing it right" environmentally runs through the entire Kensington mine operation and equals their commitment to "doing it safely". From what I have personally observed, Coeur's slogan of "Producing and Protecting" is foremost in their corporate culture throughout Kensington and is clear in their presentation of POA 1.

We support Coeur's plan as presented in POA 1 and offer the following specific comments to the SEIS:

Tailings Treatment Facility (TTF)

The plan proposed by Coeur in POA 1 is to us, a very good one, that will provide for continuing mining at Kensington, and the economic benefits it provides. It minimizes its disturbance footprint and enhances fish habitat in a larger, more productive Slate Lake and adjacent fish habitat when reclaimed. The present Tailing Treatment Facility (TTF) has operated as designed and without water quality problems for the last ten years. We can be confident that it will operate so in the future.

The proposed POA 1 Stage 4 dam TTF is subject to and will meet the stability criteria outlined by the Alaska Department of Natural Resources (ADNR) Dam Safety Program and the requirements of the National Dam Safety Program for it to be constructed.

The TTF cannot be compared to the Mount Polley tailings dam and its problems. The dam design is totally different than that of Mount Polley. Kensington's TTF dam rests on solid rock and uses downstream construction, unlike Mount Polley which rested on glacial till and failed to support the load of the tailings and dam placed atop the till.

I support the proposed Stage 4 Dam Raise and TTF expansion because it has demonstrated that it works and will, on reclamation, provide much better for fish habitat in and around Slate Lake.

TTF Closure with Reduced Water Alternative

The TTF Closure with Reduced Water Alternative should not be selected because it lacks environmental benefits, has concerns relating to worker safety during reclamation activities, and concerns with acid rock drainage.

With this alternative, at closure, the amount of aquatic habitat would be greatly reduced compared to POA 1, and the resulting aquatic habitat would be small, shallow, and unlikely to function as a healthy lake. It would also not provide Dolly Varden spawning habitat. Additionally, POA 1's fish habitat improvements are not included in this option as the water levels will not be high enough to support these enhancement activities.

From a work safety standpoint, this alternative would require heavy equipment operators to travel over wetted tailings that could result in an unstable surface in order to conduct reclamation activities.

Additionally, the existing graphitic phyllite (GP) near the dam would not be covered in water, and as a result would create a long-term risk requiring active management. Finally, this alternative would need a nearby borrow site to produce growth media and the nearby areas contain GP, which would create a new situation in which GP would need to be managed.

Filtered Tailing Facility

In contrast to the TTF expansion, I am skeptical of the Filtered Tailings Facility's (FTF) ability to perform as well as the existing TTF. The prevailing winds from the South, when rising over Lions Head mountain, experience adiabatic cooling of the moisture laden air and a dramatic increase in rainfall in the area. The high rainfall that portion of Berners Bay can experience could potentially reliquefy the tailings into a muck that will be very difficult and expensive to control.

The FTF would likely also expose a known source of GP material, which produces acid rock drainage, increasing environmental risks and requiring additional measures to properly contain and store the GP material.

The FTF cannot compare to the expanded TTF proposal operationally, environmentally, or in relation to improved fish habitat on reclamation.

Water Quality

Coeur has shown a decade's worth of dedication to protecting water quality and POA 1 will be no different as they work with the U.S. Forest Service (USFS) and the Alaska Department of Environmental Conservation. Coeur demonstrates this by using the highest level of technology in terms of advanced water treatment and waste management at the mine and we are certain that same approach will carry forward with POA 1. Coeur's plan to use existing infrastructure to expand the current TTF and waste rock storage sites, and only adding one more waste rock site will have the least impact on the environment. It will also allow them to reduce risks that are associated with shifting to different tailings storage alternatives like the FTF Alternative.

Wetlands

While POA 1 will require placement of fill in waters of the U.S. (WOTUS) including wetlands, the DSEIS does not document significant impacts to wetlands in the affected watersheds or the watersheds' fish and wildlife values. As described in Coeur's DA permit application, POA 1 will result in just a 0.8-acre net decrease in WOTUS when factoring in conversion of upland habitats at closure. Furthermore, at closure, water flow between Upper Slate Lake and East Fork Creek would pass through the restored TTF/Lower Slate Lake, allowing reestablishment of fish habitat and Dolly Varden populations in Lower Slate Lake. Finally, POA 1 includes fish habitat enhancements to minimize impacts and support resident fish populations the Slate Creek watershed. The United States Army Corps of Engineers should find this public interest review factor to be positive and not contrary to the public interest.

Waste Rock Storage

Pipeline road Waste Rock Storage (WRS) and the Pit 4 WRS contain the bulk of the proposed acreage used and tonnage of the proposed waste rock storage. These two sites are almost totally on private land owned or controlled by Hyak and under lease to Coeur. Hyak has no objection to Coeur's Waste Rock proposals presented in POA1, and views that rock as a potential resource which may have value, in and of itself, in the future.

Johnson Creek Waste Rock Storage Alternative

This alternative would require a long-haul distance which would create more emissions, decrease operational efficiency, and increase operational hazards as a result of increased traffic and haul distance. This WRS would require construction of an additional access road. Both this access road and a portion of the WRS would be located within an active avalanche area that represents significant safety concerns and may result in restricted access for large portions of the winter and spring. As compared to the other proposed WRSs, the Johnson Creek WRS would not be an expansion to an existing WRS but would be a fully separate and new footprint located almost entirely on National Forest Service land.

Economy

The jobs and economic activity brought about by developing and mining Kensington has become a very important element to the local and regional economy. Continuing mining will provide nearly three-hundred and sixty (360) direct and five-hundred (500) indirect jobs within Alaska for an additional ten years, contributing an estimated \$57.9 million in wages annually to the state economy (DSEIS pg. 103).

Kensington is the second largest property taxpayer to the City and Borough of Juneau and the local economic activity Kensington spawns makes a significant contribution in sales tax revenue of the CBJ. Losing this tax base and revenue will put that burden to the other taxpayers and citizens of Juneau. The approval of POA 1 is direly needed to continue the tax and other economic benefits Kensington provides.

POA 1 approval is also important for purposes of providing desperately needed short and medium-term economic stability due to the uncertainty created by the COVID-19 pandemic's severe business impacts and resulting loss of revenues to the City and Borough of Juneau and the entire Southeast community.

Although challenged by the pandemic, mining is the only sector of Juneau's economy that is relatively healthy and doing its part in supporting the economy until the other sectors (fishing, tourism, and government or oil) can recover. We need to ensure that Kensington operations can continue. POA 1 as presented shows that it can do so without harm to the environment.

Hyak, as a royalty holder on Jualin, receives revenue from the production of minerals from Kensington. That revenue is further distributed to sub-lessors, Hyak, Stockholders, and the local, state and federal government and vendors. What is left is typically spent prospecting Southeast Alaska looking to find another mine. This revenue is a positive for all that share in it and the further distribution of that income as it cycles through the local, state, and U.S economy.

Community Service

Coeur is an active participant in the Juneau and Southeast Alaska community and has built relationships with nonprofits and community groups that support minority and/or low-income residents and developmental activities for the area's youth. Coeur Alaska has made a positive difference for Juneau and Southeast Alaska residents and strives to improve their social situation, economic standing, and overall wellness. Coeur's charitable donation program supports areas where there are pressing community needs. Approving POA 1 will allow Coeur to remain a valuable member of our community.

Conservation

POA 1 makes full use of existing infrastructure and concentrates new disturbances in locations that have been previously disturbed by mine operations. This will have the overall effect of minimizing project impacts.

Conclusion

The USFS and the Cooperative Agencies provide a logical and thoughtful approach in their consideration of the alternatives that were eliminated from detailed study. We support these conclusions and discourage the USFS and Cooperating Agencies from providing serious consideration to changing any of these decisions.

The Draft SEIS's analysis of the Proposed Action clearly and reasonably demonstrates Coeur's Life of Mine Extension will not have significant adverse effects on the human environment. The lack of significant adverse effects lends itself to concluding POA 1 is not contrary to the public interest and compliant with the Section 404(b)(1) guidelines.

These conclusions are also supported by Coeur's successful and environmentally responsible operational history at the mine, Juneau and Southeast Alaska's need to continue receiving the substantial positive economic impacts Coeur brings to the region, and the mitigation measures, those that will be on-going as well as the new fish habitat enhancements and long term inundation of GP at the TTF. For all these reasons, we urge the USFS to promptly finalize the SEIS and issue your Record Of Decision in favor of POA 1.

Thank you for this opportunity to comment. If you have a need to discuss our comments with us, we will be happy to do so.

Sincerely,
E. Neil MacKinnon
President, Hyak Mining Co.
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