

Dear Friends,

I'm pleased to be able to provide an update on the amazing progress at the Kensington Mine.



At the Jualin property (east side of the project), we have completed primary concrete pours at the mill facility and have erected building structural steel. The bridge crane will soon be installed and utilized for placing internal steel and the equipment needed for processing our ore. At the crusher site, the concrete footers are being poured and the structural building will soon follow. The mill pad excavation is nearly complete, and contractors will begin the tunnel through the mountain in August. The photo provides a glimpse of what we've accomplished

thus far at the mill site – and because we are making such rapid progress the photo will already be outdated by the time you read this. It is really exciting to see how well the building so nicely settles into the mountainside. Additionally, our roads are nearly complete and we are able to safely access all areas of our work site with our equipment.

On the Comet Beach side of the property (west side of the project) we continue to focus on developing the underground mine and setting up the all important infrastructure for the life of the mine. We reached a milestone of widening (slashing) the existing workings to their furthest extent, and have begun the 7000 ft. tunnel to Jualin. The Kensington tunnel development should meet the contractors driving from the Jualin side sometime next year.

We have grown to nearly 280 full time employees and contractors on site. We continue to meet our local hire commitments. Today, we employ over 70% Alaskans on the project.

All of this is terrifically exciting, and yet SEACC and the Sierra Club continue their attack on our environmentally sound mine plan by advertising false statements in the press and within our community and elsewhere. In truth, the mine plan not only protects the waters of Southeast Alaska, but actually is “better” than the so-called alternatives being pressed by the opponents. Unfortunately, these groups are using Kensington as a pawn in their strategy to oppose the development of other mines in other parts of the state.

A wise man once said “You can probably say thank you too much, but I’ve not seen it done.” Your ongoing support during our permitting and construction means the world to us. On behalf of the 280 workers at Kensington, thank you once again for your continued support.

Tim Arnold
V.P. & General Manager