EBA Engineering Consultants Ltd. operating as EBA, A Tetra Tech Company

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TECHNICAL MEMO

ISSUED FOR USE

TO: Vanessa Benwood DATE: September 13, 2012

C: MEMO NO.: 001

FROM: Ian MacIntyre, Justin Pigage EBA FILE: W14103025-01

SUBJECT: Dry Stack Tailings Facility Lower Bench Instrumentation Installation

Keno Hill District Mill Site, Keno City, Yukon

1.0 INTRODUCTION

Alexco Resource Corp. (Alexco) retained EBA, A Tetra Tech Company (EBA) to coordinate and install a ground temperature cable (GTC) and a shallow monitoring well in the lower bench of the Dry Stack Tailings Facility (DSTF) as part of the ongoing monitoring of the DSTF at the Keno Hill District Mill Site, Keno City, Yukon. Authorization to proceed with this work was provided by Vanessa Benwood, Site Environmental Coordinator, on June 12, 2012.

2.0 WORK COMPLETED

EBA arrived on site July 29, 2012 and selected the installation locations. Construction of the DSTF lower bench is nearing completion and it is now possible to install instrumentation within and directly below the facility. This was not possible previously due to ongoing construction. The installation locations are shown on Figure 1 and in Photo 1, attached to this memo.

The shallow monitoring well was installed to the base of the tailings, a depth of 7.5 m from surface, to determine if any free water exists within the pile. W14101035-BH39 was advanced on August 1, 2012 to a final depth of 12.6 m using a Driltech M5 air rotary drill rig operated by Midnight Sun Drilling Co. Ltd. of Whitehorse, Yukon. Slotted 50 mm PVC was installed to a depth of 7.5 m complete with a bentonite plug at depth and at surface. The remainder of the installation was backfilled with silica sand. A 1.5 m protective steel casing was installed at surface.

The GTC was installed to a depth of 13.5 m from surface to determine the temperature within and directly below the DSTF. W14103025-BH40 was advanced on August 2, 2012 to a final depth of 13.7 m. A 50 mm PVC pipe was installed to 13.7 m and grouted to surface with a bentonite based grout. A 1.5 m protective steel casing was installed at surface.

Detailed borehole logs and results from laboratory testing completed on disturbed grab samples collected from the drill cuttings for both installations are attached to this memo. General subsurface conditions consist of tailings, over silt (both frozen and unfrozen), over bedrock.



3.0 CONCLUSION

EBA continually monitors the performance of the DSTF through instrumentation readings and visual inspections. The shallow monitoring well and GTC installed in the lower bench of the DSTF will be included in these routine inspections.

We trust this memo meets your current requirements. Should you have any questions or comments, please contact us.

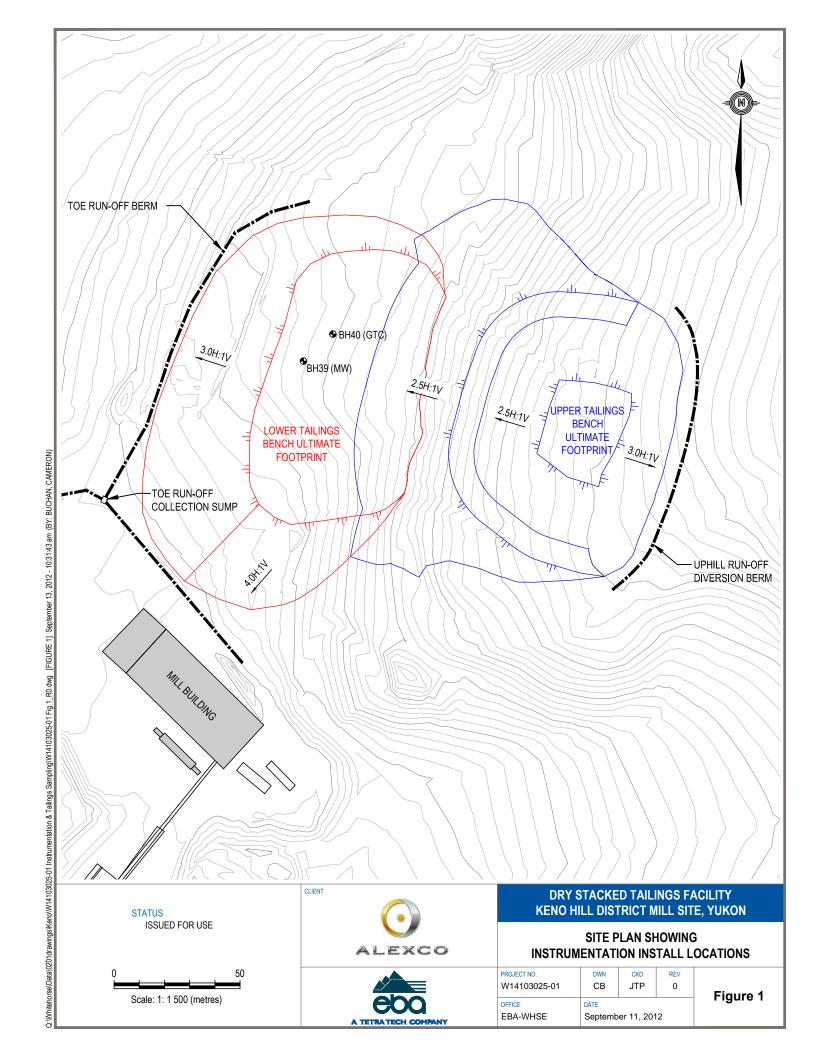




Photo 1: DSTF Lower Bench - Instrumentation Location Facing West August 2, 2012



DrilTech M5 Truck Mounted Drill Rig Facing South August 2, 2012 Photo 2:

Dry Stack Tailings Facility GTC Installation		CLIENT: Alexco Resource Corp. Ltd.				BOREHOLE NO: W14103025-BH39			
		,				PROJECT NO: W14103025-01			
Keno City, YT 7086938N; 483973E; Zone 8									
SAMP	LE TYPE DISTURBED NO RECOVER	Y 🔀 SPT	A	-CASING	SHEL	BY TUBE	CORE		
BACK	FILL TYPE BENTONITE PEA GRAVEL	SLOUGH		ROUT	DRILL	CUTTINGS SAND			
Depth (m)	SOIL DESCRIPTION		SAMP	COMMENTS	20 40 LASTIC N	PT (N)	◆ CLAY (%) ◆ 20 40 60 80 ◆ SILT (%) ◆ 20 40 60 80 ▲ SAND (%) ▲ 20 40 60 80 ■ GRAVEL (%) ■ 20 40 60 80	Depth (ft)	
0	SAND and SILT (TAILINGS) - trace clay, moist, light grey		SA01	- unfrozen	•			0	
3 3 5 6			SA02 SA03 SA04 SA04					0 կավարկակակակակակակակակակակակակակակակակակ	
<u>-</u> - - - -								1	
_ ′			SA06		•			1	
7	SILT - some sand, trace gravel, poorly graded, non-plastic throughout, strong organic odour	c, dark brown, organics	SA07					25	
_			SA08		•				
9			SA09		•			30_	
10									
11	BEDROCK - light grey		SA10					30	
12			SA11					40_	
13	END OF BOREHOLE @ 12.6 m (Target Depth)		SA13						
<u> </u>	NOTE: 50 mm slotted PVC monitoring well installed to 7.5	m							
								45_	
= = 15								49	
é	PECH COMPANY		REVIE\	D BY: IM WED BY: JTP ING NO:		COMP COMP Page 1	PLETION DEPTH: 12 PLETE: 8/1/2012 1 of 1		

PARTICLE SIZE ANALYSIS REPORT

ASTM D422, C136 & C117

Project: **DSTF GTC Installation** Sample No.: **SA03** W14103025-01 Material Type: Project No.: **Tailings** Site: Keno Hill District Mill Site Sample Loc.: **BH39** Client: Alexco Resource Corp. Ltd. Sample Depth: 4.0 - 4.2 m

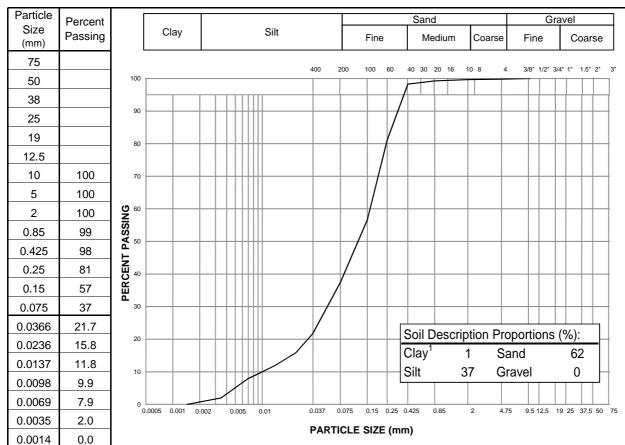
Client Rep.: Vanessa Benwood Sampling Method: Grab

Date Tested: August 10, 2012 By: SMS Date sampled: August 6, 2012

Soil Description²: SAND and SILT - trace clay Sampled By: IM

USC Classification: Cu: 16.3

Moisture Content: 11.7% Cc: 2.0



² The description is visually based & subject to EBA description protocols

Specification:

Remarks:

Reviewed By:

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Dry Stack Tailings Facility GTC Installation		•				BOREHOLE NO: W14103025-BH40					
Keno Hill District Mill Site		DRILL: Air Rotary (MS Driltech)			PROJECT NO: W14103025-01						
Keno City, YT 7086944N; 483983E; Zone 8											
SAMP	LE TYPE DISTURBED NO RECOV	ERY 🔀 SPT	A-CASING SF			LBY TUBE CORE					
BACKI	FILL TYPE 🔃 BENTONITE 🔀 PEA GRAVE	EL SLOUGH	.°∘ G	ROUT] DRILL	L CUTTINGS SAND					
Depth (m)	SOIL DESCRIPTION		SAMPLE TYPE SAMPLE NUMBER	GROUND ICE DESCRIPTION AND F COMMENTS	20 40 LASTIC N	PT (N)	◆ CLAY (%) ◆ 20 40 60 80 ◆ SILT (%) ◆ 20 40 60 80 ▲ SAND (%) ▲ 20 40 60 80 ■ GRAVEL (%) ■ 20 40 60 80	Depth (ft)			
0	SILT and SAND (TAILINGS) - trace clay, moist, light gr	еу	SA01	- unfrozen	•			0_			
3			SA02 SA03 SA04 SA05					0			
6	SILT - wet, non-plastic, light to dark brown, some organ	nic inclusions	SA06	- frozen, Nbe				20			
8			SA07			•		25			
9	- becomes trace organics		SA08			•					
11	- becomes some sand, trace gravel		SA09		•			30			
12	BEDROCK - light grey		SA10		•			40			
	END OF BOREHOLE @ 13.7 m (Target Depth)		SA11		•			45			
<u> </u>	NOTES: 50 mm PVC GTC casing installed to 13.7 m										
= = = 15	NOTES. SO THIS EVO GTO CASING INSTAILED TO 13.7 M										
E TETRA TECH COMPANY		LOGGED BY: IM REVIEWED BY: JTP DRAWING NO:				COMP	LETION DEPTH: 13	3.7m			
						COMPLETE: 8/2/2012 Page 1 of 1					

PARTICLE SIZE ANALYSIS REPORT

ASTM D422, C136 & C117

Project: **DSTF GTC Installation** Sample No.: **SA05** W14103025-01 Material Type: Project No.: **Tailings** Site: Keno Hill District Mill Site Sample Loc.: **BH40** Client: Alexco Resource Corp. Ltd. Sample Depth: 4.4 - 5.0 m

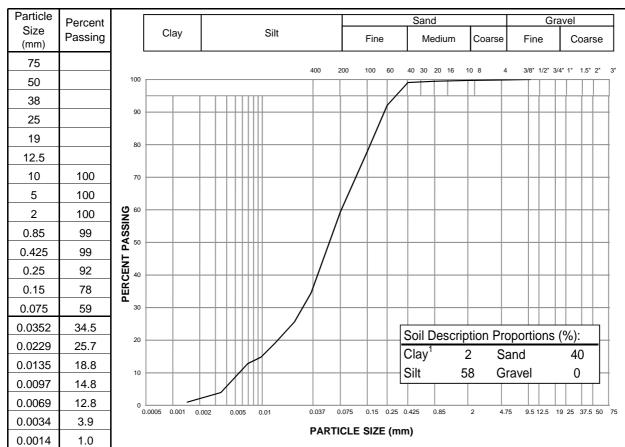
Client Rep.: Vanessa Benwood Sampling Method: Grab

Date Tested: August 10, 2012 By: SMS Date sampled: August 6, 2012

Soil Description²: SILT and SAND - trace clay Sampled By: IM

USC Classification: Cu: 13.4

Moisture Content: 16.6% Cc: 1.9



² The description is visually based & subject to EBA description protocols

Specification:

Remarks:

Reviewed By:

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