



Enriching Our Native Way of Life

December 21, 2018

Tom Collier, CEO
Pebble Limited Partnership
3201 C Street, Suite 505
Anchorage, AK 99503

Dear Tom,

I received your letter of December 11. Thank you for the response.

It should come as no surprise to you that I am sharing BBNC's concerns about the Pebble project with others, including the news media. This is a controversial and complex project and no one should be assessing its potential benefits and risks without hearing from multiple viewpoints.

Your letter inaccurately states that BBNC does not support the responsible development of any mines in Bristol Bay. That is false. BBNC has a history of supporting responsible mining throughout Alaska inclusive of Bristol Bay. Pebble is simply not a responsible mining project. Putting a mine of Pebble's size and geology adjacent to one of the world's most productive wild salmon fisheries in defiance of the patent risks the mine presents and the views and opinions of a majority of Bristol Bay stakeholders is not responsible mining.

Permitting Timeline

The current Corps of Engineers permitting timeline for Pebble remains inadequate. The Alaska District created and adjusted the EIS Timeline schedule without taking into account the complexity of this project, the concerns raised during the scoping period and the numerous data gaps in the information provided by the project proponent. You previously lauded the NEPA process for providing "a thorough review of the issues in a timely fashion in a way that is helpful for concerned stakeholders to make informed decisions about the project." That is not what is occurring with respect to Pebble. The Corps is implementing a timeline that effectively excludes the voices of those who have concerns about the project.

Your response also (and again) fails to address the topic of your employment bonus. As Alaskans evaluate your statements about the permitting process, they should be aware that you will earn as much as \$12.5 million as an "extraordinary bonus" if PLP achieves a speedy and favorable permitting result. This information is relevant to your credibility and motive.

Small Mine Plan

PLP's efforts to distance itself from a large mine are disingenuous in light of its contemporaneous efforts to tout a 70-80 year, 11-12 billion ton mining opportunity to potential investors. To not address the risks associated with this "multi-generational" mining opportunity in permitting is, in our view, contrary to NEPA's legal requirements, and we will speak to that point at every opportunity.

Irrespective of the foregoing, the "smaller" mine plan that PLP is proposing to the Corps is unacceptable. The Bristol Bay Watershed Assessment (BBWA) (a document PLP accepted in its judicial settlement with EPA) exhaustively documented the potential impacts of three mining scenarios above .25 billion tons. The BBWA and Proposed Determination (PD) that followed concluded that such scenarios would cause unacceptable impacts to Bristol Bay and its waters. It is for this reason that EPA issued the PD to restrict discharges of dredge and fill material from any effort to mine the Pebble deposit. Specifically, the PD precluded discharges that would cause (1) the loss of five or more linear miles of anadromous streams, (2) the loss of nineteen or more linear miles of non-anadromous streams, (3) the loss of 1,100 or more acres of wetlands, lakes or ponds, or (4) alter streamflow by more than 20% of daily flow in nine or more linear miles of anadromous streams. PLP's current proposal to the Corps exceeds some, if not all, of these limits. In addition, your assertion that your mine proposal is "close to what the Obama era EPA was seeking," is false.

Economic Benefits

It is not believable that an economic feasibility study is only on your "to-do list." Such a study should have been completed long ago. If PLP has indeed "crunched the numbers" regarding its potential financial impact to both the Lake and Peninsula Borough and the State of Alaska, it should have much of the necessary economic analysis done. Without this economic information, your current claims regarding the potential economic benefits of the project are not credible.

In addition, I reiterate my belief that PLP should be more forthcoming about the potential timing of any Borough or State of Alaska revenues. PLP will owe no payments until after the mine is in production and no mining license tax payments will be owed until 3.5 years after production begins. The upshot is that any borough or state payments of any significance are, at best, at least a decade, perhaps two decades, away.

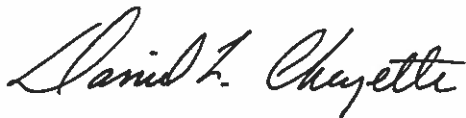
BBNC's Subsurface

I reiterate the statement in my prior letter that PLP does not have BBNC's permission to impede or burden BBNC's subsurface estate or resources. It was disappointing to hear John Shively's comments on the Dave Stieren Show in which he accused BBNC of a "moral" transgression by asserting our subsurface property rights. That statement lacks any factual or legal basis. BBNC is the subsurface owner as defined by ANCSA and as constrained by the court cases interpreting the relationship between subsurface and surface owners. Mr. Shively knows this is the case and

any comments suggesting otherwise are entirely off-base. My representations about BBNC's subsurface estate, then and now, concern only our own property interests.

Pebble is a controversial project. Alaskans deserve to hear about the threats Pebble poses to the Bristol Bay region and its fisheries, economy and way-of-life, and, to that end, BBNC will continue to make its concerns public.

Sincerely,



Daniel L. Cheyette
Vice President, Lands and Natural Resources

Cc: Governor Mike Dunleavy
U.S. Senator Lisa Murkowski
U.S. Senator Dan Sullivan
U.S. Representative Don Young
State of Alaska Senator Lyman Hoffman
State of Alaska Representative Bryce Edgmon
Principal Deputy Assistant Secretary of the Army Ryan Fisher
Colonel Philip Borders, Army Corps of Engineers
Andrew Wheeler, Acting Administrator EPA
Lee Forsgren, Deputy Assistant Administrator EPA
Chris Hladick, Region X Administrator EPA
Corri Feige, Commissioner Alaska DNR
Douglas Vincent-Lang, Acting Commissioner ADFG
Jason Brune, Commissioner Alaska DEC
Bruce Tangeman, Commissioner Alaska DOR
Trefon Angasan, Alaska Peninsula Corporation
Ventura Samaniego, Kijik Corporation
Rayn Aaberg, Pedro Bay Corporation
Sue Anelon, Iliamna Natives Limited
Julia Salmon, Igiugig Native Corporation