



Enriching Our Native Way of Life

October 4, 2018

Ryan Fisher
Principal Deputy Assistant Secretary of the Army (Civil Works)
108 Army Pentagon
Washington, DC 20310-0101
Via email: ryan.a.fisher12.civ@mail.mil

**Re: Proposed Pebble Mine Project (POA-2017-271) –
Permit Application and NEPA Process**

Dear Deputy Assistant Secretary Fisher,

Thank you for meeting with me and other representatives of Bristol Bay Native Corporation while we were last in Washington, DC. The purpose of this letter is to set forth our understanding of how the Corps of Engineers is handling the 404 permit review process for the proposed Pebble mine in Alaska, express our concerns regarding the process that is currently underway, and to ask that your office take steps so that the process is more robust and transparent.

We have an upcoming telephone call with Colonel Phillip Borders the new commander for the Alaska District. We will raise these same concerns directly with Colonel Borders during that call.

We were pleased to learn during our meeting with you and your staff that the Corps will make its Clean Water Act Section 404 permit decision for the proposed Pebble mine the final permit decision – after other federal and state permit decisions. As documented in the Bristol Bay Watershed Assessment, the massive dredge and fill operations that would be associated with the proposed Pebble mine and the impacts such operations would have on Bristol Bay's economically and culturally important anadromous streams and wetlands would be "unprecedented" in the Alaska 404 regulatory program. Consequently, informing the Corps' Section 404 decision with as much information as possible from other federal and state permit processes will help ensure that this decision is based on the most complete understanding of the region and this project.

Unfortunately, the discussion we had with you and your staff regarding the permit decision sequencing is not matching what the Alaska District is saying about its permit decision. The Alaska District, as recently as last week, stated that it would move ahead with its permit decision and need not wait for any other federal or state permit decisions other than the State of Alaska's decision regarding Section 401 water quality certification. This disconnect between what we heard from you and your staff and what we are hearing from the Alaska District concerns us. We would appreciate it if you would intercede and publicly make it clear that the 404 permit decision for the proposed Pebble mine will follow all other permit decisions.

We are also concerned by the current EIS Timeline that the Alaska District is using. This timeline suggests a draft EIS will issue in January 2019, a final EIS in December 2019 and a ROD in early 2020. Given the sequencing we discussed and the many data gaps that exist regarding the project proposal, such a timeline is impossible to meet. The Alaska Districts' continued use of this timeline is misleading and undercuts the public's confidence that the applicant and the Corps are committed to a robust and science-based process for reviewing the Pebble permit.

When we met, your staff indicated that the permitting schedule on the PebbleProjectEIS website reflects the Pebble Limited Partnership's (PLP) desired schedule. The CEO of Northern Dynasty Minerals (NDM) Ron Thiessen, has a much different view. Speaking at the Denver Gold Forum to potential investors on September 25, Thiessen stated that the current timeline is the Corps' timeline and not PLP's (<https://wsw.com/webcast/dgf18/ndm.to/?lobby=true&day=2>). Thiessen also emphasized the importance to Northern Dynasty of securing a 404 permit before the next presidential election. NDM is using the EIS Timeline as a marketing tool to impress investors, while also making it clear the company has a political interest in this same schedule. These statements from the project proponent underscore why it is important for the Corps to have an objectively reasonable public project schedule. It would neutralize NDM's efforts to use an unrealistically aggressive timeline to market its project.

With this letter, I share copies of project planning documents from the Alaska District. One shows that as of January 13, 2018, the Corps did not intend to propose an EIS schedule until after the public scoping period had concluded and all cooperating agencies had a chance to identify the potential data gaps (Exhibit A). Given the magnitude of this project and the lack of information in the permit application, this was a sensible approach. Inexplicably, a subsequent EIS Timeline, created and distributed by the Alaska District in early March 2018, planned for a draft EIS to be released in December 2019 (Exhibit B). While still a very aggressive schedule, it is more in line with what it might realistically take for a thorough review of the project alternatives (assuming that PLP files for all the necessary permits). This document also shows that the Alaska District deviated from its original plan and created an EIS Timeline before the scoping period began. A few days later and still prior to the scoping period, the Alaska District posted the current EIS Timeline to the project website. This timeline had (and still has) a draft EIS issuing in January 2019, a final EIS in December 2019, and an ROD in early 2020 (Exhibit C).

These documents rather convincingly show that 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. This does not set the stage for a robust and thorough project review.

Lastly, the Corps recently released a scoping report for the project review that fails to acknowledge the many information and data gaps identified in the thousands of written scoping comments submitted about the project. By way of example, the scoping report omits references to the many comments that recognize that PLP has yet to produce a water management plan for the project. Such a plan is of critical importance given the unique and sensitive wetlands that exist throughout Bristol Bay. It also does not identify comments that seek to understand how PLP plans to maintain the project's dams and tailing storage facilities over the long-term. Such information is critical given the region's hydrology and the economic and social importance of the region's anadromous streams and wetlands. Ignoring such fundamental concerns is a harbinger for a deficient process.

A third data gap that we continue to believe is significant is that PLP and NDM have failed to produce an economic feasibility study for the mining proposal in its permit applications. A recent RFI submitted by the permitting contractor (AECOM), asked PLP/NDM to provide the estimated costs for completing permitting and constructing the mine and its associated infrastructure. PLP answered that it could not provide the information due to Canadian reporting requirements but directed AECOM to estimates from a 2011 Preliminary Assessment (Exhibit D). Remarkably, this past February, PLP/NDM disavowed this Preliminary Assessment stating that its estimates are "out of date" and could "no longer be relied upon" (Exhibit E). This use of the disavowed Preliminary Assessment is demonstrative of PLP/NDM's efforts to rush through the permitting process without supplying adequate information about the project or investing the time or money to develop adequate information. It is because of these types of actions that the Corps should suspend its review until PLP/NDM produce sufficient information for evaluating the project proposal and potential alternatives.

After I returned home from Washington, DC, I read a press release from the Alaska Department of Fish and Game confirming what many of us suspected: the 2018 season was one for the record books, with massive escapement, harvest and monetary value (Exhibit F). The success of the 2018 season further underscores what is at stake in the permitting process for the proposed Pebble mine. Our region cannot afford to lose the salmon that provide us with both our economic livelihood and our way of life.

The permit review process for the proposed Pebble mine is of great concern to the Bristol Bay region. The process is moving full steam ahead on an overly aggressive schedule despite significant data gaps created by a project proponent that has failed to provide critical information about its project or apply for the myriad of state and federal permits that would require it to produce such information. This is inappropriate for any project, let alone the proposed Pebble mine. The best way to correct this is for Corps suspend the current process, demand that PLP resolve the many data gaps in the project information provided to date, and establish a more realistic timeline for the review of project alternatives.

I would appreciate it if you would respond to this letter so we can continue our dialogue on these important topics.

Best Regards,



Jason Metrokin
President & CEO
Bristol Bay Native Corporation

Cc: Governor Bill Walker
Senator Lisa Murkowski
Senator Dan Sullivan
Congressman Don Young
Colonel Philip Borders, COE Alaska District Office

Roles for CAs: Review comments and assist with interpreting, and understanding public comments that relate to the agency jurisdictions or special expertise, to assist USACE in preparing responses. Suggest changes to alternatives or analysis as appropriate when comments dictate.

Please see Appendix C for specific Coordination Points, Information Requirements and Responsibilities for this project.

NOTE: There is no expectation that any cooperating agency will participate in review outside of agency jurisdiction by law or special expertise. Agencies that would like to comment more broadly should anticipate doing so during the scheduled public review and comment.

The schedule will include major EIS milestones consistent with statutory and regulatory requirements, in order to encompass the full environmental review process. The USACE will provide details in the schedule that are applicable to cooperating agency responsibilities. The USACE will use its discretion as lead agency in deciding the level of detail for the cooperating agency schedule with the objective of communicating clear expectations for the overall effort. The USACE will provide reasonable timelines for CAs to complete their responsibilities. A draft schedule has been provided to facilitate discussion. **A final schedule will not be produced until after public scoping has occurred and the agencies have had opportunity to identify data gaps and any additional requirements identified as a result of scoping.**

AGENCY WRITING AND REVIEW TIME

Agencies will be actively involved in the development of the Draft EIS within their respective areas jurisdiction by law or special expertise. Specific development and revision periods will be identified in the project schedule.

ALL PUBLIC REVIEW AND CIRCULATION PERIODS WILL BE IDENTIFIED IN THE PROJECT SCHEDULE AND WILL BE CONSISTENT WITH NEPA REQUIREMENTS.

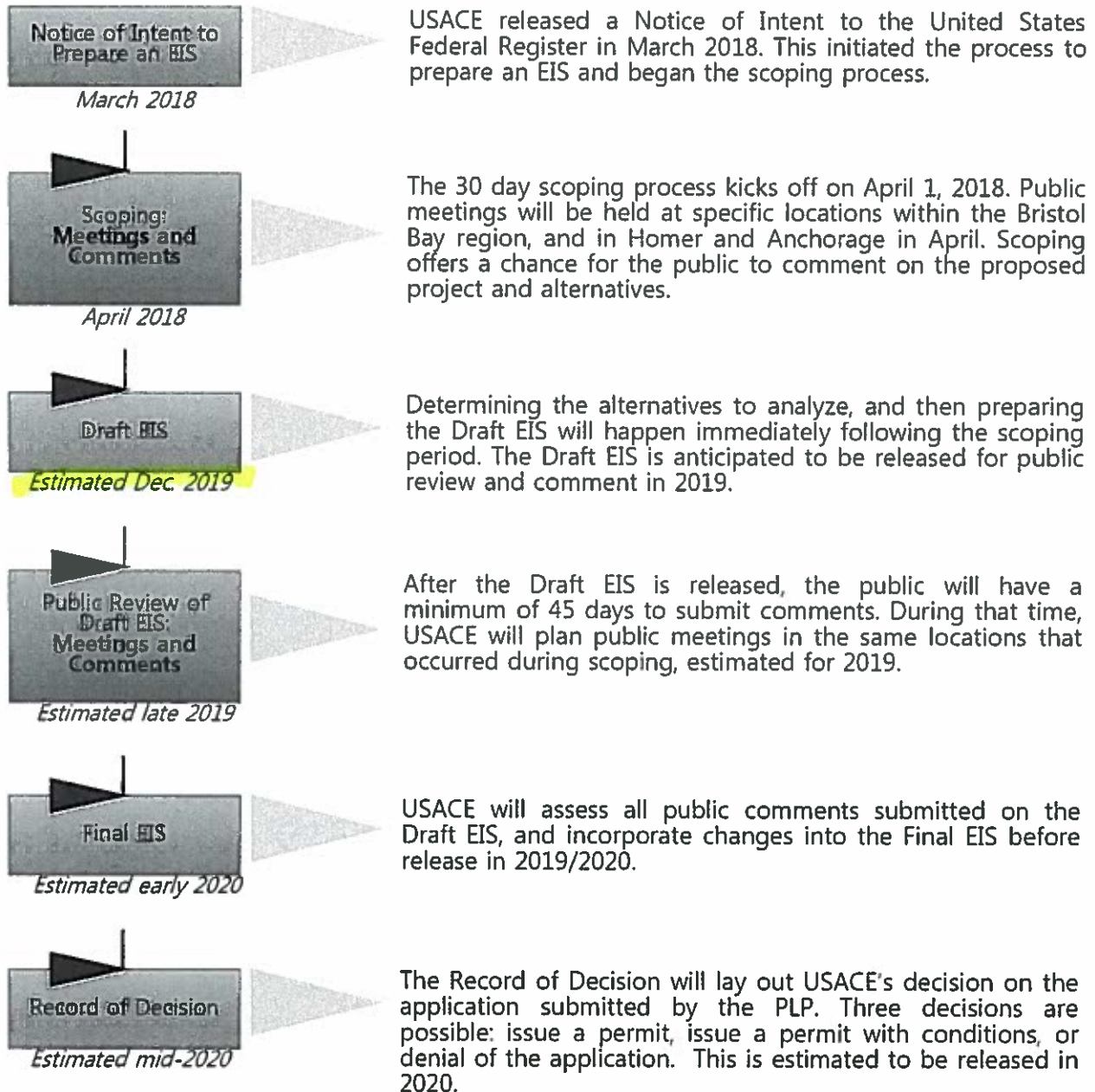
COOPERATING AGENCY GUIDANCE ON PROJECT COMMUNICATIONS

CAs are encouraged to engage in robust discussion and debate during CA meetings and topical discussions on affected resources. These meetings ensure that all cooperating voices are heard throughout the EIS process and that multiple views can be thoroughly discussed. The USACE will not use the exchange that occurs within these meetings as a substitute for agency position or comments. The USACE requires that formal CA comments on work products of the EIS be submitted on agency letterhead, signed by the agency's designated official, within the time frames agreed upon in the approved project schedule. These letters may be submitted electronically to the designated project email address: poaspecialprojects@usace.army.mil. **All agency correspondence will be made part of the public record upon receipt.**

EIS Schedule

Preparation of the Pebble Project Environmental Impact Statement (EIS) level of analysis began in December 2017, when the Army Corps of Engineers (USACE) received a permit application from the Pebble Limited Partnership (PLP). The EIS process will take several months to complete a Draft EIS for public review, with a Final EIS expected within 24 months. The estimated schedule for the EIS is below.

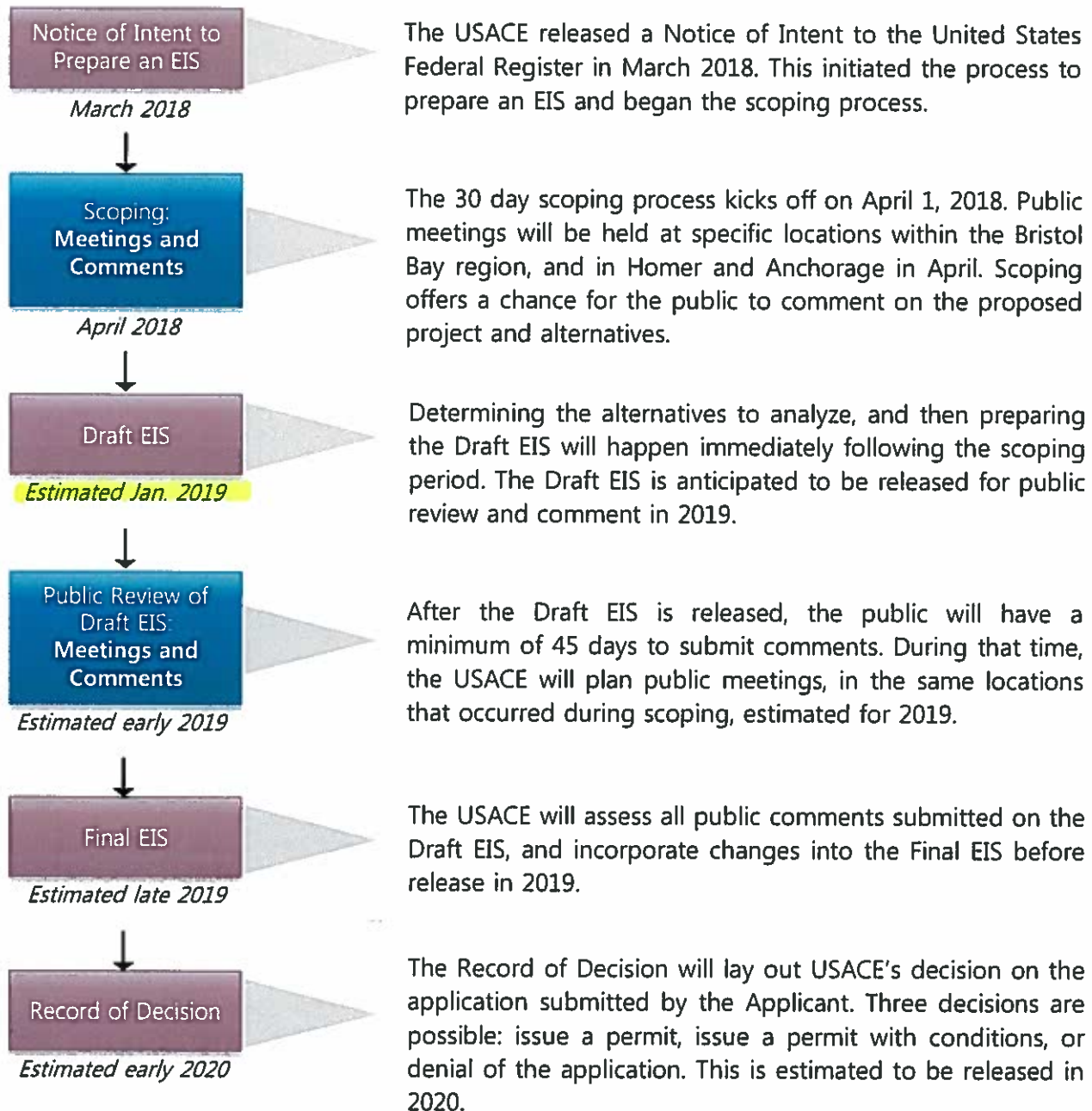
Steps in the EIS Process



EIS Schedule

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Steps in the EIS Process



**RFI 070
Pebble Project EIS**

Request for Information

Title/Subject:	Cost Information for Alternatives Screening
Requestor:	AECOM
Date Transmitted:	9/5/2018
Recipient:	Pebble Limited Partnership (PLP)
Response Requested by:	9/13/2018
Rationale:	Rough estimate costs for exploration, permitting, development, and construction are needed to support alternatives screening. Information to be used for screening potential off-site alternatives.
Describe the Information Requested and Level of Detail:	Please provide estimated costs as follows: PLP (Northern Dynasty) has invested \$XXX million since 2001 and it will cost an estimated \$XXX million to complete permitting and construct the mine and associated infrastructure.

Recipient Response Form

Date Received from USACE:	Click here to enter text.
Response from Recipient (Describe Information Requested to the Level of Detail Requested; Provide Attachments as Needed):	PLP/NDM has invested US\$851 million in the Pebble Project to date. An updated estimate to complete the project cannot be provided at this time due to National Instrument 43-101 reporting requirements, however the capital costs associated with the Initial Development Case in the 2011 NDM PEA (approximately US\$5.5 billion) can be considered representative.
List Number and Type of Response Attachments:	Click here to enter text.
Date Returned to USACE:	9/5/2018

AECOM Intake Form

Date Response was Received:	9/5/2018
Received by:	AECOM
Describe any Follow-up Related to this RFI:	None at this time



**2018 TECHNICAL REPORT
ON THE
PEBBLE PROJECT, SOUTHWEST ALASKA, USA**

NORTHERN DYNASTY MINERALS LTD.

Effective Date – December 22, 2017

Issue date February 22, 2018

Qualified Persons

J. David Gaunt, PGeo.

James Lang, PGeo.

Eric Titley, PGeo.

Ting Lu, PEng.

Stephen Hodgson, PEng.

1.0 SUMMARY

1.1 INTRODUCTION

The Pebble deposit was originally discovered in 1989 and was acquired by Northern Dynasty Minerals Ltd. (Northern Dynasty) in 2001. Since that time, Northern Dynasty and subsequently the Pebble Limited Partnership (Pebble Partnership, in which Northern Dynasty currently owns a 100% interest) have conducted significant mineral exploration, environmental baseline data collection, and engineering studies to advance the Pebble Project.

Since the acquisition by Northern Dynasty, work at Pebble has led to an overall expansion of the Pebble deposit, as well as the discovery of several other mineralized occurrences along an extensive northeast-trending mineralized system underlying the property. Over 1 million feet of drilling has been completed on the property, a large proportion of which has been focused on the Pebble deposit. The previous estimate of the mineral resources in the Pebble deposit was stated in a technical report completed in 2014.

Comprehensive deposit delineation, environmental, socioeconomic and engineering studies of the Pebble deposit began in 2004 and continued through 2013.

In February 2014, the US Environmental Protection Agency (EPA) announced a pre-emptive regulatory action under the Clean Water Act (CWA) to consider restriction or a prohibition of mining activities associated with the Pebble deposit. From 2014-2017, Northern Dynasty and the Pebble Partnership focused on a multi-dimensional strategy, including legal and other initiatives to ward off this action. On May 12, 2017, Northern Dynasty announced a settlement agreement with EPA, clearing the way for Pebble to apply for a CWA 404 permit with the US Army Corps of Engineers (USACE). Section 404 of the Clean Water Act (CWA) governs the discharge of dredged or fill materials into waters of the U.S., including wetlands. The U.S. Army Corps of Engineers (USACE) issues Section 404 permits with oversight by the U.S. Environmental Protection Agency (EPA). Also, in light of stakeholder and regulatory feedback, Northern Dynasty had initiated a broad review of the Pebble Project that took place in 2016 and 2017 to consider among other things, a smaller project footprint and improved environmental and safety enhancements, and has incorporated these and other improvements into a new proposed development project for Pebble. This proposal is outlined in a Project Description prepared by the Pebble Partnership and included as part of the Pebble Partnership's CWA 404 permit application filed with the USACE on December 22, 2017. On January 8, 2018, USACE accepted the permitting documentation and confirmed that an Environmental Impact Statement (EIS) level of analysis is required to comply with its National Environmental Policy Act (NEPA) review of the Pebble Project. Accordingly, in light of the foregoing Northern Dynasty has commissioned the current technical report to update information on the mineral resources and project status. This report incorporates a summary of the Project Description submitted with the CWA 404 permit application and an analysis of the revisions to the resource estimate based on process modifications reflected in the proposed project included in the Project Description.

Northern Dynasty completed a Preliminary Assessment on the Pebble Project in February 2011 and, as noted above, since that time after considering stakeholder feedback, the Pebble Partnership has submitted an

application for a CWA 404 permit for the Pebble Project on the basis of a substantially smaller mine facility footprint and with other material revisions as are described in detail in Section 16.5 of this Report. As a result, the economic analysis included in the 2011 Preliminary Assessment is considered by Northern Dynasty to be out of date such that it can no longer be relied upon. In light of the foregoing, the Pebble Project is no longer an advanced property for the purposes of NI 43-101, as the potential economic viability of the Pebble Project is not currently supported by a preliminary economic assessment, pre-feasibility study or feasibility study. The EIS process currently underway by the USACE will consider alternative scenarios with respect to a number of aspects of the proposed project. Accordingly, the Company has not completed a current comprehensive economic analysis of the Pebble Project but anticipates that having a complete understanding of, and being able to properly assess all of the proposed alternatives that the USACE will be considering as part of the scoping process conducted during the initial phase of the EIS will provide additional clarity with respect to the project to be evaluated so that an economic analysis can be completed.

1.2 PROJECT LOCATION

The Pebble Project is located in southwest Alaska, approximately 200 miles southwest of Anchorage, 17 miles northwest of the village of Iliamna, 160 miles northeast of Bristol Bay, and approximately 60 miles west of Cook Inlet (Figure 1.2-1).

**ALASKA DEPARTMENT OF FISH AND GAME
DIVISION OF COMMERCIAL FISHERIES
NEWS RELEASE**



*Sam Cotten, Commissioner
Scott Kelley, Director*



Contact:
Division of Commercial Fisheries
Area Management Staff
Phone: (907) 267-2104 or 842-5227
Fax: (907) 246-3309 or 842-5937

333 Raspberry Rd
Anchorage, AK 99613
P.O. Box 230
Dillingham, AK 99576
Date Issued: September 18, 2018

2018 BRISTOL BAY SALMON SEASON SUMMARY

The following is an overview of the 2018 Bristol Bay commercial salmon season. All data are preliminary.

The 2018 inshore Bristol Bay sockeye salmon run of 62.3 million fish is the largest on record dating back to 1893 and was 69% above the 36.9 million average run for the latest 20 year time period. It was the fourth consecutive year that inshore sockeye salmon runs exceeded 50 million fish. The 2018 Bristol Bay sockeye salmon run was 21% above the preseason inshore forecast of 51.3 million fish. Runs to all districts, except Egegik, were larger than the preseason forecast. The commercial harvest of 41.3 million sockeye salmon was 10% above the 37.6 million preseason forecast and is the second largest harvest on record. All sockeye salmon escapement goals were met or exceeded, with a total bay-wide escapement of 21.0 million fish. The preliminary harvests for other species are 41,696 Chinook salmon; 1,868,308 chum salmon; 138,466 coho salmon; and 218,998 pink salmon.

EXVESSEL VALUE

The 2018 Bristol Bay preliminary exvessel value of \$281 million of all salmon species ranks first in the history of the fishery and was 242% above the 20-year average of \$116 million. It was 39% higher than the \$202 million exvessel value of the 1990 harvest, which ranks second. The 43.5 million harvest of all species was the second largest in the history of the fishery, after the 45.4 million fish harvest in 1995. The sockeye salmon harvest of 41.3 million ranks second after the 44.2 million fish harvest, also in 1995. The weight, harvest, and price (Table 1) were used to estimate exvessel value. Prices are an average of post-season processor final operations reports and do not include future price adjustments for icing, bleeding, or production bonuses.