

Permitting Processes for the Pebble Project

House Resources Committee

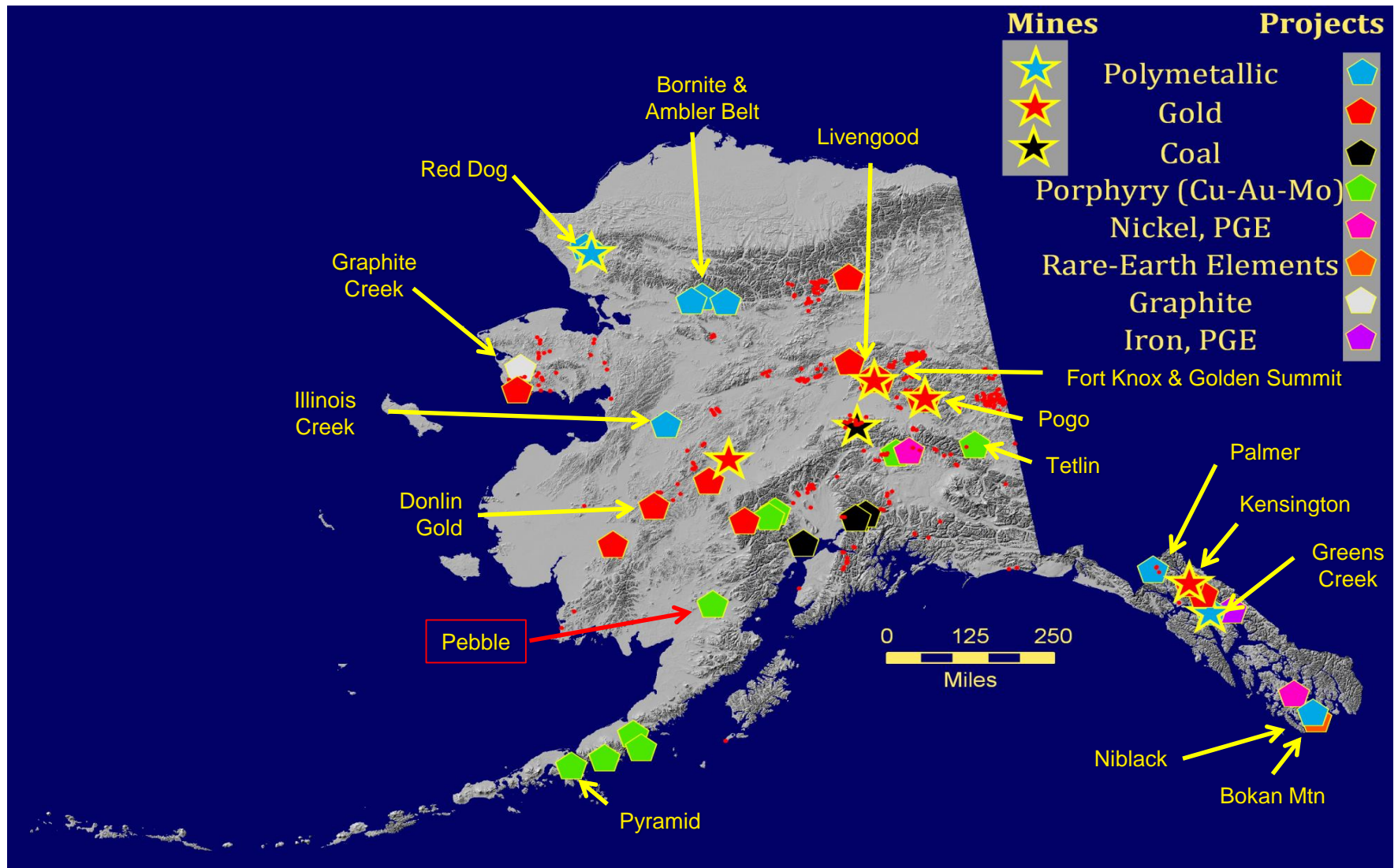
Presented by:

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February 21, 2018



MINES AND ADVANCED PROJECTS



PEBBLE: CURRENT STATUS

- **Overview**

- The Pebble Project is a copper-gold-molybdenum porphyry deposit in the advanced exploration stage of development
- The deposit is located on state land in the Bristol Bay Region of southwest Alaska, approximately 17 miles northwest of the community of Iliamna
- The Pebble Project consists of two contiguous deposits: the near-surface Pebble West deposit and the deeper Pebble East deposit, with combined estimated mineral resources of
 - 80.6 billion pounds of copper
 - 5.6 billion pounds of molybdenum, and
 - 107.4 million ounces of gold

PEBBLE: CURRENT STATUS

- **Misc. Land Use Permit (MLUP #6118)**
 - Extension approved to March 31, 2018
 - Authorizes continued care, maintenance and reclamation of existing bore holes and facilities
 - \$2 million performance guarantee
 - Special stipulations:
 - No work in Mineral Closure Order 393
 - No disturbance within 150' of Talarik Creek
 - Wildlife avoidance and minimization requirements
 - Monitoring and Work Plan reporting

PEBBLE: CURRENT STATUS

- **State Agency Inspections**

- DNR conducted two inspections in 2017

- Aerial inspection July 20, 2017

- Field inspection September 15-17, 2017

- 278 sites inspected

- » Three boreholes were observed missing caps in violation of permit stipulations – the boreholes have since been capped

- Fifty-eight agency inspections since 2003

- Publicly available on DNR website

- <http://dnr.alaska.gov/mlw/mining/largemine/pebble/field-reports/index.cfm>

PEBBLE: CURRENT STATUS

- **Application for Renewal**
 - Received by DNR in December 2017
 - Public notice and comment period Jan. 19 through Feb. 20, 2018
 - Proposed activities for 2018:
 - Sixty-one geotechnical boreholes
 - Nineteen diamond-drill core boreholes
 - Minor repairs to Borehole 3127
 - Routine inspections

PEBBLE: SITE HISTORY

- **Ownership**

- Northern Dynasty acquired a purchase option in 2001 and secured property interests by 2007
- Pebble Limited Partnership (PLP) was formed in 2007

- **Exploration**

- Entirely helicopter supported (no roads)
- First borehole drilled in 1988; last drilled in 2013
- 1,355 boreholes have been drilled to date (Approximately 600 boreholes remain active)
- 2,402 claims over 416 square miles

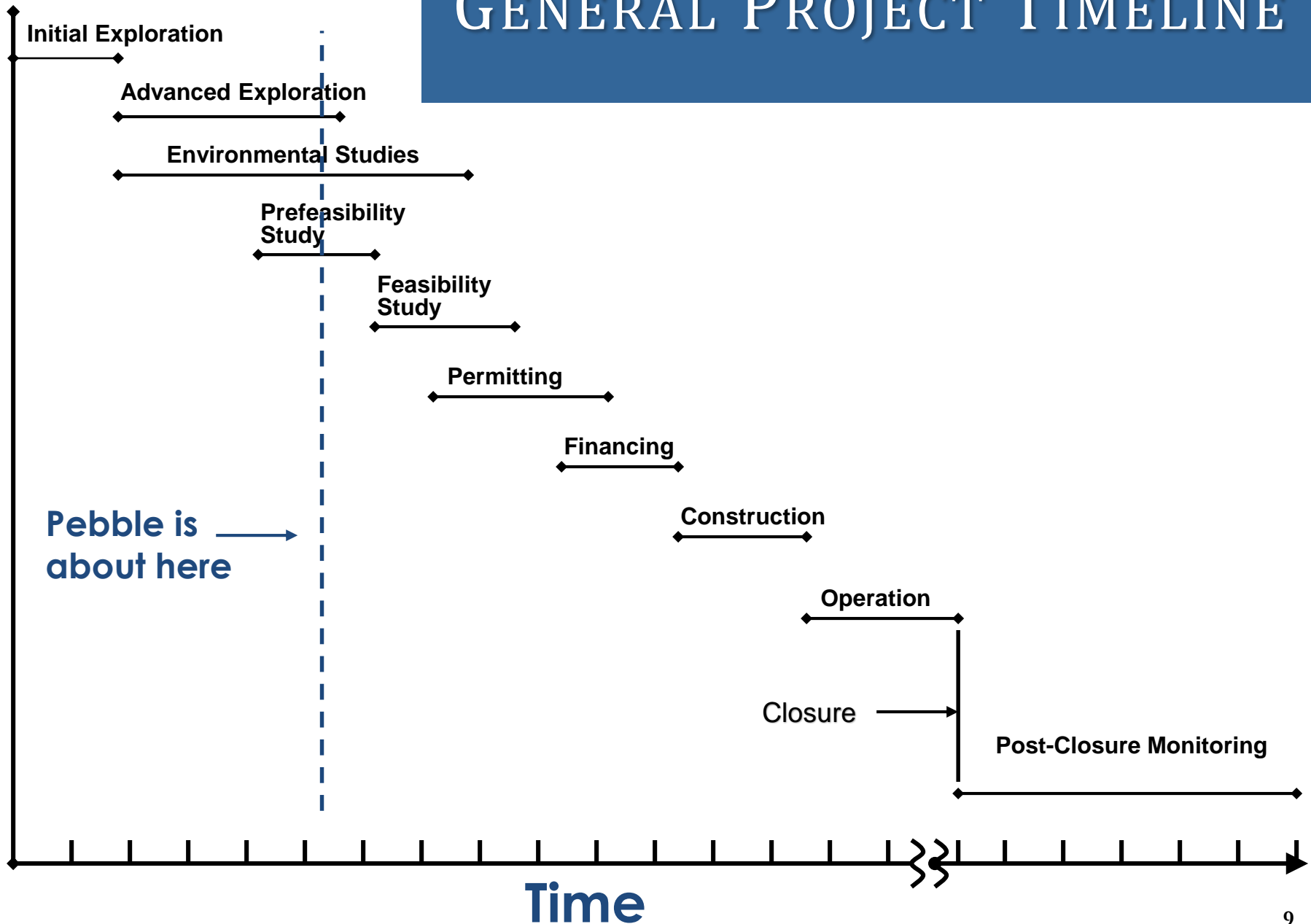
PEBBLE: SITE HISTORY

- **Baseline Environmental Studies**

- 2004 – 2008 baseline studies by PLP
 - available on DNR website
(<http://dnr.alaska.gov/mlw/mining/largemine/pebble/>)
- 2010 aquatic biomonitoring by ADF&G
 - Technical report 11-04 available on ADF&G website
(http://www.adfg.alaska.gov/index.cfm?adfg=habitat_publications.main)

Existing Facilities	
Main Supply Depot	West Bay 1
Watershed	West Bay 3
Acid Rock Drainage (ARD) Test Site	West Bay 4
Weather Station	Mountain Repeater Station

GENERAL PROJECT TIMELINE



PEBBLE: NEXT STEPS

- **Federal Review**

- **National Environmental Policy Act (NEPA)**

- PLP's application for a dredge and fill permit (Sec. 404 of the Clean Water Act) triggered NEPA
 - US Army Corps of Engineers (USACE) is the lead federal agency
 - The USACE has invited the State to be a cooperating agency
 - Sec. 404 application publicly noticed on Jan. 5, 2018

Public Scoping

Draft EIS

Final EIS

Record of
Decision

Implementation

- **Anticipated Federal Permits Include**

- Sec. 404 Permit (USACE)
 - Sec. 10 Rivers and Harbors Act Permit (USACE/US Coast Guard)
 - Pipeline right-of-way (Bureau of Safety and Environmental Enforcement)

PEBBLE: NEXT STEPS

- **Anticipated State Permits Include**
 - Plan of Operations & Reclamation Plan Approval (DNR)
 - Certificate of Approval to Construct a Dam (DNR)
 - Rights-of-way (DNR & DOT)
 - Land leases (DNR)
 - Water use authorizations (DNR)
 - 401 Certification (DEC)
 - Integrated Waste Management Permit (DEC)
 - Alaska Pollution Discharge Elimination Permit (DEC)
 - Air Quality Permit (DEC)
 - Spill Preparedness & Response Plan Approval (DEC)
 - Fish Habitat Permits (ADF&G)

PEBBLE: NEXT STEPS

- **State Permit Coordination**
 - Facilitated by DNR, Office of Project Management & Permitting (OPMP)
 - Multi-agency team approach
 - Framework for engaging in federal NEPA process
 - Facilitated intergovernmental communications
 - Avoids duplication of agency efforts
 - Early identification of issues
 - Improved public engagement

PEBBLE: NEXT STEPS

- DNR anticipates applications for state authorizations to be submitted during the federal NEPA process
- The USACE has identified a preliminary schedule that anticipates the Scoping phase of NEPA starting in March 2018, and a Record of Decision possibly by September 2019
- DNR will continue to regulate the exploration activities on site through the MLUP, and coordinate with DEC and ADF&G as necessary
- The State will continue to engage with the USACE and other federal agencies, Tribes, industry, and stakeholders

Questions?

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