

What is the Pebble Project?

The Pebble Project is an initiative of Anchorage, AK-based Northern Dynasty Mines Inc. (NDM) to develop two world-class mineral deposits and related infrastructure.

- **Pebble West** was discovered by Cominco (now Teck Cominco) in 1988. Subsequent drilling by NDM has defined a near-surface resource of 4.5 billion tons (in all categories) containing 24.7 billion pounds of copper, 42.1 million ounces of gold, and 1.35 billion pounds of molybdenum.
- The adjacent **Pebble East** deposit was discovered by NDM in 2005. Subsequent drilling has defined a deeper, richer resource of 3.7 billion tons containing 42.6 billion pounds of copper, 39.6 million ounces of gold, and 2.7 billion pounds of molybdenum. Ongoing drilling of this deposit will support the design of a long-lived mine at Pebble.

Location – The Pebble Project is located about 200 miles southwest of Anchorage in the Bristol Bay region of Alaska, on state land designated for mineral exploration and development. The nearest communities are Iliamna, Nondalton and Newhalen.



Status – Since acquiring Pebble in 2001, NDM has conducted geological exploration programs, and engineering, environmental and socioeconomic studies for a total project investment of \$128 million by year-end 2006. Exploration activities and technical programs are continuing and will support the preparation of a proposed mine development plan that could involve a combination of open-pit mining at Pebble West and underground mining at Pebble East.

Data collected from ongoing environmental studies will help guide both the project design and permitting applications to be submitted in the next few years. When completed, the project proposal will incorporate stringent measures to protect fisheries, wildlife, water quality, and subsistence resources in the Bristol Bay region.

Environmental Studies – NDM has invested \$49 million on its environmental studies to the end of the 2006. More than 50 consulting firms and 500 environmental scientists and technicians have contributed to these studies. More work is planned for 2007 to help design a mine that can operate safely while preserving important environmental values and traditional ways of life.

Socioeconomic Benefits – Responsible development of the proposed Pebble mine will generate long-term economic benefits for the region and state. These include:

- A capital investment of \$1-3 billion.
- 1,000 high-skill, high-wage operating jobs for 50-80 years. (Average compensation for mining jobs in Alaska in 2005 was \$72,150 or 82% higher than the state average. Mining also has one of the highest resident workforce rates in the state at 82.3%).
- 2,000 jobs during the project's 2-3-year construction phase.
- Hundreds of millions of dollars in annual operating expenditures.
- Tens of millions of dollars in annual payments to state and local government.
- Supply and service contracts and spin-off benefits for local communities.
- New social and economic infrastructure for the Bristol Bay region.

Community and Stakeholder Outreach – NDM has conducted more than 800 meetings with stakeholders since 2004, and will continue its community outreach programs in 2007. These events provide important public input for project planning and help the company identify issues of concern – such as protecting fisheries and subsistence resources.

Regulatory Review and Permitting – The proposed development plan for the Pebble Project, to be submitted in late 2008 or 2009, will be subject to an exhaustive regulatory review involving 11 state and federal agencies and the citizens of Alaska. NDM must provide the required information for an Environmental Impact Statement (EIS) and achieve more than 60 state and federal permits. The combined review and permitting process could take three years or more to complete.

Project Infrastructure – NDM is assessing infrastructure options for the Pebble Project. No final decisions have been made, but components being evaluated include a 104-mile controlled access industrial road between the project site and Cook Inlet, a pipeline for concentrate transport, a tidewater port, and power lines that would service the Pebble Project as well as nearby communities.