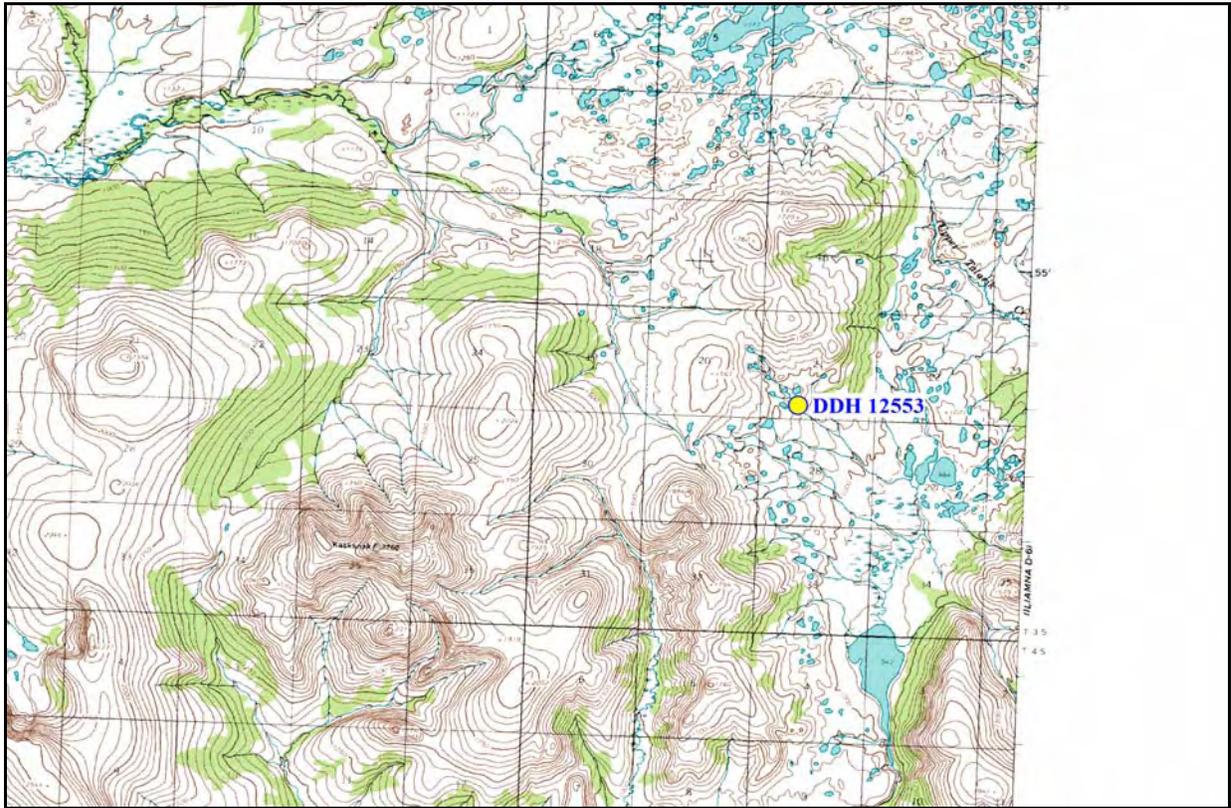


## Field Monitoring Report -- Pebble Copper/Gold Exploration Project --

Personnel: Kerwin Krause & Scott Pexton (DNR/DMLW) & Jeff Norberg (Manager, Site Compliance & Reclamation, PLP)	Inspection Date: September 11, 2012
	Site Contact: Jeff Norberg & Tom Jordan
	APMA #s: A126118 (DDH 12551 & DDH 12553) & A122788 (DDH 12554)
<ul style="list-style-type: none"> <li>■ Inspection Type:</li> </ul>	<ul style="list-style-type: none"> <li>■ Wildlife Observed:</li> </ul>
<ul style="list-style-type: none"> <li>○ Complete: X (DDH 12553, 12551 &amp; 12554)</li> </ul>	<ul style="list-style-type: none"> <li>○ Bear:</li> </ul>
<ul style="list-style-type: none"> <li>○ Partial:</li> </ul>	<ul style="list-style-type: none"> <li>○ Caribou:</li> </ul>
<ul style="list-style-type: none"> <li>○ Follow-up:</li> </ul>	<ul style="list-style-type: none"> <li>○ Moose:</li> </ul>
<ul style="list-style-type: none"> <li>○ Response to Public Complaint:</li> </ul>	<ul style="list-style-type: none"> <li>○ Waterfowl:</li> </ul>
	<ul style="list-style-type: none"> <li>○ Fish:</li> </ul>
<ul style="list-style-type: none"> <li>■ Weather Conditions:</li> </ul>	<ul style="list-style-type: none"> <li>○ Other: Ground squirrels</li> </ul>
<ul style="list-style-type: none"> <li>○ Temperature: 45 degrees F</li> </ul>	Poor weather may have inhibited observation of wildlife.
<ul style="list-style-type: none"> <li>○ Wind: 20+ knot wind from the south</li> </ul>	
<ul style="list-style-type: none"> <li>○ Precipitation: Raining at 45 degree angle</li> </ul>	
<ul style="list-style-type: none"> <li>○ Visibility: Poor to Moderate</li> </ul>	
<ul style="list-style-type: none"> <li>○ Sky Conditions: Cloudy, low ceilings</li> </ul>	
<ul style="list-style-type: none"> <li>○ Ground Conditions: Slightly wet</li> </ul>	
<ul style="list-style-type: none"> <li>■ Comments: Three drill sites were inspected (see attached maps). The 1<sup>st</sup> site we inspected was DDH 12553 located in the headwaters of the Lower Kaktuli River (A126118). The 2<sup>nd</sup> site was DDH 12551 located in the headwaters of the Kaktuli River drainage and north of Frying Pan Lake (A126118). This site was previously visited last month (8-23-12) by myself and Jim Renkert. Due to a mechanical problem with the drill after our previous inspection, and further waiting for parts, this DDH was only about ½ completed on this inspection. The 3<sup>rd</sup> site was DDH 12554 located in the Upper reaches of lower Kaktuli River (A122788). The TWUP site for DDH 12554 that was used for drill water was unusually far away (12,000+ feet). This was not because there were no other water sources nearby (several were within 600 feet), but because PLP was unable to timely get a TWUP for these nearby water sources within the time frame they wanted and needed to drill this DDH.</li> </ul>	
<ul style="list-style-type: none"> <li>■ Recommendations: None – drill sites visited on the ground were clean, orderly and in compliance with agency permitting requirements. Drill sites observed from the air (hover) appeared clean, orderly and in compliance with agency permitting requirements.</li> </ul>	
<ul style="list-style-type: none"> <li>■ Actions Needed: None.</li> </ul>	

Drill Hole/Site No.: DDH 12553	Date: September 11, 2012
Rig No.: 2	Time: 12:40 PM
Activity: DDH with planned depth of 1,600 feet.	
<ul style="list-style-type: none"> <li>■ Condition of Drilling Site: Orderly (see pictures below). Drilling depth 1,536 ft. so almost finished</li> </ul>	<ul style="list-style-type: none"> <li>■ Sump Pit (continued): Water from sump pit pumped up slope and away from any surface water and discharged on tundra</li> </ul>
<ul style="list-style-type: none"> <li>○ Distance from waterbody: &gt; 500 feet</li> </ul>	<ul style="list-style-type: none"> <li>○ Location and extent of discharged material: See above</li> </ul>
<ul style="list-style-type: none"> <li>○ Location of fuel storage: On tundra pads</li> </ul>	<ul style="list-style-type: none"> <li>○ Topsoil, muck, tundra stockpiled: Yes</li> </ul>
<ul style="list-style-type: none"> <li>○ Sorbent pads present: Yes, 1 barrel</li> </ul>	<ul style="list-style-type: none"> <li>○ Hose color: White</li> </ul>
<ul style="list-style-type: none"> <li>○ Tundra mat: Yes, and all drill related equipment situated on pads</li> </ul>	
<ul style="list-style-type: none"> <li>○ Pipe off tundra: Yes</li> </ul>	<ul style="list-style-type: none"> <li>■ Drill Water Supply:</li> </ul>
<ul style="list-style-type: none"> <li>○ Litter: None</li> </ul>	<ul style="list-style-type: none"> <li>○ Stream, lake/pond: Pond (see pictures)</li> </ul>
<ul style="list-style-type: none"> <li>○ Trash containment: Yes</li> </ul>	<ul style="list-style-type: none"> <li>○ Location: ~ 800 feet east</li> </ul>
<ul style="list-style-type: none"> <li>○ Sanitary facilities: Yes – privy and containment for removing sewage to Iliamna</li> </ul>	<ul style="list-style-type: none"> <li>○ Adequate water flow and depth for fish passage in streams: N/A</li> </ul>
<ul style="list-style-type: none"> <li>○ Any spills or staining: No</li> </ul>	<ul style="list-style-type: none"> <li>○ Evidence of significant impacts to riparian vegetation or stream banks: None</li> </ul>
<ul style="list-style-type: none"> <li>○ General impression: Clean</li> </ul>	<ul style="list-style-type: none"> <li>○ General impression of water body (i.e. clear, turbid, tannic): Clear</li> </ul>
	<ul style="list-style-type: none"> <li>○ Intake description: Screened electric submersible</li> </ul>
<ul style="list-style-type: none"> <li>■ Drilling Activity: DDH</li> </ul>	<ul style="list-style-type: none"> <li>○ Structure clear of debris: Yes</li> </ul>
<ul style="list-style-type: none"> <li>○ Drill additives in use: Extreme One</li> </ul>	<ul style="list-style-type: none"> <li>○ Mesh size: 1x12 mm slotted 0.1 CFS</li> </ul>
<ul style="list-style-type: none"> <li>○ Recirculation tank: Yes and in use</li> </ul>	<ul style="list-style-type: none"> <li>○ Submerged: Yes</li> </ul>
<ul style="list-style-type: none"> <li>○ Water discharged: Yes</li> </ul>	<ul style="list-style-type: none"> <li>○ Fuel/generator location to source: 100 feet south</li> </ul>
<ul style="list-style-type: none"> <li>○ Artesian zone encountered: No</li> </ul>	<ul style="list-style-type: none"> <li>○ Catch basin for fuel supply: Yes</li> </ul>
	<ul style="list-style-type: none"> <li>○ Sorbent pads: Yes</li> </ul>
<ul style="list-style-type: none"> <li>■ Sump Pit: Yes, 3 pits in use.</li> </ul>	<ul style="list-style-type: none"> <li>○ Hose color: Yellow</li> </ul>
<ul style="list-style-type: none"> <li>○ Location: 30 feet from drill collar</li> </ul>	
<ul style="list-style-type: none"> <li>○ Discharge trench: Yes</li> </ul>	<ul style="list-style-type: none"> <li>■ Other Comments: Orderly and clean</li> </ul>
<ul style="list-style-type: none"> <li>○ Dimensions of pit: 4 foot x 6 foot</li> </ul>	
<ul style="list-style-type: none"> <li>○ In use: Yes</li> </ul>	



Location of DDH 12553



Picture of DDH 12553



Picture of DDH 12553

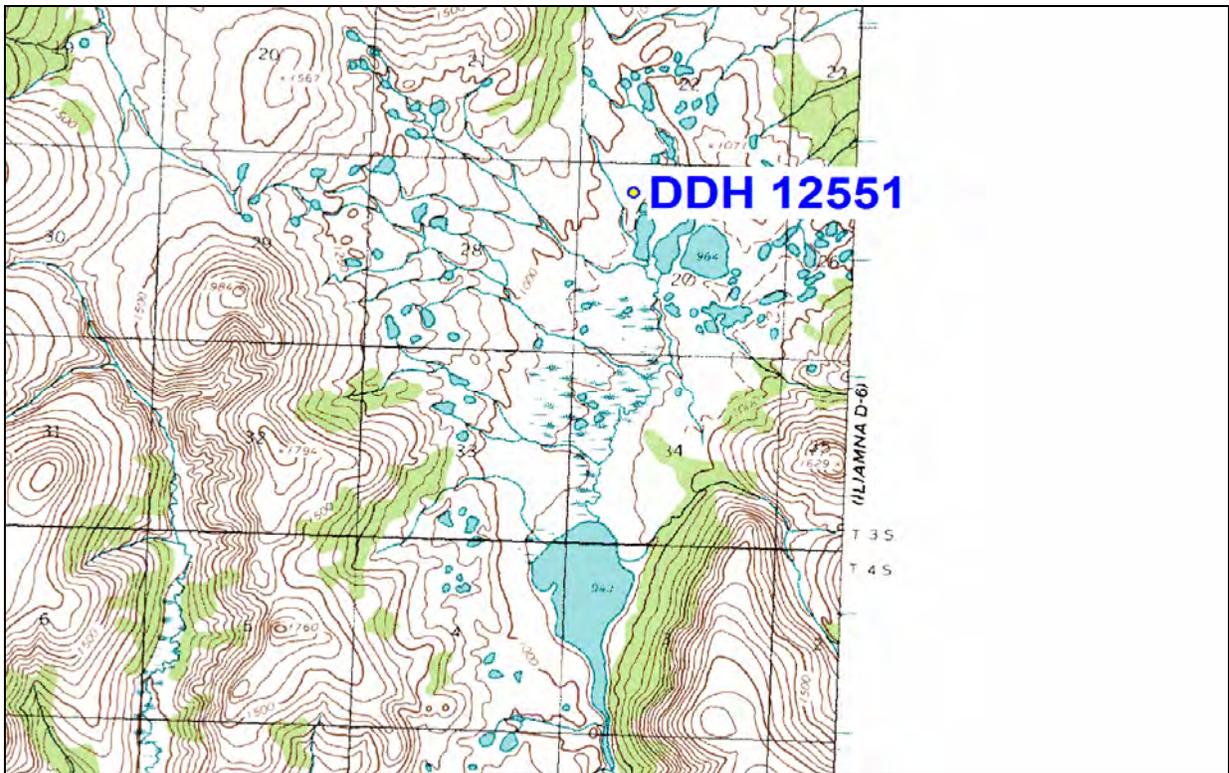


Picture of DDH 12553



Picture of DDH 12553

Drill Hole/Site No.: DDH 12551	Date: September 11, 2012
Rig No.: 3	Time: 1:10 PM
Activity: DDH with a proposed depth of 3,300 ft. and a current depth of 1,205 ft. See comments pg. 1	
<ul style="list-style-type: none"> <li>■ Condition of Drilling Site: Orderly (See Pictures Below) <ul style="list-style-type: none"> <li>○ Distance from waterbody: ~ 500 feet (TWUP and water source moved from last month)</li> <li>○ Location of fuel storage: Next to Drill</li> <li>○ Sorbent pads present: Yes, 1 barrel</li> <li>○ Tundra mat: Yes, and all drill related equipment situated on pads</li> <li>○ Pipe off tundra: Yes</li> <li>○ Litter: None</li> <li>○ Trash containment: Yes</li> <li>○ Sanitary facilities: Yes – privy &amp; containment for removing sewage to Iliamna</li> <li>○ Any spills or staining: No</li> <li>○ General impression: Clean</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Sump Pit (continued): <ul style="list-style-type: none"> <li>○ Location and extent of discharged material: North of Drill Collar</li> <li>○ Topsoil, muck, tundra stockpiled: Yes</li> <li>○ Hose color: White</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>■ Drilling Activity: Pump well. (Targeted depth ~ 3,300' / Currently at 1,205' depth) <ul style="list-style-type: none"> <li>○ Drill additives in use: Quick Troll &amp; Extreme One</li> <li>○ Recirculation tank: Yes and in use</li> <li>○ Water discharged: Yes – up slope</li> <li>○ Artesian zone encountered: No</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Drill Water Supply: <ul style="list-style-type: none"> <li>○ Stream, lake/pond: Pond</li> <li>○ Location: ~ 600 feet southeast of drill site (See Map)</li> <li>○ Adequate water flow and depth for fish passage in streams: N/A</li> <li>○ Evidence of significant impacts to riparian vegetation or stream banks: None</li> <li>○ General impression of water body (i.e. clear, turbid, tannic): Clear</li> <li>○ Intake description: Screened electric submersible</li> <li>○ Structure clear of debris: Yes</li> <li>○ Mesh size: 1x12 mm slotted 0.1 CFS</li> <li>○ Submerged: Yes</li> <li>○ Fuel/generator location to source: ~200 feet south</li> <li>○ Catch basin for fuel supply: Yes</li> <li>○ Sorbent pads: Yes</li> <li>○ Hose color: Yellow</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>■ Sump Pit: Yes, 3 Pits <ul style="list-style-type: none"> <li>○ Location: North of drill collar</li> <li>○ Discharge trench: Yes</li> <li>○ Dimensions of pit: 5 foot x 10 foot</li> <li>○ In use: Yes</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Other Comments: Hole will be used as a pump well</li> </ul>



Location of DDH 12551



Picture of DDH 12551



Picture of DDH 12551

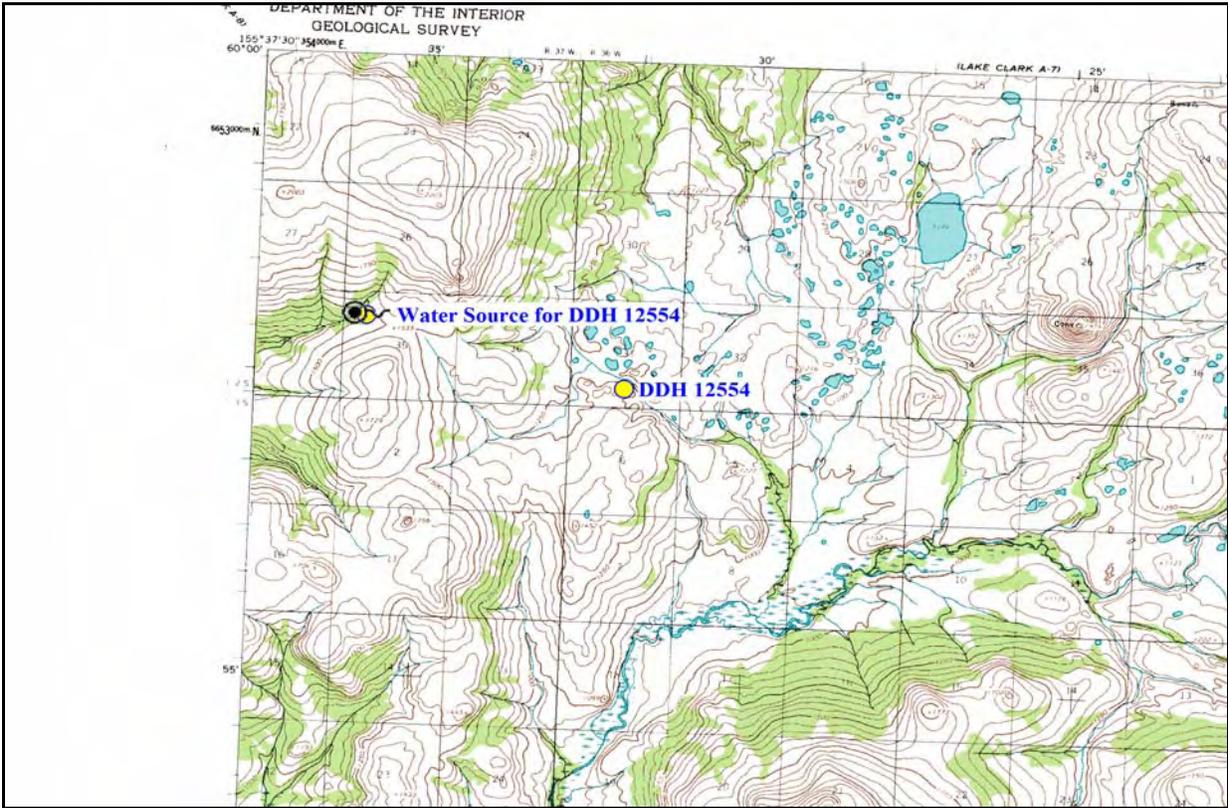


Picture of DDH 12551



Picture of DDH 12551

Drill Hole/Site No.: DDH 12554	Date: August 21, 2012
Rig No.: 6	Time: 2:00 PM
Activity: DDH with proposed depth of 1,300 feet. Current depth is 116 feet. DDH located in the upper reaches of the lower Koktuli River (A122788).	
<ul style="list-style-type: none"> <li>■ Condition of Drilling Site: Orderly (See Pictures Below) <ul style="list-style-type: none"> <li>○ Distance from waterbody: ~ 400 feet</li> <li>○ Location of fuel storage: Next to Drill</li> <li>○ Sorbent pads present: Yes, 1 barrel</li> <li>○ Tundra mat: Yes, and all drill related equipment situated on pads.</li> <li>○ Pipe off tundra: Yes</li> <li>○ Litter: None</li> <li>○ Trash containment: Yes</li> <li>○ Sanitary facilities: Yes – privy and containment for removing sewage to Iliamna</li> <li>○ Any spills or staining: No</li> <li>○ General impression: Clean</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Sump Pit (continued): <ul style="list-style-type: none"> <li>○ Location and extent of discharged material: 100 feet north of drill collar</li> <li>○ Topsoil, muck, tundra stockpiled: Yes</li> <li>○ Hose color: White</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>■ Drilling Activity: Current depth is 126 feet <ul style="list-style-type: none"> <li>○ Drill additives in use: Extreme One</li> <li>○ Recirculation tank: Yes</li> <li>○ Water discharged: Not yet</li> <li>○ Artesian zone encountered: No</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Drill Water Supply: The TWUP site for this DDH that was used for drill water was unusually far away (12,000+ feet). <ul style="list-style-type: none"> <li>○ Stream, lake/pond: Creek</li> <li>○ Location: East of drill about 12,000 feet (See Map)</li> <li>○ Adequate water flow and depth for fish passage in streams: Yes</li> <li>○ Evidence of significant impacts to riparian vegetation or stream banks: No ?</li> <li>○ General impression of water body (i.e. clear, turbid, tannic): Clear</li> <li>○ Intake description: Screened electric submersible</li> <li>○ Structure clear of debris: Yes</li> <li>○ Mesh size: 1x12 mm slotted 0.1 CFS</li> <li>○ Submerged: Yes</li> <li>○ Fuel/generator location to source: &gt;100 feet west</li> <li>○ Catch basin for fuel supply: Yes</li> <li>○ Sorbent pads: Yes</li> <li>○ Hose color: Yellow</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>■ Sump Pit: Yes, 3 Pits <ul style="list-style-type: none"> <li>○ Location: 30 feet east of drill site</li> <li>○ Discharge trench: Yes</li> <li>○ Dimensions of pit: 5 foot x 10 foot</li> <li>○ In use: Yes</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Other Comments:</li> </ul>



Location of DDH 12554



Picture of DDH 12554



Picture of DDH 12554



Picture of DDH 12554



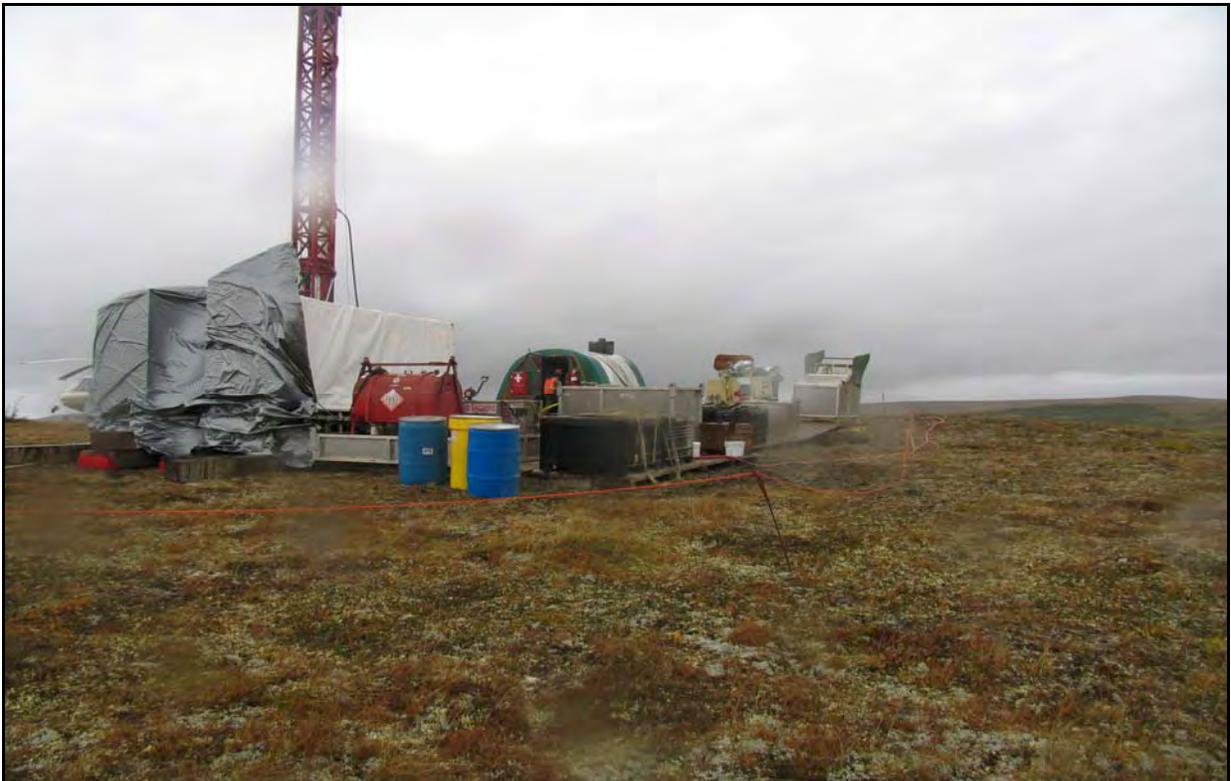
Picture of DDH 12554



Picture of DDH 12554



Picture of DDH 12554



Picture of DDH 12554



Aerial Picture of Water Pump Site for DDH 12554