

INSPECTION REPORT

PEBBLE EXPLORATION

Inspection Date: 9/20/04

Operator: Northern Dynasty Minerals, Ltd.

Weather: Mostly Cloudy with limited visibility; rain heavy at times, strong winds.

Operator Contact: Mike Smith

Inspector: Ed Fogels, DNR Office of Project Management and Permitting 

Also present: Justin Ireys (DNR/DMLW), Dave Ryland (ADF&G), Larry Peltz (NMFS), Phil Brna (USFWS), Bruce Jenkins (NDM), Jim Buell (NDM).

Departed Iliamna Air Taxi at Anchorage Airport at 9:00 am, arrived in Iliamna at 10:00 am.

We received a project briefing at NDM's headquarters. 15-20 new groundwater monitoring wells would be installed this season. NDM anticipates completing a bankable feasibility study by June of 2005.

Due to low ceiling, we were not able to depart for the project site until 2:30 pm.

Flew in helicopters up Upper Talarik Creek to the headwaters, and landed on a knob overlooking the area. Observed several drill rigs operating, all appeared in order. Very little disturbance was observed, but we did not get to the drill sites themselves. We could not tell where any of the previous drill sites had been.

Flew down the South Fork of the Koktuli River, up Bear Valley, then up the small valley where the water supply reservoir was proposed in several of the alternatives. Flows in the South Fork were intermittent—the creek bed would be dry for several hundred yards, then would be flowing for several hundred more yards, then would dry up again..

We left the project site down the Upper Talarik Creek drainage, then followed the proposed road alignment to the Newhalen River, then back to Iliamna.

Departed Iliamna at 4:15 pm. Arrived back in Anchorage at 5:15 pm.