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Press Release

COMMISSIONER'S OFFICE

FOR IMMEDIATE RELEASE

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Division of Mining, Land, and Water

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Reinstatement of Pebble Limited Partnership Exploration Permits and Temporary Water Use Permits

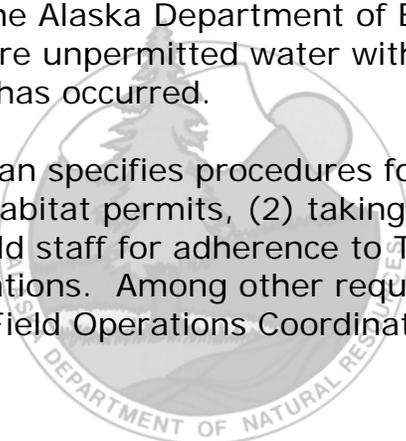
(Anchorage, AK) The Alaska Department of Natural Resources (DNR) announced today that it has reinstated permits that allow the Pebble Limited Partnership (Partnership) to continue exploration drilling on its mining claims.

The DNR suspended the Partnership's land use permits and temporary water use authorizations on January 16, 2010 after investigating and being informed by the Partnership that it had taken water from 45 unpermitted locations over the last three years. Additionally, the State entered into a Settlement Agreement with the Partnership relating to the unpermitted withdrawals, assessing a \$45,000 penalty from the Partnership, which has been paid.

The Settlement Agreement also required the Partnership to develop and receive State approval on a water withdrawal plan. The water withdrawal plan was approved by DNR and the Alaska Department of Fish and Game (ADF&G), and outlines specific actions that must be taken to ensure that future water withdrawals meet permit conditions, and only occur at permitted locations. In addition, the Partnership will need to follow ADF&G's direction for the reinstatement of Fish Habitat Permits before water withdrawals can resume.

During the 2010 field season DNR, ADF&G, and the Alaska Department of Environmental Conservation (DEC) will inspect the locations where unpermitted water withdrawals took place to determine if any environmental damage has occurred.

The approved Pebble Project Water Withdrawal Plan specifies procedures for (1) obtaining temporary water use permits and fish habitat permits, (2) taking of water, (3) reporting, and (4) coordination and training of field staff for adherence to Temporary Water Use Permits and Fish Habitat Permit stipulations. Among other requirements, the plan calls for the Partnership to designate a Site Field Operations Coordinator and



Surveyor to ensure that all permit stipulations and guidelines are followed. The plan also requires the Partnership to designate a Site Environmental Compliance Officer to develop and supervise a training program for field staff associated with the water withdrawals. The Water Withdrawal Plan is available on the State's website at: <http://dnr.alaska.gov/mlw/mining/largemine/pebble/index.htm> .

DNR has been informed by the Partnership that it intends to conduct additional exploration on its mining claims in 2010.

The Pebble Project involves mineral exploration of a large copper-gold-molybdenum deposit located on state-owned land in the Bristol Bay watershed of Southwest Alaska. The deposit was discovered in 1988. The Partnership continues to explore the Pebble deposit and other prospects on its block of mining claims, but has not yet submitted any mine development applications to the State.

For further information – contact Dick Mylius (269-8625) or Tom Crafford (269-8629)

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