

## Media Release

# Pebble Limited Partnership (PLP) Unpermitted Water Withdrawals

February 12, 2010

The Alaska Department of Natural Resources (DNR) announced today that it has suspended the Pebble Limited Partnership's (PLP) short-term water and land use permits for exploration of the Pebble mineral deposit on state land north of Lake Iliamna. The permits were suspended because PLP used water in exploration drilling that was taken from lakes and portions of streams outside of those areas permitted under Temporary Water Use Authorizations (TWUPs) issued by the DNR, Division of Mining, Land and Water. Taking the quantities of water used from these sites and sources without a permit from DNR constitutes a violation of the Alaska Water Act and related state regulations.

DNR determined the unpermitted water withdrawals occurred at 45 sites over a three-year period in 2007, 2008, and 2009. In addition to the unpermitted water withdrawals, on five occasions PLP also placed water intake structures in non-anadromous streams without first obtaining a review by the Alaska Department of Fish and Game, Habitat Division to determine if Fish Habitat permits were required, which is a violation of Alaska Statute 16.05. Due to the nature of the activities and because PLP followed guidelines contained in permits DNR had issued to PLP for other areas, the state resource agencies that oversee the exploration efforts believe no environmental damage occurred from the unpermitted withdrawals at these locations.

The unpermitted withdrawals were reported to DNR by the Pebble Limited Partnership in a letter submitted to the Department on November 6, 2009. At that time, the company had ceased operations for the winter. On January 14, 2010, after DNR's review of the matter, DNR issued a letter to PLP notifying PLP that the agency was suspending the Temporary Water Use Permits and the Land Use Permits for its exploratory drilling. In the letter, DNR outlined the steps it would require PLP to take to ensure that such violations do not reoccur.

An agreement signed yesterday by the Attorney General's Office and PLP outlines the steps that must be taken by PLP before the permits can be re-instated. In addition to paying a \$45,000 penalty, PLP must implement a plan, subject to approval by DNR and ADF&G, to ensure unpermitted water withdrawals do not occur in the future.

DNR Division of Mining, Land and Water Director Dick Mylius noted that while the unpermitted withdrawals are of concern and steps are being put in place to avoid them in the future, numerous interagency site inspections found that the exploration employed appropriate measures, such as proper screening and maintenance of adequate water depth where water was taken, and did not observe any evidence of environmental damage. An interagency team will also inspect locations where the unpermitted withdrawals occurred when snow conditions allow.

Pebble is a copper-gold-molybdenum deposit located on state owned land in the salmon rich watersheds of Bristol Bay in Southwest Alaska. The Pebble Limited Partnership has been conducting extensive exploratory drilling of the deposit 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).