



2012 ANNUAL ACTIVITY & MONITORING UPDATE

Summary of 2012 Production:

- 17 MSHA Reportable Incidents, 5 of which were Lost Time Incidents
- 12 spills reported to ADEC (16 spills were reported in 2011)
- Mine production averaged 2,229 tons per day for a total of 815,922 ore tons
- 26,896 feet of lateral development
- 120,165 ft of definition drilling underground
- Mill throughput averaged 2,392 tons for a total of 875,351 tons processed
- 315,886 troy ounces produced
- Average Recovery 89.7%
- 18.24% Turn Over Rate
- Current Mine Life is First Quarter 2019

Summary of 2012 Activities:

Pogo continues to control access and monitors all traffic on the 49-mile Mine Access Road. Pogo provides staff at the main gate or entrance facility from 0600 to 2000 hrs daily. During “after-hours” periods, the gate can be remotely controlled for entry by Pogo Mine Security. All traffic on the roadway is required to call in via radio every five miles on a designated frequency. Maintenance activities along the all-season road consisted of re-grading the entire road several times. During the August and September hunting seasons for caribou and moose, Pogo provides additional security personnel at the Alyeska Pipeline right-of-way, ensuring that unauthorized ATV traffic does not attempt to enter the roadway. “No Trespassing” signs are clearly posted for all roadway travelers.

In Addition, Pogo accomplished the following:

- Constructed a 77-bed “D-Wing” addition to the lower camp facilities
- Began construction on a new Diversion Ditch to expand the Drystack Tailings Facility from 7.5M to 20M tons. The project stands at 70% completion after the first construction season.
- Constructed two additional sand filters at Mine Water Treatment Plant #2 (MWTP2) and upgraded 9,500 feet of pipeline from six-inch to ten-inch between MWTP2 and the Off River Treatment Works (ORTW).
- Began construction on expansion of the electrical Substation and development of a new 2150 portal area.
- Completed upgrades converting the Sewage Treatment Plant from an SBR to an MBR system.
- Began installation of a new Potable Water Treatment Plant #3 at lower camp.
- Constructed five new monitoring wells: MW12-500, MW12-501, and MW12-502 (down gradient of the RTP to replace the MW03-500 series wells) and MW12-001A&B near the airstrip.
- Completed first year of meteorological monitoring with 99% data recovery for dispersion modeling of the East Deep Expansion.
- Initiated Hydrology Study in support of East Deep Expansion.
- Initiated baseline studies for Hill 4021 Expansion including wetland delineation and a wildlife occurrence and habitat assessment.
- Poured our Two Millionth ounce of Gold!

Summary of 2012 Exploration Activities:

Surface exploration activities in 2012 comprised of the completion of 33 drill holes, from 14 sites, totaling 67,770 feet. 20 holes were completed at 9 helicopter-supported sites and 13 holes were completed at 5 road-based sites. Drilling operations were conducted between April 29 and October 22, 2012. Underground exploration drilling totaled 6,650 feet.