



2011 ANNUAL ACTIVITY & MONITORING UPDATE

Summary of 2011 Production:

- 4 MSHA Reportable Incidents, 2 of which were Lost Time Incidents
- 16 spills reported to ADEC (27 spills were reported in 2010)
- Mine production averaged 2,446 tons per day for a total of 892,725 ore tons
- 14,212 feet of lateral development
- 76,672 feet of exploration drilling (70,972 ft on surface and 5,700 ft underground)
- Mill throughput averaged 2,545 tons for a total of 929,020 tons processed
- 325,708 troy ounces produced
- Average Recovery 89.6%
- 19% Turn Over Rate
- Current Mine Life is First Quarter 2017

Summary of 2011 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 new Incinerator Building. The building is a 50 foot diameter thin shell concrete dome with a reinforced poured concrete footing. The new incinerator was commission in February 2012.
- Constructed two new meteorological stations consisting of an eleven meter tower with instruments collecting the following data:
 - Wind Speed and Direction (at 10 meters)
 - Sigma Theta
 - Air Temperature (2 meters & 10 meters)
 - Delta T
 - Solar Radiation
 - Precipitation
- Decommissioned four Seepage Collection Wells (SCW 1-4) due to casing failure.
- Constructed three new monitoring wells: MW11-216 down gradient of the ore zone and MW11-001A&B between the DSTF and the RTP.

Summary of 2011 Exploration Activities:

In 2011 the Pogo exploration program focused on surface and underground drilling in the immediate mine area. The surface drilling was conducted from April 20 through October 16 for a total of 179 days. A combination of road-based and helicopter-supported drilling completed 68 drill holes totaling 70,281 feet. Exploration constructed 20 drill sites and 15 heli-pads to support the drilling program.