Field Monitoring Report -- Pebble Copper/Gold Exploration Project --

| Personnel: | Inspection Date: August 31, 2010 |
|---|-------------------------------------|
| Kerwin Krause, DNR-DMLW | Site Contact: Jeff Norberg |
| | APMA #: A106118 |
| | |
| | |
| | |
| Inspection Type: | Wildlife Observed: None |
| o Complete: Yes | o Bear: |
| o Partial: | o Caribou: |
| ○ Follow-up: | o Moose: |
| Response to Public Complaint: | o Waterfowl: |
| | o Fish: |
| Weather Conditions: | o Other: |
| o Temperature: 40-50 F | |
| o Wind: 20 South | Water level at Frying Pan Lake: N/A |
| o Precipitation: Light | o Observed inflow: |
| o Visibility: Good at lower elevations | o Observed outflow: |
| $_{\odot}$ Sky Conditions: Overcast with low clouds | |
| o Ground Conditions: Normal | |
| | |

Recommendations: None – all exploration activity was in compliance with permits.

Actions Needed: None

| Drill Hole/Site No.: 10506 (EX 2010 CF) | Rig No.: |
|---|---|
| Activity: Demobilization from DDH site (see photo 1 | Date: August 31, 2010 |
| | |
| Condition of Drilling Site: Good | Sump Pit (continued): |
| $_{\odot}$ Distance from waterbody: 2,100 feet | Location and extent of discharged material: Sump trenches |
| $_{\odot}$ Location of fuel storage: N/A | $_{\odot}$ Topsoil, muck, tundra stockpiled: Yes |
| Sorbent pads present: N/A | o Location of secondary sump pit: Adjacent |
| o Tundra mat: Still in place | o Hose color: Yellow |
| o Pipe off tundra: Yes | |
| o Litter: None | Drill Water Supply: |
| o Trash containment: N/A | o Stream, lake, kettle pond: Stream |
| Sanitary facilities: N/A | o Location: South Fork Koktuli River |
| Any spills or staining: None | Adequate water flow and depth for fish passage in streams: N/A |
| o General impression: Clean | Evidence of significant impacts to riparian vegetation or stream banks: N/A |
| | o Relative water level: N/A |
| Drilling Activity: | General impression of water body, i.e. clear, turbid, tannic: N/A |
| o Drill additives in use: | o Intake structure: N/A |
| o Water recirculation: | o Structure clear of debris: N/A |
| o Water discharged: | o Mesh size: N/A |
| o Artesian zone encountered: | o Submerged: N/A |
| | Pump location to source: N/A |
| ■ Sump Pit: | o Catch basin for fuel supply: N/A |
| o Location: | o Sorbent pads: N/A |
| o Discharge trench: | o Hose color: Yellow |
| Dimensions of pit: | |
| o In use: | |

Abandoned Drill Hole/Site No.: 10506 EX 2010 CF

- Plugged: Didn't land but believe so
- Cemented: Didn't land but believe so
- Standing pipe: Yes
- Sump pit filled in: Not yet
- Water discharge trench filled in: Not yet
- Site revegetated: Not yet
- Artesian water present: No
- Any spills or staining: No
- Comments/General impression: Site ready for final demobilization and reclamation (see photo 1)



Photo 1 - Hole # 10506 EX 2010 CF

| Drill Hole/Site No.: 10507 (EX 2010 DU) | Rig No.: |
|--|--|
| Activity: Quest Drilling DDH in progress | Date: 8-31-2010 |
| Condition of Drilling Site: Clean | ■ Sump Pit (continued): |
| oDistance from waterbody: 330' | Location and extent of discharged material: In sump trench only |
| Location of fuel storage: Adjacent to drill rig and pump | Topsoil, muck, tundra stockpiled: Yes |
| oSorbent pads present: Yes | Location of secondary sump pit: Adjacent |
| oTundra mat: Yes | oHose color: |
| \circ Pipe off tundra: Most of it was | |
| oLitter: None | Drill Water Supply: Sump Recycle plus stream |
| oTrash containment: Yes | oStream, lake, kettle pond: Stream |
| Sanitary facilities: Yes | Location: South Fork Koktuli River |
| oAny spills or staining: No | Adequate water flow and depth for fish passage in streams: Yes |
| oGeneral impression: Looked good | Evidence of significant impacts to riparian vegetation or stream banks: No |
| | oRelative water level: Normal |
| Drilling Activity: | General impression of water body, i.e. clear, turbid, tannic: Clear |
| Drill additives in use: Penetrol and Extreme #1 | Intake structure: Submersible electric pump/approved screen |
| Water recirculation: Yes w/500 gallon tank | oStructure clear of debris: Yes |
| oWater discharged: Yes to sump | oMesh size: ? but F&G authorized |
| oArtesian zone encountered: No | oSubmerged: Yes |
| | oPump location to source: N/A |
| ■ Sump Pit: | oCatch basin for fuel supply: Yes |
| oLocation: adjacent to casing | Sorbent pads: Yes |
| oDischarge trench: Yes | oHose color: Yellow |
| oDimensions of pit: 4'x5'x40' | |
| oln use: Yes, see Pictures 3-5 | |

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Photo 2 - Hole # 10507 EX 2010 DU



Photo 3 - Hole # 10507 EX 2010 DU



Photo 4 - Hole # 10507 EX 2010 DU

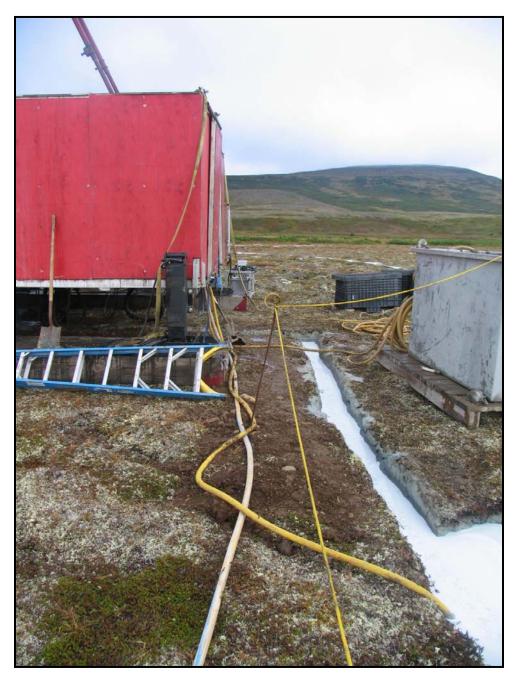


Photo 5 - Hole # 10507 EX 2010 DU



Photo 6 - Hole # 10507 EX 2010 DU

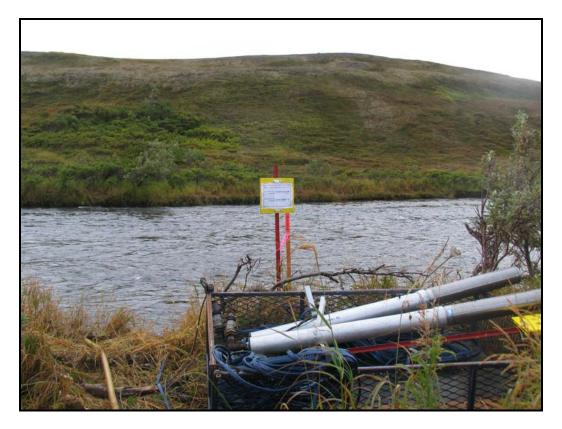


Photo 7 - Hole # 10507 EX 2010 DU



Photo 8 - Hole # 10507 EX 2010 DU



Photo 9 - Hole # 10507 EX 2010 DU

| Drill Hole/Site No.: EX 2010 D | Rig No.: |
|---|---|
| Activity: Preparing DDH site and sump for | |
| Quest Drilling to set up on next | Date: 8-31-2010 |
| | |
| Condition of Drilling Site: Set Up | ■ Sump Pit (continued): |
| oDistance from waterbody: 650' | Location and extent of discharged material: Will be in sump |
| oLocation of fuel storage: N/A | oTopsoil, muck, tundra stockpiled: Yes |
| Sorbent pads present: N/A | Location of secondary sump pit: Adjacent |
| oTundra mat: N/A | oHose color: N/A |
| ○Pipe off tundra: N/A | |
| oLitter: None | Drill Water Supply: |
| oTrash containment: N/A | oStream, lake, kettle pond: Stream |
| Sanitary facilities: N/A | Location: South Fork Koktuli River |
| oAny spills or staining: No | Adequate water flow and depth for fish passage in streams: Yes |
| oGeneral impression: Clean | Evidence of significant impacts to riparian vegetation or stream banks: N/A |
| | Relative water level: Average |
| Drilling Activity: | General impression of water body, i.e. clear, turbid, tannic: Clear |
| oDrill additives in use: N/A | oIntake structure: N/A |
| oWater recirculation: N/A | oStructure clear of debris: N/A |
| oWater discharged: N/A | o Mesh size: N/A |
| oArtesian zone encountered: N/A | oSubmerged: N/A |
| | oPump location to source: N/A |
| ■ Sump Pit: | oCatch basin for fuel supply: N/A |
| oLocation: Adjacent to Drill pad | oSorbent pads: N/A |
| oDischarge trench: Adjacent to drill | oHose color: N/A |
| oDimensions of pit: ? Not finished yet | |
| oIn use: Not yet | |
| | |



Photo 10 – Drill site being prepared for DDH Hole EX 2010 D

| Abandoned Drill Hole/Site No.: 10489 | Date: August 31, 2010 |
|--|-----------------------|
| ■ Plugged: Believe so | |
| Cemented: Believe so | |
| ■ Standing pipe: No | |
| ■ Sump pit filled in: Yes | |
| Water discharge trench filled in: Yes | |
| ■ Site revegetated: N/A – Barren gravel knob | |
| ■ Artesian water present: No | |
| ■ Any spills or staining: No | |
| Comments/General impression: Good recla site except for the ground post identifying the | • |



Photo 11 – Abandoned/Reclaimed DDH site # 10489

| Abandoned Drill Hole/Site No.: 10495 | (EX |
|--------------------------------------|-----|
| 2010 R) | - |

- Plugged: Yes
- Cemented: Yes
- Standing pipe: No
- Sump pit filled in: Yes
- Water discharge trench filled in: Yes
- Site revegetated: Yes
- Artesian water present: No
- Any spills or staining: No
- Comments/General impression: Good reclamation hard to identify abandoned DDH site except for the ground post identifying the location

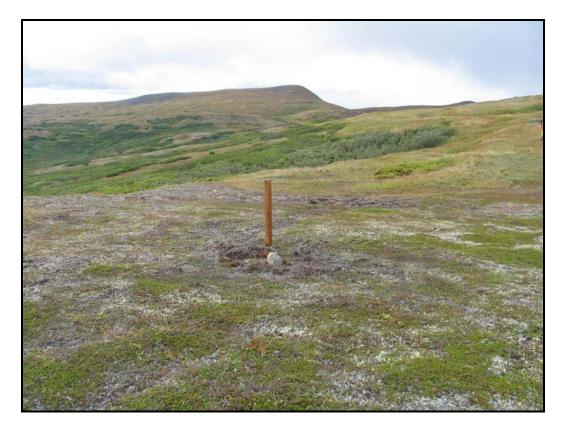


Photo 12 – Abandoned/Reclaimed DDH site # 10495 (EX 2010 R)

| Drill Hole/Site No.: 10508 (EX 2010 DP) | Rig No.: |
|--|--|
| Activity: Quest Drilling DDH in progress | Date: 8-31-2010 |
| Condition of Drilling Site: Clean | ■ Sump Pit (continued): |
| oDistance from waterbody: 4,800' | Location and extent of discharged material: In sump trench only |
| Location of fuel storage: Adjacent to drill rig and pump | oTopsoil, muck, tundra stockpiled: Yes |
| oSorbent pads present: Yes | Location of secondary sump pit: Adjacent |
| oTundra mat: Yes | oHose color: |
| ○Pipe off tundra: Yes | |
| oLitter: None | Drill Water Supply: Sump Recycle plus stream |
| oTrash containment: Yes | oStream, lake, kettle pond: Stream |
| Sanitary facilities: Yes | Location: Between North Fork Koktuli and Upper Talarik Creek |
| oAny spills or staining: No | Adequate water flow and depth for fish passage in streams: Yes |
| oGeneral impression: Looked good | Evidence of significant impacts to riparian vegetation or stream banks: No |
| | oRelative water level: Normal |
| Drilling Activity: | General impression of water body, i.e. clear, turbid, tannic: Clear |
| Drill additives in use: Penetrol and Extreme #1 | oIntake structure: Submersible electric pump/approved screen |
| Water recirculation: Yes w/500 gallon tank | oStructure clear of debris: Yes |
| oWater discharged: Yes to sump | oMesh size: ? but F&G authorized |
| oArtesian zone encountered: No | oSubmerged: Yes |
| | oPump location to source: N/A |
| ■ Sump Pit: | oCatch basin for fuel supply: Yes |
| oLocation: adjacent to casing | Sorbent pads: Yes |
| oDischarge trench: Yes | oHose color: Yellow |
| oDimensions of pit: 4'x5'x40' | |
| oIn use: Yes, see Pictures | |

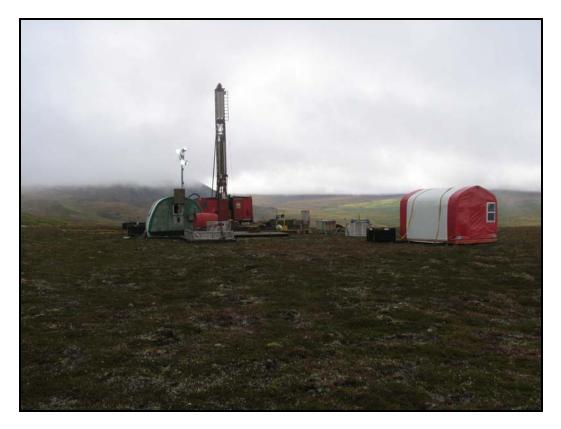


Photo 13 - DDH site # 10508 (EX 2010 DP)



Photo 14 - DDH site # 10508 (EX 2010 DP)

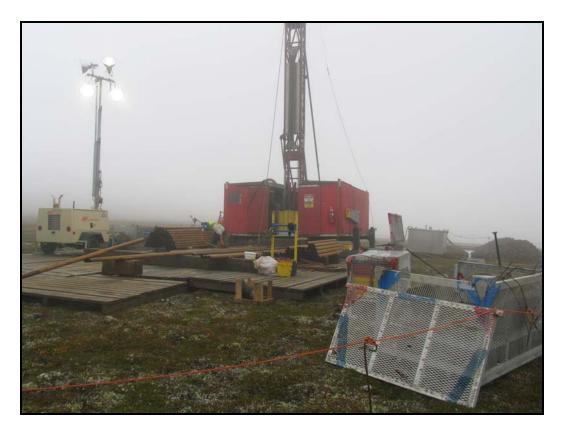


Photo 15 - DDH site # 10508 (EX 2010 DP)



Photo 16 - DDH site # 10508 (EX 2010 DP)



Photo 17 - DDH site # 10508 (EX 2010 DP)



Photo 18 - DDH site # 10508 (EX 2010 DP)



Photo 19 - DDH site # 10508 (EX 2010 DP)

| Abandoned Drill Hole/Site No.: EX 2010 DO | Date: August 31, 2010 |
|---|-----------------------|
| ■ Plugged: ? | |
| ■ Cemented: ? | |
| ■ Standing pipe: ? | |
| ■ Sump pit filled in: No | |
| Water discharge trench filled in: No | |
| ■ Site revegetated: No | |
| Artesian water present: No | |
| Any spills or staining: No | |
| Comments/General impression: DDH site be footings and tundra pads waiting to be remo | o |



| Abandoned Drill Hole/Site No.: 9463 (2009) | Date: August 31, 2010 |
|---|-----------------------|
| ■ Plugged: Yes | |
| ■ Cemented: Yes | |
| ■ Standing pipe: No | |
| ■ Sump pit filled in: Yes | |
| Water discharge trench filled in: Yes | |
| ■ Site revegetated: Yes | |
| Artesian water present: Yes | |
| Any spills or staining: Yes | |
| Comments/General impression: Good Reclaration | amation |



Photo 21 - DDH site # 9463 (2009)

| Abandoned Drill Hole/Site No.: 9452 (2009 |)) |
|---|------------|
|---|------------|

- Plugged: Yes
- Cemented: Yes
- Standing pipe: No
- Sump pit filled in: Yes
- Water discharge trench filled in: Yes
- Site revegetated: Yes
- Artesian water present: Yes
- Any spills or staining: Yes
- Comments/General impression: Good Reclamation



Photo 22 – DDH site # 9452 (2009)



Photo 23 – Contractor digging and sampling a test pit for a geotechnical study