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May 22, 2020

Mr. Tom Collier, CEO
Pebble Limited Partnership
3201 C Street, Suite 505
Anchorage, AK 99503

Dear Tom,

Thank you for your letter dated May 4, 2020, that offers BBNC roles in either administering a regional revenue sharing program from Pebble revenues or constructing, owning or operating parts of the mine infrastructure.

BBNC has been engaged on Pebble since Cominco began exploration activities in the late 1980s. BBNC did not adopt a formal position on the project for nearly two decades while we followed the exploration progress and gathered information about the potential development. We also engaged in a lengthy dialogue with our shareholders, to both share information about the project and listen to their concerns and opinions. What we learned about the project raised numerous red flags. Many of us remember the community meetings in 2006 when then Northern Dynasty Minerals (NDM) Chief Operating Officer Bruce Jenkins boasted that NDM was planning to build such a large open pit mine that it would be visible from space. Concerns about the project grew from that point forward and led to our Board of Directors adopting Resolution 09-41 by which BBNC formally opposed the development of the project given "the unquantifiable impacts the Mine could have on the resources of the Bristol Bay region and BBNC."

No appreciable numbers of BBNC shareholders or Alaskans support your project. In BBNC's most recent formal polling of shareholders, close to 80% were opposed to project and close to 90% had concerns about the risks it would pose to Bristol Bay's salmon fisheries. These numbers track closely to prior polling in 2011 when 81% of our shareholders opposed the project. Alaskans overall are not particularly supportive of the project either. BBNC has polled registered Alaskan voters on Pebble annually for nearly ten years. At no point has support for the project exceeded 40% and, this past year, that support was at one of its lowest levels, 33%. In summary, BBNC's stance opposing Pebble has always been a manifestation of our shareholders' overwhelming opposition to the project and is consistent with the opinions of most Alaskans.

The facts underpinning this opposition are simple. Salmon, subsistence and a fishing-economy are incredibly important to all the residents of Bristol Bay and most Alaskans. The sockeye salmon returns to Bristol Bay each of the last two years have been extraordinary,

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exceeding 50 million fish. The commercial harvests exceeded 30 million fish. In total, Bristol Bay's commercial fishing industry generates \$1.5 billion in total economic activity and more than \$500 million in local economic activity, and supports more than 14,000 jobs nationwide. The region's subsistence fishery is equally important. Nearly every household in the region participates and relies on that harvest. At a very basic level, most residents of Bristol Bay and many Alaskans are part of a salmon culture and are not willing to risk it for short-term and uncertain future gains.

Over the last ten years, BBNC has actively engaged in the EPA-led and, more recently, Corps-led regulatory processes related to Pebble. We have provided our input when given the opportunity, and listened to other experts. Everything we have learned during this process has strengthened our position that Pebble is the wrong mine for Bristol Bay. Numerous risks lead to this conclusion. To list a few: the deposit is too big; much of the deposit will be developed as an open pit that, by comparison, would dwarf other Alaskan mines; extraction of the minerals will create potentially acid generating tailings and drainage from those tailings will need to be captured and treated in perpetuity; the water balance challenges for the project are staggering and will require the treatment and storage or discharge of billions of gallons of water annually; and all of this would occur at the headwaters of the Nushagak and Kvichak watersheds which consistently contribute 70%-80% of the region's total salmon return. We understand that PLP believes it can engineer solutions to these risks, but the record does not support PLP's confidence and BBNC and other Bristol Bay stakeholders will not act on blind faith. Failures at Gold King, Mount Polley, and Córrego de Feijão mines exemplify that tailing dams fail and operational errors occur, and we are not aware of any mining project that has overcome the challenges Pebble faces and certainly none that have done so in an environment that is comparable to Bristol Bay.¹

PLP has repeatedly offered Alaskans misleading claims about the project and its mining intentions. Any company that spends the capital necessary to build the infrastructure that Pebble requires will make every effort to mine long beyond 20 years. Alaskans must have the opportunity, before a decision about whether any aspect of the mine should be built, to review, understand and comment on all foreseeable and likely impacts of the entire project. PLP has not delivered on its promises that the public would have that opportunity in the NEPA process. Instead, the public is being offered a very limited and stilted review of a segmented and unrealistically curtailed proposal. And PLP's blasé claims about the quality of the NEPA process in face of criticism from every expert agency that has participated in the process and submitted comments is plain outrageous.²

¹ The Gibraltar Mine comparison that PLP likes to point to is inapposite. The Fraser River watershed is not comparable to the Nushagak or Kvichak watersheds and the Gibraltar mine operations are not comparable to your proposed operations. See e.g., <https://www.bbnc.net/wp-content/uploads/2020/02/Gibraltar-Mine-Comparison-for-Website.pdf>.

² As is the recent efforts to brand Pebble with a "Right Mine, Right Time," label and use of the associated webpage that contains further disinformation about the potential impacts of the project.

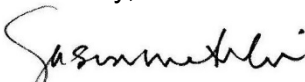
Against this backdrop, we received your unsolicited May 4 offer for BBNC to participate in the “Pebble Performance Dividend” or to help operate infrastructure elements such as the water treatment facilities. Your letter fails to provide adequate details about either opportunity. It is a scant description of a program with vague promises of speculative revenues and opportunities. Naturally, we have no interest in administering your dividend program, or in taking on any responsibility for the proposed mine’s unprecedented and highly risky water treatment operations.

Your letter (and the project’s permitting record more generally) lacks the detail necessary to support either proposal. There is no public analysis to demonstrate that your mining proposal is economically feasible, and, as is evidenced by the many major mining companies that left the project, we do not believe that it is. Consequently, your offer to share a portion of revenue from Pebble is too speculative to consider and highly unlikely. BBNC and other Bristol Bay stakeholders have asked PLP to produce an economic feasibility study for its mine proposal for years and PLP has repeatedly refused to do so. We do not believe that your 20-year mine plan is economically viable at all.³

Lastly, I take issue with your letter’s invocation of the “post-COVID economy” as a reason to support Pebble. Alaska needs immediate and proven jobs and economic opportunities that Alaskans support. Alaskans will not benefit from speculative promises about jobs and revenues that may never exist and certainly will not exist for many years. Moreover, we cannot risk Bristol Bay’s existing resources and economic opportunities for a project that stands to benefit foreign companies and non-Alaskans far more than Alaska or Alaskans.

BBNC’s Board of Directors considered at length your May 4 letter at its recent quarterly meetings and determined that it is not in BBNC’s best interest to collaborate with PLP or participate in the proposed dividend or contracting programs. Nevertheless, we believe it beneficial that we keep channels of communication open between BBNC and PLP, and thus I am available to further discuss our position with you if you wish to do so.

Sincerely,



Jason Metrokin
President & CEO

³ We have seen the cash flow numbers PLP provided to the Corps in response to RFI 59(a). We dispute the accuracy of those projections. At the very least, the capex and operational cost estimates are unjustifiable low.