



8 February 2012

Pebble Limited Partnership
3201 C Street, Suite 604
Anchorage, AK 99503

Mr. Kerwin Krause
Alaska Department of Natural Resources
Division Mining Land & Water (MLW)
550 W 7th Avenue, Suite 900 B
Anchorage, Alaska 99501-3577

Subject: 2011 Annual Reclamation Report – Pebble Project

Dear Mr. Krause:

Executive Summary

Pebble Limited Partnership (PLP) is submitting the attached 2011 Annual Reclamation Report for the Pebble Project, Iliamna Alaska. This letter provides a brief summary of proposed versus actual activities performed during the 2011 field season. Land reclamation was conducted between May and November 2011 concurrently with exploration in accordance with the following Miscellaneous Land Use Permit (MLUP) for Hardrock Exploration & Reclamation:

- A116118 (MLUP effective dates 1 May 2011 through 31 December 2011) granted by the Alaska Department of Natural Resources, Division of Mining, Land & Water (ADNR-DMLW) on 27 April 2011;

According to the 2011 Plan of Operations for the Pebble Exploration Project, submitted to ADNR on 26 January 2011, project management anticipated a land disturbance of 1.56 acres related to the following activities. “Disturbed” is defined as the vegetative matt removed or destroyed.

Proposed acreage to be disturbed between May 1, 2011 and December 31, 2011:

- Thirty-five (35) diamond core drilling boreholes;
- One hundred-ten (110) geotechnical drill holes [Fifty (50) were to use mud rotary or reverse circulation (RC) drilling and sixty (60) were to use sonic drilling];
- One hundred (100) shallow soil test pits; and
- Thirty-four (34) seismic lines totaling no more than 220,000 feet.



0.23 acres	Diamond core drilling boreholes
0.25 acres	Upland drill water sump locations
0.10 acres	Mud rotary or reverse circulation drilling sites (Geotechnical)
0.19 acres	Sonic drilling sites (Geotechnical)
0.06 acres	Shallow soil test pits
<u>0.73 acres</u>	Seismic lines
1.56 acres	TOTAL

Total land disturbed during the 2011 field operations was approximately 0.26 acres. Activities actually performed during 2011 included:

Actual acres disturbed between May and November 2011:

- Seventeen (17) diamond core boreholes for exploratory purposes (DDH 11526 through DDH 11542, inclusive);
- Twenty-five (25) mud rotary boreholes for geotechnical purposes [Geotechnical holes (GH) GH11-229 through GH11-243, GH11-245 through GH11-247, GH11-274, GH11-277, GH11-281, GH11-287, GH11-293, GH11-294, and GH11-296].
- Forty-three (43) sonic boreholes for geotechnical purposes [GH11-244S, GH11-248S through GH11-273S, GH11-275S, GH11-276S, GH11-278S through GH11-280S, GH11-282S through GH11-286S, GH11-288S through GH11-292S, and GH11-295S];
- No reverse circulation drilling was conducted this season;
- Shallow soil test pit excavation planned for 2011 was not conducted this season; therefore, no reclamation was necessary for 0.06 acres permitted for this activity; and
- Seismic studies planned for 2011 were not conducted this season; therefore, no land reclamation was necessary for 0.73 acres permitted for this activity.

0.12 acres	Diamond core drilling boreholes
0.01 acres	Upland drill water sump locations
0.049 acres	Mud rotary drilling boreholes
0.084 acres	Sonic drilling boreholes
0.00 acres	Shallow test pits
<u>0.00 acres</u>	Seismic lines
0.263 acres	TOTAL

During 2011 approximately 0.58 acres were reclaimed from work completed during the 2010/2011 field programs, leaving approximately 0.06 acres to be reclaimed as soon as conditions allow.



2011 Land Disturbance vs. Reclamation (1 acre = 43,560 sq ft.)

The following is a summary of the number of acres disturbed and/or reclaimed during 2011.

- 0.38 – disturbed acres remaining following 2010 program, reclaimed during 2011
- 0.00 – acres still remaining to be reclaimed from 2010 exploration program
- 0.263 – total acres disturbed during 2011 exploration program
- 0.203 – acres disturbed during 2011 exploration program, reclaimed during 2011
- 0.06 – acres disturbed from 2011 exploration program remaining to be reclaimed

All reclamation work was completed in accordance with State of Alaska regulations.

Should you have any questions please contact me at (907) 339-2600 or email at gernotwober@pebblepartnership.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Gernot Wober".

Gernot Wober
Director, Site Operations

cc: // Sharmon Stambaugh, ADNR Office of Project Mgmt/Permit Anchorage
Gernot Wober, PLP
Jeff Norberg, JBN Consultants, Inc.