APPENDIX L – DRAFT PROGRAMMATIC AGREEMENT

TO BE INCLUDED IN THE FINAL EIS

APPENDIX M – MITIGATION

M1.0 MITIGATION SCREENING

M1.0 MITIGATION ASSESSMENT

As discussed in Chapter 5, Mitigation, the project will be required to consider mitigation measures to avoid and minimize impacts. Appendix M includes a preliminary assessment of mitigation measures suggested by the US Army Corps of Engineers (USACE) and cooperating agencies, as well as those collected during the scoping process (Table M-1). All suggested mitigation measures were assessed with the goal of determining the likelihood of adoption by the applicant or implementation as a condition in a state, federal, or local permit (Council on Environmental Quality [CEQ] 1981), if issued for the project. Three categories of likelihood are used in Table M-1:

- Probable: implementation of this measure is likely to occur.
- Possible: implementation of this measure may occur.
- Unlikely: implementation of this measure would not be likely to occur.

To determine the likelihood of implementation, the suggested measures were assessed for the following three factors:

- 1. Effective: assessment of the measure's effectiveness in reducing the project-related impact. This factor also considers if implementation of the measure is supported by the effects analysis in the Environmental Impact Statement (EIS) for the resource(s) identified in Table M-1 as potentially affected.
- 2. Jurisdiction/Enforcement: assessment of potential agency jurisdiction/authority to require the measure, and if the measure is enforceable by the agency with jurisdiction.
- 3. Reasonable: assessment of feasibility from a technical and economic standpoint. This assessment also considers common sense for what is reasonable. For example, a mitigation measure may not be reasonable if there are other technically and economically feasible mitigation measures that would be just as effective at reducing a potential impact, or if the extra expense is not supported by the effects analysis in the EIS.

Measures meeting none or only one of the factors were determined unlikely to be implemented. Measures meeting two of the factors were determined possible of being implemented. Measures meeting all three were determined probable of being implemented. Any measures developed after receiving public comments on the Draft EIS (DEIS) will be included and evaluated, with the goal of including a comprehensive list of all measures identified during the National Environmental Policy Act (NEPA) process.

Proposed Measure	Resource(s)	Assessment of Measure	Likelihood of Implementation
Require specific wildlife awareness training for drivers operating in the area.	Wildlife Values	 Effective – Yes Jurisdiction/Enforcement – No clear agency jurisdiction. Not likely to be included as a permit condition. Reasonable – Yes, worker awareness training is often required by operators for contractors. 	Possible
Install sensors to detect and warn drivers of wildlife near roads.	Wildlife Values; Health and Safety	 Effective – Yes. Radar detection would likely be the most effective detection system for large animals. Radar also provides information on the speed and volume of traffic. Jurisdiction/Enforcement – No clear agency jurisdiction. Not likely to be included as a permit condition. Reasonable – Potentially. While the initial cost would be high, the economic feasibility is typically based on the benefits of avoiding vehicle damage and human injuries/deaths. The benefit of avoiding animal deaths would also be a factor. 	Possible
Use dust palliatives (i.e., substances applied to a road surface) to reduce airborne dust.	Air Quality; Water and Sediment Quality; Fish Values; Soils; Health and Safety	 Effective – Yes Jurisdiction/Enforcement –State of Alaska; USACE (indirectly) Reasonable – Potentially. Pebble Limited Partnership's (PLP's) Fugitive Dust Control Plan (FDCP), to be developed during feasibility design work to support state permitting, would address controlling fugitive dust from site activities and wind erosion. Thus, use of palliatives may not be reasonable if other measures would be more economically feasible and would be just as effective. 	Possible
Use chip seal on surfaces to reduce airborne dust.	Air Quality; Water and Sediment Quality; Fish Values; Soils; Health and Safety; Waters and Wetlands/Special Aquatic Sties	 Effective – Yes Jurisdiction/Enforcement – USACE (indirectly) Reasonable – No. Other technically and economically feasible dust control measures would be just as effective at reducing impacts. 	Possible
Post/enforce lower speed limits for drivers and project roads to reduce driving hazards and the potential effects of airborne dust on air and local water quality and human health.	Air Quality; Water and Sediment Quality; Fish Values; Soils; Health and Safety; Waters and Wetlands/Special Aquatic Sites	 Effective – Yes Jurisdiction/Enforcement – USACE (indirectly). However, not likely to be enforceable due to remoteness of the project area. Reasonable – Potentially. Signs/notices are feasible, enforcement is not. 	Possible

Table M-1: Assessment of Mitgation Measures Identified During the EIS Process

Proposed Measure	Resource(s)	Assessment of Measure	Likelihood of Implementation
Develop a quieter ferry to reduce impacts and water disturbances on the lake and affects to wildlife.	Noise; Wildlife Values	 Effective – No. PLP has proposed using diesel electric propulsion for the ferry to reduce noise impacts and reduce emissions. Jurisdiction/Enforcement – None Reasonable – Potentially. Technology beyond what has already been tested and may not be available. 	Unlikely
Bury the pipeline below the seafloor to prevent creating a barrier to crab movement.	Fish Values	 Effective – No. The proposed 12-inch diameter pipeline would not have population-level effects on crab movement. Jurisdiction/Enforcement – State of Alaska; USACE; Bureau of Safety and Environmental Enforcement (BSEE) Reasonable – No. Although feasible in a technological sense, the extra expense of burying the cable is unfounded and is not supported by the effects analysis (i.e., such a small pipeline is not expected to be a barrier for crabs). 	Unlikely
Build a moveable bridge for open ice snowmachine passage across Iliamna Lake during the winter.	Transportation and Navigation; Health and Safety	 Effective – Potentially Jurisdiction/Enforcement – USACE Reasonable – Unknown at the DEIS stage because detail on the design and logistics of the bridge are not developed at this time. It may be more feasible for snowmachines to detour around the open lead than to use a constructed, moveable bridge. 	Possible
Pave the mine/port access roads to reduce dust.	Air quality; Water and Sediment Quality; Fish Values; Soils; Health and Safety; Waters and Wetlands/Special Aquatic Sites	 Effective – Yes Jurisdiction/Enforcement – USACE (indirectly). However, not likely to be enforceable due to remoteness of the project area. Reasonable – No. There are more feasible measures to reduce impacts associated with fugitive dust, such as dust palliatives. 	Unlikely
Measure hydrocarbon concentration and related compounds in surface and groundwater during the periodic water quality monitoring events.	Water and Sediment Quality	 Effective – Yes Jurisdiction/Enforcement – State of Alaska Reasonable – Yes 	Probable

Table M-1: Assessment of Mitgation Measures	s Identified During the EIS Process
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Proposed Measure	Resource(s)	Assessment of Measure	Likelihood of Implementation
Consider mitigation banks and in-lieu fee programs as forms of compensatory mitigation.	Waters and Wetlands/Special Aquatic Sties	 Effective – Yes Jurisdiction/Enforcement – USACE Reasonable – Potentially. This would only be feasible if mitigation banks and/or in-lieu fee programs are available and authorized to sell credits in the project's watersheds. 	Possible
Treat bilge water to remove more than oil before discharging to protect Iliamna Lake's ecology.	Water and Sediment Quality	 Effective – Yes Jurisdiction/Enforcement – State of Alaska Reasonable – Potentially. Depends on the final design of the ferry. 	Possible
Construct and assemble the ice- breaking ferry at an alternate location to allow for naval architectural oversight and engineering support.	Transportation and Navigation	 Effective – No Jurisdiction/Enforcement – None Reasonable – No. If constructed and assembled at an alternative location, the ferry would be too large to transport to Iliamna Lake. The ferry would require naval architecture oversight and engineering support regardless of construction/assembly location. 	Unlikely
Construct the natural gas pipeline in the winter to reduce environmental impacts.	Surface Water Hydrology; Water and Sediment Quality; Fish Values; Waters and Wetlands/Special Aquatic Sites	 Effective – Not for the proposed project. PLP proposes to co-locate the natural gas pipeline with the road to minimize impacts. Jurisdiction/Enforcement – State of Alaska, USACE Reasonable – No, the extra expense is not supported by the effects analysis for the project (the pipeline would be installed in the disturbed area for the road). If Alternative 2 were selected, this measure may be reasonable for the segment between the two ferry terminals that would not have a road. 	Unlikely
Design culverts with software that can better predict stress and deflection in heavily loaded, complex soil structures, and interaction dependent culvert structures.	Soils; Water and Sediment Quality; Fish Values; Surface Hydrology	 Effective – Potentially, but not supported by the effects analysis. Jurisdiction/Enforcement – State of Alaska. Not enforceable. This measure is beyond what the Alaska Department of Fish and Game (ADF&G) requires for permitting and approval of culverts. Reasonable – No, the extra expense is not supported by the effects analysis for the project (standard design approach would be effective) 	Unlikely

Table M-1: Assessment of Mitgation Measures Identified During the EIS Process

Proposed Measure	Resource(s)	Assessment of Measure	Likelihood of Implementation
Design the open span of all water crossings to be 1.5 times the stream width at ordinary high water, with abutments placed in uplands.	Water and Sediment Quality; Surface Hydrology; Fish Values	 Effective – Potentially, but not supported by the effects analysis. Jurisdiction/Enforcement – State of Alaska; potentially USACE. Not enforceable. This measure differs from ADF&G requirements for permitting and approval of culverts (i.e., ADF&G may require more o less open span). Reasonable – No, the extra expense is not supported by the effects analysis (the standard design approach would perform adequately). 	Unlikely
Establish flight restrictions (e.g., elevation, no-fly zones) to reduce caribou hunting impacts.	Wildlife Values; Subsistence	 Effective – Yes Jurisdiction/Enforcement – No clear agency jurisdiction. Reasonable – Yes, in many cases it may be reasonable to avoid flyin over caribou and or hunters at low altitudes. 	g Possible
Develop a detailed construction noise mitigation plan, including scheduling of noise-producing activities, the proper design and implementation of practical and site- appropriate noise-reducing measures, and sound level monitoring to check for compliance with the outdoor Environmental Protection Agency (EPA) guidance threshold, to help minimize the magnitude of construction noise.	Noise	 Effective – Yes Jurisdiction/Enforcement –The Kenai Peninsula Borough has noise ordinances for material sites that may be applicable. Reasonable – Potentially. A noise mitigation plan would be feasible, though monitoring may not be. 	Possible
Provide automatic isolation valves for the concentrate pipeline variant under Alternative 3.	Soils; Water and Sediment Quality; Fish Values; Waters and Wetlands/Special Aquatic Sites	 Effective – Unknown; design details applicable to the proposed slurr have not been developed for the DEIS. Jurisdiction/Enforcement – State of Alaska Reasonable – Potentially. It appears that the technology exists for automatic valves with pressure transducers to detect a pipeline ruptu and shut off the flow. Economic feasibility and other mitigation measures need to be assessed after the DEIS comment period. 	

Proposed Measure	Resource(s)	Assessment of Measure	Likelihood of Implementation
Consider alternatives to the effluent outfall locations identified in the proposed action that could reduce impacts (e.g., further reduce dewatering impacts).	Water and Sediment Quality	 Effective - Potentially Jurisdiction/Enforcement – Sate of Alaska Reasonable– Potentially. Additional analysis of this measure is ongoing. 	Probable
Provide a double liner system under the pyritic tailings storage facility and main water management pond	Water Quality	 Effective – Potentially Jurisdiction/Enforcement – State of Alaska, although not likely to be included as a permit condition. Reasonable – No, the proposed lined facilities with seepage collection would not be enhanced by the added expense of double liners, and the State of Alaska is unlikely to require double liner systems. 	Possible
Consider back-filling the mine pit with additional bulk tailings material to reduce or eliminate impacts to geology during the post-reclamation period.	Geology	 Effective - Yes. Would stabilize the exposed pit slopes by buttressing them; however, major geology impacts are not expected. Jurisdiction/Enforcement – State of Alaska Reasonable – Potentially. Would facilitate grading and closing the bulk TSF into a landform that could result in de-listing of the main and south embankments as jurisdiction dams. However, hauling tailings from the bulk TSF to the pit would be a major effort that is likely not reasonable from an economic standpoint. 	Possible
Incorporate measures to deter birds from the pit lake, such as active hazing (boat and/or drone) or other deterrents to keep birds out of the pit lake.	Wildlife Values	 Effective – Yes. Active hazing can prevent bird use of waterbodies or limit the amount of use. Jurisdiction/Enforcement – US Fish and Wildlife Service (USFWS); potentially State of Alaska. Reasonable – Potentially. Modeling suggests that surface water will not be toxic to birds. PLP would be required to monitor the water quality of the pit lake in closure and post closure. It would not be reasonable to require active hazing if the surface water is not toxic. 	Possible

Table M-1: Assessment of Mitgation Measures Identified During the EIS Process

M2.0 APPLICANT'S DRAFT CONCEPTUAL COMPENSATORY MITIGATION PLAN

DRAFT REPORT

Pebble Project DRAFT Conceptual Compensatory Mitigation Plan

January 2019



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ACRONYMS AND ABBREVIATIONS

ADEC	Alaska Department of Environmental Conservation
ADNR	Alaska Department of Natural Resources
ANCSA	Alaska Native Claims Settlement Act
AWI	Alaska Wetland Initiative
AWM	Alaska Wetlands Map
BBNA	Bristol Bay Native Association
CFR	Code of Federal Regulations
CMP	Compensatory Mitigation Plan
CWA	Clean Water Act
DA	Department of the Army
EPA	Environmental Protection Agency
FGDC	Federal Geographic Data Committee
HGM	Hydrogeomorphic
HUC	Hydrologic Unit Code
ILF	In-lieu Fee
MOU	Memorandum of Understanding
NHD	National Hydrography Dataset
NLCD	National Land Cover Database
NMFS	National Marine Fisheries Service
NWI	National Wetland Inventory
PLP	Pebble Limited Partnership
PRM	Permittee-responsible Mitigation
USACE	U.S. Army Corps of Engineers
USFWS	U.S. Fish and Wildlife Service
USGS	U.S. Geological Survey
WOUS	Waters of the U.S.



1. Introduction

Pebble Limited Partnership (PLP) submitted a Department of the Army (DA) application, pursuant to Section 404 of the Clean Water Act (CWA) and Section 10 of the Rivers and Harbors Act of 1899 to the U.S. Army Corps of Engineers (USACE) on December 22nd, 2017 for the Pebble Project (Project) (POA-2017-271). The DA application proposed the development of a copper-gold-molybdenum porphyry deposit as a surface mine in Southwest Alaska. A list of relevant PLP DA application submittals and supporting documentation, including upcoming revisions, is provided in Table 1-1. The Project is located on State of Alaska lands in Southwest Alaska near Iliamna Lake, primarily within the Lake and Peninsula Borough with a portion of the supporting infrastructure in the Kenai Peninsula Borough. The Project consists of four primary project elements: the mine site, the transportation corridor, the Amakdedori Port, and the natural gas pipeline. Construction of the Project will permanently fill approximately 3,524 acres of Waters of the U.S.(WOUS), including wetlands.

PLP is submitting this Draft Compensatory Mitigation Plan (CMP) to the USACE. This Draft CMP fulfills requirements established by the Compensatory Mitigation for Losses of Aquatic Resources Final Rule (The Rule) issued by USACE and the U.S. Environmental Protection Agency (EPA) on April 10, 2008. The Rule emphasized the selection of compensatory mitigation sites on a watershed basis, established the operating standards for mitigation providers and identified three mechanisms: 1) mitigation banks, 2) in-lieu fee (ILF) programs, and 3) permittee responsible mitigation (PRM) plans.

Prior to The Rule, EPA, USACE, U.S. Fish and Wildlife Service (USFWS) and National Marine Fisheries Service (NMFS) issued the Alaska Wetland Initiative (AWI) (EPA et al 1994). This initiative states that no net loss of wetlands will not be achieved on a permit by permit basis in Alaska. The preamble of The Rule recognizes the provisions of the AWI as valid and still applicable for mitigation planning in Alaska. This CMP follows The Rule's guidance and recently released June 15, 2018 Memorandum of Understanding (2018 MOU) between USACE and EPA regarding Mitigation Sequence for Wetlands in Alaska under Section 404 of the CWA (USEPA, DA 2018).

PLP's analysis of the three mechanisms to compensate for the loss of wetlands and aquatic resource functions in the watershed is presented in the following sections.

Submitted to USACE	Document Name	Remarks
December 22 nd , 2017	Department of the Army (DA) permit application package (POA-2017-271)	
December 22 nd 2017	Preliminary Jurisdictional Determination (PJD)	Accepted by USACE on March 20th, 2018.
Pending	Revised Department of the Army permit application package (POA-2017- 271)	A revised DA application reflecting updates to the project description will be submitted to USACE.
Pending	Revised Preliminary Jurisdictional Determination	Revised wetlands JD with additional wetlands fieldwork conducted in 2018.

Table 1-1 PLP DA application submissions and supporting documentation to USACE

Note: PLP DA application submissions and planned submissions to USACE as of January, 2019.



2. Proposed Project

The Pebble Project comprises four primary elements: The mine site at the Pebble deposit location; one port site in Kamishak Bay in Cook Inlet and two ferry terminals in Iliamna lake; a road corridor connecting the mine site, ferry terminals and port; and a natural gas pipeline connecting to existing infrastructure on the Kenai Peninsula.

- <u>Mine Site.</u> The proposed mine site is in the Iliamna region of Southwest Alaska, approximately 200 miles southwest of Anchorage and 60 miles west of Cook Inlet. The closest communities are the villages of Iliamna, Newhalen, and Nondalton, each approximately 17 miles from the mine site in a general easterly direction. The fully developed mine site will include the open pit, tailings storage facility, low-grade ore stockpile, overburden stockpiles, material sites, water management ponds, milling and processing facilities, and supporting infrastructure such as the power plant, water treatment plants, camp facilities, and storage facilities.
- <u>Transportation Corridor</u>. The proposed transportation corridor will connect the mine site to the proposed Amakdedori Port on Cook Inlet, and includes two main components: 1) a private, double-lane road extending 30 miles south from the mine site to a ferry terminal on the north shore of Iliamna Lake; and 2) a private, double-lane road extending 35 miles southeast from the south ferry terminal to the Amakdedori Port on Kamishak Bay. Separate spur roads will connect the transportation corridor to the villages of Iliamna, Newhalen, and Kokhanok.
- <u>Port and Ferry Terminals</u>. The port site will be located north of the Amakdedori Creek outflow into Kamishak Bay on the western shore of Cook Inlet, approximately 190 miles southwest of Anchorage and approximately 95 miles southwest of Homer. The port site will include shore-based and marine facilities for the transfer, shipment, and temporary storage of concentrate, freight, and fuel for the Project. The marine component includes an earthen access causeway extending out to a marine jetty located in 15 feet of natural water depth. Copper-gold concentrate containers will be loaded onto lightering barges at the Amakdedori Port and then transported to one of two lightering locations for transfer to bulk carriers. The primary lightering location is approximately 12 miles offshore due east of the proposed Amakdedori Port, the alternative lightering location is approximately 18 miles east-northeast of the proposed Amakdedori Port between Augustine Island and the mainland. The lightering locations will consist of permanently anchored buoys for mooring the bulk carriers. Two ferry terminals, one the north shore of Iliamna Lake (located approximately 10.5 miles southwest of Newhalen) and the other on the south shore of the lake (located approximately 3.3 miles west of the village of Kokhanok), would support the operation of an ice-breaking ferry to transport materials, equipment, and concentrate 18 miles across Iliamna Lake.
- <u>Natural Gas Pipeline</u>. Natural gas will be the primary energy source for the Pebble Project. The natural gas pipeline alignment will connect to an existing natural gas pipeline, and new compressor station located north of Anchor River on the Kenai Peninsula. From there, the pipeline heads southwest across Cook Inlet before turning west to a landfall at the Amakdedori Port. The pipeline then follows the road corridor from the port to the mine site, including crossing Iliamna Lake on the lake bed.



3. WOUS Fill Impacts from Proposed Project

Construction of the Project will require the discharge of fill material into 4,038 acres of WOUS. This includes 3,524 acres of permanent impacts and 513 acres of temporary impacts in WOUS (Table 3-1). Permanent impacts include cut and fill activities at facility locations where the fill cannot be practicably removed from WOUS. Temporary impacts occur where fill is placed into wetlands or WOUS for a limited period during construction to facilitate construction activities, then removed within a calendar year allowing return of wetland functions. A summary of permanent and temporary WOUS impacts grouped by Hydrogeomorphic (HGM) and Cowardin classifications for each project element is provided in Table 3-2. Ninety seven percent of permanent WOUS impacts (3,430 acres) are associated with construction of the mine site; two percent (82 acres) with the transportation corridor; and less than one percent (13 acres) with the Amakdedori Port and Iliamna Lake ferry terminals. Construction of the natural gas pipeline would result in no permanent impacts to WOUS as the overland portions of the pipeline are constructed within the transportation corridor footprint and construction impacts associated with the placement of the pipeline on the seabed and lake bed are considered temporary. Most permanent discharges of fill for the mine site and transportation corridor will impact slope palustrine shrub-scrub, and slope-emergent WOUS.

Facility	Permanent	Temporary	Total
Mine Site	3,429.84		3,429.84
Transportation Corridor	81.69	53.88	135.57
Port and Ferry Terminals	12.74	5.29	18.02
Natural Gas Pipeline		454.14	454.14
Total	3,524.27	513.31	4,037.58

Table 3-1 Summary of permanent and temporary WOUS impacts (acres)

HGM and Cowardin Classification		Permane	ent Impacts			Temporary Impacts			
	Mine Site	Trans- portation Corridor	Port and Ferry Terminals	Permanent Total	Trans- portation Corridor	Port and Ferry Terminals	Natural Gas Pipeline	Temporary Total	Grand Total
MARINE			11.13	11.13		3.53	378.84	382.37	393.50
Marine Intertidal Unconsolidated Shore			0.73	0.73		0.74	0.69	1.43	2.16
Marine Subtidal Unconsolidated Bottom			10.40	10.40		2.79	378.15	380.94	391.34
LACUSTRINE	0.06	0.31	1.28	1.65	0.34	1.55	67.98	69.88	71.53
Lacustrine Limnetic Unconsolidated Bottom		0.02	0.86	0.88	0.17	1.08	67.89	69.13	70.01
Lacustrine Littoral Unconsolidated Bottom		0.23		0.23	0.11			0.11	0.34

Table 3-2 Summary of permanent and temporary WOUS impacts (acres) by project element



HGM and Cowardin Permanent Impacts **Temporary Impacts** Classification Trans-Trans-Port and Port and Permanent Natural Gas Temporary Mine Site Ferry portation Ferry Grand Total portation Total Pipeline Total Corridor Terminals Corridor Terminals Lacustrine Littoral 0.06 0.06 0.42 0.54 0.06 0.48 0.10 0.64 1.18 Unconsolidated Shore LACUSTRINE 0.59 0.59 0.59 ___ ___ ------___ ---FRINGE Palustrine Emergent 0.27 0.27 0.27 ------------------Palustrine Shrub-0.32 0.32 0.32 ___ ___ ---___ ___ _--Scrub RIVERINE 232.94 238.60 2.26 1.22 3.48 242.08 5.66 ---0.27 Palustrine Emergent 58.93 0.98 59.91 1.14 1.42 61.33 ----Palustrine Forested ___ 0.00 _ 0.00 0.00 Palustrine Shrub-169.38 4.57 ___ 173.95 1.89 0.07 1.96 175.91 Scrub Palustrine 0.09 4.63 0.11 4.74 0.09 4.82 ---___ Unconsolidated Bottom **Riverine Intermittent** 0.01 0.01 < 0.01 < 0.01 0.01 --___ Streambed Riverine Upper 0.01 0.01 0.01 Perennial Unconsolidated Shore RIVERINE 47.48 1.85 49.33 1.17 0.03 1.20 50.53 ------CHANNEL 0.01 Palustrine Emergent 0.01 0.01 -----------Palustrine 0.07 0.07 0.07 ___ ------------Unconsolidated Bottom **Riverine Intermittent** 3.41 0.30 3.71 0.17 < 0.01 0.17 3.88 --Streambed Riverine Upper 42.41 1.51 43.92 0.95 0.03 0.98 44.90 Perennial Unconsolidated Bottom Riverine Upper 1.58 0.04 1.62 0.06 0.06 1.68 --Perennial Unconsolidated Shore FLAT 81.18 6.57 87.75 4.20 4.20 91.95 Palustrine Emergent 5.49 1.60 7.09 1.01 1.01 8.10 Palustrine Shrub-75.69 83.85 4.97 ---80.66 3.18 --3.18 ---Scrub SLOPE 3,024.00 66.47 0.33 3,090.79 44.80 0.20 6.07 51.07 3,141.86 Palustrine Aquatic 0.01 0.14 0.14 0.11 0.11 0.25 --___ ---Bed 636.82 Palustrine Emergent 621.13 15.53 0.16 10.13 0.14 1.88 12.14 648.96 Palustrine Shrub-2,390.48 45.48 0.17 2,436.13 30.46 0.074.19 34.72 2,470.85 Scrub Palustrine 11.44 5.16 16.60 4.04 4.04 20.64 ---___ Unconsolidated Bottom



HGM and Cowardin Classification	Permanent Impacts Temporary Impacts					Temporary Impacts				pacts Temporary Imp			
	Mine Site	Trans- portation Corridor	Port and Ferry Terminals	Permanent Total	Trans- portation Corridor	Port and Ferry Terminals	Natural Gas Pipeline	Temporary Total	Grand Total				
Palustrine Unconsolidated Shore	0.94	0.16		1.10	0.06			0.06	1.16				
DEPRESSIONAL	43.59	0.83		44.42	1.11			1.11	45.54				
Palustrine Emergent	3.71	0.08		3.79	0.23			0.23	4.02				
Palustrine Shrub- Scrub	9.41	0.36		9.77	0.26			0.26	10.02				
Palustrine Unconsolidated Bottom	24.35	0.30		24.64	0.47			0.47	25.11				
Palustrine Unconsolidated Shore	6.13	0.09		6.22	0.16	ŕ		0.16	6.38				
Total	3,429.84	81.69	12.74	3,524.27	53.88	5.29	454.14	513.31	4,037.58				

Note: Minor discrepancies in totals are the result of rounding numbers.



4. Compensatory Mitigation

PLP has avoided and minimized, to the extent practicable, discharges of fill into WOUS, including wetlands: avoidance and minimization measures are discussed in Block 23 of the DA Application. PLP is proposing compensatory mitigation for 3,524 acres of unavoidable impacts to WOUS and aquatic resource functions in the watersheds. PLP is not proposing compensatory mitigation for 513 acres of temporary impacts, as those WOUS and functions are expected to recover in the short term. The proposed permanent impacts are distributed among seven Hydrologic Unit Code (HUC) 10 watersheds. A summary of permanent WOUS impacts grouped by HGM and Cowardin classification for each HUC 10 watershed is provided in Table 4-1. Most of the proposed WOUS impacts (97% or 3,421 acres) are in the Headwaters Koktuli River HUC 10 watershed. Discharges of fill at the mine site would be placed in 239 acres of riverine HGM with mostly palustrine scrub-shrub and emergent wetlands, and 49 acres of riverine channel HGM, mainly palustrine upper perennial. Construction of the Amakdedori Port will discharge fill in 11.0 acres of marine HGM, including 0.7 acres of marine intertidal WOUS and 10.3 acres of marine subtidal WOUS. Construction of the ferry terminals would require the discharge of fill into 1.3 acres of lacustrine HGM.

The Rule emphasizes the selection of compensatory mitigation sites using a watershed approach and established three types of compensatory mitigation mechanisms: (1) mitigation banks, (2) ILF programs, and (3) permittee-responsible mitigation (PRM) plans. PLP has consulted the Regulatory In-Lieu Fee and Bank Information Tracking System (RIBITS) and confirmed the existence of The Conservation Fund ILF with a service area that includes the Project (USACE 2018). However, as of October 16, 2017 the fund is no longer authorized to sell credits (USACE 2017). The Project is not located in the service area of an approved bank or ILF with appropriate credits available. In the absence of mitigation banks or an ILF program in the watersheds, 33 Code of Federal Regulation [CFR] 332.3 (b)(4) states that "permittee-responsible mitigation is the only option." Three PRM options are identified in The Rule and 2018 MOU. PRM projects using a watershed approach are most favored. Such projects consider the needs of the watershed for advancing and sustaining aquatic resource functions, such as the need for specific habitat enhancements, water quality improvements, or flood control. On-site, in-kind PRM projects replace the specific wetland functions and values that are impacted at the same location as the fill site. Off-site, out-of-kind PRM projects focus on preserving, creating, restoring and enhancing WOUS with different functions and values than the impacted WOUS.



HGM and Cowardin Classification	Headwaters Koktuli River	Newhalen River	Iliamna Lake	Gibraltar Lake	Upper Talarik Creek	Amakdedori Creek-Frontal Kamishak Bay	Cook Inlet	Total
MARINE						10.98	0.15	11.13
Marine Subtidal Unconsolidated						10.25	0.15	10.40
Bottom Marine Intertidal Unconsolidated Shore						0.73		0.73
LACUSTRINE	0.06		1.29	<0.01		0.30		1.65
Lacustrine Limnetic Unconsolidated Bottom			0.87	< 0.01		0.00		0.88
Lacustrine Littoral Unconsolidated Bottom						0.23		0.23
Lacustrine Littoral Unconsolidated Shore	0.06		0.42	-		0.06		0.54
LACUSTRINE FRINGE	0.59			-				0.59
Palustrine Emergent	0.27							0.27
Palustrine Scrub-Shrub	0.32							0.32
RIVERINE	232.48	0.01	0.66		5.45			238.60
Palustrine Emergent	58.77		0.52		0.62			59.91
Palustrine Scrub-Shrub	169.08		0.14		4.73			173.95
Riverine Unconsolidated Streambed	4.63				0.11			4.74
Riverine Intermittent Streambed		0.01						0.01
RIVERINE CHANNEL	47.39	0.03	0.59	0.20	0.52	0.60		49.33
Palustrine Emergent	0.01							0.01
Palustrine Unconsolidated Bottom	0.07							0.07
Riverine Intermittent Streambed	3.41	-	0.04	0.03	0.04	0.20		3.71
Riverine Upper Perennial Unconsolidated Bottom	42.33	0.03	0.55	0.18	0.44	0.40		43.92
Riverine Upper Perennial Unconsolidated Shore	1.58				0.04	< 0.01		1.62
FLAT	81.13				6.62			87.75
Palustrine Emergent	5.49				1.60			7.09
Palustrine Scrub-Shrub	75.64				5.02			80.66
SLOPE	3,016.35	0.84	17.47	9.01	32.26	14.86		3,090.79
Palustrine Aquatic Bed	0.01		0.14					0.14

Table 4-1 Summary of permanent WOUS impacts (acres) by HUC 10 watershed



	Headwaters Koktuli River	Newhalen River	Iliamna Lake	Gibraltar Lake	Upper Talarik Creek	Amakdedori Creek-Frontal	Cook Inlet	Total
HGM and Cowardin Classification						Kamishak Bay		
Palustrine Emergent	618.85	0.10	5.64	3.09	4.03	5.11		636.82
Palustrine Scrub-Shrub	2,385.11	0.73	10.48	5.09	28.18	6.54		2,436.13
Palustrine Unconsolidated Bottom	11.44		1.13	0.83	0.05	3.15		16.60
Palustrine Unconsolidated Shore	0.94		0.07	0.01		0.08		1.10
DEPRESSIONAL	43.45	0.29	0.30		0.37	0.01		44.42
Palustrine Emergent	3.71				0.08			3.79
Palustrine Scrub-Shrub	9.41	0.29	0.07					9.77
Palustrine Unconsolidated Bottom	24.26		0.23		0.14	0.01		24.64
Palustrine Unconsolidated Shore	6.07		< 0.01		0.15			6.22
TOTAL	3,421.45	1.17	20.31	9.22	45.22	26.75	0.15	3,524.27

Note: Minor discrepancies in totals are the result of rounding numbers.



5. Affected Watersheds Analysis

A watershed approach is used to establish compensatory mitigation requirements to the extent appropriate and practicable (33 CFR 332.2). The watershed approach is an analytical process for making compensatory mitigation decisions that support the sustainability or improvement of aquatic resources in a watershed. It considers watershed needs, and how locations and types of compensatory mitigation projects address those needs. A landscape perspective is used to identify the types and locations of compensatory mitigation projects that will benefit the watershed and offset losses of aquatic resource functions and services caused by activities authorized by DA permits. This section provides a summary of available data and the analytical process followed to determine the watershed conditions.

The geographic area of the watershed analysis (Analysis Area) extends over three HUC 6 basins (Nushagak River, Kvichak-Port Heiden, and Western Cook Inlet) and includes seven Hydrologic Unit Code (HUC) 10 watersheds encompassing approximately 1,944,130 acres (Table 5-1, Figure 1 [Figures are included in Attachment 1]). The Project footprint includes facilities on the Kenai Peninsula, in the Stariski Creek-Frontal Cook Inlet HUC 10 watershed, but there are no impacts to WOUS and this watershed is excluded from the Analysis Area. Cook Inlet waters are also excluded from the Analysis Area as WOUS impacts will be minimal (approximately 0.1 acres) or temporary, and no compensatory mitigation is proposed for temporary impacts. The Paint River HUC 10 was included in the Analysis Area because, even though the Project does not propose discharges of fill into WOUS within this watershed, its inclusion provides continuity across basins within the Project footprint. Each watershed includes important physical features, ecological processes, and resource types for the sustainability of aquatic resource functions.

HUC 10	Watershed	Project Element	Watershed Acres
Nushagak Ri	ver (HUC 6)		
1903030211	Headwaters Koktuli River	Mine site	170,633
Kvichak-Port	Heiden (HUC 6)		
1903020514	Newhalen River	Transportation corridor	119,708
1903020609	Iliamna Lake	Transportation corridor; natural gas pipeline and fiber optic cable	1,201,854
1903020606	Gibraltar Lake	Transportation corridor; natural gas pipeline and fiber optic cable	81,581
1903020607	Upper Talarik Creek	Mine site; transportation corridor; natural gas pipeline and fiber optic cable	87,539
Western Cool	k Inlet (HUC 6)		
1902060208	Paint River	Transportation corridor; natural gas pipeline and fiber optic cable	128,354
1902060212	Amakdedori Creek-Frontal Kamishak Bay	Transportation corridor; natural gas pipeline and fiber optic cable; Amakdedori Port	154,461
Total			1,944,130

Table 5-1 HUC 10 watersheds included in the geographic area of the watershed analysis

Source: USGS Watershed Boundary Dataset, 2018

5.1 Land Cover

The National Land Cover Database (NLCD) (Jim, et al. 2011) provides a rapid estimate of land cover types for watersheds including percent of developed areas, and percent of vegetated cover.

The most abundant land cover in the Analysis Area is open water at approximately 36.48 percent, approximately 91.41 percent of which are Iliamna Lake. Shrub/scrub and dwarf shrub are the most widely



distributed vegetation types at 36.48 percent and 18.78 percent respectively. Barren lands are unvegetated areas that generally occur at hill tops and shorelines and account for approximately 3.95 percent of cover type in the Analysis Area. Mixed forest, evergreen forest, and deciduous forest account for approximately 3.83 percent, 3.24 percent, and 3.12 percent of cover type respectively. Less than one percent is identified by the NLCD as emergent herbaceous wetlands, woody wetlands, perennial ice/snow, sedge/herbaceous and moss areas. Wetlands mapped in the NLCD are generally undercounted as the data analysis process is not optimized for this purpose. Wetlands are discussed in section 5.2. Developed areas cover less than 0.05 percent of the Analysis Area (See Table 5-2).

Land Cover Class	Nushagak River		Kvichak-Po	ort Heiden		Weste	rn Cook Inlet	То	otal
	Headwaters Koktuli River	Newhalen River	Iliamna Lake	Gibraltar Lake	Upper Talarik Creek	Paint River	Amakdedori Creek-Frontal Kamishak Bay	%	Acres
Barren Land	1.66%	3.18%	2.63%	4.41%	0.37%	15.98%	9.17%	3.95%	76,775
Deciduous Forest	0.81%	5.25%	3.49%	4.05%	1.82%	0.60%	3.44%	3.12%	60,538
Developed, High Intensity	<0.01%	<0.01%	<0.01%	<0.01%	<0.01%	<0.01%	<0.01%	<0.01%	29
Developed, Low Intensity	<0.01%	0.27%	0.04%	<0.01%	<0.01%	<0.01%	<0.01%	0.04%	753
Developed, Medium Intensity	<0.01%	<0.01%	0.01%	<0.01%	<0.01%	<0.01%	<0.01%	0.01%	158
Developed, Open Space	<0.01%	0.05%	<0.01%	<0.01%	<0.01%	<0.01%	<0.01%	<0.01%	75
Dwarf Shrub	42.34%	13.21%	12.19%	37.60%	47.23%	30.35%	12.66%	18.78%	364,945
Emergent Herbaceous Wetlands	0.68%	0.70%	0.50%	0.10%	0.15%	<0.01%	0.02%	0.42%	8,256
Evergreen Forest	1.77%	10.59%	3.73%	0.59%	2.16%	0.02%	0.13%	3.24%	63,058
Mixed Forest	0.20%	11.23%	4.87%	1.02%	0.95%	< 0.01%	0.32%	3.83%	74,469
Moss	<0.01%	0.01%	< 0.01%	< 0.01%	< 0.01%	< 0.01%	< 0.01%	0.01%	36
Open Water	1.64%	8.66%	56.79%	5.98%	1.59%	1.67%	3.25%	36.48%	708,879
Perennial Ice/Snow	<0.01%	<0.01%	0.02%	0.44%	< 0.01%	0.99%	0.09%	0.10%	1,959
Sedge/Herbaceous	0.02%	0.04%	0.10%	< 0.01%	0.06%	< 0.01%	0.04%	0.07%	1,397
Shrub/Scrub	50.61%	45.62%	15.53%	45.79%	45.63%	50.39%	70.81%	29.77%	578,642
Woody Wetlands	0.27%	1.20%	0.12%	0.02%	0.04%	< 0.01%	0.07%	0.18%	3,452
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	1,943,423

Table 5-2 NLCD Cla.	ssification for the	watershed Analysis Area
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Source: National Land Cover Database (Jim, et al. 2011). Differences in the acreage between the above and those shown in Table 5-1 are a result of the differences in data resolution, and data types (vector versus raster data).

5.2 Wetlands and Other Waters

Using a consistent dataset for the calculation of wetlands is desired for equitable assessment of habitat types on a broad level. There is one dataset available that covers the entire area with a uniform method of analysis and scale, it is the Alaska Wetlands Map (AWM) derived from L-band radar imagery acquired by Japanese Earth Resources Satellite (JERS-1) synthetic aperture radar (SAR) and is available with a resolution of 100meter pixels. Another broadly available dataset is the U.S. Fish and Wildlife Service (USFWS) National Wetland Inventory (NWI). The NWI data cover approximately 60 percent of the Analysis Area and would need to be supplemented by the AWM dataset. The Headwaters Koktuli River is the only watershed covered



100 percent by the NWI data. A third dataset available is the PLP wetlands mapping for the immediate vicinity of the Project footprint and includes 89 percent of the surface area in the Headwaters Koktuli River watershed. The PLP wetlands data outside the Headwaters Koktuli River watershed are generally limited to the transportation corridor and are of limited use in the evaluation of the Analysis Area.

Most of the proposed Project wetland impacts are in the Headwaters Koktuli River watershed. It is appropriate to provide and use the most accurate data for that portion of the Analysis Area. The PLP-generated data for the Headwaters Koktuli River is provided in Table 5-3. Since the PLP wetlands mapping only includes 89 percent of the surface area in the Headwaters Koktuli River watershed, NWI data were used to supplement the remaining 11 percent of the watershed (Table 5-4). The AWM dataset is the only consistent dataset for the entire Analysis Area and was used for the remainder of the watersheds and is provided in Table 5-5. The AWM provides only wetlands; therefore, other waters were calculated from the National Hydrography Dataset (NHD) 1:63,360 scale mapping (USGS 2018).

The Headwaters Koktuli River watershed includes approximately 59,581 acres of wetlands including 48,693 acres mapped by PLP and 10,888 acres mapped by the NWI. Slope palustrine scrub-shrub (42.65%), slope palustrine emergent (18.3%) and riverine palustrine scrub-shrub (12.01%) and emergent (4.44%) are the most abundant wetlands mapped by PLP in the watershed. The NWI data are not grouped by HGM, but the most widely distributed wetlands are palustrine scrub-shrub (71.74%) and palustrine emergent (23.93%).

For the remaining Analysis Area watersheds, the percentage of wetlands and other waters ranges from 19 percent in the Paint River watershed, to 79 percent in the Iliamna Lake watershed (Table 5-5). The most abundant wetlands types are palustrine scrub-shrub and emergent. The Newhalen River, Iliamna Lake, Gibraltar Lake, and Upper Talarik Creek HUC 10 watersheds contains many rivers and streams that drain into Iliamna Lake. At 1,012 sq. mi, 77 mi long, up to 22 mi wide, and up to 984 ft. deep, Iliamna Lake is the largest freshwater body in the Analysis Area. The Kvichak River drains from Iliamna Lake southwest into Bristol Bay.

HGM and Cowardin Classification	Acres	%
LACUSTRINE	975.0	2.00%
Lacustrine Limnetic Unconsolidated Bottom	844.4	1.73%
Lacustrine Littoral Aquatic Bed	10.1	0.02%
Lacustrine Littoral Unconsolidated Bottom	33.0	0.07%
Lacustrine Littoral Unconsolidated Shore	33.8	0.07%
Palustrine Emergent	1.1	< 0.01%
Palustrine Unconsolidated Bottom	51.0	0.10%
Palustrine Unconsolidated Shore	2.7	0.01%
LACUSTRINE FRINGE	126.7	0.26%
Lacustrine Littoral Emergent	0.3	0.00%
Lacustrine Littoral Unconsolidated Shore	9.4	0.02%
Palustrine Emergent	50.7	0.10%
Palustrine Moss-Lichen	0.2	< 0.01%
Palustrine Scrub-Shrub	64.8	0.13%
Palustrine Unconsolidated Bottom	0.5	< 0.01%
Palustrine Unconsolidated Shore	0.9	< 0.01%
RIVERINE	8,345.6	17.14%

Table 5-3 Wetlands and other waters mapped by PLP in the Headwaters Koktuli River



HGM and Cowardin Classification	Acres	%
Palustrine Aquatic Bed	1.8	< 0.01%
Palustrine Emergent	2,163.4	4.44%
Palustrine Forested	38.5	0.08%
Palustrine Moss-Lichen	2.9	0.01%
Palustrine Scrub-Shrub	5,847.3	12.01%
Palustrine Unconsolidated Bottom	160.6	0.33%
Palustrine Unconsolidated Shore	67.6	0.14%
Riverine Intermittent Streambed	0.1	< 0.01%
Riverine Lower Perennial Unconsolidated Bottom	41.5	0.09%
Riverine Lower Perennial Unconsolidated Shore	19.1	0.04%
Riverine Upper Perennial Aquatic Bed	< 0.01	< 0.01%
Riverine Upper Perennial Unconsolidated Bottom	2.2	< 0.01%
Riverine Upper Perennial Unconsolidated Shore	0.5	< 0.01%
RIVERINE CHANNEL	1,070.0	2.20%
Palustrine Aquatic Bed	1.0	< 0.01%
Palustrine Emergent	0.3	< 0.01%
Palustrine Unconsolidated Bottom	38.1	0.08%
Palustrine Unconsolidated Shore	6.0	0.01%
Riverine Intermittent Streambed	64.1	0.13%
Riverine Lower Perennial Aquatic Bed	19.1	0.04%
Riverine Lower Perennial Emergent	0.3	< 0.01%
Riverine Lower Perennial Unconsolidated Bottom	166.6	0.34%
Riverine Lower Perennial Unconsolidated Shore	9.1	0.02%
Riverine Upper Perennial Emergent	0.1	< 0.01%
Riverine Upper Perennial Unconsolidated Bottom	635.7	1.31%
Riverine Upper Perennial Unconsolidated Shore	129.6	0.27%
FLAT	6,599.8	13.55%
Palustrine Aquatic Bed	< 0.1	< 0.01%
Palustrine Emergent	1,623.7	3.33%
Palustrine Forested	0.2	< 0.01%
Palustrine Moss-Lichen	33.7	0.07%
Palustrine Scrub-Shrub	4,917.6	10.10%
Palustrine Unconsolidated Bottom	4.1	0.01%
Palustrine Unconsolidated Shore	20.3	0.04%
Riverine Intermittent	< 0.1	< 0.01%
SLOPE	29,813.9	61.23%
Palustrine Aquatic Bed	6.1	0.01%
Palustrine Emergent	8,911.2	18.3%
Palustrine Forested	2.2	< 0.01%
Palustrine Moss-Lichen	27.5	0.06%
Palustrine Scrub-Shrub	20,768.5	42.65%
Palustrine Unconsolidated Bottom	69.3	0.14%
Palustrine Unconsolidated Shore	28.3	0.06%
Riverine Upper Perennial Unconsolidated Bottom	0.3	< 0.01%
Riverine Upper Perennial Unconsolidated Shore	0.5	< 0.01%
- r r	1,561.2	3.21%
DEPRESSIONAL	<0.1	<0.01%
	\U.1	
Lacustrine Littoral Unconsolidated Shore		
	4.8 155.3	0.01% 0.32%



HGM and Cowardin Classification	Acres	%
Palustrine Scrub-Shrub	172.7	0.35%
Palustrine Unconsolidated Bottom	913.1	1.88%
Palustrine Unconsolidated Shore	314.8	0.65%
N/A	201.3	0.41%
Palustrine Emergent	2.6	0.01%
Palustrine Scrub-Shrub	197.9	0.41%
Palustrine Unconsolidated Shore	0.9	<0.01%
Grand Total	48,693.5	100%

Source: PLP mapped wetlands. Minor discrepancies in totals are the result of rounding numbers.

Table 5-4 NWI wetlands and other waters in the Headwaters Koktuli River outside PLP mapped wetlands
Analysis Area

Cowardin Classification	Acres	%
Palustrine Emergent	2,605.4	23.93%
Palustrine Scrub Shrub	7,811.1	71.74%
Palustrine Unconsolidated Bottom	248.4	2.28%
Riverine Unknown Perennial Unconsolidated Bottom	222.8	2.05%
Grand Total	10,887.7	100%

Source: UFWS NWI mapped wetlands.

 Table 5-5 Wetlands and other waters on the Newhalen River, Iliamna Lake, Gibraltar Lake, Upper Talarik Creek, Paint

 River, and Amakdedori Creek-Frontal Kamishak Bay HUC 10 watersheds

		Kvichak-Port Heiden					
	Newhalen River	Iliamna Lake	Gibraltar Lake	Upper Talarik Creek	Paint River	Amakdedori Creek-Frontal Kamishak Bay	Total
Wetlands							
Estuarine (ac.)	-	15				1,525	1,540
Emergent (ac.)		15				1,525	1,540
Forested (ac.)							
Lacustrine (ac.)	116	42				35	193
Emergent (ac.)	116	42				35	193
Palustrine (ac.)	56,577	270,572	21,558	35,355	21,965	25,968	431,995
Emergent (ac.)	30,908	133,446	7,594	13,200	6,291	5,666	197,105
Forested (ac.)	59	682		44		62	847
Shrub-Scrub (ac.)	25,610	136,444	13,964	22,111	15,674	20,240	234,043
Other Waters (ac.)							
Ice (Glacier) (ac.)			38		61		99
Lakes (ac.)	8,075	681,658	5,331	1,680	2,159	3,960	702,863
Streams (mi.)	250	881	91	250	557	684	2713
Summary of Wetlands an	d other Waters						
Watershed Size (ac.)	119,708	1,201,854	81,581	87,539	128,354	154,461	1,773,497
Wetlands (ac.)	56,693	270,629	21,557	35,356	21,965	27,527	433,727
Wetlands (%)	47%	23%	26%	40%	17%	18%	



		Kvichak-Port	Heiden	Weste			
	Newhalen River	Iliamna Lake	Gibraltar Lake	Upper Talarik Creek	Paint River	Amakdedori Creek-Frontal Kamishak Bay	Total
Other Waters (ac.)	8,075	681,658	5,369	1,680	2,220	3,960	702,962
Other Waters (%)	7%	57%	7%	2%	2%	3%	
Wetlands and Other Waters (ac.)	64,768	952,287	26,926	37,036	24,185	31,487	1,136,689
Wetlands and Other Waters (%)	54%	79%	33%	42%	19%	20%	64%
Streams (mi.)	250	881	91	250	557	684	2,713

Source: Wetlands – Alaska Wetlands Map; Other Waters – National Hydrographic Dataset

5.3 Fish and Wildlife

The wetlands and other waters of the U.S. in the watersheds provide habitat for mammals, fish, and bird animal species, many of which are of high importance to the ecosystems they inhabit and to the local economies and subsistence lifestyles. Representative indicator animal species in the Analysis Area include:

- <u>Caribou</u>. Caribou (Rangifer tarandus granti) in this area are referred as the Mulchatna Caribou Herd. Caribou prefer tundra habitats. Their distribution in the watersheds include the Headwaters Koktuli River, Upper Talarik Creek, Newhalen River, and the western shores of Iliamna Lake. In the mid-1990s, the caribou population peaked at about 200,000 animals, and then the herd began simultaneously declining in numbers and expanding its range north and west. This current decade the population reached a low of approximately 18,000 caribou; although in 2015 it had shown an increase to over 30,000. During the late 1990s, reported annual harvests peaked at over 5,000 caribou but during the 2010s, the reported harvest has not exceeded 466 caribou per year (Van Lanen 2018).
- <u>Lake Seals.</u> Iliamna Lake provides habitat to a population of freshwater seals, which are believed to be harbor seals (*Phoca vitulina*), although the exact species identification remains uncertain. These seals are unique in that freshwater seal populations are very rare in the northern hemisphere. Over the 28 years of aerial surveys, counts have ranged from zero to more than 300 seals, with the largest numbers occurring during August. The seals spend most of their time in and around the island systems of the northeast portion of the lake and during salmon season feed near the mouths of the lake's tributary rivers and streams. Approximately 3-5 seals are harvested per community per year (Van Lanen, Iliamna Lake Seals Local and Scientific Understanding 2018).
- <u>Fish.</u> The Bristol Bay watershed, of which these watersheds are a part, support important commercial and sport fisheries for Pacific salmon and other fishes. The watersheds provide spawning and rearing habitat for all species of anadromous Pacific salmon (Figure 2): sockeye (*Oncorhynchus nerka*), coho (*O. kisutch*), Chinook (*O. tshawytscha*), chum (*O. keta*), and pink (*O. gorbuscha*). The most abundant species in the watersheds is sockeye salmon. Waters in the watersheds provide habitat for other fish species, including rainbow trout (*O. mykiss*), Dolly Varden (*Salvelinus malma*), Arctic char (*S. alpinus*), lake trout (*S. namaycush*), Arctic grayling (*Thymallus arcticus*), northern pike (*Esox lucius*), and humpback whitefish (*Coregonus pidschian*). These fishes occupy a variety of habitats in the watershed, from headwater streams to wetlands to large rivers and lake. The Analysis Area includes approximately 571 miles and



684,616 acres of anadromous streams and waterbodies. Nearly 16 percent of the streams and 97 percent of the lakes in the Analysis Area provide habitat to Pacific salmon (Table 5-6).

	Nushagak River		Kvichak-Po	rt Heiden		Weste	rn Cook Inlet		Total
	Headwaters Koktuli River	Newhalen River	Iliamna Lake	Gibraltar Lake	Upper Talarik Creek	Paint River	Amakdedori Creek- Frontal Kamishak Bay	% of Waters in the Analysis Area	Anadromous Waters
Anadromous Streams (miles)	143	53	213	43	76		41	16%	571
Anadromous Lakes (acres)	406	5,750	674,782	3,211	34		433	97%	684,616

Table 5-6 Pacific salmon habitat in the watershed Analysis Area (miles and acres)

Source: ADF&G Anadromous Waters Catalog (ADF&G 2018).

The Headwaters Koktuli River watershed includes 143 stream miles and 406 lake acres of anadromous fish habitat for Arctic char, Chinook salmon, chum salmon, coho salmon, and sockeye salmon (ADF&G 2018). Sockeye and coho salmon have the greatest distribution of any anadromous fish in the Headwaters Koktuli River watershed (Table 5-7). Sockeye salmon spawning has been documented in 164 lake acres, and 59 stream miles, and rearing in 152 lake acres and 54 stream miles. Coho salmon spawning has been documented in 79 stream miles, and rearing in 187 lake acres and 125 stream miles. Chinook spawning has been documented in 64 stream miles and rearing in 82 stream miles. Chum spawning includes 64 stream miles and rearing 82 stream miles. Arctic char is present in 41 stream miles.

Fish Species	Present	Rearing	Spawning
Arctic char			
Stream (miles)	41		
Chinook salmon			
Lake (acres)	164		
Stream (miles)	11	82	64
Chum salmon			
Stream (miles)	4	7	50
Coho salmon			
Lake (acres)	219	187	
Stream (miles)	20	125	79
Sockeye salmon			
Lake (acres)	52	152	164
Stream (miles)	16	54	59

Table 5-7 Anadromous fish habitat in the Headwaters Koktuli watershed

Source: ADF&G Anadromous Waters Catalog (ADF&G 2018).

• <u>Protected Species.</u> Protected species in the watershed include southcentral stock northern Sea Otters, (*Enhydra lutris kenyoni*) which make use of the marine shorelines of Amakdedori Creek-Frontal Kamishak Bay.



• <u>Other.</u> The watersheds' wetlands and aquatic resources provide habitat for large carnivores such as brown bears (*Ursus arctos*), bald eagles (*Haliaeetus leucocephalus*), gray wolves (*Canis lupus*); ungulates such as moose (*Alces alces gigas*); and numerous waterfowl and small mammal species. Brown bears are abundant in the Nushagak River and Kvichak River watersheds. Moose are abundant, particularly in the Nushagak River watershed where felt-leaf willow, a preferred forage species, is plentiful.

5.4 Land Ownership

Generalized land status data to the section level (generally 1 square mile) including federal, State of Alaska, and native lands is produced by the Alaska Department of Natural Resources (ADNR 2018).

The Analysis Area comprises approximately 1,270,262 acres (72%) of public lands, including State of Alaska (40%) and federally owned (32%) lands. Overall, the State of Alaska is the largest surface land owner (Table 5-8). Private lands total 487,471 acres (28%) of the watershed and includes Alaska Native Claims Settlement Act (ANCSA) lands (26%) and private or municipal lands (1%). Approximately 212,960 acres (~12%) are grouped in administrative management areas including Katmai National Park and Preserve, Lake Clark National Park and Preserve, and the McNeil River State Game Refuge and Sanctuary (Figure 3).

	Nushagak River		Kvichak-Po	rt Heiden		Western	n Cook Inlet	Grand	Total
Land Ownership Types	Headwater Koktuli River	Newhalen River	Iliamna Lake	Gibraltar Lake	Upper Talarik Creek	Paint River	Amakdedori Creek – Frontal Kamishak Bay	Acres	Percent of Analysis Area
ANCSA		53,583	356,724	31,866	19,037	207		461,417	26%
Private or Municipal		4,344	21,710					26,054	1%
State	170,632	40,630	283,807	41,864	64,664	127,932	148,642	707,539	40%
State and ANCSA		5,516	8,117					13,633	1%
Federal		15,635	531,496	7,850	3,837	214	3,691	562,723	32%
Total	170,632	119,708	1,201,854	81,581	87,539	128,354	152,332	1,771,368	100%
Administrative Boundary									
Katmai National Park & Preserve			336	1,067		174	25,620	27,198	2%
Lake Clark National Park & Preserve		25,192	1,913					27,105	2%
McNeil River State Game Refuge			1,124	1,962		111,335	11,789	126,210	7%
McNeil River State Game Sanctuary						13,820	18,628	32,447	2%
Total		25,192	3,373	3,029		125,328	56,037	212,960	12%

 Table 5-8 Land ownership for the watershed Analysis Area (acres)

Source: Alaska Department of Natural Resources General Land Status, 2018, section level data (ADNR 2018). In some cases, the land ownership was split between State of Alaska, and ANCSA owned land. In those cases, the data were not segregated and counted as "State and ANCSA". Discrepancies in the total acreage for the watershed in this table and those shown in Table 5-1 are a result of the differences in data boundaries between the Generalized Land Status and the HUC; in coastal areas, the Generalized Land Status data, and HUC 10 boundary limits do not match.



5.5 Land Use

The watersheds are largely undeveloped, except for seven rural communities including Nondalton, Iliamna, Newhalen, Pedro Bay, Pile Bay, Igiugig, and Kokhanok. The region is remote with no road access to the State's highway system and limited roads between Iliamna, Newhalen, and Nondalton, as well as a 15-mile road connecting Williamsport to Pile Bay. Most communities have gravel and earth surfaced streets. Surface access between most communities is by boat along the lake in the summer and by snow machine along winter trails in the winter. A few small air carriers provide regular year-round, air charter, and cargo flights from regional hubs to the smaller communities (BBNA 2018). The communities rely primarily on diesel electric generators for power, but some communities have implemented alternative energy sources as a means to lower fuel cost (BBNA 2018), and to alleviate spill risk concerns associated with fuel transport (HDR 1998): Iliamna, Newhalen, and Nondalton have implemented hydroelectric options at Tazimina Falls about 9 miles upstream of the confluence of the Tazimina River and the Newhalen River (HDR 1998); Igiugig is experimenting with a river power system (Caldwell 2014). The communities operate as both subsistence and cash economies. Most cash opportunities result from government development projects, commercial fishing, sport fishing, and sport hunting ventures. Iliamna Lake is noted for its sport fishing, primarily rainbow trout, Pacific salmon, and Arctic grayling.

Almost all State of Alaska lands within the Analysis Area are managed for multiple use and are open to mining. The watersheds include a history of mineral exploration, but to date no mines have been developed. The most significant placer mining districts in proximity to the Analysis Area are the Nyac (gold) 175 miles northwest of the mine site, and Goodnews Bay (platinum) 235 miles west of the mine site. The Alaska Resource Data File maintained by the U.S. Geological Survey provides a record of mines, prospects and mineral occurrences (USGS 2018). The watersheds within Nushagak River, Kvichak-Port Heiden, and Western Cook Inlet basins include six mineral occurrences and 26 prospects for gold, copper, iron, silver, and molybdenum. The State of Alaska closed many streams to mineral entry in the Nushagak-Mulchatna River drainage as well as streams around Iliamna Lake (Mineral Closing Order 393). This closure is aimed at protecting Pacific salmon streams, including the North Fork Koktuli River, South Fork Koktuli River, and Upper Talarik Creek. The Analysis Area has large quantities of sand, gravel, and rock materials. There has been little use for these materials except near communities that require them for airport and road construction or upgrades.

5.6 Water Quality

Wetlands, rivers, and streams that are free of contaminants are important for sustaining a healthy aquatic ecosystem. Potential sources of contaminants in the Analysis Area include: spills of chemicals or petroleum lubricants and fuels, stormwater runoff and erosion, community sanitation facilities including landfills and sewage management systems, and similar sources. PLP has reviewed available databases to locate potential sources of contamination in the Analysis Area:

• <u>Alaska Department of Environmental Conservation (ADEC) contaminated sites.</u> The ADEC maintains a database of contaminated sites in Alaska. The database includes 12 contaminated sites in the Analysis Area where cleanup actions have been complete, and six sites where cleanup actions are undergoing. Contaminants at these sites included oil and lubricants. There are no identified sites in the Analysis Area where clean up actions are not in progress.



- <u>ADEC Solid Waste Sites.</u> The ADEC maintains a database of solid waste sites in Alaska. The database includes 11 solid waste sites in the Analysis Area located in the proximity of each village. Six solid waste sites are active, one inactive, and four retired.
- <u>ADEC Waste Erosion Assessment and Review (WEAR)</u>. The ADEC conducted the WEAR program to inventory sites that have the potential to release hazardous substances and garbage from Alaska's landfills, contaminated sites, tank farms, and other sites of environmental concern into state's waters, jeopardizing water quality, fish and wildlife (ADEC 2018). Highlights from this program are included in Table 5-9.

Site Name and Location	Description
Igiugig	
Tank Farm, 59.327258/-155.897948 (Active)	The site was constructed in 2004 for the Native Village of Igiugig and contains nine tanks with a total capacity of 111,000 gallons. The nearest source of erosion, the Kvichak River, is only 20 feet away. Erosion symptoms such as root exposure, undercutting, and slides were observed on the closest bank of the river.
Community Landfill, 59.325198/- 155.905045 (Retired)	This is the location of a historical military landfill that was started in the 1950s. After the military left, the community used it as their landfill until 2001 when the new landfill was constructed. The field is 500 feet from the closest source of erosion, the Kvichak River.
Iliamna	
Landfill, 59.783836/-154.901292 (Active)	This permitted landfill is a self-haul facility that burns most of its waste in a Summit burn unit. It has been in operation since at least 1986. The Iliamna Landfill employs a landfill operator but would benefit from improved management of burning and special wastes. The landfill is located approximately 3.3 miles from Iliamna Lake.
Airport Crowley Tank Farm, 59.754428/-154.906141 (Active)	This Crowley tank farm, which is located across the street from the Iliamna Airport, is an active Contaminated Site (File ID 2560.38.012). A spill of 1,507 gallons of aviation gas occurred at the site in late 2009. 65 cubic yards of contaminated soil were excavated and landfarmed to remediate the soil beginning in 2011. After remediation, the soil was transported to and disposed of at the Newhalen Landfill in June 2013. This site is still being monitoring by the Contaminated Sites Program as not all contaminated soil was excavated. The tank farm is about 0.15 acres in size and holds six tanks, which have a total capacity of 258,000 gallons in a fenced and locked area.
FAA Living Quarters Landfarm, 59.761161/-154.828806 (Active)	This site is part of an active Contaminated Site (File ID 2560.38.001). The landfarm is remediating contaminated soil linked to above ground fuel tanks that used to exist in the area. The landfarm is within Iliamna Airport Tract II, near the Old FAA Landfill, and covers an area of approximately 0.08 acres. The site is 170 feet south of Lake Superior.
Former US Post Office, 59.751424/- 154.815653 (Active)	The former Ilianna US Post Office was located on Iliaska Drive at this site. In November of 1999, it was reported that drums of used oil were shot and subsequently leaked. This caused the site to become an active Contaminated Site (File ID 2560.38.007). During inspection, the area appeared to be well vegetated aside from a cut in the bushes to provide access to the lake from the road. The site is no longer owned by USPS and is located right on the shoreline of Roadhouse Bay.
Abandoned Fuel Tanks, 59.749782/- 154.812959 (Abandoned)	These tanks, with unknown size and contents, reside in the Iliaska Subdivision in front of Lots 30 and 31. The tanks were completely surrounded by dense vegetation and are 245 feet from Iliamna Lake.
Newhalen	
Landfill, 59.731888/-154.892355 (Active)	This unpermitted landfill has been operating since its construction in 1983. Necessary equipment for the removal of CFCs from white goods was unavailable, and batteries and used oil were poorly stored. The 5.5-acre landfill is located half a mile north of Newhalen and 2,000 feet east of erosion reported along the banks of the Newhalen River.
Crowley Contaminated Soil, 59.719562/-154.891769 (Active)	This site is an active landfarm to remediate contaminated soil under the Contaminated Sites Program. The site consists of two listings Crowley Jet A Fuel Tank 471 Newhalen Tank Farm (File ID 2619.38.002) and Newhalen Bulk Fuel Storage (File ID 2619.38.001). The site is associated with numerous historic spills and a former tank farm. The site dates back to a 1983 spill reported in relation to Newhalen's old utility tank farm. There are several data gaps in the history of this site that don't allow for identification of all spills; however, additional free product was discovered near the 1983 spill during sewer cleaning operations in August 1999. Later, on October 30, 2008, there was a jet fuel spill totaling approximately 13,630 gallons from Crowley Jet A Fuel Tank 471. The majority of the spill was recovered from secondary containment, but 2,777 gallons were suspected to have breached the containment. The tank farm has since been decommissioned with the site consisting mostly of the 2.9-acre landfarm at the time of inspection. Soil staining, 55-gallon drums, piles of dirty rags, and metal debris were identified along the perimeter of the landfarm. The site is located adjacent to the current Newhalen Tank Farm, on its lakeward side, and is 1,000 feet from Iliamna Lake.
Nondalton	
Drum Cache, 59.970533/- 154.851000 (Abandoned)	This site is associated with the construction of generators and a new tank for the water plant. The site is about 0.02 acres in size and is located in the middle of town. It consists of a slightly depressed region, covered in black textiles with heavy staining on top of the textile. Vegetation surrounding the perimeter of the site was noted as distressed during the inspection. Several 55-gallon drums were strewn about the site with contents unknown. The site is believed to have originated around 2005 and is 250 feet from Sixmile Lake.

Table 5-9 Selected sites of concern from WEAR 2012-2014



Site Name and Location	Description
Airport Tanks, 59.978880/- 154.836069 (Abandoned)	These empty tanks are located at the airport. There are 10 tanks in total with the labeling "Out of Service, Do Not Fill, 10-1-02" and a total capacity of 80,500 gallons. The tanks were constructed by the City of Nondalton sometime in the early 1990s with the intent that they become storage for heating fuel and gasoline to be sold to local residences and businesses. However, the project was never completed. The site is unfenced and eight of the vertical tanks rest on a geotextile liner; two of the tanks are located outside of the containment. Roughly two inches of water were seen pooling within the containment at the time of inspection. Stacked alongside one of the tanks were several 55-gallon drums and miscellaneous buckets with contents unknown. The site is 0.15 acres in size and is located 1,230 feet from Sixmile Lake.
Kokhanok	
Landfill, 59.433225/-154.750637 (Active)	This unpermitted landfill is found a half mile due south of the school on a hill. It was constructed in 1992 by the U.S. Public Health Service. The landfill operates as a trench and fill with a working Tok burn unit. Metals, drums and white goods (household appliances) are separated at the site. The inactive areas of the landfill have been covered and are revegetated. It lies 1,600 feet from Piva Lake.
Old Tank Farm, 59.441288/- 154.751535 (Abandoned)	This tank farm is no longer in use since the 2003 construction of the new tank farm. It is located approximately 540 feet northwest of the school. There were 2 vertical tanks and 5 horizontal tanks, which could hold a total of 52,500 gallons of diesel. The horizontal tanks were within a lined, earthen berm, and the vertical tanks were on wooden platforms with no visible berm or liner. There was evidence of staining on the ground, and ponded water around the tanks had a visible sheen. It is located approximately 400 feet from Ilianna Lake.
Slop Bucket Lake Dump, 59.441696/-154.759466 (Abandoned)	This lake can be found 1,000 feet east of Big Lake. It was reportedly used as a dump site for many years by the community with sporadic dumping still occurring. There was visible trash on the shores and lake bottom, which ranged from bags of trash to rusted barrels and tires. It is 350 feet from Iliamna Lake.
Pedro Bay	
Landfill, 59.791717/-154.102628 (Active)	This unpermitted landfill is located on the northeast side of town only 1,000 feet from the Village Council building. This one-acre site has been in operation since around 1985. An incinerator is on site, but it has never been used due to operational costs. A baler is also available, but it has not been used. Municipal waste is burned in a small pit and then mixed with dirt into a large pile that will eventually be pushed back into a trench. Batteries and other recyclables are separated out. There is a separate area for hide goods and other metals. There is a fence around part of the landfill, but it is falling down in places. The landfill lies 2,100 feet from Iliamna Lake.

Source: ADEC Waste Erosion Assessment and Review (2018)

- <u>Environmental Protection Agency (EPA) Brownfields Sites.</u> The EPA maintains a list of brownfield sites. There are three brownfield sites located in Newhalen that resulted from large historic fuel spills on land, all near waters. Cleanup has been completed at one spill site abutting Iliamna Lake. The two remaining sites are 0.3 miles the Newhalen River and cleanup actions are underway. Contamination at these sites resulted from a ~13,630-gallon Jet-A spill, and a ~35,000-gallon diesel spill.
- <u>EPA Superfund Sites</u>. The EPA maintains a database of superfund clean-up sites. There are no listed superfund cleanup sites in the Analysis Area.
- <u>Rural Sanitation.</u> Most villages and private houses are equipped with septic tanks or a centralized sewage system. Community sanitation systems are in constant need of improvement in the Analysis Area. The Alaska Native Tribal Health Consortium is working on building a sludge disposal site for the sludge that is pumped from the individual septic tanks at Iliamna, but funding to complete the project is insufficient. Kokhanok, Nondalton, and Newhalen recently received approval for their water and wastewater feasibility study (ADEC 2018).
- <u>Barge Landings.</u> Barge and boat landings can be a source of shoreline erosion and sedimentation in Iliamna Lake. In 2009-2010 the Denali Commission funded the design of barge and boat landings for Iliamna, Kokhanok, Pedro Bay, Pile Bay, and Igiugig. Construction of these projects is pending (Denali Commision 2018).

5.7 Invasive Species

Invasive species pose a threat to ecosystems, including wetlands and other waters of the U.S., by altering the functional compositions of communities and from the loss of locally abundant species (Diaz, et al. 2006). While most invasive plants have been recorded along Alaska's road network, remote communities off the



road system may be increasingly and disproportionately vulnerable to harm from exposure to invasive species. Bristol Bay residents have expressed concern about the potential impacts of invasive plants on local natural resources, including subsistence foods (Spellman and Swenson 2012). Survey data from Bristol Bay indicated relatively small populations of several high-risk invasive species, including reed canarygrass (*Phalaris arundinacea*), yellow toadflax (*Linaria vulgaris Mill.*), white sweetclover (*Melilotus officinalis (L.) Lam*), bird vetch (*Vicia cracca L.*), orange hawkweed (*Hieracium aurantiacum L.*) and oxeye daisy (*Leucanthemun vulgare Lam.*) (Spellman and Swenson 2012). Fall dandelion (*Leontodon autumnalis L.*), oxeye daisy (*Leucanthemun vulgare Lam.*), pineapple weed (*Matricaria discoidea DC.*), Kentucky bluegrass (*Poa pratensis L. ssp. irrigata*), creeping buttercup (*Ranunculus repens L.*), common sheep sorrel (*Rumex acetosella L.*) and common chickweed (*Stellaria media*) were found in Igiugig in 2010 (AKEPIC 2018). It does not appear that surveys have been conducted in most of the communities in the Analysis Area.

Reed canarygrass, which grows very well in wetlands, has a high potential for impacting important subsistence foods resources. Reed canarygrass can invade active stream channels, accelerating siltation of gravel and sand bars, reducing the active-channel area, and altering fluvial dynamics (Galatowitsch, Anderson and Ascher 1999) (Wisconsin Reed Canary Grass Management Working Group (WRCGMWG) 2009) that could affect Pacific salmon and other fishes habitat. The results of a reed canarygrass vulnerability model for the Bristol Bay region completed in 2012 projected 39 kilometers of salmon stream could be vulnerable in the next 30 years. From 2039 to 2069, the amount of salmon streams vulnerable to reed canarygrass invasion would nearly double to 442.5 kilometers. The model projected that by 2099, the length of salmon streams vulnerable to potential adverse effects from reed canarygrass could total 1,074.5 kilometers. Modeling indicates the Iliamna area had the second greatest number of vulnerable streams for the same period (Spellman and Swenson 2012).

In 2006 most primary and secondary roads in the Kenai Peninsula were surveyed for reed canarygrass. The survey located 260 reed canarygrass populated sites, 51sites in wetlands, with 14 of those adjacent to coho salmon habitats (B. Spellman 2018). Authorities have determined that reed canarygrass on the Kenai Peninsula is beyond eradication efforts, as early detection and eradication efforts were missed, and decided to focus reed canarygrass management efforts in sensitive areas. During 2007-2009 reed canarygrass was surveyed at six streams; the following four had extensive reed canarygrass infestations: Kenai River, Bishop Creek, North Fork Anchor River, and Beaver Creek. In an approximately 20 mile-reach of the North Fork Anchor River reed canary grass was found in 256 sites, including sites directly along the active channel. Eradication efforts have had mixed result due in part to the extensive distribution of the reed canarygrass (B. Spellman 2018). While prevention of invasive species is the best management practice, early detection and eradication are crucial to fighting invasive species once established in an ecosystem.

5.8 Summary of Watershed Conditions

This watershed analysis has characterized conditions within the Analysis Area. The following is a summary of those conditions and provides general watershed improvement opportunities that could benefit aquatic functions in the watersheds.

Nearly all the Analysis Area is undeveloped and wetlands and aquatic resources have little to no degradation. The principal sources of land development in the Analysis Area are those associated with residential housing, fishing and hunting cabins and lodges, sanitation systems, community energy, and the limited transportation



infrastructure associated with the villages of Nondalton, Iliamna, Newhalen, Pedro Bay, Pile Bay, Igiugig and Kokhanok. Development accounts for less than 0.05 percent of the Analysis Area.

Wetland and other waters are widely distributed in the Analysis Area. The Headwaters Koktuli River watershed includes more than 59,581 acres, and the other watersheds a combined total of 1,136,689 acres of wetlands and other waters. Dominant wetlands include palustrine shrub-scrub and emergent, while estuarine and lacustrine emergent wetlands are rare.

Generalized land ownership in the Analysis Area is split between the State of Alaska (40%), federal government (32%), native owned lands (26%), and private and municipal lands (1%). Roughly 4 percent of the Analysis Area includes the Katmai and Lake Clark national parks and is permanently protected from development. While State of Alaska lands are open to multiple uses, including mining, the Alaska Department of Natural Resources has closed many streams to mineral entry in the Nushagak-Mulchatna River drainage, as well as streams around Iliamna Lake to protect Pacific salmon fish habitat. Regardless of land ownership and the occurrence of minerals in the watershed, the threat of development, other than the proposed Project, is low.

Aquatic habitats, though plentiful, do face potential threats from non-point source pollution associated with community growth, or invasive species. Most of the communities have documented contamination from fuel and lubricant spills, and substandard village sanitary systems, such as landfills, that could be improved. Invasive species are a threat to aquatic resources in the Analysis Area, but much of the area remains unsurveyed.



6. Project Effects on Aquatic Resources

The discharge of fill proposed by the project will permanently impact 3,524 acres of WOUS. Most of these impacts (3,421 acres) would be confined to the Headwaters Koktuli River watershed (Table 6-1). The remaining impacts to wetlands and other aquatic resources (103 acres) are divided among the Newhalen River, Iliamna Lake, Gibraltar River, Upper Talarik Creek, Amakdedori Creek-Frontal Kamishak Bay watersheds, and Cook Inlet watersheds (Table 6-2).

Approximately 5.74 percent of the currently existing aquatic resources in the Headwaters Koktuli River would be lost due to the proposed discharges of fill. The greatest impact would be to slope HGM aquatic resources which would be reduced by 10.12 percent. Slope palustrine unconsolidated bottom would be reduced by 16.51 percent, slope palustrine scrub-shrub would be reduced by 11.48 percent, and slope palustrine emergent would be reduced by 1 percent. Riverine, and riverine channel HGM aquatic resources will experience a 2.79 percent and 4.43 percent loss respectively. Most impacts to the riverine channel include upper perennial streams (unconsolidated bottom and unconsolidated shore) with a 7.88 percent reduction. Riverine channel intermittent streambed and palustrine emergent would experience a 5.32 percent and 4.58 percent reduction respectively. Slope HGM palustrine scrub-shrub and emergent wetlands are the most widely distributed aquatic resource in the watershed with approximately 20,769 acres and 8,911 acres respectively. These wetlands are broadly used by ungulates such as moose and caribou. Riverine and riverine channel aquatic resources impacted by the Project provide support to Pacific salmon.

	Ba	aseline	Impacts to WOUS	Reduction	
HGM and Cowardin Classification	Acres	%	Acres	%	
LACUSTRINE	975.00	1.64%	0.06	0.01%	
Lacustrine Limnetic Unconsolidated Bottom ¹	844.40	1.42%			
Lacustrine Littoral Aquatic Bed ¹	10.10	0.02%			
Lacustrine Littoral Unconsolidated Bottom ¹	33.00	0.06%			
Lacustrine Littoral Unconsolidated Shore ¹	32.80	0.06%	0.06	0.18%	
Palustrine Emergent ¹	1.10	< 0.01%			
Palustrine Unconsolidated Bottom ¹	51.00	0.09%			
Palustrine Unconsolidated Shore ¹	2.70	< 0.01%			
LACUSTRINE FRINGE	126.70	0.21%	0.59	0.47%	
Lacustrine Littoral Emergent ¹	0.30	<0.01%			
Lacustrine Littoral Unconsolidated Shore ¹	9.40	0.02%			
Palustrine Emergent ¹	50.70	0.09%	0.27	0.54%	
Palustrine Moss-Lichen ¹	0.20	<0.01%			
Palustrine Scrub-Shrub ¹	64.80	0.11%	0.32	0.50%	
Palustrine Unconsolidated Bottom ¹	0.50	<0.01%			
Palustrine Unconsolidated Shore ¹	0.90	< 0.01%			

Table 6-1 Summary of aquatic resources (acres) in the HUC 10 Headwaters Koktuli River



	Bas	seline	Impacts to WOUS	Reduction
HGM and Cowardin Classification	Acres	%	Acres	%
RIVERINE	8,345.60	14.01%	232.48	2.79%
Palustrine Aquatic Bed ¹	1.80	< 0.01%		
Palustrine Emergent ¹	2,163.40	3.63%	58.77	2.72%
Palustrine Forested ¹	38.50	0.06%		
Palustrine Moss-Lichen ¹	2.90	<0.01%		
Palustrine Scrub-Shrub ¹	5,847.30	9.81%	169.08	2.89%
Palustrine Unconsolidated Bottom 1	160.60	0.27%	4.63	2.88%
Palustrine Unconsolidated Shore ¹	67.60	0.11%		
Riverine Intermittent Streambed 1	0.10	<0.01%		
Riverine Lower Perennial Unconsolidated Bottom 1	41.50	0.07%		
Riverine Lower Perennial Unconsolidated Shore ¹	19.10	0.03%		
Riverine Upper Perennial Aquatic Bed ¹	<0.1	<0.01%		
Riverine Upper Perennial Unconsolidated Bottom 1	2.20	<0.01%		
Riverine Upper Perennial Unconsolidated Shore ¹	0.50	< 0.01%	-	
RIVERINE CHANNEL	1,070.00	1.80%	47.39	4.43%
Palustrine Aquatic Bed ¹	1.00	<0.01%		
Palustrine Emergent ¹	0.30	<0.01%	0.01	4.58%
Palustrine Unconsolidated Bottom ¹	38.10	0.06%	0.07	0.18%
Palustrine Unconsolidated Shore ¹	6.00	0.01%		
Riverine Intermittent Streambed ¹	64.10	0.11%	3.41	5.32%
Riverine Lower Perennial Aquatic Bed ¹	19.10	0.03%		
Riverine Lower Perennial Emergent ¹	0.30	< 0.01%		
Riverine Lower Perennial Unconsolidated Bottom ¹	166.60	0.28%		
Riverine Lower Perennial Unconsolidated Shore ¹	9.10	0.02%		
Riverine Upper Perennial Emergent ¹	0.10	<0.01%		
Riverine Upper Perennial Unconsolidated Bottom ¹	635.70	1.07%	42.33	6.66%
Riverine Upper Perennial Unconsolidated Shore ¹	129.60	0.22%	1.58	1.22%
FLAT	6,599.80	11.08%	81.13	1.23%
Palustrine Aquatic Bed ¹	< 0.1	< 0.01%		
Palustrine Emergent ¹	1,623.70	2.73%	5.49	0.34%
Palustrine Forested ¹	0.20	< 0.01%		
Palustrine Moss-Lichen ¹	33.70	0.06%		
Palustrine Scrub-Shrub ¹	4,917.60	8.25%	75.64	1.54%
Palustrine Unconsolidated Bottom ¹	4.10	0.01%		
Palustrine Unconsolidated Shore 1	20.30	0.03%		
Riverine Intermittent Streambed 1	< 0.1	<0.01%		



	Bas	eline	Impacts to WOUS	Reduction
HGM and Cowardin Classification	Acres	%	Acres	%
SLOPE	29,813.90	50.04%	3,016.35	10.12%
Palustrine Aquatic Bed 1	6.10	0.01%	0.01	0.10%
Palustrine Emergent ¹	8,911.20	14.96%	618.85	6.94%
Palustrine Forested 1	2.20	<0.01%		
Palustrine Moss-Lichen ¹	27.50	0.05%		
Palustrine Scrub-Shrub ¹	20,768.50	34.86%	2,385.11	11.48%
Palustrine Unconsolidated Bottom 1	69.30	0.12%	11.44	16.51%
Palustrine Unconsolidated Shore ¹	28.30	0.05%	0.94	3.33%
Riverine Upper Perennial Unconsolidated Bottom ¹	0.30	<0.01%		
Riverine Upper Perennial Unconsolidated Shore ¹	0.50	<0.01%		
DEPRESSIONAL	1,561.20	2.62%	43.45	2.78%
Lacustrine Littoral Unconsolidated Shore ¹	< 0.1	<0.01%		
Palustrine Aquatic Bed ¹	4.80	0.01%		
Palustrine Emergent ¹	155.30	0.26%	3.71	2.39%
Palustrine Moss-Lichen ¹	0.50	<0.01%		
Palustrine Scrub-Shrub ¹	172.70	0.29%	9.41	5.45%
Palustrine Unconsolidated Bottom ¹	913.10	1.53%	24.26	2.66%
Palustrine Unconsolidated Shore ¹	314.80	0.53%	6.07	1.93%
N/A	11,089.00	18.61%		
Palustrine Emergent ^{1, 2}	2,608.00	4.38%		
Palustrine Scrub-Shrub ^{1, 2}	8,009.00	13.44%		
Palustrine Unconsolidated Shore ¹	0.90	< 0.01%		
Palustrine Unconsolidated Bottom ²	248.40	0.42%		
Riverine Unknown Perennial Unconsolidated Bottom ²	222.80	0.37%		
Grand Total	59,581.20	100%	3,421.45	5.74%

Source: (1) PLP mapped wetlands, (2) NWI mapped wetlands.

Project impacts from fill discharges to aquatic resources in the Newhalen River, Iliamna Lake, Gibraltar Lake, Upper Talarik Creek, and Amakdedori Creek-Frontal Kamishak Bay Watersheds would be small relative to the abundance of wetlands and other waters in each watershed and the footprint of project impacts (Table 6-2). The largest reduction in aquatic resources (0.12%) would take place in the Upper Talarik Creek watershed. Aquatic resources most impacted include palustrine and marine subtidal habitats, both of which are abundant in the watershed. Fills will impact riverine aquatic resources that provide habitat to Pacific salmon and other fishes in the watersheds, but this will be minimized through project design by including bridges and culverts designed to allow for fish passage.



		Kvichak-P	ort Heiden		Wester	m Cook Inlet	
	Newhalen River	Iliamna Lake	Gibraltar Lake	Upper Talarik Creek	Paint River	Amakdedori Creek- Frontal Kamishak Bay	Total
Baseline Aquatic Resources							
Estuarine (ac.)		15				1,525	1,540
Lacustrine (ac.)	116	42	< 0.01	< 0.01	< 0.01	35	193
Palustrine (ac.)	56,577	270,572	21,558	35,355	21,965	25,968	431,995
Ice (Glacier) (ac.)			38		61		99
Lakes (ac.)	8,075	681,658	5,331	1,680	2,159	3,960	70,2863
Streams (mi.)	250	881	91	250	557	684	2,713
Total Aquatic Resources (ac.)	64,768	952,287	26,926	37,036	24,185	31,487	1,136,689
Impacts to Aquatic Resources							
Lacustrine (ac.)	0.00	1.29	0.00	0.00		0.30	1.59
Palustrine (ac.)	1.13	18.44	9.01	44.71		14.87	88.16
Riverine (ac.)	0.03	0.59	0.20	0.52		0.60	1.94
Marine (ac.)						10.98	10.98
Total Impact to Aquatic Resources (ac.)	1.17	20.31	9.22	45.22	0.00	26.75	102.67
Reduction of Aquatic Resources (%)	<0.00%	<0.00%	0.03%	0.12%	<0.00%	0.08%	0.01%

 Table 6-2 Summary of aquatic resources (acres) in the HUC 10 Newhalen River, Iliamna Lake, Gibraltar Lake, Upper

 Talarik Creek, and Amakdedori Creek-Frontal Kamishak Bay watersheds



7. Evaluation of Compensatory Mitigation Options

When the results of each of the watershed analysis sections are considered and synthesized it becomes apparent that: 1) wetlands and other waters in the area are abundant and in a natural state, 2) discharges of fill from the Project will impact a small percentage of aquatic resources, 3) Pacific salmon and other fish are an important component of the Analysis Area aquatic environment and of local economies, and 4) the primary threats to these aquatic resources arises from impacts associated with contaminated sites and community sanitary systems. These are important factors that need to be considered in the planning of compensatory mitigation options for the Project.

Compensatory mitigation may be performed using methods of restoration, enhancement, establishment, and in certain circumstances, preservation of wetlands and other waters. However, such options are effectively non-existent in the Analysis Area.

Restoration opportunities for aquatic resources in the Analysis Area are essentially unavailable as development in the Analysis Area is limited, and all existing developments are in use or needed. Enhancement opportunities are similarly unavailable because the limited development has caused negligible degradation to wetlands and other aquatic habitats. Establishment of wetlands is not highly desirable as wetlands are already abundant in the Analysis Area. Lastly, preservation opportunities are limited due to the land status and unjustifiable due to the lack of foreseeable development threat to existing wetlands and aquatic resources in the Analysis Area. Thus, the watershed approach, and on-site and in-kind compensatory mitigation are not practical to meet the Project's compensatory mitigation needs. Therefore, off-site, in-kind or out-of-kind mitigation opportunities must be considered.

Off-site wetlands mitigation would necessitate the evaluation of mitigation opportunities beyond the HUC 10 watersheds directly impacted by the Project. Given the limited amount of development and land status in the larger directly impacted (Nushagak, Kvichak, Tuxedni/Kamishak Bay HUC 8s) watersheds it is further likely that mitigation would be predominantly limited to wetlands preservation in the surrounding HUC 8 watersheds or even further afield.

There are however, potential out-of-kind mitigation opportunities within the directly affected watersheds and surrounding areas, to further enhance aquatic habitat by minimizing environmental impacts and future threats through water quality improvement projects, invasive species identification and eradication, and similar activities. There are also opportunities for fish habitat restoration in the directly affected and neighboring watersheds (Upper and Lower Kenai Peninsula, Lower Susitna River, Matanuska) through culvert rehabilitation and other fish passage improvements that have the potential to benefit the greater Bristol Bay and Cook Inlet watershed areas.

Consequently, PLPs approach to compensate for the permanent loss of wetlands and aquatic habitat in the Analysis Area resulting from the Project will primarily focus on opportunities that benefit water quality and enhance or restore fish habitat through out-of-kind mitigation. Although the preference is to seek such opportunities within the Analysis Area, PLP will also search for opportunities outside the directly impacted watersheds. If these opportunities are not sufficient, PLP may propose preservation as compensatory mitigation, but that would be the least preferred form.

The following factors will be used to evaluate compensatory mitigation options:



- <u>Watershed health impacts.</u> Sites within watersheds that are experiencing or may experience water quality, or other, impacts due to development and human activity. Water quality improvements and the duration of those improvements resulting from projects will be quantified. Future threats that are mitigated by projects would also be quantified.
- <u>Environmental significance</u>. Selected sites will be ranked according to the aquatic resources that are impacted or threatened and can be returned to health or protected by mitigation projects. Sites with wetlands, streams and other waters that provide regionally significant support to fish will be given higher priority consistent with the results of the watershed analysis.
- <u>Threat of development.</u> Aquatic resources that appear likely to experience destruction, fragmentation, and adverse modification are considered highly desirable for compensatory mitigation. Consideration of development trends is a key component of a watershed approach, because areas where development is most likely to occur are also areas where compensatory mitigation will be most beneficial. While no preservation options were found in the watershed (HUC 10), preservation options could be available outside of the watershed. Any preservation options proposed must meet the requirements of 33CFR 332.3(h). Preservation is the least preferred form of compensatory mitigation.
- <u>Practicability</u>. The sites selected must enable compensation that is capable of being completed after taking into consideration: cost, existing technology, and logistics in light of overall project purposes. Furthermore, the sites must be available for the implementation of mitigation projects.
- <u>Amount of compensatory mitigation</u>. The selected sites need to yield sufficient compensatory mitigation to replace the losses to aquatic resources. For out-of-kind mitigation PLP would, to the extent practicable, replace an equivalent amount of aquatic resources to those lost. For example, fish passage improvements would open, or improve, access to an equivalent number of stream miles of habitat suitable for anadromous fish. Should PLP propose preservation as mitigation an acreage compensation ratio greater than one-to-one will be proposed in accordance with 33 CFR 332.3 (f)(2).
- <u>Location</u>. Selected sites will be ranked according to their location using the following preference order:
 - 1) Sites within the HUC 10 watershed impacted by the Project;
 - 2) Sites outside of the HUC 10 watershed, but downstream of Project WOUS impacts;
 - 3) Sites outside of the HUC 10, and not downstream of the Project WOUS impacts, but in the same HUC 8;
 - 4) Sites outside of the HUC 10, and not downstream of the Project WOUS impacts, but in the same HUC 6;
 - 5) Sites outside of the HUC 10, and not downstream of the Project WOUS impacts, but in the same HUC 4;
 - 6) Other HUC 4 watersheds in Alaska.



8. Summary of Mitigation Program

PLP is currently evaluating potential compensatory mitigation opportunities. Future revisions of this CMP will include a list of the mitigation options evaluated. It is possible that given the scale of the proposed Project's potential WOUS impacts, more than one compensatory mitigation proposal may be required. Detailed information about each compensatory mitigation opportunity proposed will be included in Attachment 2. Each proposal will have a plan that will include the following information as required by 33 CFR 332.4 (c)(2-14):

- <u>Objectives.</u> A description of the resource type(s) and amount(s) that will be provided, the method of compensation (i.e., restoration, establishment, enhancement, and/or preservation), and the manner in which the resource functions of the compensatory mitigation project will address the needs of the watershed, ecoregion, physiographic province, or other geographic area of interest.
- <u>Site selection</u>. A description of the factors considered during the site selection process. This should include consideration of watershed needs, on-site alternatives where applicable, and the practicability of accomplishing ecologically self-sustaining aquatic resource restoration, establishment, enhancement, and/or preservation at the compensatory mitigation project site.
- <u>Site protection instrument</u>. A description of the legal arrangements and instrument, including site ownership, that will be used to ensure the long-term protection of the compensatory mitigation project site.
- <u>Baseline information.</u> A description of the ecological characteristics of the proposed compensatory mitigation project site and, in the case of an application for a DA permit, the impact site. This may include descriptions of historic and existing plant communities, historic and existing hydrology, soil conditions, a map showing the locations of the impact and mitigation site(s) or the geographic coordinates for those site(s), and other site characteristics appropriate to the type of resource proposed as compensation. The baseline information should also include a delineation of waters of the United States on the proposed compensatory mitigation project site. A prospective permittee planning to secure credits from an approved mitigation bank or in-lieu fee program only needs to provide baseline information about the impact site, not the mitigation bank or in-lieu fee project site.
- <u>Determination of credits</u>. A description of the number of credits to be provided, including a brief explanation of the rationale for this determination.
- <u>Mitigation work plan.</u> Detailed written specifications and work descriptions for the compensatory mitigation project, including, but not limited to, the geographic boundaries of the project; construction methods, timing, and sequence; source(s) of water, including connections to existing waters and uplands; methods for establishing the desired plant community; plans to control invasive plant species; the proposed grading plan, including elevations and slopes of the substrate; soil management; and erosion control measures. For stream compensatory mitigation projects, the mitigation work plan may also include other relevant information, such as planform geometry, channel form (e.g., typical channel cross-sections), watershed size, design discharge, and riparian area plantings.
- <u>Maintenance plan</u>. A description and schedule of maintenance requirements to ensure the continued viability of the resource once initial construction is completed.



- <u>Performance standards.</u> Ecologically-based standards that will be used to determine whether the compensatory mitigation project is achieving its objectives.
- <u>Monitoring requirements.</u> A description of parameters to be monitored in order to determine if the compensatory mitigation project is on track to meet performance standards and if adaptive management is needed. A schedule for monitoring and reporting of monitoring results to the district engineer must be included.
- <u>Long-term management plan.</u> A description of how the compensatory mitigation project will be managed after performance standards have been achieved to ensure the long-term sustainability of the resource, including long-term financing mechanisms and the party responsible for long-term management.
- <u>Adaptive management plan.</u> A management strategy to address unforeseen changes in site conditions or other components of the compensatory mitigation project, including the party or parties responsible for implementing adaptive management measures. The adaptive management plan will guide decisions for revising compensatory mitigation plans and implementing measures to address both foreseeable and unforeseen circumstances that adversely affect compensatory mitigation success.
- <u>Financial assurances.</u> A description of financial assurances that will be provided and how they are sufficient to ensure a high level of confidence that the compensatory mitigation project will be successfully completed, in accordance with its performance standards.
- <u>Other information</u>. The district engineer may require additional information as necessary to determine the appropriateness, feasibility, and practicability of the compensatory mitigation project.



9. Conclusion

PLP is proposing compensatory mitigation to offset environmental losses resulting from unavoidable impacts to 3,524 acres of WOUS. PLPs compensatory mitigation approach will focus on opportunities that benefit water quality and fish and their habitat. While the intent is to seek such opportunities within the watershed, if opportunities are not available PLP will reach for similar opportunities outside the watershed. The amount of compensatory mitigation PLP will propose will, to the extent practicable, replace an equivalent amount of aquatic resources to those lost. This CMP will be amended in the future to include proposed mitigation plans.





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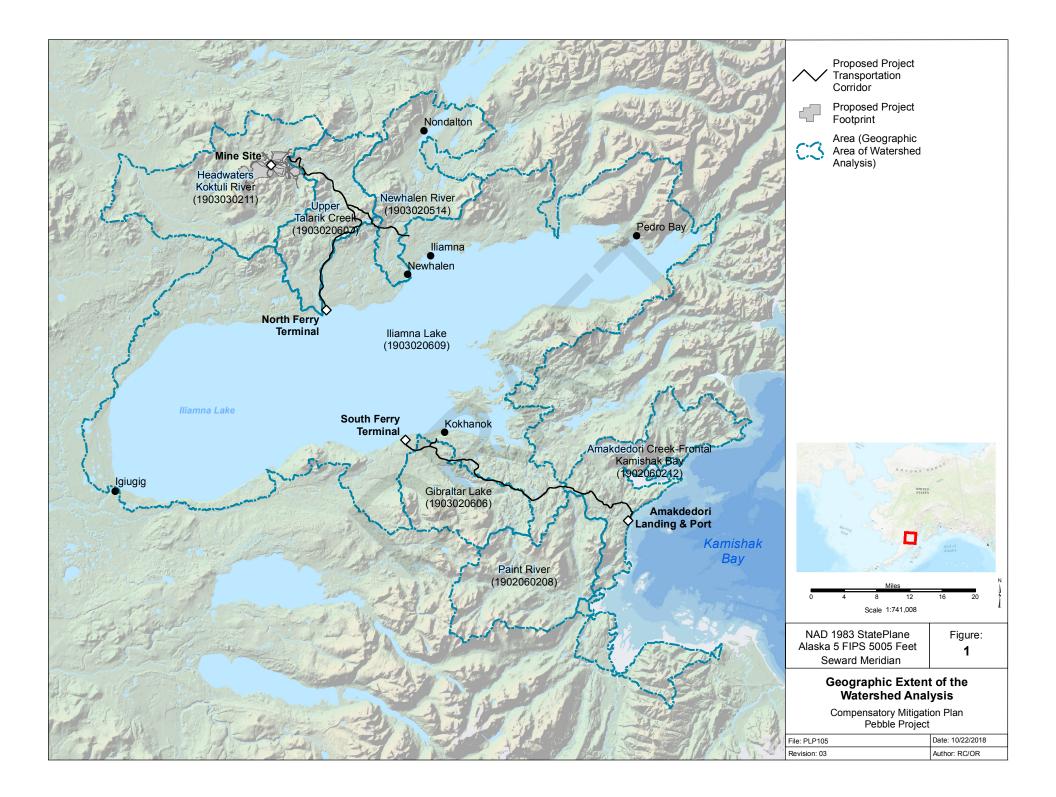


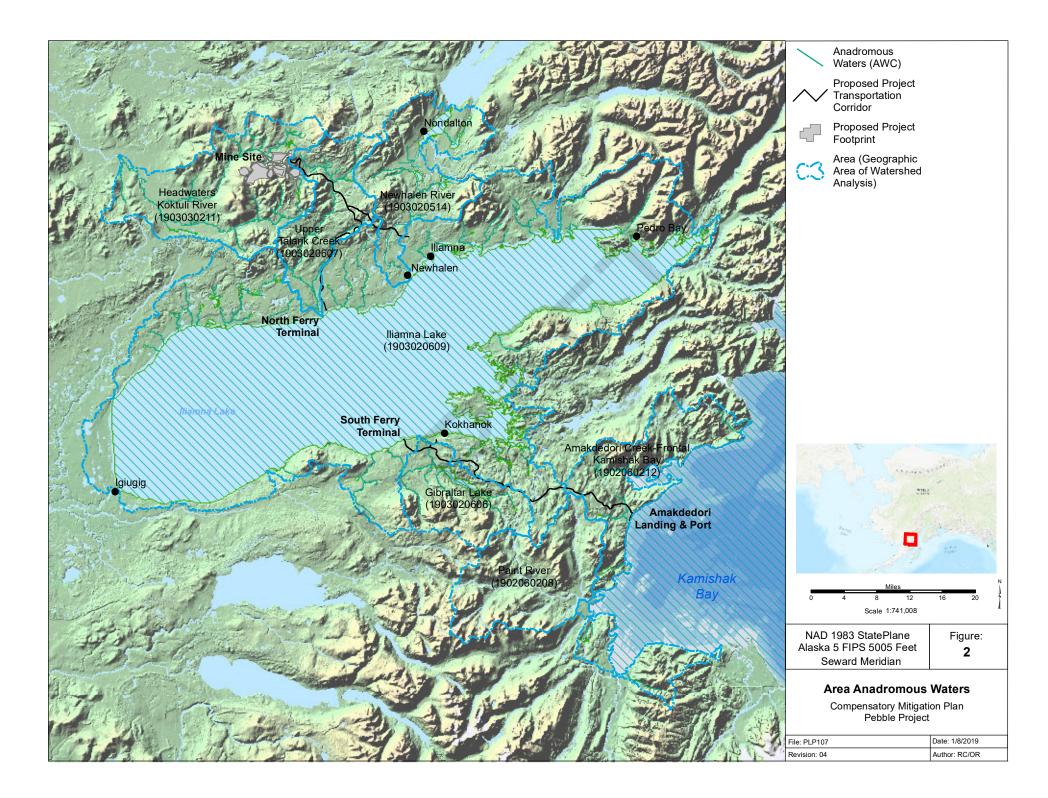
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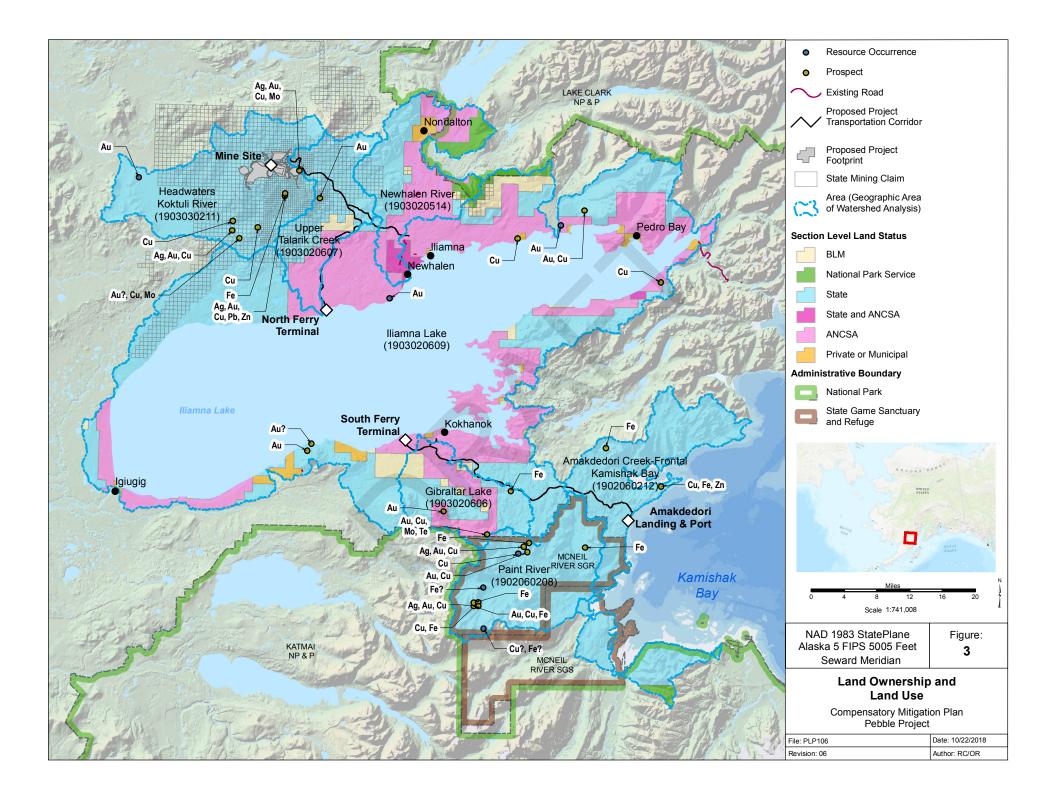




Attachment 1 – Figures









Attachment 2 - Permittee Responsible Mitigation Plans (Pending)

APPENDIX N – PROJECT DESCRIPTION

UPDATES TO THE PROJECT DESCRIPTION SINCE DECEMBER 2017 DEPARTMENT OF THE ARMY PERMIT APPLICATION

The US Army Corps of Engineers (USACE) works with applicants to identify additional avoidance and minimization measures that are often incorporated into a proposed project. These changes to the applicant's proposed project frequently result in updated project descriptions during the process. Updates to the proposed project since Pebble Limited Partnership's initial application was submitted to USACE in December 2017 (PLP 2017) include:

- 1. The milling rate increased to 180,000 tons per day from 160,000 tons per day. The long-term ore stockpile was removed, and mining would take place over the full 20 years, rather than 14 years with 6 years of stockpile reclaim. The peak annual mining rate reduced as a result.
- 2. The tailings storage management plan changed from a single facility with separate cells for storage of bulk and pyritic tailings, to two separate facilities in different drainages, one for storage of bulk tailings and one for storage of pyritic tailings and potentially acid generating (PAG) waste rock.
- 3. The pyritic tailings (and PAG waste rock) would now be placed into the pit lake (i.e., the water that would accumulate in the open pit as a lake at closure).
- 4. The main water management pond was made larger and moved to a new location.
- 5. The natural gas pipeline has been modified as follows:
 - A. The point of origin moved south to a location near Anchor Point, removing about 9 miles of pipeline on the Kenai Peninsula.
 - B. The pipeline diameter increased from 10 inches to 12 inches.
 - C. The pipeline route across Cook Inlet has been refined as a result of fieldwork.
 - D. The Amakdedori port compressor station has been removed.
- 6. Dredging is no longer proposed for the Amakdedori port and concentrate would be lightered into deep water using barges for loading onto anchored bulk carriers.



THE PEBBLE PROJECT

PROJECT DESCRIPTION DECEMBER 2018

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ACRONYMS AND ABBREVIATIONS

ADEC	Alaska Department of Environmental Conservation
ADF&G	Alaska Department of Fish and Game
ADNR	Alaska Department of Natural Resources
ADOT&PF	Alaska Department of Transportation and Public Facilities
ADSP	Alaska Dam Safety Program
ANCSA	Alaska Native Claims Settlement Act
ANFO	ammonium nitrate and fuel oil
BMPs	best management practices
CFR	Code of Federal Regulations
су	cubic yards
EPA	U.S. Environmental Protection Agency
°F	degrees Fahrenheit
H:V	horizontal:vertical (horizontal to vertical)
IDF	Inflow Design Flood
ISO	International Organization for Standardization
ML	Metal Leaching
MW	megawatts
NEPA	National Environmental Policy Act
NFK	North Fork Koktuli River
NPAG	Non-Potentially Acid Generating
OCS	Outer Continental Shelf
PAG	Potentially Acid Generating
PHABSIM	Physical Habitat Simulation System
PMF	Probable Maximum Flood
PMP	Probably Maximum Precipitation
ROW	right-of-way
SAG	semi-autogenous grinding
SFK	South Fork Koktuli River
TSF	Tailings Storage Facility
TSS	Total suspended solids
USGS	U.S. Geological Survey
UTC	Upper Talarik Creek
WMP	Water Management Pond
WTP	Water Treatment Plant

1. PROJECT OVERVIEW

Pebble Limited Partnership (PLP) is proposing to develop the Pebble copper-gold-molybdenum porphyry deposit (Pebble Deposit) as an open-pit mine, with associated infrastructure, in southwest Alaska. This project description summarizes information about the environmental setting, engineered facilities and operations for the proposed Pebble Project (Project) from initial construction through closure and reclamation. It is intended to support the National Environmental Policy Act (NEPA) review process and other permitting efforts for the Project.

1.1. PEBBLE PROJECT SUMMARY INFORMATION¹

- Project operating life of 20 years.
- A total of 1.44 billion tons of material mined over the life of the Project.
- Final pit dimensions of 6,800 feet in length, 5,600 feet in width, and 1,970 feet in depth.
- Mining rate up to 73 million tons per year, average rate of 70 million tons per year.
- Milling rate up to 66 million tons per year.
- Average annual copper-gold concentrate production (dry concentrate) of 613,000 tons.
- Average annual molybdenum concentration production (dry concentrate) of 15,000 tons.
- Final bulk tailings storage facility (TSF) capacity of 1,140 million tons.
- Temporary storage of 155 million tons of pyritic tails in the pyritic TSF.
- Temporary storage of up to 50 million tons of Potentially Acid Generating (PAG) and/or Metal Leaching (ML) waste rock in the pyritic TSF until closure.
- Power plant generating capacity of 270 megawatts (MW).
- Project operating schedule of two 12-hour shifts per day for 365 days per year.
- An 83-mile transportation corridor from the mine site to a year-round port site located on Cook Inlet near the mouth of Amakdedori Creek consisting of:
 - A 30-mile private two-lane unpaved road from the mine site to a ferry terminal on the north shore of Iliamna Lake.
 - An 18-mile lake crossing utilizing an ice breaking ferry to a ferry terminal on the south shore of Iliamna Lake.
 - A 35-mile private two-lane unpaved road from the south ferry terminal to the Amakdedori Port.
 - Lightering of concentrate between Amakdedori Port and offshore lightering locations for loading onto bulk carriers.

¹ Design criteria as presented are approximate and have been averaged and rounded as appropriate for ease of reference.

- Unpaved spur roads from the transportation corridor to the communities of Iliamna, Newhalen, and Kokhanok.
- A port facility and jetty with docking for lightering and supply barges.
 - o Annual vessel traffic of up to 27 concentrate vessels and 33 supply barges.
- A 188-mile gas pipeline from the Kenai Peninsula across Cook Inlet to the Project site with a compressor station on the Kenai Peninsula.
- Employment of 850 to 2,000 personnel for operations and construction, respectively.

1.2. BACKGROUND

The Project is located on land acquired by the State of Alaska in 1974 via a three-way land swap with the federal government and Cook Inlet Region, Inc. The land was selected by the state specifically for its mineral development potential. The initial discovery of the Pebble Deposit was made in 1988 by Cominco Alaska, a division of Cominco Ltd. (Cominco). Cominco (later acquired by Teck Resources Limited) discontinued work on the project in 1997, and in 2001 the Pebble claims were optioned by a subsidiary of Northern Dynasty Minerals Ltd. (Northern Dynasty).

Northern Dynasty began exploring the property, with significant success, expanding the Pebble Deposit from one billion to four billion tons by the end of 2004. An extensive environmental baseline data collection program commenced in that year, as well as geotechnical investigation and preliminary engineering studies. In 2005, Northern Dynasty exercised its option to acquire the Project and in the same year discovered a significant, higher grade eastern extension to the deposit. Over the next seven years, the Pebble Deposit was expanded through drilling.

In 2007, Northern Dynasty formed PLP with another company and placed the Project into the partnership. Over the next six years, PLP continued to advance the Project through additional drilling, environmental data collection, and engineering studies. In 2013, the other company left PLP and it reverted to a wholly owned subsidiary of Northern Dynasty.

To date, more than one million feet of drilling has been conducted on the Pebble Deposit.

Products from mining this deposit can supply important mineral resources for alternative energy and other purposes of strategic national significance. The Pebble Deposit has significant regional economic importance for southwest Alaska and the entire state through the creation of high-wage jobs and training opportunities, supply and service contracts for local businesses, and government revenue.

1.3. PROJECT DESIGN CONSIDERATIONS

Plans for the design and operation of the Project have focused on the avoidance and minimization of environmental impacts to waterbodies, wetlands, wildlife and aquatic habitat, areas of cultural significance, and areas of known subsistence use and addressing stakeholder concerns. In addition to meeting or exceeding local, state, and federal regulatory requirements, the Project incorporates the following concepts into the design:

- The Project plan is to mine the near-surface portion of the Pebble Deposit. This has significantly reduced the footprint of the open pit, TSF, and mine facilities, as well as eliminated the need for a permanent waste rock storage facility.
- The layout is designed to consolidate the majority of site infrastructure in a single drainage the North Fork Koktuli River (NFK) and avoid placing waste rock or tailings in the Upper Talarik Creek (UTC) drainage.
- The transportation corridor incorporates a ferry crossing of Iliamna Lake to connect the mine site to a marine port on Cook Inlet, significantly limiting the total access road length and associated impacts relative to a longer access road around Iliamna Lake. The road alignment was further refined to avoid areas of known subsistence and recreational use and to minimize wetland impacts.
- A natural gas pipeline and gas-fired electrical generation are being used to power the Project, thereby eliminating the need to transport and store large amounts of diesel fuel for power generation.
- To address stakeholder concerns regarding the transportation and use of cyanide, there is no secondary recovery of gold from the pyritic tailings using a cyanide leach.

The Project adopts a design-for-closure philosophy that considers closure and post-closure site management requirements during all operating phases. Examples include:

- Segregated storage facilities for bulk and pyritic tailings. Bulk tailings will remain in place at closure.
- A lined pyritic TSF. PAG and ML waste rock will be stored with pyritic tailings in the lined pyritic TSF during operations. At closure the stored waste rock will be backhauled to the pit and the pyritic tailings pumped to the pit for sub-aqueous storage in the pit lake. Storage of PAG/ML waste rock and pyritic tailings within the pit lake will avoid post-closure management of the pyritic TSF.

The Project will develop a comprehensive water management plan that strategically discharges surplus treated water to downgradient streams in a manner that reduces the effect of stream flow fluctuations and minimizes impacts to fish habitat.

1.4. PROJECT AREAS

The Project is located in a sparsely populated region of southwest Alaska near Iliamna Lake, within the Lake and Peninsula and Kenai Peninsula boroughs (Figure 1-1). The Project comprises four primary areas: the mine site at the Pebble Deposit location, the port site at Amakdedori on Cook Inlet, the transportation corridor connecting these two sites, and a natural gas pipeline connecting to existing infrastructure on the Kenai Peninsula. The transportation corridor consists of a road from the mine site to a ferry terminal on the north shore of Iliamna Lake, a ferry route across Iliamna Lake to a landing on the south shore near the village of Kokhanok, and a road continuing southeast to the Amakdedori Port. Additional surface roads will connect the mine site to the villages of Iliamna, Newhalen, and Kokhanok (Figure 1-2). The gas pipeline will tie in to existing gas supply infrastructure at Anchor Point on the Kenai Peninsula, cross Cook Inlet, and parallel the transportation corridor to the mine site (Figure 1-1 and Figure 1-2).

The Bristol Bay watershed encompasses approximately 41,900 square miles and is defined by the Aleutian Range to the east and southeast, the Kuskokwim Mountains to the west, and a range of hills to the north that separate it from the Kuskokwim River watershed. The largest rivers that drain into Bristol Bay are the Nushagak and Kvichak rivers, which together drain 49 percent of the Bristol Bay watershed, or approximately 20,000 square miles (Figure 1-3).

1.4.1. Mine Site

The Pebble Deposit is located under rolling, permafrost-free terrain in the Iliamna region of southwest Alaska, approximately 200 miles southwest of Anchorage and 60 miles west of Cook Inlet. The closest communities are the villages of Iliamna, Newhalen, and Nondalton, each approximately 17 miles from the Pebble Deposit (Figure 1-2).

The fully developed mine site will include the open pit, bulk TSF, pyritic TSF, overburden stockpiles, material sites, water management ponds (WMPs), milling and processing facilities, and supporting infrastructure such as the power plant, water treatment plants, camp facilities, and storage facilities (Figure 1-4).

The site is currently undeveloped and not served by any transportation or utility infrastructure.

1.4.2. Amakdedori Port and Lightering Locations

The port site (Figure 1-5) will be located near Amakdedori Creek on the western shore of Cook Inlet, approximately 190 miles southwest of Anchorage and approximately 95 miles southwest of Homer.

The port site will include shore-based and marine facilities for the shipment of concentrate, freight, and fuel for the Project. The shore-based facilities will include separate facilities for the receipt and storage of containers for concentrate and freight. Other facilities will include fuel storage and transfer facilities, power generation and distribution facilities, maintenance facilities, employee accommodations, and offices.

The natural gas pipeline from the Kenai Peninsula will come ashore at the Amakdedori Port. An offtake will distribute natural gas to the port power generation facility.

The marine component includes an earthen access causeway extending out to a marine jetty located in 15 feet of natural water depth. One side of the jetty will be occupied by a roll-on/roll-off barge access berth; a separate berth for loading lightering barges will be located on the opposite side.

The port site area is currently undeveloped and not served by any transportation or utility infrastructure.

Copper-gold concentrate containers will be loaded onto lightering barges at the Amakdedori Port and then transported to one of two lightering locations (Figure 1-5) for transfer to bulk carriers. The primary lightering location is approximately 12 miles offshore due east of the proposed Amakdedori port, the alternative lightering location is approximately 18 miles east-northeast of the proposed Amakdedori port between Augustine Island and the mainland. Wave heights in this area are reduced by Augustine Island and it would be used when required by sea conditions.

1.4.3. Transportation Corridor

The transportation corridor, which will connect the mine site to the Amakdedori Port on Cook Inlet, has three main components (Figure 1-2):

- A private, unpaved two-lane road extending 30 miles south from the mine site to a ferry terminal on the north shore of Iliamna Lake;
- An ice-breaking ferry to transport materials, equipment, and concentrate 18 miles across Iliamna Lake to a ferry terminal on the south shore near the village of Kokhanok; and
- A private, unpaved two-lane road extending 35 miles southeast from the South Ferry Terminal to the Amakdedori Port on Cook Inlet.

Separate roads will connect the transportation corridor to the villages of Iliamna, Newhalen, and Kokhanok. Apart from a small network of local roads near the villages, the transportation corridor area is undeveloped.

1.4.4. Natural Gas Pipeline Corridor

Natural gas, sourced through the existing natural gas supply infrastructure for the Cook Inlet area, will be the primary energy source for the Pebble Project. The gas pipeline alignment (Figure 1-1) will connect to existing infrastructure north of Anchor Point. Gas will be taken from the existing pipeline along the Sterling Highway and sent to a compressor station. From the compressor station, the pipeline heads southwest across Cook Inlet, before turning west to a landfall at the Amakdedori Port. The pipeline then follows the transportation corridor from the port to the mine site, including across Iliamna Lake on the lake bed.

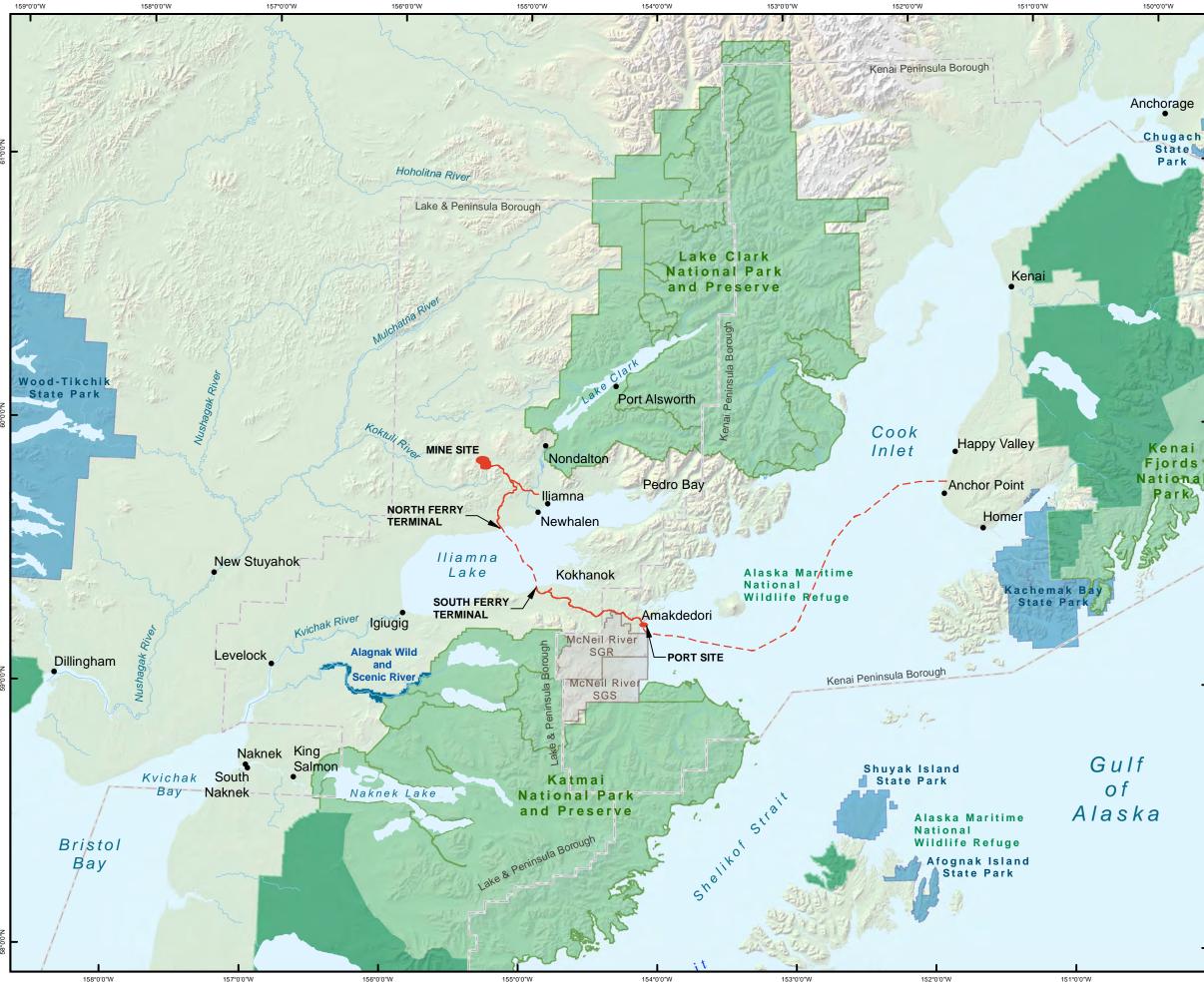
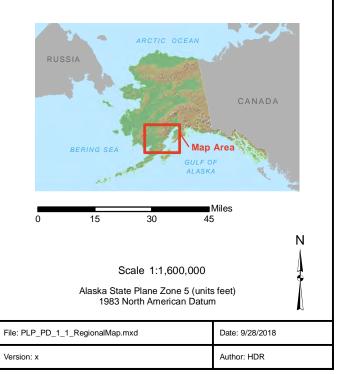
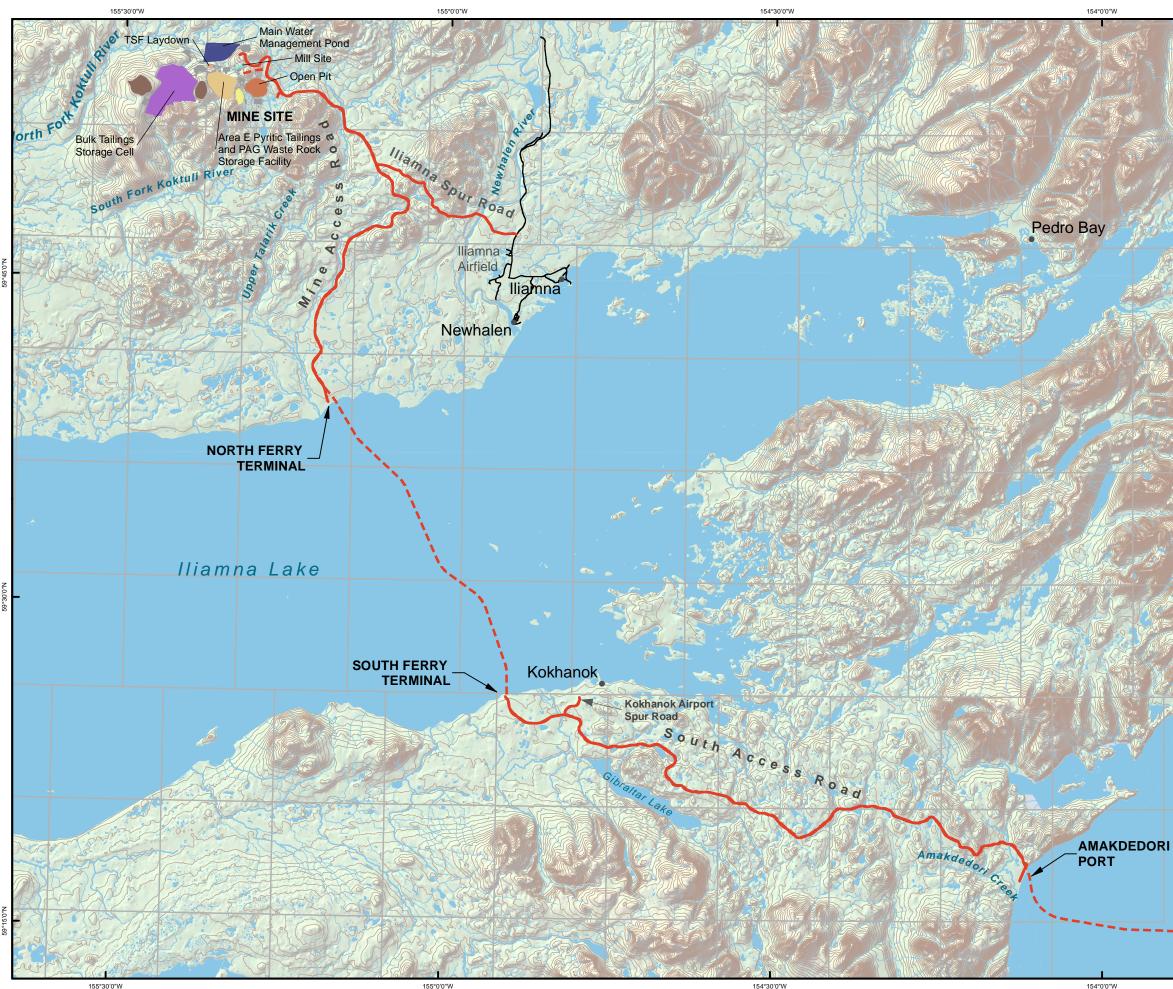




FIGURE 1-1 Regional Map







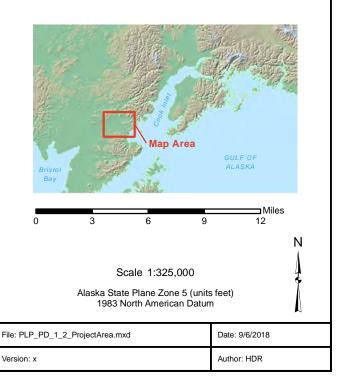
155°0'0"W

154°0'0"W



FIGURE 1-2 Project Area

Bulk Tailings Storage Cell Water Managment Pond TSF Laydown Area E Pyritic Tailings and PAG Waste Rock Storage Facility Open Pit Overburden Stockpile Mill Site Process Plant Quarry Port Site Features Transportation Corridor --- Natural Gas Pipeline — Local Roads Township Boundary



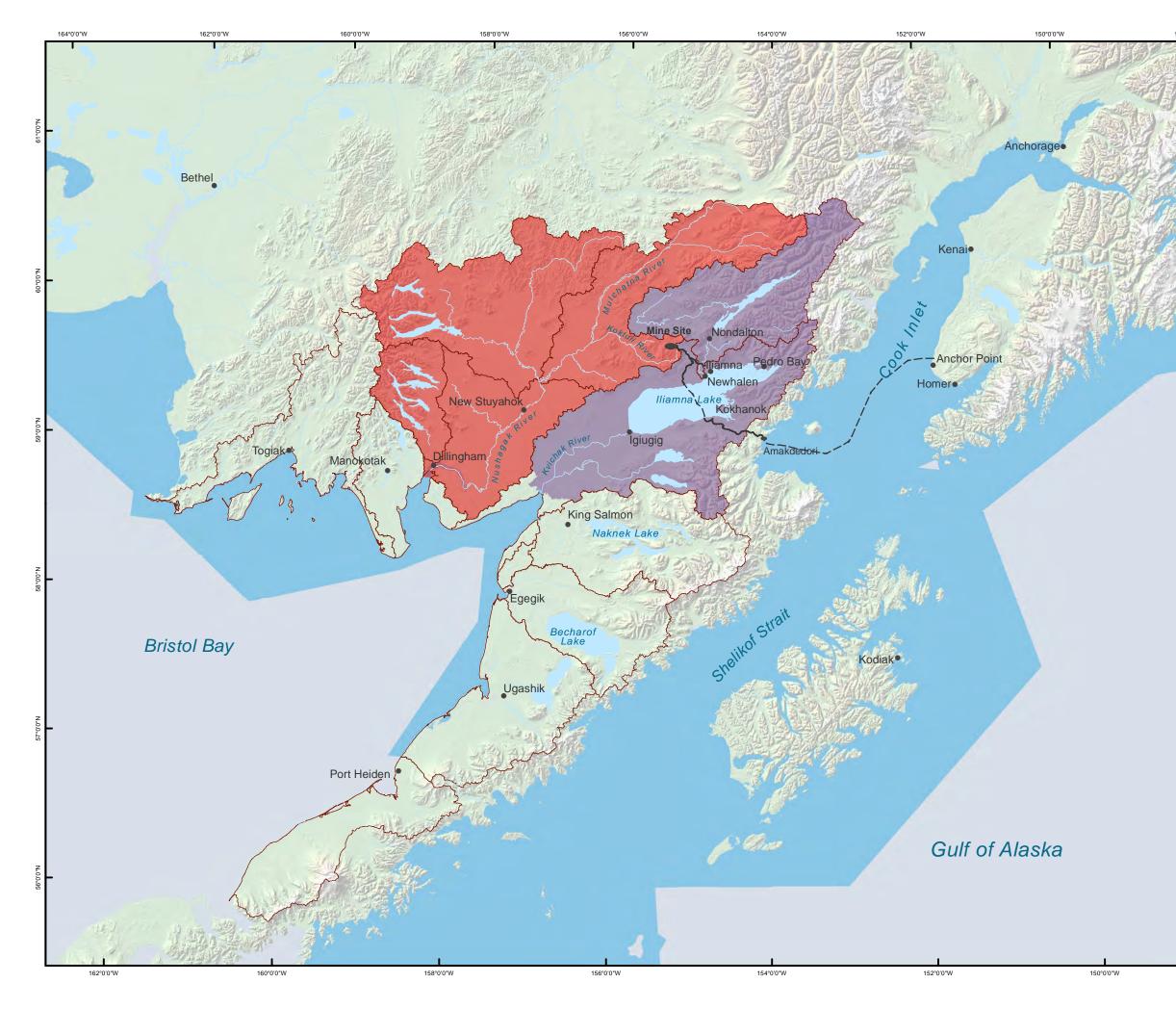
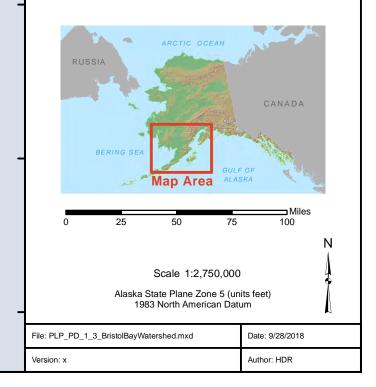


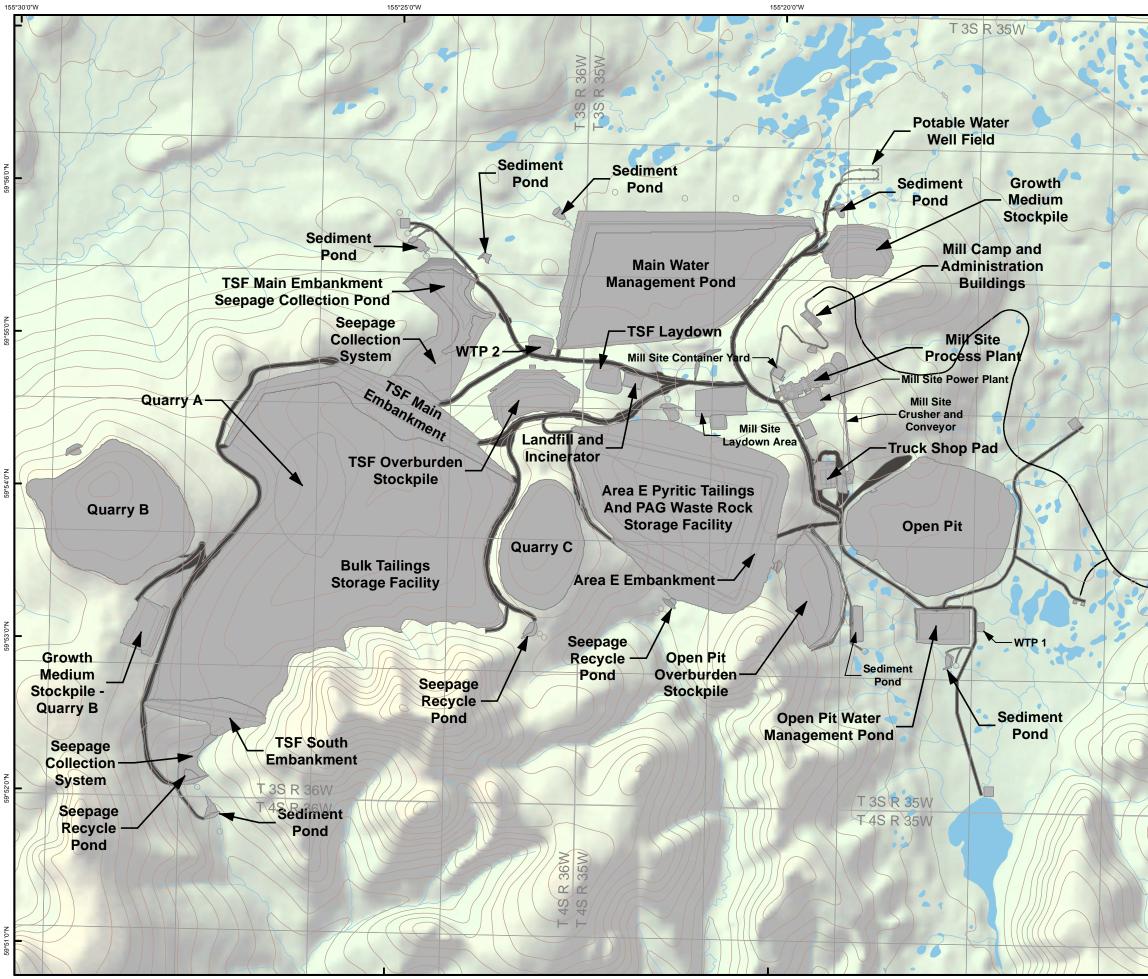


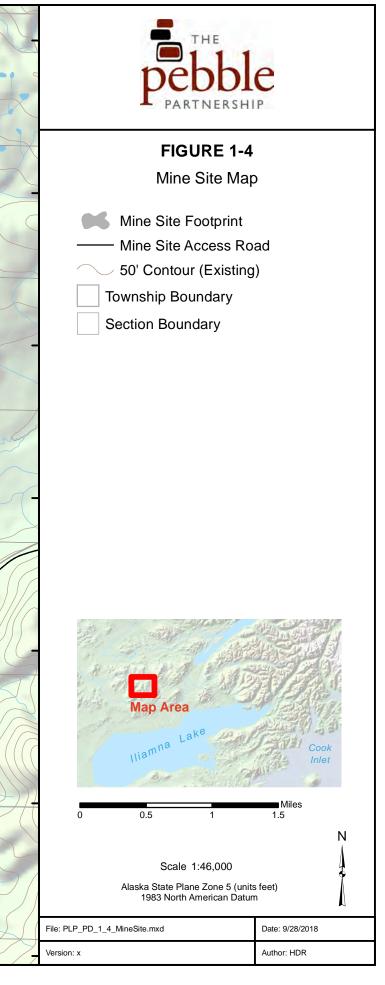


FIGURE 1-3 Bristol Bay Watershed

- Transportation Corridor
- ---- Natural Gas Pipeline
 - Nushagak Drainage
 - Kvichak Drainage
 - Subbasin (HUC8) Bristol Bay







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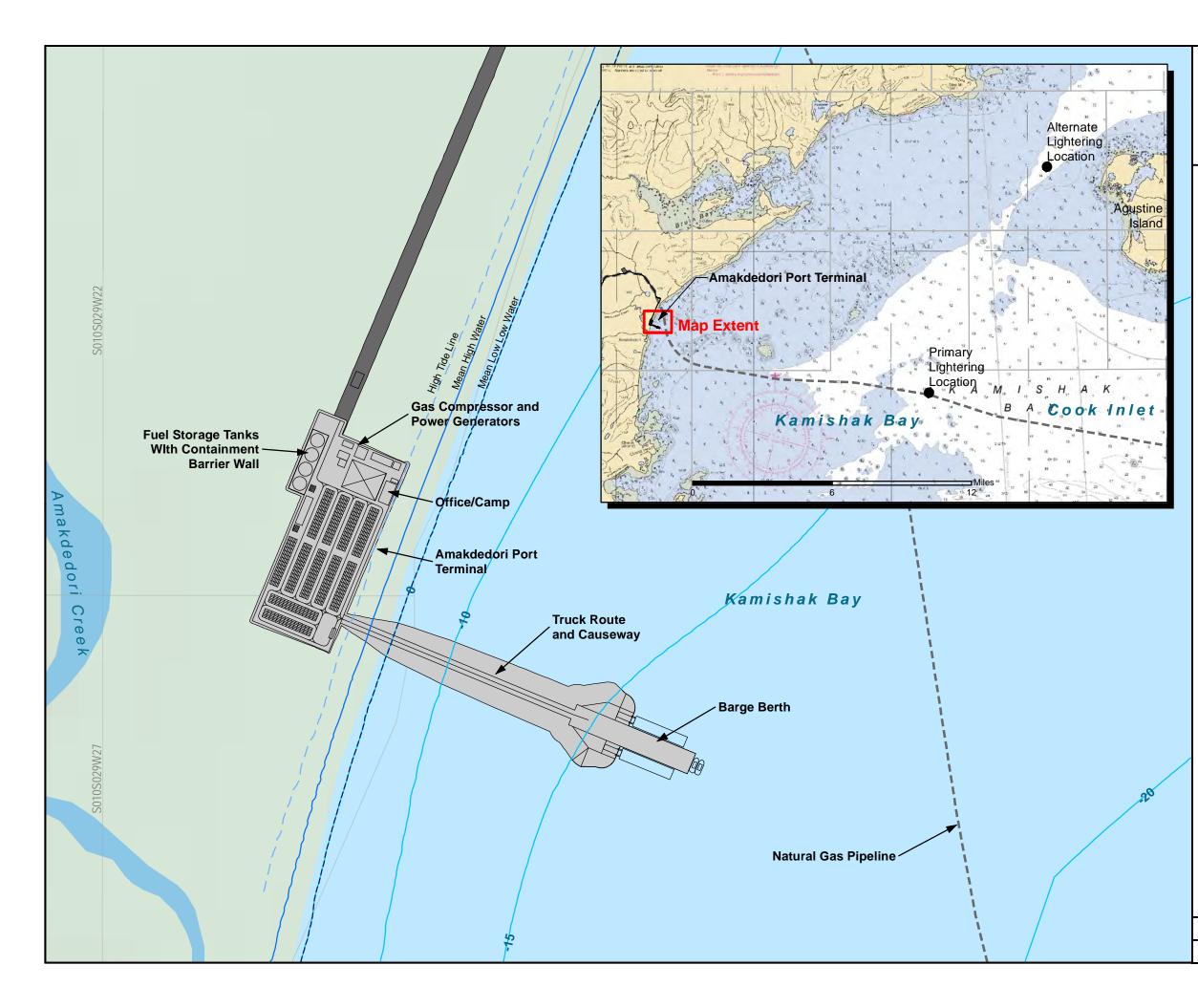


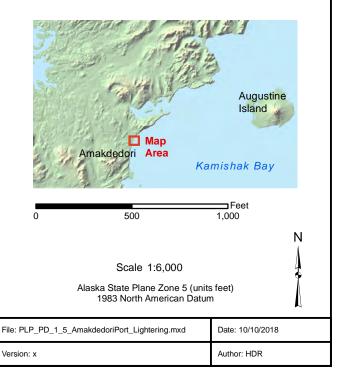


FIGURE 1-5 Amakdedori Port and Lightering Locations

Amakdedori Port Site Footprint

- Primary / Alternate Lightering Locations
- Transportation Corridor
- --- Natural Gas Pipeline
- — High Tide Line
- —— Mean High Water
- ---- Mean Low Low Water (MLLW)
 - Bathymetric Contours (Feet from MLLW)*

*Offshore contours developed from Terrasond bathymetric survey dated August 20 to 27, 2017. Elevations surveyed to geodetic datum (GEOID 99) and are shifted to mean lower low water (MLLW) level based on limited field measured tidal data. Preliminary shift between geodetic and MLLW is +8.37' (0' geodetic = 8.37' MLLW)



1.5. LAND OWNERSHIP AND MINERAL RIGHTS

The Pebble Deposit is located on patented state land specifically designated for mineral exploration and development. The Pebble Deposit straddles parts of three management units described in the Alaska Department of Natural Resources (ADNR) 2005 *Bristol Bay Area Plan* (amended 2013). These management units, known as R06-23 (Pebble), R06-24 (Pebble Streams), and R10-02 (Pebble 2), total 110,080 acres and are designated for minerals extraction. This designation allows for mineral exploration and development with oversight from ADNR. The management intent for all three units also stresses the need to protect the anadromous fish streams in the upper Koktuli River corridor and to minimize or avoid effects from mining on habitat and recreational activities near the upper reaches of UTC.

The Pebble Deposit lies within a 417-square-mile claim block held by subsidiaries of PLP and by a subsidiary of PLP's parent company, Northern Dynasty. Neither PLP nor Northern Dynasty currently owns surface rights associated with these mineral claims. All lands within the claim block are owned by the State of Alaska. Surface rights may be acquired from the state government once areas required for mine development have been determined and permits awarded.

The transportation corridor crosses both state land and land patented under the Alaska Native Claims Settlement Act (ANCSA). Further detail is provided in Section 2.2.

1.6. CLIMATE

The climate in the area of the Pebble Deposit/mine site is transitional. Winters are characterized by a continental climate as frozen waterbodies and sea ice in Bristol Bay create a land-like mass, while summers have a maritime climate due to the influence of the open water of Iliamna Lake and, to a lesser extent, the Bering Sea, Bristol Bay, and Cook Inlet. Mean monthly temperatures range from about 55 degrees Fahrenheit (°F) in summer to 2°F in winter. Precipitation in the NFK drainage averages approximately 57.4 inches per year and in the South Fork Koktuli River (SFK) drainage averages approximately 50.8 inches per year. About one-third of this precipitation falls as snow. The wettest months are August through October. White-out conditions and wind storms or periods of poor light/visibility can be expected in winter.

Winter weather systems, consisting of cool to cold saturated air, typically travel into the region from the Bering Sea (west), along the Aleutian Island chain (southwest) and the Gulf of Alaska (south), resulting in frequent clouds, rain, and snow. Less frequent incursions of frigid, stable Arctic air masses produce shorter periods of clear, but very cold conditions. During summer, warm air masses from interior Alaska can cause atmospheric instability, which results in cumulus clouds and thunderstorm activity.

1.7. DEPOSIT GEOLOGY

The Pebble Deposit is hosted by Mesozoic, volcanically derived sedimentary rocks, called flysch, of the Kahiltna terrane, as well as a variety of intrusive igneous rocks emplaced into the flysch between approximately 99 and 90 million years ago during the mid-Cretaceous Period. Between 99 and 96 million years ago, early intrusions into the flysch comprised alkalic syenite to biotite

pyroxenite bodies, along with subalkalic diorite and granodiorite sills. Kaskanak Suite intrusions were emplaced approximately 90 million years ago and are the most important igneous event in the area. The suite comprises a granodiorite batholith that is exposed west of, but extends beneath, the Pebble Deposit, as well as several smaller intrusive granodiorite apophyses that emanate from the underlying batholith; collectively these Kaskanak intrusions drove the large magmatic-hydrothermal system that formed the Pebble Deposit.

The Pebble Deposit is classified as a porphyry copper deposit and is hosted by the intrusive and sedimentary rock types described above. Copper, gold, molybdenum, and other metals were transported by hot fluids that emanated from the 90-million-year-old magmas as they cooled, and precipitated mostly as sulfide minerals in fractures, now preserved as veins, and as disseminations in the spaces between silicate minerals in the host rocks. The effects of the hot fluids are reflected by widespread hydrothermal alteration whereby some minerals originally present in host rocks were dissolved and replaced with suites of new minerals.

During the Late Cretaceous and Early Tertiary periods, the Pebble Deposit was uplifted by regional tectonic forces and eroded. The exposed deposit was rapidly covered by the Copper Lake Formation, a thick sequence of fine- to coarse-grained clastic sedimentary rocks and interbedded volcanic rocks. At a later point in the Tertiary Period, the eastern part of the Pebble Deposit was dropped up to 3,000 feet along normal faults into the East Graben, a structure that was progressively infilled by basalts, andesites, and subordinate clastic sediments as it grew. The Pebble Deposit and its host rocks were later tilted approximately 20 degrees to the east. The deposit was again uplifted in the later Tertiary Period, and its western part was scoured by Pleistocene glaciers that deposited a veneer of till, glacio-lacustrine, and outwash deposits that are mostly tens of feet thick or less, but which rarely are up to 300 feet thick in the vicinity of the Pebble Deposit. The present geometry of the Pebble Deposit comprises the West Zone, which is covered by thin glacial till and exposed in one small outcrop; the East Zone, which remains concealed by an eastward-thickening wedge of the Copper Lake Formation as well as overlying glacial till; and mineralization that extends an undetermined distance farther to the east but at great depth below the East Graben.

1.8. RESOURCE

The current combined measured and indicated resource estimate for the total Pebble Deposit is approximately 7.1 billion tons containing 57 billion pounds of copper, 70 million ounces of gold, 344 million ounces of silver, and 3.42 billion pounds of molybdenum. In addition, the inferred component of the total deposit is approximately 4.9 billion tons, with 24.5 billion pounds of copper, 36 million ounces of gold, 170 million ounces of silver, and 2.2 billion pounds of molybdenum. The Pebble Deposit also contains important quantities of palladium and rhenium.

The Project will mine approximately 1.3 billion tons of mineralized material (measured, indicated, and inferred) over the 20-year mine life containing 7.4 billion pounds of copper, 398 million pounds of molybdenum, and 12.1 million ounces of gold. The metal content of the reported total resource and the 20-year open pit is presented in Table 1-1.

	Total De	Total Deposit		20-Year Open Pit	
	Weight	Grade	Weight	Grade	
Copper	81.5 Blbs	0.34%	7.4 Blbs	0.29%	
Molybdenum	5.64 Blbs	234 ppm	398 MMIbs	154 ppm	
Gold	107.3 MMoz	0.31 g/t	12.1 MMoz	0.27 g/t	

Table 1-1. Pebble Deposit Estimated Resource (Measured, Indicated, and Inferred)

Blbs: billion pounds

MMoz: million ounces

MMIbs: million pounds

ppm: parts per million

g/t: grams per ton

2. PROJECT SETTING

The environmental resources of the area surrounding the Pebble Deposit have been studied extensively by PLP. The *Pebble Project Environmental Baseline Document, 2004 through 2008*, which is available online at <u>www.pebbleresearch.com</u>, provides a complete report of environmental baseline studies conducted during those years. Pebble Project supplemental baseline data reports (2009-2013) provide data supplemental to the environmental baseline report and will accompany permit applications as appropriate.

2.1. MINE SITE

2.1.1. Physiography

The geographic location of the Pebble Deposit is described in Table 2-1.

ltem	Value
Pebble Deposit Centroid	59°53'51" N; 155°18'03" W
USGS Quadrangles	lliamna D-6, D-7
Elevation:	
Minimum	775 ft amsl (SFK valley)
Maximum	2,760 ft amsl (Kaskanak Mountain)
Distance from:	
Cook Inlet	65 miles W
Iliamna Lake	16 miles N
Bristol Bay	100 miles W

Table 2-1. Pebble Deposit Geographic References

amsl = above mean sea level

USGS = U.S. Geological Survey

The Pebble Deposit is located in the Nushagak-Big River Hills physiographic region. The area consists of low, rolling hills separated by wide, shallow valleys. Elevations range from approximately 775 feet in the SFK valley up to 2,760 feet on Kaskanak Mountain. Glacial and fluvial sediment of varying thickness covers most of the study area at elevations below approximately 1,400 feet, whereas the ridges and hills above 1,400 feet generally exhibit exposed bedrock or have thin veneers of surficial material. The hills tend to be moderately sloped with rounded tops. The valley bottoms are generally flat. No permafrost has been identified to date in the project area.

2.1.2. Ecology

The Pebble Deposit area is ecologically diverse, with rivers, tundra, marshy lowlands, and ponds. Much of the land is covered by alpine tundra, shrubs, wetland and scrub communities, or areas of mixed broadleaf and spruce trees, depending on elevation and location.

Rivers near the Pebble Deposit provide habitat for five species of anadromous Pacific salmon. Rainbow trout and other species of fish, such as Dolly Varden and Arctic grayling, are also present. The streams in this area contain many features that support fish spawning and rearing, including complex off-channel habitats, river gravel that promotes spawning, beaver ponds, and combinations of run/glides and riffles. A higher diversity of species and abundance of fish, as well as the most spawning and rearing activity, is found in the lower and middle reaches of these streams, not in the headwater reaches at the Pebble Deposit site.

Various raptors and more than 40 species of water birds are found in the mine area and 22 species have been confirmed as breeding there. The many species of mammals that inhabit this region, while ecologically and economically important, are not particularly abundant. There are moderate densities of brown bear and low densities of black bear, moose, coyotes, wolves, river otters, and wolverines. The mine site is within the historical range of the Mulchatna caribou herd, but radio telemetry and aerial transect surveys suggest that high-density use of the area occurs only during the summer post-calving season when caribou move through the western edge of the project area. No habitat in the mine area has been classified as high value for caribou.

2.1.3. Hydrology

The Pebble Deposit straddles the upper reaches of the SFK and UTC drainages (Figure 2-1). The headwaters of the NFK are immediately north of the Pebble Deposit. The SFK drains south from the Pebble Deposit area, and then west and northwest, where it joins the NFK, which flows west from the Pebble Deposit area. At the confluence, these streams form the Koktuli River, which flows into the Mulchatna River, a tributary to the Nushagak River. The Nushagak River flows into Bristol Bay near the city of Dillingham. Upper Talarik Creek flows south from the Pebble Deposit area and then southwest into Iliamna Lake, which is the source of the Kvichak River.

2.1.3.1 Koktuli River

The NFK and SFK are two of 24 tributaries of similar or larger size in the 315-mile-long Nushagak River system. The north and south forks of the Koktuli River flow for 36 and 40 miles, respectively, to the main stem Koktuli River. The Koktuli River flows for approximately 39 miles before entering the Mulchatna River, which flows another 44 miles before entering the Nushagak River. The Nushagak River flows about 110 miles before it empties into Bristol Bay southwest of Dillingham (Figure 1-1). The total distances from the NFK and SFK headwaters to Bristol Bay are 228 miles and 232 miles, respectively.

2.1.3.2 Kvichak River

The UTC drainage is in the 225-mile-long Kvichak River system. The headwaters of the Kvichak River system are approximately 109 miles northeast of the Pebble Deposit at the source of the Tlikakila River at Lake Clark Pass. UTC flows approximately 39 miles to Iliamna Lake (Figure 2-1). The lake empties into the Kvichak River, which flows approximately 70 miles to Bristol Bay. The total distance from the headwaters of UTC, across the lake, and to Bristol Bay is approximately 140 miles.

2.2. TRANSPORTATION CORRIDOR

The transportation corridor connects the Amakdedori Port to the mine site. It will include a private two-lane access road between the Amakdedori Port and the South Ferry Terminal on Iliamna Lake west of Kokhanok; a similar access road between the North Ferry Terminal on the north shore of Iliamna Lake and the mine site; and a purpose-built ice-breaking ferry connecting the two ferry terminals. The natural gas pipeline will parallel the transportation corridor from the port site to the mine site. Additional spur roads will be built to connect the access road to the villages of Iliamna, Newhalen, and Kokhanok. Approximately 65 percent of the corridor land is owned by the State of Alaska, with the remaining 35 percent divided among various ANCSA corporations, as shown in Table 2-2 and Figure 2-2.

Land Ownership	Road Segments (Miles)	Percentage
Access Road	Total miles: 66	
State of Alaska	43	65
Alaska Peninsula Corporation	23	35
Iliamna Airport Spur	Total miles: 7	
State of Alaska	4	55
Iliamna Natives Limited	3	45
Iliamna Lake Crossing	Total Miles: 18	
State of Alaska	18	100
Kokhanok Airport Spur	Total miles: 1.5	
Alaska Peninsula Corporation	1.5	100
Total Road Miles	75	
Total Corridor Miles	93	

Table 2-2. Transportation Corridor Land Ownership^a

^a Distances presented are approximate and have been rounded for ease of reference.

2.2.1. Physiography

The geographic location of the transportation corridor is described in Table 2-3.

ltem	Value
	lliamna B-3, B-4, B-5, B-6
USGS Quadrangles	lliamna C-6
	lliamna D-6, D-7
Elevation:	
Minimum	Near sea level (Amakdedori Port)
Maximum	1,700 ft (leaving mine site)

Table 2-3. Transportation Corridor Geographic References

The transportation corridor is located within three physiographic divisions: Nushagak-Big River Hills, Nushagak-Bristol Bay Lowlands, and Aleutian Range. The terrain includes a range of types, from flat to moderately undulating near the Pebble Deposit, gently sloping and colluvial terrain along the north shore of Iliamna Lake, and mountainside slopes to narrow valley bottoms through the Aleutian Range. No permafrost has been identified in the transportation corridor.

2.2.2. Ecology

Much of the land at lower elevations south of Iliamna Lake is covered by dwarf shrub and broadleaf forest communities. At higher elevations where shallow bedrock occurs, dwarf shrub and alder shrub communities are prevalent. Wetland habitats are common in depressional areas, valley bottoms, and on slope benches and include wet meadows and scrub-shrub communities. Vegetation communities within the transportation corridor north of Iliamna Lake primarily consist of dwarf shrub, spruce woodland, mixed broadleaf and spruce forest, and shrubs. Wetland habitats dominated by willow shrub communities are common on floodplains of streams, while wet meadows and mixed shrub wetlands are common at toe slopes where groundwater discharge occurs.

Rivers along the transportation corridor provide habitat for five species of anadromous Pacific salmon. Rainbow trout and other species of fish, such as Dolly Varden and Arctic grayling, are also present.

Forest and wetland habitats in the transportation corridor support types of wildlife similar to those at the mine site. Brown bear density is somewhat higher in the transportation corridor, with densities increasing as the corridor approaches the coast. Black bears occur in very low densities along the transportation corridor. Small numbers of caribou from the Mulchatna herd may be found foraging at higher elevations following calving within the transportation corridor north of Iliamna Lake. The transportation corridor contains migratory stopover and breeding habitats for many species of songbirds, raptors, and waterfowl.

2.2.3. Hydrology

The 84-mile-long access corridor crosses numerous streams within the Bristol Bay and Cook Inlet watersheds. The corridor originates in the Nushagak watershed at the mine site and traverses the Kvichak watershed; both are within the greater Bristol Bay watershed. The corridor terminates in the Tuxedni-Kamishak Bays watershed of the greater Cook Inlet watershed.

2.3. AMAKDEDORI PORT

2.3.1. Physiography

The port site is located just north of the mouth of Amakdedori Creek on the shore of Cook Inlet in the northern part of the Aleutian Range physiographic division. Topography is generally flat with dunes located closer to the gravel beach shoreline of Cook Inlet. The port location is in the Iliamna B-3 USGS Quadrangle.

2.3.2. Ecology

The western shorelines from Kameshak Bay north to Iniskin Bay are composed of diverse habitats, including steep rocky cliffs, cobble or pebble beaches, and extensive sand/mud flats. Eelgrass is found at a number of locations and habitats; eelgrass, along with macroalgae, is an important substrate for spawning Pacific herring. Much of the land is well-drained and covered by dwarf shrub communities with inclusions of alder shrub and grass-herb communities. Wetland habitats consisting of wet meadows and shrub communities are limited to the northwestern extent of the port site where groundwater discharge occurs and areas within the floodplain of Amakdedori Creek.

Preliminary data gathered at Amakdedori beach in 2013 indicate that Pacific herring are the predominant species present in the nearshore environment, with smaller populations of Dolly Varden and pink salmon. The port site is located within critical habitat for the Cook Inlet Beluga Whale and the Northern Sea Otter Southwest Distinct Population Segment (DPS). Cook Inlet Beluga Whale critical habitat includes nearshore waters out to two nautical miles and comprise important foraging areas in fall and winter. Northern Sea Otter critical habitat includes foraging areas and escape habitat from marine mammal predators found in Kamishak Bay.

2.3.3. Hydrology

The Cook Inlet basin is an expansive watershed surrounding the 180-mile-long Cook Inlet waterbody. Covering more than 38,000 square miles of southern Alaska, it receives water from six major watersheds and many smaller ones. More than ten percent of the basin is covered by glaciers and suspended sediment loading in glacier fed rivers without lakes is significant, leading to a high suspended sediment load in portions of Cook Inlet.

Lower Cook Inlet is connected to the Pacific Ocean southwest through Shelikof Strait, and southeast by the Gulf of Alaska and demonstrates complex circulation on variable timescales. The region has the fourth largest tidal range in the world; tidal fluctuations in Kamishak Bay average 13 feet. When the tide drops from mean high to mean low water, the inlet loses almost 10 percent of its volume, and exposes approximately 8 percent of its surface area. Most of these tidally exposed areas are in the arms at the north end of Cook Inlet and along the west side of the waterbody.

2.4. NATURAL GAS PIPELINE CORRIDOR

The natural gas pipeline connects the mine site and the port site to the Cook Inlet gas supply infrastructure. It ties to an existing pipeline near Anchor Point on the Kenai Peninsula, connecting to a compressor station, which is located on private land owned by the University of Alaska. The pipeline then crosses state and federal Outer Continental Shelf (OCS) waters in Cook Inlet to the Amakdedori Port before following the transportation corridor to the mine site (see Table 2-4).

Land Ownership	Road Segments (miles)	Percentage
Cook Inlet Crossing	Total miles: 104	
State of Alaska	24	23
Federal Waters – Alaska OCS	80	77
lliamna Lake Crossing	Total miles: 18	
State of Alaska	18	100
Transportation Corridor Parallels	Total miles: 66	
State of Alaska	43	65
Alaska Peninsula Corporation	23	35
Total Miles	188	

Table 2-4. Natural Gas Pipeline Land Ownership^a

^a Distances presented are approximate and have been rounded for ease of reference.

2.4.1. Physiography

The geographic location of the initial portion of the natural gas pipeline corridor is defined in Table 2-5. The remainder is the same as the transportation corridor.

Item	Valueª
USGS Quadrangles	Iliamna B-2
USGS Quadraligies	Seldovia D-5
Elevation:	
Minimum	-230 ft
Maximum	1,700 ft

Table 2-5. Natural Gas Pipeline	Geographic References
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^a All references in Table 2-3 apply to the natural gas pipeline, but are excluded from this table.

The pipeline is located in four physiographic regions—the Nushagak-Big River Hills, the Nushagak-Bristol Bay Lowlands, the Aleutian Range, and the Cook Inlet-Susitna Lowlands. The terrain includes a range of types, from flat to moderately undulating near the Pebble Deposit/mine site, gently sloping and colluvial terrain along the north shore of Iliamna Lake, mountainside slopes to narrow valley bottoms through the Aleutian Range, and coastal lowlands around Cook Inlet. No permafrost has been identified in the pipeline corridor.

2.4.2. Ecology

The Cook Inlet region is composed of marine, coastal, and estuarine habitats. Pelagic waters within Cook Inlet are influenced by riverine and marine inputs resulting in salinity gradients and horizontal mixing throughout the inlet. Deeper waters of Cook Inlet are characterized by highly variable conditions, ranging from large boulders beds, to dune fields, and unconsolidated sediments on a smooth bottom. Strong tidal currents are present. The variety of habitats in the region support lower trophic organisms, fish, shellfish, marine mammals, and birds. Fish and shellfish are important components of the Cook Inlet food web, as they feed on lower trophic organisms such as plankton, and serve as prey for other fish, birds, and marine mammals.

The Cook Inlet region is a migratory corridor and juvenile rearing area for all five species of Pacific salmon, Dolly Varden, and steelhead trout, which spawn in rivers and streams throughout the region. Nineteen marine mammal species known to occur in Cook Inlet, including the Cook Inlet Beluga whale, which use nearshore waters for feeding in fall and winter. A large seabird nesting colony lies within Kamishak Bay on the western shore of lower Cook Inlet. As outlined in Section 2.3.2 coastal areas of western Cook Inlet, including Kamishak Bay, include critical habitat for the Cook Inlet beluga whale and the Cook Inlet northern sea otter.

2.4.3. Hydrology

See section 2.3.3 for a discussion of Cook Inlet hydrology.

155°30'0"W

155°0'0"W

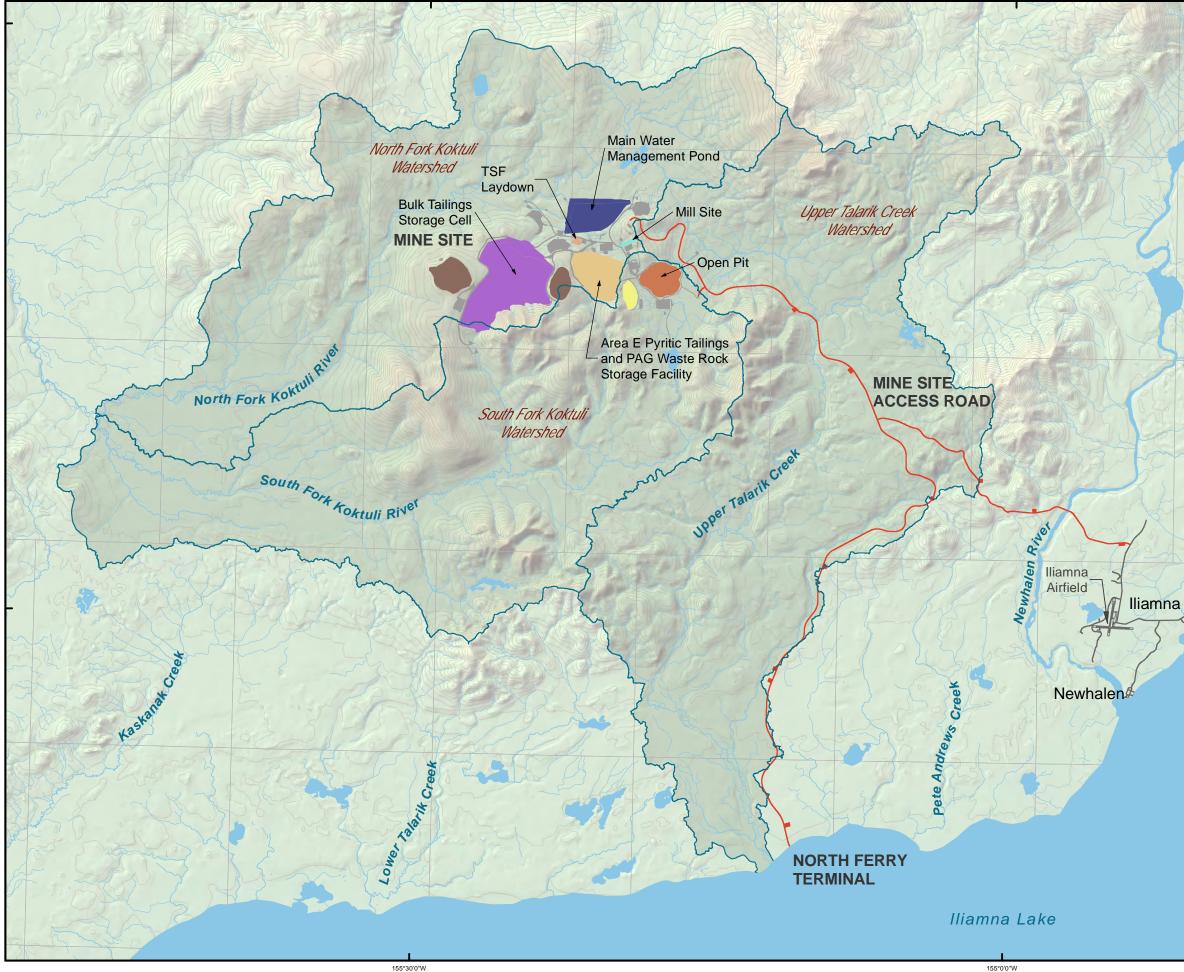
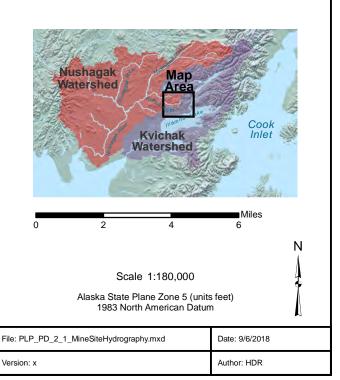




FIGURE 2-1

Mine Site Hydrography

- Bulk Tailings Storage Cell
- Water Managment Pond
- TSF Laydown
 - Area E Pyritic Tailings and PAG Waste Rock Storage Facility
- Open Pit
 - Overburden Stockpile
 - Mill Site Process Plant
- Quarry
 - Watershed Boundary
 - Access Road
 - Local Roads
- Township Boundary



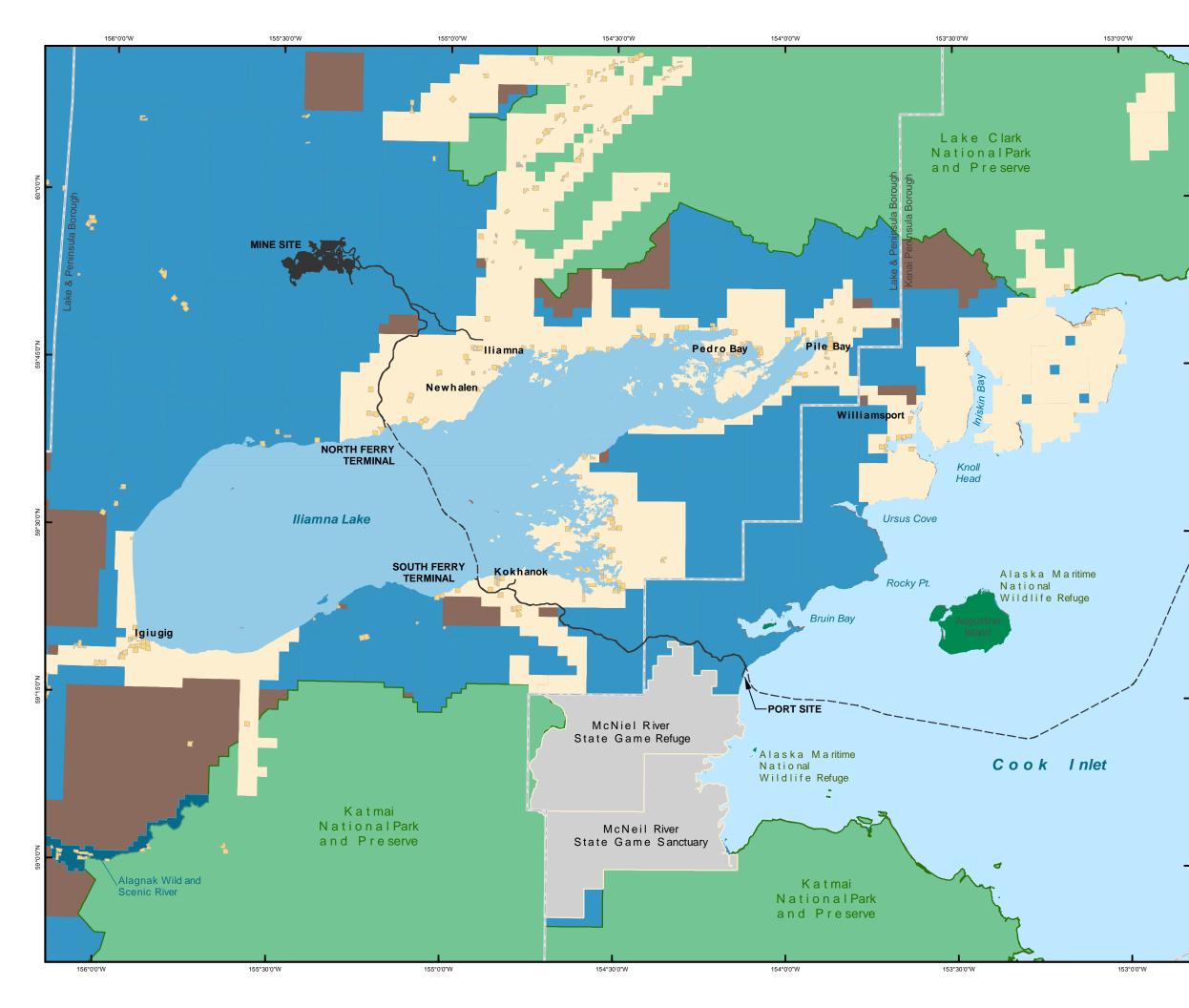
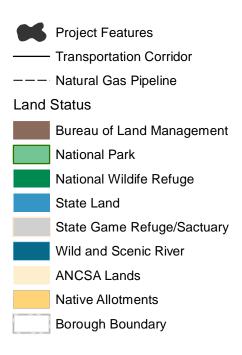
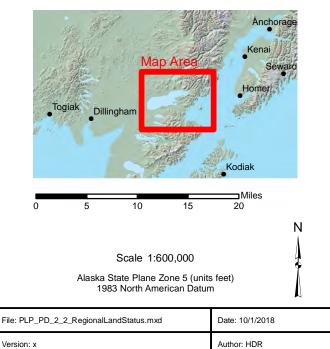




FIGURE 2-2 Regional Land Status





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2.5. STATE AND FEDERAL INTEREST LANDS

Several state and federally managed lands lie within a 100-mile radius of the mine site or Amakdedori Port (Figure 2-2). Two large national park units—Katmai National Park and Preserve and Lake Clark National Park and Preserve—lie to the south and northeast of the mine site, respectively. Both parks straddle the Bristol Bay/Cook Inlet watershed divide, although most recreational use in both parks occurs in the Bristol Bay drainage, west of the divide. The Alagnak Wild and Scenic River flows west from Katmai National Park and Preserve and into the Kvichak River, which flows into Bristol Bay. The McNeil River State Game Refuge and Sanctuary, which lies north of Katmai National Park and Preserve, is in the Cook Inlet watershed. West of the mine site is Wood-Tikchik State Park, which is in the Bristol Bay watershed.

2.6. LOCAL AND REGIONAL COMMUNITIES

The Pebble Deposit is located in southwest Alaska's Lake and Peninsula Borough, home to an estimated 1,600 people in 18 local villages. Distances to various communities are shown in Figure 1-1. At more than 30,000 square miles, the Lake and Peninsula Borough is among the least densely populated boroughs or counties in the country. There are no roads into the borough, and few roads within it, contributing to an extremely high-cost of living and limited job and other economic opportunities for local residents.

The communities closest to the mine site are Nondalton, Iliamna, and Newhalen. Igiugig, Pedro Bay, and Kokhanok, on the southern shore of Iliamna Lake, are also proximal to transportation infrastructure proposed for the Project. While PLP has generated employment for residents of villages throughout the Lake and Peninsula Borough and broader Bristol Bay region over the past decade, those communities surrounding Iliamna Lake have provided the greatest proportion of the local workforce.

With project infrastructure planned to connect the proposed mine site to the villages of Iliamna, Newhalen, and Kokhanok, residents of these and other communities are expected to continue to continue playing an important role in staffing the Project in the future.

The Bristol Bay Borough is the only other organized borough in the Bristol Bay region, with some 900 full-time residents in three villages. A significant portion of the Bristol Bay region is not contained within an organized borough; the Dillingham Census Area comprises 11 different communities. A total of about 7,500 people call the Bristol Bay region home, with the largest population centers in Dillingham, King Salmon, and Naknek.

Most Bristol Bay villages have fewer than 150–200 full-time residents. A majority of the population is of Alaska Native descent and Yup'ik or Dena'ina heritage. Virtually all of the region's residents participate to some degree in subsistence fishing, hunting, and gathering activities. Subsistence is central to Alaska Native culture and provides an important food source for local residents.

There are 13 incorporated first- and second-class cities in the Bristol Bay region and 31 tribal entities recognized by the U.S. Bureau of Indian Affairs. There are also 24 Alaska Native Village Corporations created under the ANCSA, two of which – Alaska Peninsula Corporation and

Iliamna Natives Limited – hold surface rights for significant areas of land near the Pebble Deposit and along the proposed transportation infrastructure corridor.

The commercial fishing, guiding, and tourism-related sectors provide many jobs in the region, but the work is highly seasonal; year-round employment is the exception rather than the norm. A lack of employment and economic opportunity has contributed to a declining population in many Lake and Peninsula Borough and regional villages, resulting in the closure of several schools over the past decade.

2.7. LEGAL DESCRIPTION

The legal description of lands on which major project elements will be located is shown in Table 2-6. Sections are within the Seward Meridian Survey of the Public Land Survey System.

Range	Township	Section
14 West	3 South	7, 8, 18, 19, 30
15 West	3 South	25, 36
15 West	4 South	1, 11, 12, 14, 15, 21, 22, 28, 29, 31, 32
16 West	5 South	1, 2, 10, 11, 15, 16, 17, 19, 20, 30
24 West	10 South	22, 23, 24, 27, 28, 29, 30
25 West	10 South	25, 32, 33, 34, 35, 36
26 West	10 South	31, 32, 33
28 West	10 South	19, 20, 26, 27, 28, 29, 31, 35, 36
20 M/aat	10 South	6, 7, 8, 9, 10, 14, 15, 16, 17, 22, 23, 24, 26, 34, 35, 36
29 West	11 South	2
20 M/aat	9 South	31, 32, 33, 34
30 West	10 South	1, 2, 3, 5, 6
21 M/ach	9 South	31, 32
31 West	10 South	1, 3, 4, 5, 10, 11, 12
32 West	9 South	15, 16, 17, 18, 22, 26, 27, 35, 36
	4 South	19, 27, 28, 29, 30, 34, 35
33 West	8 South	18, 19, 20, 29, 32, 33
	9 South	2, 3, 6, 7, 8, 9, 10, 11, 13, 14
	3 South	19, 29, 30, 32
	4 South	4, 5, 9, 10, 14, 15, 23, 24, 26, 32, 33, 34, 35
34 West	6 South	30, 31
	7 South	5, 6, 8, 9, 16, 21, 22, 26, 27, 35
	8 South	1, 2, 12, 13

Table 2-6. Project Location (Public Land Survey System)

Range	Township	Section
	3 South	15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 29, 30, 33, 34
35 West	5 South	1, 12, 13, 14, 22, 23, 26, 27, 34, 35
	6 South	2, 3, 10, 11, 14, 23, 24, 25
36 West	3 South	11, 12, 13, 14, 15, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 33, 34

3. PROJECT COMPONENTS AND OPERATIONS

This section describes the various project components and the operations associated with those components through the active life of the Project. Construction will last for approximately four years, followed by a commissioning period and 20 years of mineral processing. Mining preproduction will start during construction with removal of overburden and waste rock material and active mining from the pit will continue through the 20-year operations period. Figure 1-4 shows the layout of the mine site, including the major facilities and site infrastructure.

3.1. SUMMARY PROJECT INFORMATION

A summary of mining and process related information is shown in Table 3-1.

Item	Value
General Operation	
Construction	4 years
Open pit mining	20 years
Total project operations	20 years
Daily schedule	24 hours
Annual schedule	365 days
Mine Operation	
Preproduction mined volume	33 million tons
Average annual mining rate	70 million tons
Operations mined volume	1,440 million tons
Mine life strip ratio	0.12:1 (waste: mineralized material)
Open pit dimensions	6,800 x 5,600 ft, 1,970 ft deep
Process Operation	
Daily process rate	180,000 tons
Annual process volume	66 million tons
Copper-gold concentrate	613,000 tons per year (average)
Molybdenum concentrate	15,000 tons per year (average)
Pyritic Tailings Storage Facility	
Approximate capacity (tailings)	155 million tons
Approximate capacity (PAG waste)	50 million tons
South embankment (height)	305 feet
North embankment (height)	425 feet
East embankment	315 feet

Table 3-1. Summary Project Information^a

ltem	Value
Bulk Tailings Storage Facility	
Approximate capacity	1,140 million tons
Main embankment (height)	545 feet
South embankment (height)	300 feet
Main Water Management Pond	
Approximate capacity	2,450 M cubic feet (56,300 ac-ft)
Embankment height	190 feet

^a Design criteria as presented are approximate and have been averaged and rounded as appropriate for ease of reference.

3.2. MINING

3.2.1. Methods and Phasing

The Pebble Mine will be a conventional drill, blast, truck, and shovel operation with an average mining rate of 70 million tons per year and an overall stripping ratio of 0.12 ton of waste per ton of mineralized material.

The open pit will be developed in stages, with each stage expanding the area and deepening the previous stage. The final dimensions of the open pit will be approximately 6,800 feet long and 5,600 feet wide, with depths to 1,970 feet.

Mining will occur in two phases - Preproduction and Production.

The mine operation will commence during the last year of the Preproduction Phase and extend for 20 years during the Production Phase. During this period, 1,300 million tons of mineralized rock and 150 million tons of waste rock and overburden will be mined. Non-potentially acid generating (NPAG) waste rock will be used in construction of the tailings embankments. The PAG waste rock will be stored in the pyritic TSF until closure, when it will be back-hauled into the open pit. Fine- and coarse-grained soils will be stored southwest of the pit and north of the TSF embankments and will be used for reclamation during mine closure.

The Preproduction Phase consists of dewatering the pit area and mining of non-economic materials overlying the mineralized material from the initial stage of the open pit. Dewatering will begin approximately one year before the start of Preproduction mining. Approximately 33 million tons of material will be mined during this phase (Table 3-2).

Material Type	Quantity	
Overburden	21.5 million tons	
PAG waste rock	11.6 million tons	

Table 3-2.	Mined	Material-	-Prepro	duction	Phase
10010 0 2.	winnou	matorial	1 10010	adotion	1 11000

Project Description

The Production Phase encompasses the period during which economic-grade mineralized material will be fed to the metallurgical process plant that produces concentrates for shipment and sale. The Production Phase is planned to last for 20 years. Mineralized material will be mined and be fed through the process plant at a rate of 180,000 tons/day. The open pit will be mined in a sequence of increasingly larger and deeper stages. Approximately 1.4 billion tons of material are planned to be mined during the Production Phase (Table 3-3).

Material Type	Quantity
Overburden	68 million tons
Mineralized material process plant feed	1,291 million tons
NPAG waste rock	13 million tons
PAG waste rock	39 million tons

Table 3-3. Mined Material—Production Phase

3.2.2. Blasting

Most open pit blasting will be conducted using emulsion blasting agents manufactured on site. In dry conditions, a blend of ammonium nitrate and fuel oil (ANFO) can be used as the blasting agent. However, most ammonium nitrate will be converted to an emulsion blasting agent because of its higher density and superior water resistance. Initial operations during the Preproduction Phase may use pre-packed emulsion blasting agents or a mobile bulk emulsion manufacturing plant. After the explosives plant is completed, the emulsion-based ANFO explosive will be used as the primary blasting agent.

The ANFO will be stored separately as a safety precaution. All explosive magazines will be constructed and operated to meet mine safety and health regulations. The ammonium nitrate solution will be mixed with diesel fuel and emulsifying agents in a mobile mixing unit on the mining bench where blasting is to take place. The emulsion will become a blasting agent only once it is sensitized using the sensitizing agent while in the drill hole.

Based on knowledge of the rock types in the Pebble Deposit, blasting will require an average powder factor of approximately 0.5 pound per ton of rock. Blasting events during the Preproduction Phase will occur approximately once per day. The frequency will increase during the Production Phase, with events occurring as often as twice per day.

3.2.3. Waste Rock and Overburden Storage

Waste rock is mined material with a mineral content below an economically recoverable level that is removed from the open pit, exposing the higher-grade production material. Waste rock will be segregated by its potential to generate acid. NPAG and non-ML waste rock may be used for embankment construction. PAG and ML waste rock will be stored in the pyritic TSF until mine closure, when it will be back-hauled into the open pit. Quantities of material mined are outlined in Table 3-1 and Table 3-2 above.

During the Preproduction Phase, approximately 33 million tons of non-mineralized and mineralized material will be removed from the open pit. Non-mineralized waste and overburden will be stockpiled or used in construction, mineralized waste will be stockpiled and relocated to the pyritic TSF once complete, or if grades are sufficient, stockpiled for milling once the mill is complete. Material will be stockpiled within the pit footprint, or in designated stockpiles as appropriate.

Overburden is the unconsolidated material lying at the surface. At the Pebble Deposit, the overburden depth ranges from 0 to 140 feet. Overburden removal will commence during the Preproduction Phase and will recur periodically during the Production Phase at the start of each pit stage. The overburden will be segregated and stockpiled in a dedicated location southwest of the open pit. A berm built of non-mineralized rock will surround the overburden to contain the material and increase stability. Overburden materials deemed suitable will be used for construction. Fine- and coarse-grained soils suitable for plant growth will be stockpiled for later use as growth medium during reclamation. Growth medium stockpiles will be stored at various locations around the mine site and stabilized to minimize erosion potential.

3.2.4. Equipment

The Project will use the most efficient mining equipment available in the production fleet to minimize fuel consumption per ton of rock moved. Most mining equipment will be diesel-powered. This production fleet will be supported by a fleet of smaller equipment for overburden removal and other specific tasks for which the larger units are not well-suited. Equipment requirements will increase over the life of the mine to reflect increased production volumes and longer cycle times for haul trucks as the pit is lowered (Table 3-4). All fleet equipment will be routinely maintained to ensure optimal performance and minimize the potential for spills and failures. Mobile equipment (haul trucks and wheel loaders) will be serviced in the truck shop; track-bound equipment (shovels, excavators, drills, and dozers) will be serviced in the field under appropriate spill prevention protocols.

Equipment Unit	Class	Year 1 Quantity	Average Quantity	Peak Quantity
Electric shovel	73 су	1	2	2
Diesel hydraulic shovel	53 cy	1	1	1
Wheel loader	53 су	1	1	1
Electric drill	12.25 in	1	2	2
Diesel drill	12.25 in	1	1	1
Diesel drill	6.5 in	1	1	1
Diesel haul truck	400 ton	7	11	17
Diesel haul truck	150 ton	5	5	5

cy = cubic yards

Track-mounted electric shovels will be the primary equipment unit used to load blasted rock into haul trucks. Each electric shovel is capable of mining at a sustained rate of approximately 30 million tons per year. Diesel hydraulic shovels, due to their greater flexibility, will be used to augment excavation capacity, depending on the mining application.

Wheel loaders are highly mobile, can be rapidly deployed to specific mining conditions, and are highly flexible in their application. Diesel off-highway haul trucks will be used to transport the fragmented mineralized material to the crusher.

Track-mounted drill rigs are used to drill blast holes into the waste rock and mineralized material prior to blasting. Hole diameters will vary between 6 and 12 inches. Drill rigs may be either electrically powered, as is the case for the larger units, or diesel powered.

This equipment will be supported by a large fleet of ancillary equipment, including track and wheel dozers for surface preparation, graders for construction and road maintenance, water trucks for dust suppression, maintenance equipment, and light vehicles for personnel transport. Other equipment, such as lighting plants, will be used to improve operational safety and efficiency.

3.2.5. Mining Supplies and Materials

Fuel, lubricants, tires, and blasting agents (Table 3-5) will be the primary materials used in mining.

Consumable	Use	Shipping
Diesel fuel	Vehicles and blasting	6,350-gallon ISO tank-containers
Lubricants	Vehicles and equipment	Drums and totes in containers
Ammonium nitrate prill	Blasting	Bulk containers
Primers, detonators, and detonating cord	Blasting	Specialized packaging as required
Blasting emulsion ingredients	Blasting	Specialized packaging as required
Packaged explosives	Blasting	Specialized packaging as required
Haulage truck & other tires	Vehicles	Bulk containers/break bulk
Ground-engaging tools	Drilling and loading	Bulk containers

Table 3-5. Mining Supplies

ISO = International Organization for Standardization

3.3. MINERAL PROCESSING

Mineral processing facilities will be located at the mine site. Blasted mineralized material from the open pit will be fed to a crushing plant to reduce the maximum particle size to approximately six inches. This crushed material will be conveyed to a coarse ore stockpile, which in turn feeds a grinding plant within the process plant. In the grinding plant, semi-autogenous grinding (SAG) mills and ball mills further reduce the plant feed to the consistency of very fine sand. The next step is froth flotation, in which the copper and molybdenum minerals are separated from the remaining material to produce concentrates. The concentrates are then filtered for shipment. Gravity

concentrators will be placed at strategic locations to recover free gold, which will be shipped off site for refining.

The copper-gold concentrate will be loaded into covered bulk shipping containers; the molybdenum concentrate will be packaged in bulk bags and loaded into shipping containers. Other economically valuable minerals (palladium and rhenium) will be present in the concentrates and may be recovered at the refineries. Figure 3-1 shows the process flowsheet.

The concentrate containers will be transported by truck to the Amakdedori Port on Cook Inlet. The contents of the copper-gold concentrate containers will be directly unloaded into the holds of Handysize bulk carriers for shipment, while the molybdenum containers will be loaded directly onto barges or other ships.

Over the life of the Project, approximately 1.3 billion tons of mineralized material will be fed to the process plant at a rate of 180,000 tons/day. On average, the process plant will produce approximately 613,000 tons of copper-gold concentrate per year, containing approximately 318 million pounds of copper, 362,000 ounces of gold and 1.8 million ounces of silver, and approximately 15,000 tons of molybdenum concentrate, containing about 14 million pounds of molybdenum.

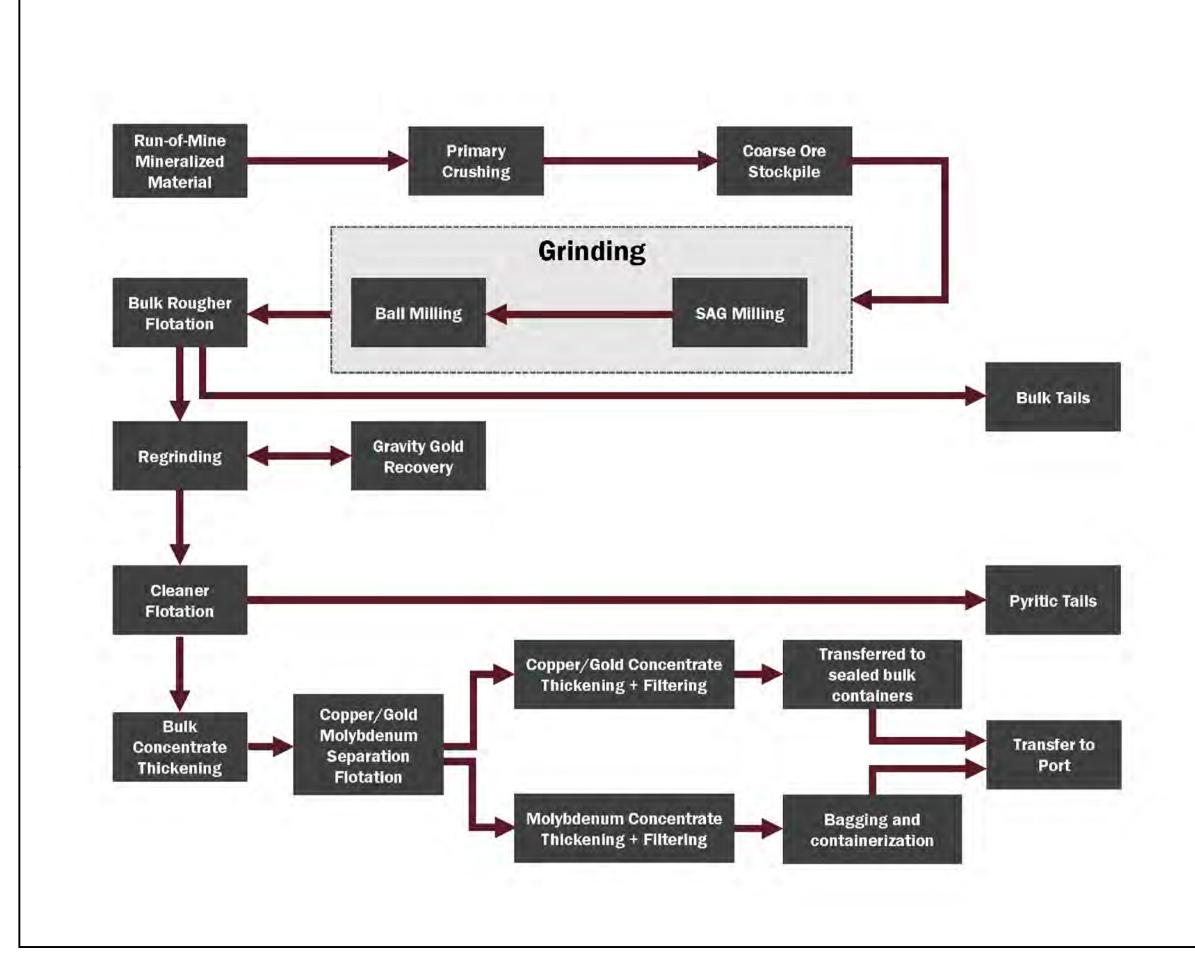




FIGURE 3-1 Process Flow Sheet

File: PLP_PD_ProcessFlowSheet.mxd	Date: 12/15/2017
Version: 1	Author: HDR

3.3.1. Crushing

3.3.1.1 Primary Crushing

Mineralized material from the open pit will be delivered by 400-ton haul trucks to primary gyratory crushers located adjacent to the rim of the open pit. The crushers will reduce the mineralized material to a maximum size of six inches. The crushed mineralized material from both crushers is delivered via a single, covered, overland conveyor to the coarse ore stockpile.

3.3.1.2 Coarse Ore Stockpile

The coarse ore stockpile is contained within a covered steel frame building to minimize fugitive dust emissions and control mineralized material exposure to precipitation. The stockpile provides surge capacity between the crushers and the process plant, improving the efficiency of the latter and enabling it to operate if the feed from the crushers is not available.

The stockpiled material will be reclaimed by apron feeders mounted below the pile that deliver it onto two conveyor belts feeding the SAG mills. Baghouse-type dust collectors will be provided at each transfer point to control fugitive dust emissions. Water will be added to the process at the SAG mill, thereby eliminating the need for additional baghouses. A sump will be located in each reclaim tunnel to collect any excess water; however, such drainage is likely to be minimal, as it is preferable to handle coarse material dry to prevent freezing during cold conditions. An escape tunnel also will be provided for worker safety, with ventilation as required.

3.3.2. Grinding

The primary grinding circuit will use two parallel, 40-foot-diameter SAG mills and associated ball mills to grind mineralized material to the finer consistency necessary to separate the valuable minerals. Steel balls are added to the SAG mill to aid in grinding the mineralized material. Coarse mineralized material, water, and lime are fed into the SAG mills and the mineralized material is retained within the SAG mills by grates until the particles reach a maximum size of one to two inches.

Discharge from each SAG mill will be screened to remove larger particles ranging from one to two inches ("pebbles"). Material passing through the screens will be sent to the ball mills while the large particles will be conveyed to the pebble-crushing facility where they will be crushed and re-introduced to the SAG mill.

The next grinding step is ball milling. Ball mills have a lower diameter-to-length ratio than SAG mills and use a higher percentage of smaller steel balls compared to SAG mills, allowing them to grind the feed to a finer size. Two ball mills will be matched with each SAG mill.

The slurry from the ball mills will be pumped into the hydro-cyclones, which separate the finer material from the larger material through centrifugal force. The slurry with the coarser material will be recycled back to the ball mills for additional grinding. The slurry containing the finer material will be pumped to the flotation cells. Grinding circuit slurry pH levels will be adjusted to 8.5 by

adding lime slurry to minimize corrosion on the mill liners and promote efficient mixing prior to flotation.

3.3.3. Concentrate Production

Copper-gold and molybdenum concentrates will be produced via flotation, which will separate the metal sulfides from pyrite and non-economic minerals. Two tailings streams will be produced: bulk tailings and pyritic tailings.

3.3.3.1 Bulk Rougher Flotation

The rougher flotation circuit is designed to separate the sulfide minerals, predominantly copper, molybdenum, and iron sulfides (pyrite) within the process plant feed from the non-sulfide minerals. Slurry from the ball mills is split between two banks of bulk rougher flotation cells. Reagents added to the slurry promote mineral separation by inducing mineral particles to attach to air bubbles created by blowing air through the flotation cells. Additional reagents are added to promote froth bubble stability. This froth, with the mineral particles attached, rises to the surface and is collected as a bulk rougher concentrate for the next phase of flotation.

Bulk rougher concentrate slurry is then routed to the regrind circuit. Material that does not float – the bulk flotation tailings from which most of the sulfide minerals have been removed – will be pumped to two tailings thickeners.

3.3.3.2 Regrind

The bulk rougher concentrate is reground to sufficiently liberate minerals and enable the separation of the copper-molybdenum sulfide minerals from iron and other sulfides, thus producing concentrates with commercially acceptable grades. A gravity gold recovery circuit is attached to the regrind circuit to recover free gold that might otherwise be lost.

3.3.3.3 Cleaning

Reground bulk rougher concentrates will be upgraded through a two-stage cleaning process. The concentrate from the cleaning process will report to copper-molybdenum separation, while the tailings will report to the pyritic tailings thickener for thickening prior to pumping to the pyritic tailings storage cell in the TSF. The same reagents used in the rougher flotation circuit will be used in the cleaning circuit, with additional reagents used to aid in the suppression of gangue minerals. The cleaning stage is operated at an elevated pH—through lime addition—to suppress pyritic minerals, which would lower the grade of final concentrates.

3.3.3.4 Bulk Concentrate Thickener

Water will be removed from the bulk concentrate in a conventional thickener. This will remove as much of the bulk flotation reagents as possible before the slurry enters the coppergold/molybdenum separation circuit, thus increasing separation process efficiency. Reagents will be recycled to the rougher process with the thickener overflow. The resulting slurry will contain 50 percent solids by weight and will go forward to copper-gold/molybdenum separation.

3.3.3.5 Copper-Gold/Molybdenum Separation Flotation

The final flotation process is designed to separate copper-gold and molybdenum concentrates by adding reagents. The concentrate from the separation stage is the molybdenum concentrate, while the tailings comprise the final copper-gold concentrate.

3.3.3.6 Concentrate Dewatering, Filtration, and Packaging

The upgraded copper-gold concentrate will be thickened to 55 percent solids by weight in a highrate thickener. The thickener overflow will return to various circuits for use as process water. The thickener underflow will be fed to a pressure filter to reduce the moisture to approximately eight percent. The filter product will be conveyed to specialized bulk cargo containers with removable locking lids that prevent dust emissions and incidental spills while maintaining product quality through the logistics chain.

The molybdenum concentrate will be thickened in a high-rate thickener to 55 percent solids by weight. The thickener underflow will be pumped to the molybdenum concentrate filter press, where the moisture content will be reduced to 12 percent. The filtered concentrate will be further dewatered by a dryer to five percent moisture before being bagged, containerized, and shipped offshore.

3.3.4. Processing Reagents and Materials

Table 3-6 provides a list of commonly used reagents for this type of process, along with their typical packaging for transportation. The final reagent list will be determined during detailed design.

Reagent	Use	Shipping/Preparation
Calcium Oxide	pH modifier; depresses	Calcium oxide pebbles (80 percent) shipped in specially
(quick lime)	pyrite in the copper-	adapted shipping containers. Pebbles will be crushed and
	molybdenum flotation	mixed with water to form lime slurry at the lime plant.
	process.	
Sodium Ethyl	Copper collector; used	Pelletized reagent shipped in 1-ton bags. Mixed with
Xanthate	in the rougher flotation	process water to form 20 percent solution and stored in
	circuit.	collector storage tank. Mix and storage tanks vented
		externally with fans.
Fuel Oil (Diesel)	Used in the flotation	Shipped in ISO tank-containers and stored in the main
	process.	head tank in the copper-molybdenum concentrator area.
Sodium	Copper depressant used	Pelletized reagent shipped in 1-ton bags. Mixed with
Hydrogen	in the copper-	process water to form 20 percent solution and stored in the
Sulfide (NaHS)	molybdenum separation	NaHS storage tank.
	processes.	

Table 3-6. Processing F	Reagents and Materials
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Reagent	Use	Shipping/Preparation
Carboxy Methyl	Depressant; anionic	Pelletized reagent shipped in 1-ton bags. Mixed with
Cellulose	polymer used to depress	process water in the agitated dispersant tank to form 20
	clay and related gangue	percent solution and stored in dispersant storage tank.
	material in the bulk	
	cleaner flotation circuit.	
Methyl Isobutyl	Frother; maintains air	Shipped in 20-foot specialized ISO containers and stored in
Carbinol	bubbles in the flotation	the frother storage tank.
	circuits.	
Depressant	Clay or silica gangue	Pelletized reagent shipped in 1-ton bags. Mixed with
(sodium silicate)	mineral depressant	process water to form 20 percent solution and stored in the
	used in the copper-	sodium silicate storage tank.
	molybdenum separation	
	process.	
Anionic	Thickener aid.	Pelletized reagent shipped in 1-ton bags. Vendor package
polyacrylamide		preparation system composed of a bag breaking enclosure
		to contain dust, dry flocculent metering, and a wet jet
		system to combine treated water with the powdered
		flocculent in an agitated tank for maturation. Prepared in
		small batches and transferred to a flocculent storage tank.
Polyacrilic acid	Antiscalant for the lime	Viscous pale amber liquid shipped in 35-cubic-foot
	production process.	specialized container tanks within protected rectangular
		framework.
Nitrogen	Nitrogen used in the	Nitrogen will be provided by a vendor-supplied pressure
	molybdenum flotation	swing adsorption nitrogen plant. This equipment separates
	circuit to depress	nitrogen from air for use in the mineral-process plant.
	copper sulfides.	

3.3.5. Process Water Supply System

Process water will be drawn from the main WMP and the tailings thickener overflow streams. The primary process water source is the bulk tailings thickener overflow. Precipitation runoff will either be diverted by non-contact water diversion channels, or collected in sediment ponds as appropriate, and pumped to the main WMP. Some treated water will be diverted to the process for pump glands and other similar applications.

3.3.6. Tailings Production

Processing mineralized material to recover copper, gold, and molybdenum will produce two types of tailings: bulk flotation and pyritic. Bulk flotation tailings will be pumped to the bulk tailings thickener, where flocculant will be added as necessary to help the settling process. Tailings

thickener underflow, at approximately 55 percent solids, will be pumped to the bulk TSF. The pyritic tailings will be thickened, mixed with WTP sludge, and pumped to the pyritic TSF. The overflow streams from each thickener will be returned to the process. Supernatant water in the bulk and pyritic TSFs will be reclaimed to the mill site WMP. Some of this water will be pumped to the process water tank for re-use in the process plant. Any surplus water will be treated in the WTP and discharged.

3.4. TAILINGS STORAGE FACILITIES

Separate TSFs will be constructed for the bulk and pyritic tailings located primarily within the NFK watershed (Figure 1-4). Total TSF capacity will be sufficient to store the 20-year mine life tailings volume (1.3 billion tons). Approximately 88 percent 1,140 million tons) of the tailings will be bulk tailings, and approximately 12 percent (155 million tons) will be pyritic tailings.

The unlined bulk TSF has two embankments, the main and south embankments. The pyritic TSF will be lined and has three embankments – north, south, and east.

Starter embankments for both facilities will be constructed as part of the initial TSF construction. The main embankment of the bulk TSF will function as a permeable structure to maintain a depressed phreatic surface in the embankment and in the tailings mass in proximity to the embankment. A basin underdrain system will be constructed at various locations throughout the bulk TSF basin to provide preferred drainage paths for seepage flows. The pyritic TSF will be a fully lined facility.

The pyritic TSF, which will also contain the PAG waste, will have a full water cover during operations, while the bulk tailings cell will have a relatively small supernatant pond, located away from the embankments, to promote large tailings beach development upstream of the embankments.

The bulk TSF downstream embankment slopes will be maintained at approximately 2.6H:1V (horizontal:vertical), including buttresses established at the downstream toe of the main embankment. The final embankment crest elevation will be approximately 1,730 feet above sea level for bulk TSF. Embankment heights, as measured from lowest downstream slope elevation, will be 545 feet (main) and 300 feet (south).

The pyritic TSF embankment slopes will be maintained at 2.6H:1V. The final crest elevation will be 1,710 feet above sea level. The north embankment height will be 425 feet, the south embankment height will be 305 feet, and the east embankment height will be 315 feet.

3.4.1. Siting Criteria

PLP conducted a multi-year, multi-disciplinary evaluation to select TSF locations that meet all engineering and environmental goals while allowing for cost-effective integration into the site waste and water management plans. During this evaluation, more than 35 tailings disposal options were tested against a range of siting criteria, including:

- Minimize potential impact to environmental resources. The selected sites are within valleys supporting mixed uplands and wetland shrub/herbaceous shrub. The valleys include tributaries to the NFK that have experienced intermittent flows. Index counts indicate lower fish presence than at other locations. Potential impacts to waterfowl are likewise reduced by avoiding areas with high-value habitats for nesting, breeding, molting, or migration.
- **Provide adequate storage capacity.** The sites will accommodate tailings for the 20-year life of the Project.
- **Reasonable proximity.** The sites minimize the distance to the process plant, which reduces power consumption and the overall project footprint.
- **Facilitate closure.** Segregating the pyritic tailings and PAG waste allows for placement of both in the pit at the end of the mine life, thus eliminating this structure from the long-term closure plan.

3.4.2. Design Criteria

The TSFs will be designed to meet or exceed the standards of the updated 2017 *Guidelines for Cooperation with the Alaska Dam Safety Program* (ADSP) prepared by ADNR. The TSFs will be designed to the standards of a Class I hazard potential dam (the highest classification).

The final TSF designs will incorporate the following:

- Permanent, secure, and total confinement of bulk tailings solids within an engineered disposal facility.
- Secure, and total confinement of pyritic tailings and PAG waste rock within a fully lined, engineered facility, with these materials relocated to the pit at closure.
- Control, collection, and recovery of tailings water from within the tailings impoundments for recycling to the process plant operations as process water, or treatment prior to discharge to the environment.
- Providing seepage collection systems below the impoundment structures to prevent adverse downstream water quality impacts.
- The inclusion of sufficient freeboard within the bulk TSF that the entire volume of the Inflow Design Flood (IDF) will not flood the entire tailings beach, maintaining the beach between the maximum operating pond and the bulk TSF embankments.
- Limiting the volume of stored water within the bulk TSF and keeping the operating pond away from the dam face.
- Maintaining the pyritic tails and PAG waste in a sub-aqueous state to prevent oxidation.
- The consideration of long-term closure management at all stages of the TSF design process.

- The inclusion of monitoring instrumentation for all aspects of the facility during operations and after closure.
- The design includes flattened slopes to increase the static factor of safety.

3.4.3. Tailings Deposition

Each tailings stream will be delivered to its respective TSF using two pump stations, one located in the process plant and one booster station positioned approximately mid-way along the pipeline route. The bulk tailings will be discharged via spigots spaced at regular intervals along the interior perimeter of the bulk tailings cell to promote beach development, which will allow the supernatant pond to be maintained away from the main embankment.

PAG waste rock will be placed in a ring around the interior of the pyritic TSF. Pyritic tailings from the cleaner scavenger flotation circuit will be discharged into the pyritic TSF at sub-aqueous discharge points, with the level maintained just below the upper bench level for the PAG waste being stored. The sub-aqueous discharge is necessary to prevent oxidation and potential acid generation.

3.4.4. Construction

A "Certificate of Approval to Construct a Dam" is required from ADNR for the construction of impounding structures meeting the minimum height or impounding thresholds. The TSFs, seepage collection ponds, and WMPs will be jurisdictional dam structures regulated by ADSP. The certificate will include any special conditions or limitations on the construction.

The embankments will be constructed using suitable rockfill or earthfill materials, including quarried rock, NPAG and non-ML waste rock excavated from the open pit, if available, and stripped overburden.

3.4.4.1 Bulk TSF

Main Embankment

The main embankment will be constructed using the centerline construction method with local borrow materials. The centerline construction method provides a high level of embankment stability while reducing the embankment material requirements associated with the downstream method.

The embankment foundation will be prepared by removing overburden materials to competent bedrock prior to the placing structural fill materials. Construction begins with a cofferdam to capture upstream runoff during starter embankment construction. The starter embankment will be constructed to a height of approximately 265 feet and provide capacity to store tailings for the first 24 months of operation.

The material for the starter embankments will be sourced from a quarry located within the impoundment area. The bulk TSF embankments will be raised progressively during the mine life.

After the quarry within the impoundment is inundated with tailings, material will be sourced from two quarries immediately west and east of the impoundment.

The earthfill/rockfill embankment will include engineered filter zones and a crushed or processed aggregate drain at the topographic low point. This drain will provide a preferable seepage path from the tailings mass to downstream of the embankment toe. Additional underdrains running parallel to the embankment will allow for drainage of seepage collected along the embankment.

South Embankment

The south embankment will be constructed using the downstream construction method to facilitate lining of the upstream face, which is constructed at a 3H:1V slope. The downstream slope will be at 2.6H:1V. Overburden materials will be removed to competent bedrock below the embankment. The earthful/rockfill embankment will include engineered filter zones and a grout curtain to reduce seepage below the embankment.

3.4.4.2 Pyritic TSF

The embankments will be constructed using the downstream method with an overall downstream slope of 2.6H:1V. The embankments will be constructed using select borrow materials and include a liner bedding layer, overlain by a liner, on the upstream slope and over the entire internal basin. Basin underdrains will collect and convey any seepage to the downstream seepage collection ponds.

3.4.4.3 Main Water Collection Pond

The Main Water Management Pond is the primary water management structure at the mine site. It will be a fully lined facility and constructed using quarried rockfill materials founded on competent bedrock. The embankment is approximately 190 ft high with an overall downstream slope of approximately 2H:1V and an upstream slope of 3H:1V to accommodate the liner. It will be constructed to its final height during the initial construction period. In addition to the geomembrane liner the embankment will include a filter/transition zone. The basin and upstream embankment face will include a layer of materials above the liner to provide ice protection during freezing conditions.

3.4.4.4 TSF Embankment Lifts

TSF embankments will be constructed in stages throughout the life of the Project, with each stage providing the required capacity until the next stage is completed. A 'Certificate of Approval to Modify a Dam' is required from ADSP for each construction lift. Planned embankment raises will be evaluated each year and sized according to a review of the process plant throughput, actual tailings settled densities (TSF ponds are typically sounded to establish the size of the supernatant pond and the density of the deposited tailings in the TSF), and water storage requirements.

3.4.5. Freeboard Allowance

All stages of embankment design include a freeboard allowance above the maximum operating TSF pond level and tailings beach. The freeboard allowance includes containment of the IDF and

wave run-up protection, as well as an allowance for post-seismic embankment settlement. The IDF for the facility has been selected as the Probable Maximum Flood (PMF).

The embankment freeboard requirements will be reviewed as part of each dam lift and dam safety review, and will be adjusted, as required to reflect actual mine water management conditions.

3.4.6. Surface Water

The IDF is the primary hydrologic input to the TSF design. The IDF for the TSF, pyritic TSF, and the main WMP is the PMF. The design PMF volume is based on the 24-hour Probable Maximum Precipitation (PMP) event, plus the snow water equivalent from a 1-in-100-year snowpack. Available storage, or freeboard, will always be maintained within the storage facilities to account for the IDF. Maximum operating conditions will not encroach on the freeboard allowance.

Pumps located at the bulk tailings cell supernatant pond will control the water level by transferring excess water to either the seepage control pond or the main WMP.

The pyritic TSF will be a fully lined, water retention facility. The primary means of controlling the water level within pyritic TSF will be by pumping from this cell to the main WMP or the mill.

The main WMP will be a fully lined, water retention facility used to store surplus water for milling, or for managing surplus water from other impoundment and seepage structures. The primary means of controlling the water level in the main WMP is by pumping to the mill or treating surplus water and discharging to the environment.

3.4.7. Seepage

The main embankment of the bulk TSF will be designed to promote seepage to the seepage collection pond, thereby minimizing the volume of water contained within the impoundment.

For the other embankments, seepage controls will include grout curtains, liners, and lowpermeability zones. The low-permeability zones, in conjunction with the low-permeability tailings mass, will function as the primary seepage control barriers of the internal and east embankments.

The seepage management system will also include seepage control measures downstream of the TSF embankments. These include seepage recycle ponds with grout curtains and low-permeability core zones, and downstream monitoring wells. Embankment runoff and TSF seepage collecting in the downstream seepage collection ponds will ultimately be transferred to the main WMP to be used in mining operations or treated for discharge.

3.5. MINE SITE INFRASTRUCTURE

Due to the remote location and the absence of existing infrastructure, the Project will be required to provide basic infrastructure, as well as the support facilities typically associated with mining operations. These facilities require reasonable access from the Pebble Deposit, and they have been situated foremost for stability and safety. Figure 1-4 shows the mine site layout.

3.5.1. Power Generation and Distribution

There is no existing power infrastructure in the Project vicinity. All required generating capacity, distribution infrastructure, and backup power will be developed by the Project.

To meet the projected power requirement while providing sufficient peaking capacity and N+1 redundancy (one generating unit held in reserve for maintenance or emergency use) will require a plant with an installed nameplate capacity of 270 MW. The plant will use high-efficiency combustion turbine generators operating in a combined-cycle configuration. The units would be fired by natural gas provided to the site via pipeline. Design-appropriate controls will be used to manage airborne emissions and meet Alaska Department of Environmental Conservation (ADEC) air quality criteria and best management practices (BMPs). Unused waste heat will be rejected through a closed-loop, water cooled system that circulates water through the steam condenser to a mechanical draft cooling tower.

The various mine load centers would be serviced by a 69-kilovolt distribution system using a gasinsulated switchgear system located at the power plant.

Emergency backup power for the mine site will be provided by both standby and prime-rated diesel generators connected into electrical equipment at areas where power is required to ensure personnel safety, avoid the release of contaminants to the environment, and allow for the managed shutdown and/or ongoing operation of process-related equipment.

3.5.2. Heating

Waste heat from the power plant will be used to heat mine site buildings and supply process heating to the water treatment plant. Low-pressure steam, via heat exchangers, will heat a closedloop glycol system that distributes heat to various buildings. Warm water from the steam condenser discharge will be routed to the water treatment plant to provide process heating.

3.5.3. Shops

The truck shop complex will house a light-vehicle maintenance garage, a heavy-duty shop that can accommodate 400-ton trucks, a truck wash building, a tire shop and a fabrication and welding shop. The layout is designed to maintain optimal traffic flow and minimize the overall complex footprint. An oil-water separation system will be designed for water collected from the wash facility and floor drains.

3.5.4. On-site Access Roads

There will be several access roads within the mine site area, including a road from the gatehouse to the mine site and secondary roads linking with the various facilities around the mine. Roads will be sized according to the operating requirements and the types of equipment using them.

3.5.5. Personnel Camp

The first camp to be constructed at the mine site will be a 250-person fabric-type camp to support early site construction activities and throughout the Preproduction Phase as required for seasonal

peak overflows. The main construction camp will be built in a double-occupancy configuration to accommodate 1,700 workers. This facility will later be refurbished for 850 permanent single-occupancy rooms for the operations phase. The camp will include dormitories, kitchen and dining facilities, incinerator, recreation facilities, check-in and check-out areas, administrative offices and first aid facilities.

The mine will operate on a fly-in, fly-out basis, except for those personnel residing in the communities connected to the access road corridor. Non-resident personnel will be flown in and out of the Iliamna Airport and transported to the site by road. Workers will remain on site throughout their work period. Site rules will prohibit hunting, fishing, or gathering while on site to minimize impacts to local subsistence resources.

3.5.6. Potable Water Supply

A series of groundwater wells located north of the mine site will supply potable water to the mine site. Preliminary tests indicate that minimal water treatment will be required. Treatment will likely include multimedia filtration, chlorination with sodium hypochlorite, and pH adjustment with sodium hydroxide. The treatment plants will be designed to meet federal and state drinking water quality standards.

Potable water will be distributed through a pump and piping network to supply fresh water to holding tanks at the personnel camp and process plant. Holding tank capacity will be sufficient for a 24-hour supply. Diesel-fired backup pumps will also be installed to provide potable water during an electrical outage.

3.5.7. Communications

Communications to site will be via fiber optic cable with satellite backup for critical systems. The fiber optic cable will connect to existing fiber optic infrastructure in the region or a dedicated fiber optic cable laid in conjunction with the gas pipeline.

The process plant communication system will use a dedicated ethernet network to support mine process control system communications. A separate network will connect various main components of the fire-detection and alarming system. Closed-circuit television, access control, and voice over internet protocol telephone systems will be integrated with the local area network. Mine operations will use two-way radios, cell phones, and similar equipment for communications.

Amakdedori port operations will be serviced by the fiber optic cable. Radio and/or cell service will be provided for communications at the port with the required antennas being collocated with the port office facilities.

3.5.8. Laboratories

Two laboratories will operate at the mine site during the Production Phase.

Staff affiliated with the process plant will operate the metallurgical laboratory to support process plant operations. This work will include routine operations support tests to confirm the metallurgical response of near-term plant feed, and development analysis to evaluate alternate

treatment strategies. The laboratory will use state-of-the-art equipment and have fully equipped facilities for sample receiving and storage, sample preparation, and flotation.

The assay laboratory will be equipped with the necessary analytical instruments to provide routine assays to support mine and process plant operations. Some environmental samples will also be tested in this laboratory, although many of these samples will likely be submitted to external, third party laboratories.

Each laboratory will be equipped with fume hoods (with exhaust treatment, if required) and drains connected to a central receiving tank. Chemical wastes will be disposed of in accordance with all applicable laws and regulations.

3.5.9. Fire and Emergency Response

The mine site, Amakdedori Port site, and both ferry terminals will be equipped for fire and emergency response. Water for fire suppression will be stored within the freshwater supply tanks at the mine and port and distributed via an insulated pipeline system that meets all pertinent code requirements. A fire truck and ambulance will be located at the mine site. An ambulance will be located at the Amakdedori Port and a pump truck will be used to deliver fire suppression water. A senior member of the safety and health management team, with appropriate training and experience, will have designated responsibility for emergency response. Emergency response teams at the mine and Amakdedori Port sites will be staffed by volunteers and will be trained in fire suppression and mine rescue in accordance with regulations.

Both the mine and Amakdedori Port site will be staffed with an emergency medical technician to provide advanced medical care; appropriate facilities will be established at both locations. As necessary, this person may draw on the capabilities of the existing clinic in Iliamna. Arrangements will be made in advance for emergency evacuation via the airports in Iliamna and Kokhanok. Designated locations for helicopter pads will be defined at the mine and Amakdedori Port sites.

Equipment will be installed at the mine site, Amakdedori Port, and the two ferry terminals to deal with oil spills; crews will be appropriately trained for such response.

3.6. MATERIAL MANAGEMENT AND SUPPLY

General supplies and bulk reagents will typically be stored in, or adjacent to, the areas where they will be used. The location of the explosives storage and emulsion manufacturing plant is based on the need to minimize transfer distances and to provide a safety buffer between the explosives plant and other facilities. Descriptions of mining and process related supplies are provided in Table 3-5 and Table 3-6. Average annual quantities of fuel, mining, milling, and miscellaneous consumables are listed in Table 3-7.

Supply	Average Annual Quantity
Fuel	16 million gallons
Ammonium Nitrate	17,500 tons
Grinding Media, Reagents, and Miscellaneous Supplies	250,000 tons

Table 3-7. Supply Quantities

3.6.1. Diesel Fuel

Diesel fuel to support the mining operation, as well as the trucking and ferry logistics systems, will be imported to the Amakdedori Port using marine barges. The expected maximum parcel size for delivery is four million gallons, which will allow for extended periods between shipments in winter months. The Amakdedori Port will accommodate sufficient bulk fuel storage to provide one month of buffer and allow for the offloading of bulk fuel carriers.

Diesel fuel will be transferred from the Amakdedori Port to the mine site using ISO tank-container units, which have a capacity of 6,350 gallons. These units will be loaded at the port and transported by truck and ferry to the mine site. These tank-containers will also be used for local fuel distribution at the ferry terminal sites and for fuelling the ferry itself. Additional containers will be stored at the mine site and ferry terminals to provide for a fuel reserve in the event of a supply disruption.

The main mine site fuel storage area will contain fuel tanks in a dual-lined and bermed area designed to meet regulatory requirements. Sump and truck pump-out facilities will be installed to handle any spills. There will also be pump systems for delivering fuel to the rest of the mine site. Dispensing lines will have automatic shutoff devices, and spill response supplies will be stored and maintained on site wherever fuel will be dispensed.

Fuel will be dispensed to a pump house located in a fuel storage area for fueling light vehicles. It will also be dispensed to the fuel tanks in the truck shop complex, which are used for fueling mining equipment. These tanks will also be in a lined and bermed secondary containment area.

3.6.2. Lubricants

Lubricants will be packaged in drums and/or totes and stored on site within a secondary containment area.

3.6.3. Explosives

The materials used to manufacture blasting agents include ammonium nitrate prill, fuel oil, emulsifying agents, and sensitizing agents (gaseous). The containers used to transport the prill will be offloaded, using a container tilter, to a bucket elevator, which will unload the prill to three silos, each sized for 150,000 pounds. As a safety precaution, ammonium nitrate prill will be stored and prepared for use at a location approximately 0.75 mile southeast of the final pit rim. Electrical delay detonators and primers will be stored in the same general area, but in a separate magazine

located apart from each other and separate from the prill. All facilities will be constructed and operated to meet mine safety and health regulations as set forth in 30 CFR 77.1301.

Other explosives required for the mining operation include detonating cord, which connects to each blast hole and fires a detonator, initiating the explosion in each blast hole. The detonators, in turn, fire explosive primers, which propagate the explosion to the blasting agent. Small amounts of pre-packaged blasting agents and minor amounts of other explosives may be used for specific purposes.

3.6.4. Reagents

Reagents will arrive at the mine site by truck in 20-ton containers, depending on the reagent. They will be stored in a secure bulk reagent storage area and segregated according to compatible characteristics. The reagent storage area will be sufficient to maintain a two-month supply at the mine site. As needed, reagents will be loaded onto a truck and delivered to the appropriate reagent receiving area.

Reagents will be used in very low concentrations throughout the mineral processing plant and are primarily consumed in the process; low residual reagent quantities remain in the tailings stream and will be disposed in the TSF where they will be diluted and decompose.

The metallurgical and assay laboratories will also use small amounts of reagents. Any hazardous reagents imported for testing will be transported, handled, stored, reported, and disposed of as required by law, in accordance with manufacturers' instructions, and consistent with industry best practices.

3.7. WASTE MANAGEMENT AND DISPOSAL

3.7.1. Used or Damaged Parts

Used tires and rubber products will be reused to the extent practicable. Additional used tires, along with other damaged parts and worn pipes, will be packaged and back-loaded into empty containers for shipment and disposal off site. Wood pallets and packaging will be incinerated with domestic waste. Scrap steel, such as broken grinding balls and used mill liners, truck body liners and ground engaging tools, will be shipped off-site to appropriate disposal sites.

3.7.2. Laboratory Waste

Most inorganic aqueous wastes from the metallurgical and assay laboratories will be collected in a sump, with the remainder routed to the domestic sewage treatment plant. Fugitive organics will be skimmed from the surface of the sump prior to discharging the aqueous portion to the and main WMP. Generally, non-aqueous waste will be collected in specific and separate bulk containers before being returned to an appropriate place in the plant. If there is no suitable place in the main plant, it will be sent to the general waste storage area where it will be packaged and sent off site for disposal at an appropriate facility.

3.7.3. Waste Oils

Waste oil will be reused as fuel in used oil heaters to augment heating in the truck shop and/or other buildings on site. Waste oils not suitable for burning, including lubricants, will be collected into drums, sealed, and stored in containers for shipment to be recycled or disposed of off-site at an approved facility.

3.7.4. Truck Wash Wastewater

Water from the truck wash will be routed to the main WMP for use in the mill and processing plan or treated for discharge.

3.7.5. Reagent Packaging

Reagent packaging will include wooden boxes, bulk poly-propylene containers, bulk bags, laboratory packaging, and/or glass containers. Spent reagent packaging will be evaluated against applicable regulations, permits and health and safety plans for possible incineration in the on-site incinerator. Glass containers will be rinsed and packed for removal and disposal off site. Broken sharp products will be collected and packaged appropriately for removal and disposal off site.

3.7.6. Hazardous Waste

Miscellaneous hazardous wastes that may accumulate on site, such as paint, used solvents, and empty reagent containers with residual chemicals, will be managed and shipped off site to approved facilities according to applicable BMPs and regulations.

3.7.7. Nuclear Instrumentation

Nuclear instrumentation such as densitometers will be shipped off site to approved facilities in accordance with applicable BMPs and regulations.

3.7.8. Domestic Refuse

Domestic refuse from the camp kitchen, living quarters, and administration block will be disposed of on site in a permitted landfill, or shipped off-site to appropriate disposal sites. Some wastes, including putrescible wastes, will be incinerated on site, and the remaining ashes will be disposed of in accordance with applicable BMPs and regulations.

3.7.9. Sewage and Domestic Wastewater Disposal

Separate sewage treatment plants will be located at the camp and the process plant. Plans for each plant will be reviewed and approved by ADEC prior to construction.

Personnel accommodations will produce grey water from the kitchen, showers, and laundry facilities that will be treated in a water treatment plant (WTP). The WTP will be designed to remove biological oxygen demand, total suspended solids (TSS), total phosphate, total nitrogen, and ammonia to meet ADEC domestic waste-discharge criteria. Treated water will be discharged to the TSF.

The process plant sewage WTP will receive effluent that may have metallic residues from the workers' change house and associated laundry. This WTP will be designed for metals removal in addition to biological oxygen demand, TSS, total phosphate, total nitrogen, and ammonia to meet ADEC domestic waste-discharge criteria. The treated water will be discharged to the TSF.

Sludge from both plants will be stabilized and disposed of on site.

3.8. TRANSPORTATION CORRIDOR

The location of the Pebble Project mine site is physically separated from the marine terminal location by Iliamna Lake, which is roughly 75 miles long and up to 20 miles across, with no existing roadway networks around it. To avoid the environmental impact of constructing new roads around the lake, an all-season ice-breaking ferry will be used to cross the lake between ferry landings on each shore, which are connected to the mine site and Amakdedori Port by access roads.

The transportation corridor was designed to avoid wetlands where feasible, minimize disturbance area, minimize stream crossings, avoid geological and avalanche hazards, avoid culturally significant sites, minimize effects on subsistence hunting and gathering, optimize the alignment for the best soil and geotechnical conditions, and minimize road grades.

The main access road will run southward from the mine site to the north shore of Iliamna Lake. Ferry terminals will be located on the north and south shores. From the south shore, the access road will run to the marine port site on Cook Inlet at Amakdedori. Spur roads will connect to the villages of Iliamna, Newhalen, and Kokhanok (Figure 1-2).

3.8.1. Road Design

The main access road will be a private 30-foot-wide gravel road, which will enable two-way traffic, and will be capable of supporting anticipated development and operational activities during construction and truck haulage of concentrate from the mine to the port.

The access roads will include nine bridges, six of which will be single-span, two-lane bridges that range in length from approximately 90 to 170 feet. There will be one large (550 feet) multi-span, two-lane bridge across the Newhalen River and one large (455 feet) multi-span, two-lane bridge across the Gibraltar River. Road culverts at stream crossings are divided into categories based on whether the streams are fish bearing. Culverts at streams without fish will be designed and sized for drainage only, in accordance with ADOT&PF standards. Culverts at streams with fish will be designed and sized for fish passage in accordance with ADOT&PF and Alaska Department of Fish and Game (ADF&G) standards.

A natural gas pipeline and fiber optic cable will be buried adjacent to the main access road. For river crossings, the gas pipeline will either use horizontal directional drilling or be attached to the bridge structures.

3.8.2. Iliamna Lake Ferry

A custom designed ferry will transit Iliamna Lake between the North and South ferry terminals, carrying inbound supplies from the Amakdedori Port to the mine site and returning with coppergold and molybdenum concentrates, backhauled waste, and empty containers. The one-way ferry trip is about 18 miles and will take approximately three hours to complete in ice conditions, or 1.5 hours in open water. On average, one round trip per day across the lake will be required.

The vessel is designed to operate year-round, in all ice conditions. Cargo will be carried on the vessel deck. The vessel is symmetrical forward and aft with two icebreaking bows, allowing operation in open water or ice in either direction without the need to turn the vessel around at each terminal. Each bow will be fitted with a ramp that provides access to shore. The diesel-electric propulsion system has four azimuthing propellers providing 100 percent thrust over a full 360 degrees, which will provide propulsion, station keeping in all wind conditions, and ice management (clearing ice away from the hull) when needed. Accommodation for 12 crew members is included on the vessel.

The generator engines comply with the highest applicable U.S. Environmental Protection Agency (EPA) emission standards. The hull is subdivided by watertight bulkheads so that even if one compartment is damaged and flooded, the vessel will remain afloat, upright and stable, and operational, capable to return to shore facilities for repairs. Fuel and other potential contaminants will be stored in tanks inside the hull and away from the shell to prevent spills in the unlikely event of damage to any of the hull's compartments.

Bilge water will be pumped through oil-water separation equipment installed on the vessel and then discharged back to Iliamna Lake. The sludge from the system will be transferred to a shore storage tank and ultimately transported to the mine site for disposal in the mine site incinerator.

The ferry terminals will initially serve as trans-shipment points for construction barge traffic across Iliamna Lake, using small temporary barges until the ferry is assembled. The south ferry terminal site includes the ferry assembly site. The ferry will be assembled from pre-fabricated components barged to the Amakdedori Port and then transported across the road. The vessel will be assembled in a cradle that rests on a series of heavy rails. Once assembled, the cradle will be pushed along the rails into the lake until the ferry floats away. The cradle will then be retrieved. The assembly site will remain intact to enable regular vessel surveys and maintenance as required.

The permanent facilities at the ferry terminals include container handling and storage facilities, office and maintenance buildings, and local power supply. Each ferry terminal facility will have space for a minimum of two days of storage of the average concentrate container traffic. The patio surface will be finished as semi-permeable gravel. An access ramp will be built out from shore as a rock and aggregate causeway structure to provide approximately 40 feet of roadway surface for trucks and forklifts to access the ferry.

During normal operations the ferry will be moored with a pair of lines to bollards at the end of the causeway. The vessel drive equipment will maintain the ferry in place during loading and unloading, even during high wind conditions. When the ferry is parked it will be moored to a set of

buoys outside of the causeway. The design of these structures will allow for the engines to be turned off while also maintaining vessel security.

3.8.3. Transportation Corridor Traffic

To facilitate efficient cargo movement and optimize ferry space, most material will be transported in shipping containers. At each ferry terminal, a container yard with forklift trucks will be provided to stage empty and loaded containers for loading on/off the ferry, and truck transfer. Some cargo will be handled as break-bulk if it does not fit into containers.

Inbound Project cargo and consumables will be transported using standard ISO containers for ocean freight (either 20- or 40-foot size). Diesel fuel will be transferred from the Amakdedori Port to the mine site using ISO tank-container units, which have a capacity of 6,350 gallons. Coppergold concentrate will be loaded into specialized bulk cargo containers, each containing about 38 tons of concentrate, with removable locking lids. Truck/trailer units will be designed to haul up to three loaded containers per trip.

Daily transportation of concentrate, fuel, reagents and consumables will require up to 35 round trips per day for each leg of the road, including three loads of fuel per day. The ferry will require one round trip across the lake per day.

3.9. AMAKDEDORI PORT AND LIGHTERING LOCATIONS

Incoming supplies such as equipment, reagents, and fuel will be barged to the Amakdedori Port and then transported by truck to the mine site. To a lesser extent, some supplies, such as perishable food, may be transported by air to the Iliamna Airport and trucked to the mine site. Concentrate in specialized containers will be lightered by barge from the Amakdedori Port to Handysize bulk carriers at offshore mooring points. The port facilities layout is shown in Figure 1-5. The proposed lightering location and an alternate that might be used under certain sea conditions are also shown in Figure 1-5.

3.9.1. Port Design

The Amakdedori Port will include shore-based facilities to receive and store containers and fuel, as well as two, 2-MW dual-fuel natural gas/diesel power generators, maintenance facilities, employee accommodations, and offices. The shore-based complex will be constructed on an engineered fill pad at an elevation sufficient to address tidal surge from major storms and potential tsunamis.

The marine component includes an earthen access causeway extending out to a marine jetty located in 15 feet of natural water depth. On one side will be a roll-on/roll-off barge access berth and a separate berth on the opposite side for the lightering barges. The jetty is expected to be constructed as a sheet pile cell structure filled with granular material. A floating dock, on the jetty but separate from the cargo handling berths, will be provided for ice-breaking tug moorage.

3.9.2. Port Operations

Copper-gold concentrate will be transported from the mine site to the Amakdedori Port by truck in covered bulk cargo containers and stored between vessel sailings on a dedicated laydown pad adjacent to the jetty. The containers will be transported by barge to alongside the bulk carriers at the mooring points, and then lifted by crane into the open hold of the receiving ship. Once inside the hold, the container lid will be opened and the container turned upside down to unload the concentrate into the ship's hold. The container will be lowered as close as possible to the bottom of the hold to minimize the drop distance and the potential for dust generation during ship loading. About ten trips by the lightering barges will be required to load a bulk carrier, which would be anchored for four to five days at the lightering location. The bulk carrier ships will transport the concentrate to out of state smelters. This containerized bulk handling system minimizes dust emissions and the risk of spills.

The empty containers will be cleaned of any residue on the outside while at the port, and then returned to the laydown pad. They will then be returned to the mine site and reused for transporting concentrate.

Up to 27 Handysize ships will be required annually to transport concentrate. Up to 33 marine linehaul barge loads of supplies and consumables will be required annually. Two ice-breaking tug boats will be used to support marine facility operations.

3.10. NATURAL GAS PIPELINE

Natural gas will be supplied to the Amakdedori Port and the mine site by pipeline (Figure 1-1). The pipeline will connect to the existing gas pipeline infrastructure near Anchor Point on the Kenai Peninsula and will be designed to provide a gross flow rate of approximately 50 million standard cubic feet per day. A fiber optic cable will be buried in the pipeline trench or ploughed in adjacent to the pipeline.

A metering station will be constructed at the offtake point that connects to a compressor station located on a land parcel on the east side of the Sterling Highway. The steel pipeline will be designed to meet all required codes and will be a nominal 12 inches in diameter.

The compressor station will feed a 104-mile subsea pipeline that will be constructed using heavy wall nominal 12-inch-diameter pipe designed to have negative buoyancy and provide erosion protection against tidal currents. Horizontal directional drilling will be used to install pipe segments from the compressor station out into waters that are deep enough to avoid navigation hazards. From this point, the heavy wall pipe will be laid on the sea floor and anchored or supported as required.

The pipeline will come ashore at the Amakdedori Port utilizing trenching or horizontal directional drilling and natural gas will be fed to the port site power station and used for site heating. The distance from the Amakdedori Port to the mine site is approximately 81 miles and will consist of three sections. The first section will follow the access road to the South Ferry Terminal. The pipeline will be buried in a trench adjacent to the road prism. At the South Ferry Terminal, gas will

be fed from the pipeline to the facilities for power supply and facility heat. At this point, the pipeline will enter Iliamna Lake for the next section, an approximate 18-mile lake crossing. The design of this section of the pipe will be similar to the Cook Inlet crossing and the shore transitions will utilize trenching or horizontal directional drilling. The pipeline will come ashore at the North Ferry Terminal. Natural gas will be used to provide power and heat at ferry terminal facilities. From this point, the pipeline will follow the road route 28 miles to the mine site. At bridged crossings the pipeline will be attached to the bridges, otherwise the pipeline will utilize trenching or horizontal directional drilling to cross streams.

Long-term corrosion protection and control will be provided by an external coating on the pipeline and components, combined with an impressed current and/or galvanic current cathodic protection system. The cathodic protection system will be installed and activated, as soon as is practical, after pipe installation to maximize the effect of corrosion protection. Anode bed and rectifier locations will be determined based on specific local conditions and field observations. Metering stations and pig launching and receiving facilities would be located at the compressor stations and offtake points as appropriate. Mainline sectionalizing valves will be installed as required by code, with a spacing of no more than 20 miles for the onshore sections of the pipeline.

4. WATER MANAGEMENT

PLP recognizes the importance of effectively managing water resources in the area surrounding the Pebble Deposit and will implement a comprehensive water management program that will minimize impacts to water flow and quality, and will minimize and mitigate impacts associated with all waters affected or used by the Project.

4.1. MINE SITE

The main objective of water management at the mine site is to manage, in an environmentally responsible manner, water that originates within the project area while providing an adequate water supply for operations. A primary design consideration is to ensure that all contact water that requires treatment prior to release to the environment will be effectively managed. This includes carefully assessing the Project facility layout, process requirements, area topography, hydrometeorology, aquatic habitat/resources, and regulatory discharge requirements for managing surplus water. All runoff water contacting the facilities at the mine site and water pumped from the open pit will be captured to protect the overall downstream water quality.

4.1.1. Water Balance Model

The foundation of the water management program is the water balance. The Pebble Water Balance Model is comprised of three primary modules: the Watershed Module, the Groundwater Module, and the Mine Plan Module. These three modules, which are all numerical water balance models, are very different, yet complementary. They collectively provide the means of quantifying the numerous water flows in the streams, in the ground, and in the various pipes, ponds, and mine structures associated with the mine development. The Watershed Module focuses on water flows throughout the NFK, SFK, and UTC drainages. The Groundwater Module focuses on the detailed simulation and understanding of groundwater flows within those drainages, and serves to inform the watershed module, and vice versa. The Mine Plan Module focuses on mine site water inflows and uses.

Complementing the water balance modules is an instream fish habitat-flow model, which was used to assess the effects of changes in water flow to the fish habitat in the adjacent streams.

4.1.1.1 Watershed Module

The Watershed Module for the NFK, SFK, and UTC drainages considers both surface and groundwater. This module incorporates all key components of the hydrologic cycle, including precipitation as rain and snow, evaporation, sublimation, runoff, surface storage, and groundwater recharge, discharge, and storage. The primary input is monthly precipitation and temperature data collected at the Iliamna Airport from 1942 through 2017. The model was calibrated to measured site flow data collected at various locations in all three drainages over a nine-year period. The Watershed Module also provided input for the instream fish habitat-flow model, as well as the initial boundary parameters associated with groundwater recharge and runoff conditions for the groundwater module.

4.1.1.2 Groundwater Module

The Groundwater Module focuses on the sub-surface movement of water within the NFK, SFK, and UTC drainages. It models hydrogeological conditions in a more sophisticated and detailed manner than the Watershed Module, and its outputs provide a check of reasonableness for the Watershed Module. In addition, the Groundwater Module simulates groundwater flow rates and groundwater-surface water interactions throughout the study area, whereas the Watershed Module considers surface and groundwater flow rates only at the streamflow gaging stations.

4.1.1.3 Mine Plan Module

The Mine Plan Module focuses on water movement within the Pebble Project footprint area. The Mine Plan Module is a site-wide water balance and considers all mine facilities including the bulk TSF, pyritic TSF, open pit, process plant, and the WMPs. This module tracks water movement throughout the Pebble Project footprint area including runoff from the mine facilities, water contained in the ore, groundwater inflows, evaporation and water stored in the tailings voids.

The Mine Plan Module is used to predict the flow regime on the mine site and whether there is a water surplus or deficit. It will also be used to estimate the water storage capacity requirements for the mine under normal operating conditions.

4.1.1.4 Physical Habitat Simulation System (PHABSIM) Instream-flow Model

The PHABSIM model is an integral component of the site water balance design and is used to determine the most effective way of releasing the treated contact water that is surplus to the project needs. This model assesses the effects of changes in water flow to the instream fish habitat in streams downstream of the project site. It quantifies the areal extent of specific habitat changes that result from changes in flow throughout the year:

- for each of the three streams in the area (NFK, SFK, and UTC),
- at multiple locations throughout the whole length of each stream,
- for different salmon and resident fish species within each stream, and
- for different life history stages of each species.

Output from the model, together with a consideration of site-specific fish production limiting factors, will be used to inform and optimize the discharge of water from the site to minimize the effects of reduced flow and/or enhance instream fish habitat below the discharge points.

4.1.2. Preproduction Phase

The water management and sediment control plan during the preproduction phase consists of multiple aspects that will focus on minimizing contact water volumes. Runoff and associated sediment control measures will be managed with BMPs and adaptive control strategies. Where water cannot be diverted, it will be collected, treated, and discharged.

4.1.2.1 Water Management Plan

The water management plan during the Preproduction Phase can be summarized as follows:

- Water diversion, collection, and treatment systems will be installed around the site to address the effect of construction ground disturbance.
- Water management and sediment control structural BMPs, including temporary settling basins and silt fences, will be installed to accommodate the initial mine site construction.
- Among the first permanent facilities to be constructed will be the water management structures that will be maintained for use in adaptive management during operations, such as diversion and runoff collection ditches to minimize water contact with disturbed surfaces, and sediment control measures such as settling ponds to stop sediment from reaching downstream water courses.
- Preproduction Phase mining cannot commence until the water table in the open pit area has been lowered by groundwater pumping. The open pit dewatering system will be installed prior to Preproduction Phase mining to provide sufficient time to draw down the water table in the area. This will allow uninterrupted overburden removal in preparation for production mining of mineralized material. A series of dewatering wells will be drilled into and around the perimeter of the open pit, with the exact well number and location determined by testing the overburden aquifers. The number of wells will include an allowance for wells with poor or no water yields and wells lost through sanding, equipment loss, or other interference with water production. Pump sizes for each well will be based on well-specific yields. Water will be discharged to the environment if it meets water quality criteria; otherwise, it will be treated in a modular water treatment plant prior to discharge.

Design considerations for the Preproduction Phase water management structures include the following:

- Diversion channels, berms, and collection ditches, will be sized for the 100-year, 24-hour rainfall event.
- Diversion channels, berms, and collection ditches will be constructed with erosioncontrol features, such as geotextile or riprap lining, as appropriate, for site-specific condition. Energy dissipation structures, such as spill basins or similar control measures, will be included where required to reduce erosion at the outlets of the diversion channels and collection ditches.
- Sediment control ponds will be sized to attenuate and treat up to the 10-year, 24-hour rainfall event volume and to safely manage the 100-year, 24-hour rainfall event.
- Water management and sediment control ponds will be constructed using non-PAG rock and earthen fill embankments.

• A temporary cofferdam will be constructed upstream of the main TSF embankment to manage water during the initial construction phase. Runoff from the undisturbed upstream catchment will be collected behind the cofferdam will be pumped downstream of all construction activities and released within the same watershed.

4.1.2.2 Water Treatment

Minimal water storage will be available on site until initial construction activities are completed. Therefore, prior to completion of the TSF embankments and water management structures, all water that does not meet water quality standards will be treated and released. Water from the following sources and activities are expected to require treatment prior to release:

- Preproduction Phase pit dewatering (dewatering of the overburden aquifer near the pit may require treatment).
- Water, primarily from precipitation, accumulating in the open pit during Preproduction Phase mining.
- Runoff from TSF embankment construction.
- Runoff from excavation for site infrastructure such as the process plant, camps, power plant, or storage areas will be routed to settling ponds prior to release.
- Prior to the operations WTPs being brought on-line, modular WTPs will be used to treat contact water that does not meet discharge requirements.

4.1.3. Production Phase

The water management and sediment control plan during the Production Phase focuses on minimizing contact water. Runoff and associated sediment control measures will be managed with BMPs and adaptive control strategies. Where water cannot be diverted, it will be collected for use in the mining process or treated and discharged.

4.1.3.1 Water Management Plan

The water management plan during the Production Phase can be summarized as follows (Figure 4-1 shows a simplified schematic of the site water balance):

- Water collected from the pit dewatering wells and the open pit will be pumped to the open pit water management pond (WMP). From there, water will be pumped to the open pit WTP for treatment and discharge. WTP sludge will be directed to the process plant where it will be added to the pyritic TSF via the pyritic tailings slurry line.
- Bulk tailings slurry from the mill will be directed to the bulk TSF. Additionally, precipitation and runoff water will collect in the TSF. The bulk TSF will maintain a small operating pond.

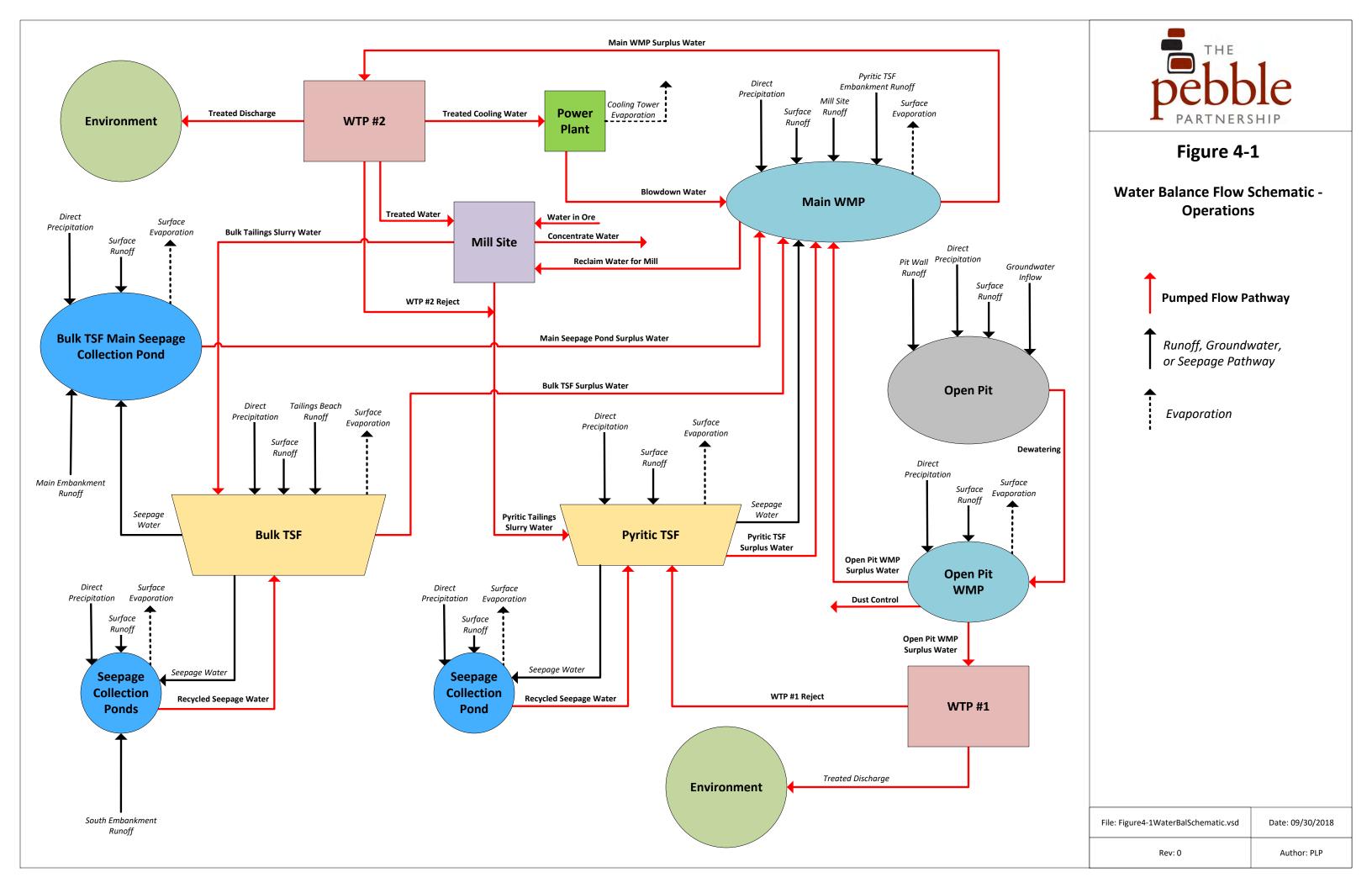
- The main bulk TSF embankment will operate as a flow-through facility. Water collecting in the bulk tailings storage cell will flow through the embankment to the main embankment seepage collection pond. From there, water will either be directed to the main WMP for use in the mill or to the main WTP for treatment and discharge. Any excess surface water in the bulk tailings TSF will be pumped to the main WMP.
- Contact water will be pumped to the main WMP. Water treatment by-product sludge and reject water will be directed to the process plant and added to the pyritic TSF via the pyritic tailings slurry line. A portion of the treated water from the main WTP will be returned for use in the process plant and power plant cooling towers.
- Pyritic tailings slurry from the mill will be directed to the lined pyritic TSF. Additionally, precipitation and runoff water will collect in the pyritic TSF. A pond will be maintained in the pyritic TSF, fully submerging the pyritic tailings and all but the upper lift of the PAG waste rock. Excess water from the pyritic TSF will be pumped to the main WMP.
- A water surplus for the Production Phase is anticipated under normal and wetterthan-normal climatic conditions. Although the mine site will have a water surplus, the water volume available to discharge will be less than the pre-mine flows within the mine footprint as some water will be consumed in the tailings voids and some will be lost to evaporation and other minor uses. The site water surplus will vary during operations as the mine footprint expands and additional site runoff is collected. The annual average surplus is estimated at approximately 29 cubic feet per second (cfs) for the maximum mine site footprint. Surplus water will be treated and discharged throughout the year.
- The accuracy of water balance models is limited by many factors, including the stochastic nature of the inputs and the potential effects of climate change. In recognition of these limitations, an adaptive water management strategy is planned. Adaptive water management includes the ability to provide additional temporary water storage capacity in the TSFs, to provide surplus storage capacity within the WMPs, and to provide for expansion of the WTP treatment rate by building in excess capacity. In addition to the redundancy built into the pumping and treatment systems, additional storage capacity is available under extreme flood conditions by directing water to the open pit, allowing it to flood until the pumping and treatment systems can restore the water stored in the system to its design level.
- A comprehensive water management system will be implemented to monitor water quantity and quality. All discharged waters will be monitored for compliance with state and federal permit requirements. Water from both water treatment plants will be strategically discharged to optimize fish habitat in the downstream reaches of nearby streams. Discharge locations for the treated water have been identified in the NFK, SFK, and UTC. The treated water discharge will be distributed to these

locations in a manner that best optimizes downstream aquatic habitat conditions. Optimal conditions will be determined using a Physical Habitat Simulation System (PHABSIM) habitat instream-flow model and in accordance with ADEC and Alaska Department of Fish and Game (ADF&G) permit conditions.

Design considerations for the Production Phase water management include the following elements:

- Diversion channels, berms, and collection ditches will be sized for the 100-year, 24-hour rainfall event.
- Diversion channels, berms, and collection ditches will be constructed with erosioncontrol features, such as geotextile or riprap lining, as appropriate, for site-specific conditions. Energy dissipation structures, such as spill basins or similar control measures, will be included where required to reduce erosion at the outlets of the diversion channels and collection ditches.
- Sediment control ponds will be sized to attenuate and treat up to the 10-year, 24-hour storm event volume and to safely manage the 100-year, 24-hour rainfall event.
- Water management and sediment control ponds will be constructed using nonmineralized rock and earthen fill embankments.
- IDF for all WMPs will be the 100-year, 24-hour rainfall event; IDF for the TSFs and main WMP will be the 24-hour PMP plus the 100-year snow pack equivalent water volume.
- Surplus water will be treated to meet the specified water quality criteria prior to discharge.

Water collection, management, and transfer will be accomplished through a system of water management channels, ponds, and pump and pipeline configurations. These systems will be designed to handle the large flows that occur during spring freshet and late summer/fall rains. Spare parts for pump systems will be maintained on site to maintain continuous and effective water management. Leak detection systems that report to a central control system will be employed, as will monitoring systems to control pump cycling, high and low water-level switches, no-flow (or low-flow) alarms, vibration overheating alarms, and other systems as appropriate to monitor water management systems.



4.1.3.2 Water Treatment

Water collected around the mine area and Amakdedori Port site will require treatment prior to discharge to the environment. Treatment methods will include a mixture of settling for sediment removal, chemical additions to precipitate trace elements, filtration, reverse osmosis, and evaporation to meet final discharge criteria.

The mine area will have two water treatment plants: the main WTP and the open pit WTP. Both will be constructed with multiple, independent treatment trains, which will enable ongoing water treatment during mechanical interruption of any one train.

Main Water Treatment Plant

The main WTP will treat water from the main WMP. Figure 4-2 shows a simplified schematic of the treatment process. Key treatment steps occur in the following sequence:

- 1. Dissolved metals will be oxidized with air, ferric sulfate, and potassium permanganate, followed by co-precipitation with lime. Flocculators/clarifiers will be used to separate out the co-precipitated solids.
- 2. The clarified water will flow into a membrane feed tank, where sodium hydrogen sulfide or an organosulfide will be added to complete the precipitation process. Supplemental lime and sulfuric acid will be added as needed to maintain the water pH for optimal precipitation and membrane feed.
- **3.** Ultrafiltration (UF) membranes will be used to filter precipitated metals and protect downstream high-pressure membranes.
- **4.** Nanofiltration (NF) membranes will provide additional metals removal as well as removal of TDS and sulfate. Permeate from the NF membranes may require alkalinity adjustment prior to discharge.
- 5. Reject from the NF membranes will have a high concentration of dissolved sulfate and other divalent ions. To prevent overloading the mine water balance with dissolved sulfate, sulfate must be precipitated from the reject before transferring to the pyritic TSF. Sulfate from the NF reject will be precipitated as calcium sulfate with a lime softening process. The calcium sulfate sludge will be transferred to the pyritic TSF. Based on the expected pH in the pyritic TSF, the calcium sulfate sludge is not expected to re-dissolve.
- **6.** Decant from the calcium sulfate precipitation process will contain high levels of TDS, a portion of which will need to be removed from the WTP process to avoid continual buildup. It will be necessary to split the decant stream as follows:
 - a. Approximately three-quarters of the decant stream will be returned to the beginning of the WTP for reprocessing.
 - b. The remainder of the decant stream will be concentrated with RO membranes.
 RO permeate is blended with treated water from the NF membranes (step 4) for discharge. RO reject will be sent to evaporators for further concentration

of TDS. The evaporators will yield a liquid stream of concentrated TDS and evaporate. The liquid stream of concentrated TDS will be transferred to the pyritic TSF. The evaporate is condensed and the condensate blended with treated water from the NF membranes (step 4) for discharge.

Open Pit Water Treatment Plant

The open pit WTP will treat water from the open pit WMP with treatment plant processes commonly used in the mining industry around the world. Figure 4-3 shows a simplified schematic of the treatment process. Major treatment steps are outlined in sequence below.

- Dissolved metals will be oxidized with potassium permanganate, followed by coprecipitation with ferric chloride. Hydrochloric acid and sodium hydroxide or lime will be added as needed to maintain the water pH for optimal precipitation. Flocculators/clarifiers will be used to separate out the co-precipitated solids.
- 2. Clarified water will then be treated with sodium hydrogen sulfide, sodium hydroxide or lime, and ferrous sulfate to further co-precipitate remaining metals under reducing conditions. Clarifier solids will be thickened and transferred to the pyritic TSF.
- 3. Water from the sulfide reaction tanks will be filtered with UF membranes to remove precipitated metals. Reject from the UF membranes will be thickened and transferred to the pyritic TSF.
- 4. A portion of the UF membrane permeate water will be treated with RO membranes to further remove selenium to a concentration that is safely below the discharge limit. Permeate from the RO will be recombined with the main effluent stream for discharge to the environment.
- 5. Reject brine from the RO, which will be high in soluble selenium, will be further treated with a biological reactor to enable separation of selenium as a solid. Discharge from the biological reactor will be transferred to the flocculators/clarifiers (step 1) for separation of selenium solids, which are thickened with the rest of the clarifier solids and transferred to the pyritic TSF.

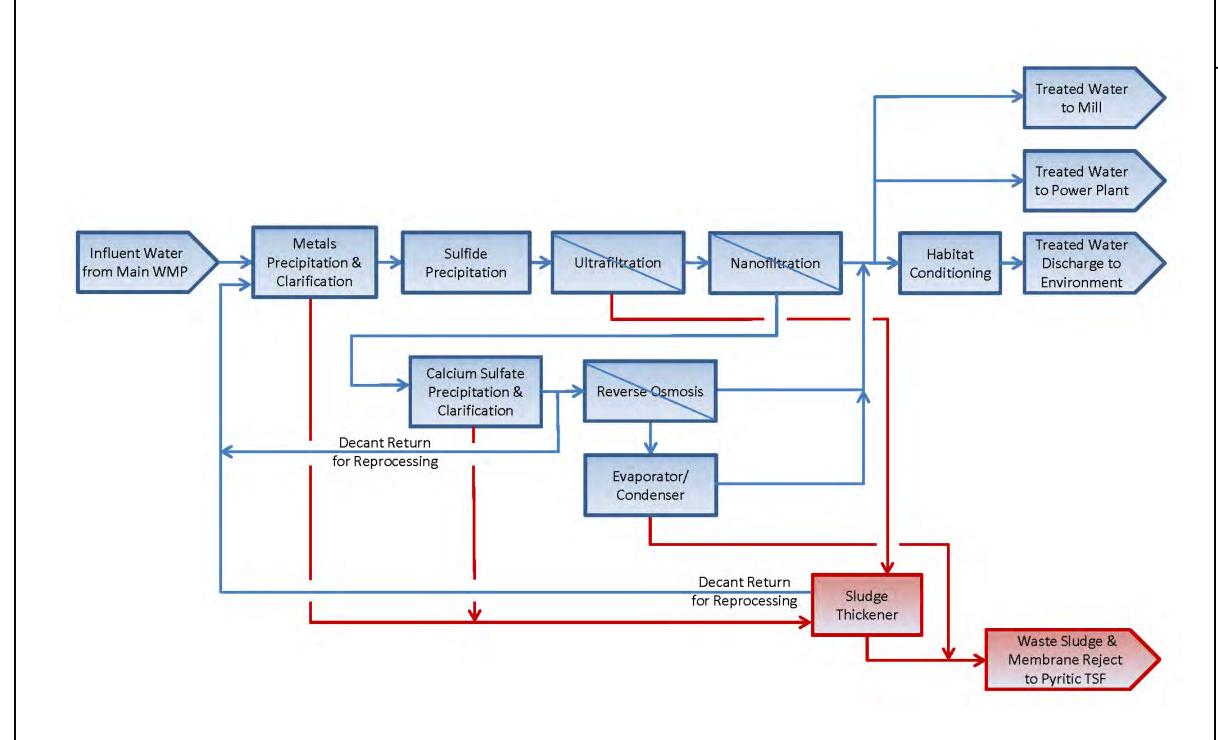




FIGURE 4-2

Main Water Treatment Plant

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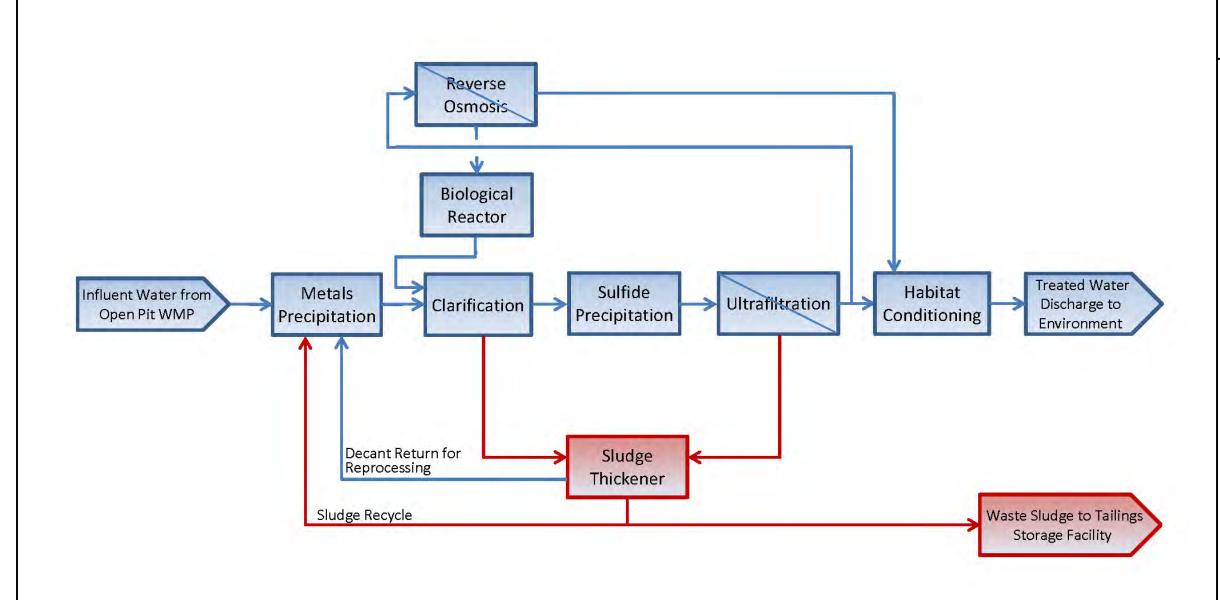




FIGURE 4-3

Open Pit Water Treatment Plant

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4.1.4. Closure/Post-Closure Phase

Closure and post-closure water management addresses both the immediate physical closure of the site and associated reclamation activities, as well as the long-term post-closure period and associated maintenance and monitoring activities. Additional details on reclamation and closure are provided in Section 6.

4.1.4.1 Water Management Plan

The water management plan during the closure and post-closure phases can be summarized as follows:

- Years 0-15
 - The open pit WTP is reconfigured to treat contact water.
 - o Excess and seepage water from the bulk TSF is pumped to the main WMP.
 - Seepage water from the pyritic TSF is pumped to the main WMP.
 - Surplus water from the main WMP is treated at the main WTP and release to the downstream environment.
 - Surplus water from the open pit is pumped to the open pit WTP to maintain the placement of the PAG waste rock in the dry.
 - Treated water from the open pit WTP is released to the downstream environment
 - The open pit WMP is reclaimed.
- Years 16 until the pit is full (approximately Year 20).
 - The main WTP is decommissioned once it is no longer required.
 - The pyritic TSF and associated seepage collection ponds are reclaimed and surface water runoff from the area is discharged to the downstream environment.
 - The main WMP is reclaimed and surface water runoff from the area is discharged to the downstream environment.
 - o Bulk TSF and seepage collection pond water is pumped to the open pit.
 - o The open pit fills to the maximum management level.
 - The basis for the current analysis is that no water will be treated during this phase, however an adaptive management strategy would be utilized, and water would be directed to the open pit WTP for treatment and release if required to maintain downstream flows.
- Year 20 until the bulk TSF consolidation is complete (approximately Year 50).
 - o Bulk TSF seepage and runoff water is pumped to the open pit.
 - Water levels in the open pit are maintained below the main management level by treating and releasing surplus water from the open pit.
- Post Closure
 - Runoff water is directly discharged from the reclaimed bulk TSF to the NFK catchment once it has been demonstrated to meet water quality criteria.

- o Bulk TSF seepage water is pumped to the open pit.
- Water levels in the open pit are maintained below the main management level by treating and releasing surplus water from the open pit.

4.1.4.2 Water Treatment

Water treatment during this phase will utilize the facilities as outlined in Section 4.1.4.1. Water quality will be closely monitored, and changes and adjustments to the treatment process will be made as needed. The reclamation and closure bond package will include provisions for periodic replacement of water treatment facilities and ongoing operating and monitoring costs over the long-term, post-closure period.

4.2. AMAKDEDORI PORT

The WTP at the Amakdedori Port will treat surface runoff from the port facilities, including truck wash bays. The treatment process will include dissolved metal oxidation using potassium permanganate, followed by co-precipitation with ferric chloride. Water from the co-precipitated solids will flow into flocculators/clarifiers to separate out solids. The clarified water will then be treated with sodium hydrogen sulfide, sodium hydroxide and ferrous sulfate to further co-precipitate remaining metals under reducing conditions. The solids that are removed will be thickened and disposed of appropriately. The treated water will be suitable for discharge.

A potable WTP and a sewage treatment plant will also be located at the port site.

5. PROJECT CONSTRUCTION

The Project will take approximately four years to construct. Construction will occur on the four main project components – mine site, transportation corridor, Amakdedori Port, and natural gas line across Cook Inlet, with the focus shifting between these components depending on the stage of construction. Several temporary elements will be built during the Preproduction Phase to facilitate construction of the permanent facilities. These temporary facilities will be either repurposed or removed and reclaimed when construction is complete.

5.1. CONSTRUCTION OVERVIEW

5.1.1. Site Access

Key first steps will be to establish transportation infrastructure to access the site, to install those environmental protection systems that will service the Preproduction Phase, and to construct temporary facilities that enable the construction crews to live and work at the sites.

The initial construction effort will be at the Amakdedori Port. A beachhead will be established using small landing craft style barges for access. As described more fully below, it will consist of a temporary camp, environmental protection features, the port site airstrip, and service facilities. Temporary diesel generators will be used for power supply. While this work is underway, crews will be housed on vessels moored near the site.

A temporary road will be constructed within the permanent alignment from the established beachhead to the first material site, approximately three miles from the port site. This material will be used to expand the pads for facilities. Pioneer road construction will continue during this phase, extending the road toward the South Ferry Terminal near Kokhanok.

Larger equipment will be landed once the completed jetty is in place, allowing full-scale road construction to commence. The goal will be to establish a connection to the south shore of Iliamna Lake to facilitate construction of a temporary barge landing site near Kokhanok and to build the road to the east abutment of the crossing of the Gibraltar River.

With access gained to Iliamna Lake, small barging equipment will be used on the lake to establish beachheads at the two ferry terminal sites, in a process similar to the one used at the Amakdedori Port. Commercial operators utilizing existing access through Pile Bay at the east of Iliamna Lake and the road connecting to Williamsport on Cook Inlet may be used to support the beachheads.

The beachheads at the ferry terminal sites will enable road construction to advance from those points. Temporary bridges will be used at the smaller crossings, while the major crossings at the Gibraltar River and the Newhalen River will have to be constructed to their full size because of the spans required. These larger spans will be completed during the second construction year.

Initial access to the mine site should be complete within one year.

A key component of the construction plan is to establish year-round access across Iliamna Lake using the permanent ice-breaking ferry. Fabrication of the ferry components will commence offsite early in the Preproduction Phase. Once the South Ferry Terminal has been established, preparation of the ferry construction facility will begin and the pre-fabricated components will be delivered to site. The goal is to have the ferry constructed and launched during the second construction year.

5.1.2. Mine Site

Construction activities will commence at the mine site with completion of the initial access and the construction of temporary accommodation and service facilities. Earthworks will be the primary initial activity. The level of this activity will expand over the next year, with structure construction commencing as the associated earthworks are complete. The focus will be on establishing the process and power plant sites, the open pit WMP, the main WMP, the pyritic TSF, and the bulk TSF. Support facilities, such as accommodations, fuel storage, and power generation, will expand as the site activity increases. Laydown areas and access roads for construction will be placed within the future footprint of the open pit to minimize impacts.

Following on from this, process plant and power plant foundations will be well advanced and equipment deliveries commenced. The accommodations facility will be completed for construction and access roads built. The initial bulk TSF main embankment construction will be well advanced, with the goal of ensuring that at least one year's worth of water is stored to facilitate process plant startup.

The later construction years will entail significant activity at the site. During this period, the bulk TSF main embankment will be completed, the process plant building erected, and pyritic TSF foundation and liner installed. The WTPs will be ready for initial use and the power plant construction advanced. The initial open pit development will commence with mine service facilities constructed and initial pit dewatering systems installed and operating. Production mining equipment will be delivered and commissioned as required. WMPs will be constructed during the third year.

A major activity during the final year of construction will be the open pit Preproduction Phase mining. The remaining process and power plant construction will be completed, as will the remaining embankments in the TSF.

5.1.3. Gas Pipeline

The natural gas line installation will be the other major activity occurring during the second and third construction years. Three separate centers will comprise this overall pipeline: the compressor station and transition section on the Kenai Peninsula, the marine section between the Kenai Peninsula and the Amakdedori Port, and the overland/Iliamna Lake section paralleling the access road. These activities can generally proceed independently of each other, with a target of having natural gas to the mine site by the end of the third construction year.

5.2. COMMISSIONING OVERVIEW

Following construction, the process plant undergoes the following activities to transfer the project from a construction site to a fully operational process plant.

5.2.1. Construction Completion

In the lead up to the completion of the construction phases, pipelines will be pressure tested and all mechanical, civil, structural and electrical installations will be checked to ensure that they are installed according to design and can operate safely. The completions process includes structured and rigorous Quality Assessment and Quality Control procedures to resolve any remaining construction issues prior to pre-commissioning.

5.2.2. Pre-commissioning

This phase involves the testing and inspection of individual plant sub-systems, and associated equipment and facilities to confirm that they are safe and ready for the wet commissioning stage. This includes things such as motor rotations, testing and energisation of power and control systems, field instrument calibrations and adjustments, verification of safety devices and alarms, and first fills of lubricants. Testing of safety systems may involve unit process emergency procedures and live testing.

5.2.3. Wet Commissioning

During wet commissioning, plant operations are simulated, using water where applicable, to test equipment, piping, instrumentation and control systems, and interlocking to the maximum extent possible prior to the introduction of mineralized material. The water testing will check that fluid systems perform to their design intent and meet their design specifications prior to the introduction of mineralized material during process commissioning.

5.2.4. Process Commissioning

This phase comprises the initial operation of the plant facilities using mineralized material and process reagents. The objective is to have the process plant operating in a steady and consistent manner prior to the ramp-up phase. During this phase, differing results or any unforeseen issues with the scale up from test work to full-scale operation of the process plant will be identified. During this phase, plant or infrastructure modifications, or process reconfiguration, may be required to improve the process or enhance efficiency.

5.2.5. Ramp Up

The ramp-up phase may last several months, during which the process plant will be ramped up to its full design capacity and performance levels. This phase may also entail infrastructure modifications or process reconfiguration as identified by the commissioning and operations teams.

5.3. TEMPORARY FACILITIES

Many of the facilities installed during initial construction activities will be converted to permanent use. However, a number of these will be decommissioned and removed during or following construction.

The initial construction camps at the Amakdedori Port and mine site will likely be fabric-covered or transportable facilities. The construction camp at the mine will be located near the mill laydown

area. The construction camp at the port will be located in an area that will be used for port operations and will not require a separate footprint. The Amakdedori Port temporary camp will house the crews for the pioneer road construction. Once the road is through to Iliamna Lake, the existing camp at Kokhanok will be utilized for road crews and for the crew establishing the ferry landings.

Temporary camps will be established at the ferry landings to support road construction and, at the south ferry landing, assembly of the ferry. These camps will remain in place until the natural gas line construction is complete. The north ferry landing camp will likely be augmented using existing facilities in Iliamna and Newhalen. During the exploration phase, PLP employed more than 200 staff in Iliamna/Newhalen in these existing accommodations. Until the access road crossing the Newhalen River is complete, the crews will be shuttled to their workplaces by boat or by helicopter.

The temporary construction camp at the mine site will be expanded during the initial phase of construction at this location. Construction crews will utilize this camp and the permanent accommodations complex when it is complete. As construction is completed and crew sizes reduce, they will transition to the temporary camp only. This will enable the accommodations complex to be refurbished to single-room occupancy for the mine operations staff.

All temporary construction facilities will be removed after construction, and the sites, unless being used for permanent facilities, will be reclaimed.

5.4. Environmental Protections During Construction

5.4.1. Wastewater and Stormwater

Appropriate ADEC discharge permits or authorizations under general permits will be obtained for all wastewater discharges prior to construction. Stormwater runoff will be properly controlled at all construction sites using structural and non-structural BMPs. No construction will begin without coverage under applicable ADEC general stormwater permits and an approved stormwater pollution prevention plan. Routine inspections and monitoring will ensure the proper functioning of all stormwater BMPs throughout the construction period.

5.4.2. Fuel Management

Fuel management will include appropriate containment and practices, in accordance with ADEC and EPA regulations and approved spill prevention and response plans. Construction equipment and construction-camp power generation will use diesel fuel. Diesel storage will include a variety of tank types and sizes ranging from approximately 10,000 to 50,000 gallons. Aviation fuel for helicopters will be stored at the mine site, Amakdedori Port, and other satellite locations as necessary. Fuel will be distributed to the smaller camps and individual work sites from the main storage locations by fuel truck.

5.4.3. Wildlife Management

Protocols will be developed with the U.S. Fish and Wildlife Service and the National Marine Fisheries Service to protect marine mammals from high noise-generating activities at the port sites. Observers will be employed to determine marine mammal presence during construction, and mitigation measures will be established by the appropriate regulatory agency through the permitting process. The U.S. Fish and Wildlife's national bald eagle management guidelines will be followed to minimize any potential for disturbance or impacts. A nest relocation or nonpurposeful take permit will be requested only when work cannot be limited in the vicinity of a protected nest.

5.4.3.1 Environmental Construction Windows

Work in anadromous fish streams and in Iliamna Lake will comply with Anadromous Fish Act regulations, ADF&G guidance, and ADNR lease requirements. Resident fish will require site-specific protections under the Alaska Fish Passage Act. Stream surveys conducted as part of the environmental baseline studies will inform the establishment of permit conditions. Mitigation measures will be determined during the permitting process.

Ground-clearing activities will be conducted prior to construction work and will be timed to avoid bird-nesting periods in accordance with the U.S. Fish and Wildlife Service's Migratory Bird Treaty Act guidance. Nesting periods are generally spring and summer but vary according to habitats and species.

5.4.3.2 Helicopter Protocols

PLP protocols to ensure that helicopters and fixed-wing planes do not harass wildlife have been well established during the exploration phase of the project. These protocols, listed below, will remain in place throughout construction and the life of the mine.

- Do not harass or pursue wildlife.
- Fly 500 feet above ground level or higher when possible and safe to do so.
- When wildlife (especially bears, caribou, moose, wolves, raptor nests, flocks of waterfowl, seabirds, or marine mammals) are observed, avoid flying directly overhead and maximize lateral distance as quickly as possible.

5.4.3.3 Hunting and Fishing Restrictions

PLP employees and contractors will not be allowed to fish, hunt, or gather while on their work rotation during the construction and operation of the Pebble Project facilities.

6. CLOSURE AND RECLAMATION

PLP's core operating principles are governed by a commitment to conduct all mining operations, including reclamation and closure, in a manner that adheres to socially and environmentally responsible stewardship while maximizing benefits to state and local stakeholders. PLP has adopted a philosophy of "design for closure" in the development of the Project that incorporates closure and long-term post-closure water management considerations into all aspects of the project design to ensure that all regulatory requirements, as well as private landowner obligations, are met at closure.

Considerations incorporated into the project design include:

- A separate pyritic TSF allows potentially acid generating tailings and PAG/ML waste rock to be relocated into the open pit and stored sub-aqueously during closure, preventing acid mine generation from this material and allowing reclamation of the pyritic TSF footprint.
- Quarried and waste rock will be geochemically tested prior to being used in construction to avoid the potential for contaminated drainage during operations and post-closure.
- Growth media and overburden will be salvaged during construction for use as growth medium during reclamation.
- TSF embankment slopes will be 2.6H:1V to provide long-term stability and facilitate the placement of growth medium.
- The overall project footprint will be minimized to facilitate physical closure and postclosure water management.

Reclamation and closure of the Project falls under the jurisdiction of the ADNR Division of Mining, Land, and Water, and the ADEC. The Alaska Reclamation Act (Alaska Statute 27.19) is administered by the ADNR; it applies to state, federal, municipal, and private land and water subject to mining operations. Except as provided in an exemption for small operations, a miner may not engage in a mining operation until the ADNR has approved a reclamation plan for the operation. The landowner participates in the planning process with regard to determining and concurring with the designated post-mining land use.

6.1. PHYSICAL RECLAMATION AND CLOSURE

The physical site closure work will commence as operations end.

- Active mining and pit dewatering will stop. Pit water levels will be maintained to provide safe access for placement of pyritic tailings and PAG waste rock.
- Pyritic tailings and PAG waste rock will be placed into the pit for long term storage below water. Once the material has been transferred to the open pit, the water will be allowed to rise to the maximum management level. The mill, pyritic TSF, main WMP,

and other infrastructure not required for post-closure will be removed and/or reclaimed.

- The bulk tailings will have a dry closure and be allowed to fully consolidate. Once runoff is demonstrated to meet water quality criteria it will be directly discharged to the NFK catchment area. Bulk TSF seepage water will be pumped to the open pit.
- The open pit water level will be maintained at a level to insure inward flow of surrounding groundwater and prevent contact water from getting into the groundwater.
- Once physical closure activities are completed, site access infrastructure will be reconfigured to support long-term post closure activities.

All mill and support facilities not required for post-closure, including the pyritic TSF, main WMP, and open pit WMP embankments and liners, will be dismantled and removed. Concrete pads and foundations will be broken up so that they do not act as an impermeable impediment to water flows. Inert materials will be disposed of in an on-site monofill that will be sited within the disturbed footprint, while others will be shipped off site for disposal as appropriate. Disturbed areas will be recontoured, graded, ripped, and scarified. Top soil and growth media will be placed as needed, and sites will be seeded for revegetation. Surface runoff from the disturbed areas will be collected and either treated in the WTPs or directed to the pit lake until it is found to be suitable for direct discharge to the downstream drainages.

A spillway will be constructed from the bulk TSF. Late in the operating phase, tails in the bulk TSF will be spigoted to allow for surface drainage toward the closure spillway. As milling operations cease, free water will be pumped from the surface of the bulk tails, and they will be allowed to consolidate until the surface is suitable for equipment traffic on the surface. The tails will be regraded as needed to facilitate drainage. A capillary break and growth media will be placed over the surface of the tails prior to seeding for revegetation. Growth media will also be placed on the bulk TSF embankments prior to seeding for revegetation.

Seepage water from the bulk TSF embankment seepage collection systems will be collected and directed to the pit lake.

The road system will be retained as long as required for the transport of bulk supplies needed for long-term post-closure water treatment and monitoring. The Iliamna Lake ferry facilities will be removed, and all supplies will be transported across the lake utilizing a summer barging operation. The Amakdedori Port facilities will be removed, except for those required to support shallow draft tug and barge access to the dock for the transfer of bulk supplies. The natural gas pipeline will be maintained until such time as it is no longer required to provide energy to the project site. If no longer required, the pipeline will be pigged and cleaned before being abandoned in place or removed, subject to the regulatory review and approval at the decommissioning stage of the project. Surface facilities associated with the pipeline will be removed and reclaimed.

6.2. POST-CLOSURE MANAGEMENT

The pit lake will fill during the closure period. Surface runoff from the walls will result in leaching of accumulated metals from the walls. The pit lake is expected to stratify during the closure period with surface waters retaining a neutral to slightly basic pH over time. Water quality parameters showing predictions that exceed discharge limits include hardness and several trace elements (Al, As, Cd, Cu, Fe, Hg, Mn, Mo, Ni, Pb, Sb, Se, and Zn). Pit lake water quality will be monitored, and appropriate precautions will be taken to manage wildlife activity on the lake. Once the level of the pit lake has risen to about 890 feet elevation, water will be pumped from the pit, treated as required, and discharged to the environment. By maintaining the water level at this elevation, which is at least 50 feet below the elevation at which groundwater flow would be directed outward from the open pit, upset conditions resulting in an unplanned discharge can be avoided, as there is time to address any problems with the WTP before flows reverse.

Long-term discharge from the bulk TSF seepage collection systems will be pumped to the pit lake.

6.3. FINANCIAL ASSURANCE

Prior to commencing construction, the Project Reclamation and Closure Plan approval and associated financial assurance mechanisms will need to be in place. The Reclamation and Closure Plan and financial assurance obligations will be updated on a 5-year cycle in accordance with regulatory requirements to address any changes in closure and post-closure requirements and cost obligations.

A detailed reclamation and closure cost model will be developed to address all costs required for both the physical closure of the Project and the funding of long-term post closure monitoring, water treatment, and site maintenance. The estimate will include the costs of closure planning and design, and mobilization of third-party equipment to site; detailed estimates of equipment and labor requirements for physical closure; capital, sustaining capital, and operating costs for water treatment and other long-term post-closure operations; and appropriate indirect costs and contingencies developed following ADNR guidance.

7. ENVIRONMENTAL PERMITTING

Numerous environmental permits and plans will be required by federal, state, and local agencies. PLP will work with applicable permitting agencies and the State of Alaska large mine permitting team to provide complete permit applications in an orderly manner.

Because the Pebble Project involves a federal permit—U.S. Army Corps of Engineers Section 404/10 permit for the filling of wetlands and placement of structures in navigable waters—the provisions of NEPA will apply to this Project. There are provisions within NEPA, as well as within the permitting processes for many of the individual permits, that will provide for public review and comment on the Project.

Table 7-1 lists the types of permits that are expected to be required for the Pebble Project. Multiple permits of certain types may have to be applied for to accommodate the full scope of facilities.

Agency	Approval Type	Project-related Examples
Federal		
BATF	License to Transport Explosives	Construction explosives acquisition
		and use
	Permit and License for Use of Explosives	Construction explosives acquisition
		and use
BSEE	Right-of-Way Authorization for Natural Gas	Subsea natural gas pipeline in OCS
	Pipeline	waters
BSEE	Right-of-Way Authorization for Fiber Optic	Subsea fiber optic cable in OCS
	Cable	waters
DHS	Airport Security Operations Plan	lliamna Airport
	Port Facility Security Coordinator	Port site
	Certification	
	Port Security Operations Plan	Port site
EPA	Facility Response Plan (required to be	Fuel storage facilities, fuel transport on
	submitted to EPA, however EPA does not	the mine roadway
	provide plan approvals)	
	RCRA Registration for Identification Number	Storage and disposal of hazardous
		wastes

Table 7-1. Environmental Permits Required for the Pebble Project

Agency	Approval Type	Project-related Examples
	Spill Prevention, Control, and	Fuel storage facilities
	Countermeasure (SPCC) Plan (SPCC plans	
	are not required to be submitted or approved	
	by EPA. The plan will be reviewed and	
	certified by a Professional Engineer licensed	
	in Alaska)	
FAA	Notice of Controlled Firing Area for Blasting	Construction and mining blasting
		activity
FCC	Radio License	Radios
MSHA	Mine Identification Number	Mine site
	Notification of Legal Identity	Mine site
NMFS	Magnuson-Stevens Fishery Conservation	Necessary in areas where mine, road,
	and Management Act Consultation	or port site activity affect essential fish
	documentation	habitat
USACE	Clean Water Act Section 404 permit for	Fill into wetlands for a variety of
	Discharge of Dredge or Fill Material into	facilities at the mine, road, pipelines,
	Waters of the U.S.	port site
	Rivers and Harbors Act Section 10	Road bridges and causeway; port site
	Construction of any structure in or over any	docking and ship-loading facilities and
	Navigable Waters of the U.S.	maintenance dredging.
USCG	Facility Response Plan	Fuel storage facilities
	Fuel Offloading Plan; Person in Charge	Offloading fuel from barges at the port
	Certification	
	Hazardous Cargo Offloading Plan; Port	Offloading hazardous cargo from ships
	Operations Manual Approval	
	Navigation Lighting and Marking Aids Permit	Port facilities
	Rivers and Harbors Act Section 9	Bridges along road
	Construction Permit for a Bridge or	
	Causeway across Navigable Waters	
USDOT	Registration for Identification Number to	Transport of hazardous wastes to
	Transport Hazardous Wastes	approved disposal site
USFWS	Bald and Golden Eagle Protection Act	May be necessary in areas where
	Programmatic Take Permit	mine, road, or port site activity may
		disturb eagles

Agency	Approval Type	Project-related Examples
	Migratory Bird Treaty Act Consultation	May be necessary in areas where
	documentation	mine, road, or port site activity may
		disturb migratory birds
USFWS/NMFS	Endangered Species Act Incidental Take	May be necessary at the port site and
	Authorization	for sub-sea pipeline construction
		where activities could disturb northern
		sea otter, Beluga whale, Steller sea
		lion, Steller's eider
	Marine Mammal Protection Act Incidental	May be necessary at port site where
	Take Authorization; Letter of Authorization	activities could disturb northern sea
		otter, Beluga whale, Steller sea lion,
		harbor seal, Dall's porpoise
State		
ADEC	Alaska Solid Waste Program Integrated	Tailings disposal, waste rock disposal,
	Waste Management Permit/Plan Approval	landfills
	Reclamation Plan Approval and Bonding	Required prior to construction.
	Alaska Solid Waste Program Solid Waste	Construction waste material disposal
	Disposal Permit; Open Burn Permit	
	Clean Water Act Section 401 Certification	Certification of the Section 404 Permit.
	Approval to Construct and Operate a Public	Mine and port, and construction
	Water Supply System	camps
	Clean Air Act Air Quality Control Permit to	Power plant and other non-mobile air
	Construct and Operate – Prevention of	emissions; fugitive dust; applicable to
	Significant Deterioration	mine, road, and port
	Clean Air Act Title V Operating Permit	Power plant and other non-mobile air
		emissions; fugitive dust; applicable to
		mine and road
	Clean Air Act Title I Operating Permit	Non-mobile air emissions; stationary
		sources, fugitive dust; applicable to
		port and Kenai compressor station
	Clean Water Act Section 402 Alaska	"End of Pipe" water discharges from
	Pollutant Discharge Elimination System	water treatment plants at the mine,
	Water Discharge Permit	along with domestic water treatment
		plants at the mine and port

Agency	Approval Type	Project-related Examples
	Clean Water Act Section 402 Stormwater	Surface water runoff discharges at
	Construction and Multi-Sector General	mine, road, and port site
	Permit;	
	Stormwater Discharge Pollution Prevention	
	Plan	
	Food Sanitation Permit	Mine and port, and construction
		camps
	Oil Discharge Prevention and Contingency	Fuel storage and transfer facilities,
	Plan (ODPCP or "C" Plan)	port and mine
ADF&G	Fish collection permits for monitoring	Required for construction and
		monitoring
	Fish Habitat Permit	Required for most work in anadromous
		streams and for most work in resident
		fish streams that might affect fish
		passage.
ADNR	Alaska Dam Safety Program Certificate of	Tailings dam, seepage control dams
	Approval to Construct a Dam	
	Alaska Dam Safety Program Certificate of	Tailings dam, seepage control dams
	Approval to Operate a Dam	
	Reclamation Plan Approval and Bonding	Required prior to construction.
	Lease of other State Lands	Any miscellaneous other state lands to
		be used by the Pebble Project – none
		identified at this time
	Material Sale on State Land	Materials removed from quarry sites
		for construction
	Mill Site Permit	All facilities on state lands
	Mining license	All facilities on state lands
	Miscellaneous Land Use Permit	All facilities on state lands
	National Historic Preservation Act Section	Area of Potential Effect
	106 Review	
	Pipeline Right-of-Way Lease	Natural gas pipeline on State lands
		and in State waters
	Fiber Optic Cable Right-of-Way Lease	Fiber Optic Cable on State lands and
		in State waters
	Powerline Right-of-Way Lease	Powerlines to support electric power
		distribution

Agency	Approval Type	Project-related Examples
	Road Right-of-Way Lease	Road between mine and port site
	Temporary Water Use Permit; Permit to	Surface and groundwater flow
	Appropriate Water	reductions
	Tidelands Lease	Port structures below high tide line
	Upland Mining Lease	All facilities on state lands
ADOL	Certificate of Inspection for Fired and	
	Unfired Pressure Vessels	
ADOT&PF	Driveway Permit	Road
	Utility Permit on Right-of-Way	Natural gas pipeline on the Kenai
	, , , , , , , , , , , , , , , , , , , ,	Peninsula
ADPS	Approval to Transport Hazardous Materials	Transport of hazardous materials
		along the road
	Life and Fire Safety Plan Check	Mine and port
	State Fire Marshall Plan Review Certificate	For each individual building
	of Approval	
Local	01779910401	
KPB	Conditional Use Permit	
NF D		
	Floodplain Development Permit	
	Multi-Agency Permit Application	
L&PB	Lake and Peninsula Borough Development	Mine and road area within the Lake
	Permit	and Peninsula Borough
	partment of Environmental Conservation Pepartment of Fish and Game	
	Department of Transportation and Public Facilities	
	partment of Public Safety	
	u of Alcohol, Tobacco, and Firearms	
BSEE = Bureau of	Safety and Environmental Enforcement	
DHS = U.S. Depart	ment of Homeland Security	
EPA = U.S. Environ	mental Protection Agency	
FAA = Federal Avia	tion Administration	
FCC = Federal Con	nmunications Commission	
FERC = Federal En	ergy Regulatory Commission	
	Peninsula Borough	
	Safety and Health Administration	
	Aarine Fisheries Service	
	Conservation and Recovery Act	
	oric Preservation Officer	
JSACE = U.S. Arm JSCG = U.S. Coast	y Corps of Engineers	
	couard partment of Transportation	
	and Wildlife Service	
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