

The original footprint was about 16 to 18 square miles. How do we bring that down and make people comfortable? Well we said 'Ok, number one let's not use cyanide.'

Let's keep cyanide out of the region. But that costs us in our gold recovery. We recover 10 percent less gold because we don't use cyanide.

Doesn't impact the footprint, but it impacts the perception.

We then said 'Ok, let's see if we can reduce the size of the project overall and still have a reasonable economic.'

So we reduced the size of the processing plant to 160,000 metric tons per day. And then we said 'Let's just have a 20-year mine life.'

And one of the reasons was, I mean this entire deposit, 10 billion tons, it can be mined by open pit, but it might at some point be more reasonable to do what's called a high-volume large scale

underground mining block caving, or panel caving, but for sure the first 20 years is gonna be open pit, and during that 20 years you'll make a decision on how you will go forward.

Will it be open pit only? Block cave only? Or a combination of the two? It'll be a combination of the two, I'm pretty sure. So we said 'Let's only have a 20-year mine life'

and so that's how we kept the footprint down to five-and-a-half square miles. Is slightly smaller throughput and a 20-year mine life.

But during that 20 years, you're gonna make the application to continue for another 20. So we do have all the studies that go through all of this,

and to increase the size of the mill from 160,000 metric tons per day we can go to 220, we can go to 320. Again, some of these things you'll have to go through permitting again,

but when you've got 2,000 people working making \$100,000 a year, and the state's collecting money—the area that we're in, the Lake and Penn Borough,

which is the municipality, you have to understand there's hardly any people living in Western Alaska. In 50,000 square miles there's 7,500 people.

And 80% of them are on the coast anywhere from 120 to 500 miles away from us. The nearest two villages, both 20 miles away, are 100 people each.

You know when you look at four or five hundred square miles around Pebble there's maybe 500 people.

Investigator: So, you mean that essentially once we are in, once the mine is starting producing employment, development, after that nobody's gonna stop it?

Ronald Thiessen: No. Correct. And then those numbers from 2011-
Investigator: Do you think it's gonna be unstoppable?

Yes.

Well who's gonna stop a mine that has 180- at a 160,000 metric tons per day, the first deposit that we've discovered at Pebble - and there will be more - but the first one lasts 180 years.

now we could start Pebble at say 35,000 tons and grow over a 30-40 year period. No, we're gonna start it at 160,000 tons per day.

And maybe it grows to either 260 or 320 over the next 20-30 years.

No. No in America there's not a single major mine, and there certainly isn't a major oilfield,

that didn't start out small, smaller than it has grown. And there have been constant expansions that have been suggested and approved. And that's what would happen here.

This is a well-worn path that we're following to build something that allows us to show the community and the state that we can do it, we can do it well, that it's not dangerous

and then we'll come in at some point in the future and request an extension of the time and probably an expansion of how much we are producing on a daily basis.

Well you know to some extent it's political. We probably want to file it when there's a republican administration instead of a democratic administration. You know, those kinds of things.

But frankly I'm not aware, certainly I'm not aware of a project in Alaska, where an expansion has ever been turned down. And off the top of my head I can't think of one in America.

But I know that's the case in Alaska and that's because - look we built all this infrastructure. And remember it's not just money coming to us, it's money going into the state.

I bet you that the state's going to be pounding on us to do an

expansion before we're ready to do the expansion because they want the revenue.

Investigator: So the likelihood is pretty much 100 percent almost?

Tom Collier: Yes

Yes we'll need to get a federal permit and a state permit. We'll need to go through those processes, but the processes will not be as intense nor as long as this process

because you can build on what we've already done.

Well I'm just saying that based on a 180,000 short tons a day of processing capacity, and we have 10 billion tons, that's 180-year mine life.

And we know that there's more ore there so it's probably gonna be more than 200 years.

When you look at mines like Bingham Canyon in, outside Salt Lake City, that mine has been operating since the 1880s.

When you look at Chuquicamata in Chile, 1880s 1890s when those mines started up. I mean they started obviously much smaller. The biggest mine in the world is Escondida.

And Escondida started operating in the late 1980s at a 35,000 ton per day concentrator. Today it's more than ten times that size, 360,000 tons per day concentrate.

And it's the biggest copper producer in the world, that mine. It's owned by BHP, Rio, Mitsubishi, and Chile.

Investigator: And so that's very likely to be the path forward for Pebble?

RT: Yes.

Once you have something like this in production why would you want to stop? And even, at the end of the day its footprint is so tiny. If we mined the whole valley it's 25 square miles.

And the land area up there is 40-50,000 square miles. And when the mines all done, finished, it fills with water and it's just another lake. And in fact, it'd be a tiny lake.

There's a lake nearby us called Six Mile Lake because it's six miles long. And Alaskans say that shouldn't really qualify as a lake, it's not big enough.

Investigator: So mining the valley would be really natural.

Ronald Thiessen: Yes.

The northern corridor infrastructure part will handle the expansion. When that expansion comes on, you know because the PEA talks about effectively a 220,000 ton per day concentrator

and what we're building in the first stage is a 180,000 ton per day concentrator. In all likelihood the expansion mainly involves just increasing the crushing and grinding capacity,

probably one secondary, one additional line of secondary mills – not sure that we would even need a new line of SAG mills, probably just increase motor size on existing SAG mills,

but the northern corridor will handle the expansion of Pebble.

Investigator: So all is already contained, all the expansion, all the key elements of the expansion are already contained in the current project.

Ronald Thiessen: Yes

Investigator: And that's the plan? That's really the objective?

Ronald Thiessen: That is the plan, and that's because the northern corridor plan that was submitted

as part of the Pebble permitting process really came out of effectively the work that was done to accommodate the PEA, so it already has that capacity in it.

How locked are we into, you, into thinking or planning to go beyond 20 years, 180 years or so?

Ronald Thiessen: Well it's absolutely because the ore is there. We've drilled it.

We've engineered it. All the work's been done for it.

The only thing that we have to do additionally is determine will there be more open pit exclusively or will we also do some underground mining like bulk underground mining, block-caving,

in which case we need to sink a shaft and do some underground work. That itself will probably be two to three hundred million dollars, but that will be carried out through that 20-year period

and then we'll make application for another 20 or maybe 40 years of mine life.

And it's not unusual that mines, you know in fact you're better off

asking

for a permit for 20 years than asking for a permit for 60 years

because we don't know what kind of mine operation we will have after 20 years.

We don't know that yet.

So when they ask us what the environmental footprint is of that expansion,

we can't tell them today. We'll only be able to tell them in say year 12 or year 15.

See this project ultimately will look a lot like the Mongolian project Oyu Tolgoi.

You know where there's an open pit and there's underground.

I mean there is, I'm not telling you any big secrets, there is another project that's 175 miles north of Pebble.

It's called the Donlin Project. It's owned 50% by Barrick and 50% by Novagold. While currently the infrastructure for the mines are completely separate and independent,

use different directions and corridors, there is a lot of logic to us joining forces to make a single corridor. And the infrastructure on their mine is 1.5 billion,

the infrastructure on our mine is 1.5 billion. If you put them together it's not a total savings, but it's probably saving 50 to 75% of one of them.

Their infrastructure is 350 miles of road and pipeline and powerline. Ours is 85 from the port into site and then we're only 75 miles into, or 175 miles from our project

to their project and it's over easy terrain. Western Alaska doesn't look like typical Alaska. Western Alaska was eroded by ten to fifteen thousand feet of ice during the last ice age.

It's pretty flat to rolling countryside.

The Donlin issue is a little bit different and that's an issue where what did you say Ron?

Ronald Thiessen: They're on native land.

Yea they're on native land. And they had to negotiate a revenue agreement with the native landowners in order to build their mine so they have to pay royalties to the native landowner.

The cost of the royalties and the cost of the capital that has to be invested in that project makes it a project that's really difficult to go forward with at the current time.

One of the things that I'm sure Ron mentioned to you is that we think it's possible that we can combine some infrastructure which has the beauty of reducing their need for capital investment,

and we think significantly, which means that this is another reason that the state's interested in pebble. Because if you flip the pebble switch on

it's likely that you may also be flipping on the Donlin switch. And we think that's a real benefit that the project has.

Investigator: Are you in discussions with them?

That's a question for Ron to answer

Ronald Thiessen: Not exactly yet. We've had a couple conversations but really we need to get to the point where we have our ROD in place.

Investigator: And that would be the starting point...

Ronald Thiessen: yes.

Investigator: ... to really see more concretely... and is the governor supportive of this bigger plan for the region?

Both parties are looking to the government to underwrite the financial cost of the infrastructure and each mine has a total separate infrastructure requirement.

Donlin's comes from Anchorage, goes north and across to Donlin, I think they said it was about 350 miles through mountain passes. And ours comes from the coast and is 85 miles into the site.

And Donlin itself is 175 miles from us so if you look at it it's just logical. Donlin went ahead with their infrastructure plans because they didn't think Pebble was going to be able to get there.

But now, once we've got our ROD, then we can sit down and say ok, combining the two is not gonna be a total savings because our CapEx on our infrastructure

is gonna be close to one and a half billion, there's was one and a half billion.

So we've got one and a half billion and then a 175-mile road to build which we probably think is gonna be three quarters of a billion, something like that.

The savings will be somewhere, I'm gonna say between half a billion and three quarters of a billion, on the infrastructure.

Investigator: So it means that what doesn't make sense economically now for

Donlin would make sense? That's what you're saying?

Yes. We think the economics of Donlin improve with collaboration on the infrastructure especially because we think we can bring the state in

and some of the larger native corporations to fund that infrastructure and then we pay for it over time either in tolling or payments.

In Alaska it's pretty typical that government, and there's an agency of the government called AIDEA the Alaska Export Investment

Development, I don't know,

it's the Alaska Economic Investment Development of Export Association, something like that.

Anything to do with exporting their resources that that agency will look at funding the infrastructure requirements. So port, road.

The largest zinc mine in the world is Red Dog up above the Arctic Circle and AIDEA owns the port and the road. And they just charge a toll usage fee to Teck for that road.

Tom mentioned Ambler. They're permitting that road. The state's gonna own that road and they'll do the same thing, they'll charge a toll for that.

And the state can borrow money cheaper than we can and they can also issue what's called tax free bonds to do that.

So initially it would require us to work together and then approach the government together.

Investigator: Alaska or Federal?

Ronald Thiessen: Alaska.

Investigator: Which would make it easier then?

Ronald Thiessen: Much easier, yea.

Tom is – in North America you work through lobbyists, who are law firms and you have relationships. I mean we can talk to the Chief of Staff of the White House any time we want.

You want to be careful with all this because it's all recorded. Every telephone call that the Chief of Staff to the White house has, has to be recorded. It's not that they tape the call,

it's just that it's recorded that 'He had a call with Tom Collier, the CEO of Pebble Limited Partnership'. You don't want to be seen to be trying to exercise undue influence.

It's better for us if we want to push that envelope that Tom talks to the Governor of the State of Alaska

and the Governor of the State of Alaska picks up the phone and calls the Chief of Staff to the White House, yes.

More government-to-government than necessarily ourselves, or lawyers talking to the lawyers in the White House.

The governor I count as a friend. I did in my home the largest private fundraiser for the governor when he was running for office and it's not unusual for the governor to call me.

I've flown down to Juneau which is about half the year where the governor is, he spends about half the year in Anchorage and half the year in Juneau.

I've flown down to Juneau where the governor's mansion is and had private dinners with him in the mansion. So the governor and I are pretty good friends

and like I said we talk on a regular basis. The governor's chief of staff, Ben Stevens, we about – god Ron how long ago was it?

– three or four years ago we formed what we called the Pebble Advisory Committee. We reached out to important politicians and environmentalists and native leaders in the state

and brought them in to a committee that would advise me personally on how best to go forward on this pebble project. And Ben Stevens was on our pebble advisory committee

before the governor got elected and he was requested by the governor to come in and be chief of staff. Now in a lot of states, frankly, chief of staff is more important than the governor.

The governor has to be out there playing politics and kissing babies, where the chief of staff is sitting at his desk running the state

government.

And that's a guy who was on the pebble advisory committee.

Sure, the State of Alaska is every bit as supportive if not more supportive of us as each day goes by. And that's for two reasons.

One is the State of Alaska is in a serious threatening fiscal crisis here. I don't know if you know much about how state government works in Alaska,

but Alaska is one of the very few states in America that does not have an income tax. So, the only way the government really raises money is off of the tax it imposes

on the oil and gas industry per barrel of oil essentially. And you know what's happened to the price of oil in the last year or so.

And that has had two impacts: first of all, it's reduced the tax because the price of oil has gone down so far. The second is it's reduced our production

because it's no longer as profitable to produce oil. So, we have deficits up here of billions of dollars and the state can't borrow money to cover its deficits, it's got to come up with it every year.

And so, we're looking at a potential bankruptcy of the state in just another couple of years here. And the only way to fill that gap, the state now believes, is essentially through mining revenue.

And we're the biggest game in town with respect to that so they're really supporting us because of their monetary needs.

Secondarily, every day that we get closer to getting our Record of Decision, it's easier politically for the government to be more vocal in its support.

They've always been supportive kind of behind the scenes but more vocal so this mitigation plan that we're putting together, almost all of the land is state land.

And so, the state has to be a partner with us. And what we're gonna do with that land is we're gonna turn it into a preserve. We're gonna set it aside, put a conservation easement on it

Investigator: Like a park? Like a big park?

Tom Collier: Similar to a park.

And that will be available for hunting and fishing only in the State

of Alaska. And we would not be able to respond positively to this letter we got today

if the state weren't there as our partner moving forward with this plan. And they are, ok? And just to put a fine, fine note on that, just between us guys,

I had a two-hour one-on-one meeting with the governor when all of this came up about a month ago to walk him through this, to get his commitment that they would be there

and now we're working with his department of natural resources and they are being very cooperative in working this through with us.

So Tom meets every week with the fellow that runs the Army Corps of Engineers in the region – he lives in Anchorage – his name's Dave Hobbie.

And James Fueg he talks almost every day to the colonel – it's a lady – that runs the Army Corps of Engineers office in Anchorage, that actually did all of the technical work.

Investigator: Ok, so there is a good relationship.

Oh yes, very good relationship. And the same team from the Army Corps of Engineers

that did the Donlin permit is doing the Pebble permit,

and James ran permitting for Donlin, for NovaGold-Barrick on the Donlin mine and we hired him when that was finished.

And this guy Dave Hobbie, when Trump was elected he had Hobbie sent to the White House to work on streamlining permitting process for Trump's infrastructure plans,

and Hobbie did all of that but then because Trump didn't get along well enough with the Republicans in the House he couldn't get his infrastructure plans through so that didn't happen.

But Hobbie took all that streamlining and much of it he applied to Pebble. This biggest thing that he did is, historically when you go through permitting the public or the people interested,

they only get to see the document when it's finished. They never get to see all of the detailed information. Hobbie he set up a website for Pebble and every time they asked us a question

– it's called an RFI, a request for information – it was published on the website. And every answer we provided was published on the website, and he would tell people

'When we have public hearings for 30 days, don't ask me for 60 days because all the information's there.

You go read the information now, you don't get any additional time in public hearings. And so that way you won't be surprised about the outcome.

And then once a month he would hold a public press conference where only press could call in and ask questions. One hour, once a month. So he was very transparent on what was going on.

Investigator: I hear you. That's great. Would you consider that the Army Corps, or the Corps of Army, is an ally in developing the

project? They are on our side?

So, so when you look at statute The Clean Water Act, it says that the Army Corps of Engineers 'will issue a permit based on the least environmentally damaging practicable alternative.'

The law is affirmative that they have to issue a permit based on the least damaging alternative. And that's what drives the eNGO nuts because it doesn't say 'withhold the permit'.

It doesn't say 'issue the permit only if there's no damage.' It says 'it will issue a permit based on the least' – so I mean, you may still cause a lot of environmental damage

but if it's the least practicalble alternative you get your permit.

So, I'm gonna tell you guys a couple things that are...that we're sharing with our major investors that we don't want to be completely public at this point.

I made a phone call to the guy who runs the permitting process here in Anchorage who has become somewhat of a friend. I've known him for 25 years.

And said to him, "what the hell is going on?" and he just kinda laughed.

I can send you a copy of the letter that was the big controversy.

Investigator: That would be brilliant.

The guy that signed it is Dave Hobbie, that's who Tom knows and meets with Dave Hobbie. Tom talks with him every week and that's who Tom called on Saturday

to find out is there anything to this Politico story.

nothing is ever pre-approved. I don't want to say that that's the case because that's just not the way the government works here in America. So nothing is ever pre-approved.

But I have sat down with them, shown them what's gonna be in the document that I'm gonna send to them. They are pleased with what's there. They don't see any problems with what's there

I believe that they're going to approve it.

Investigator: Ok. But no guarantee, you mean? That's what you're saying?

TC: Well there's never a guarantee. There's never a guarantee.

I: But all the signals are pretty positive?

Tom Collier: All the signals are very positive.

Investigator: And your discussions are happening at the highest level of the Army Corps with, what's his name? David uh-

TC: Dave Hobbie. And Dave is the guy who is the director of regulatory affairs in the Alaska District Corps of Engineers office.

And he's the decision maker. And that's who we've been speaking to, yes.

Investigator: And so essentially what you guys are discussing is that if the compensation plan that you

guys gonna present in 10 to 15 days follows what you presented with him a few days ago, there shouldn't be major sort of comments or asks for changes?

Tom Collier: That's correct. Let me tell you what he said- Let me tell you what he said exactly. So this is a guy who sent us a letter - and I'm sure you've seen the letter -

that outlined what he wanted in the way of a mitigation plan. We went and briefed him on the mitigation plan and he said to us 'This satisfies all of the issues we raised in our letter.'

So there were two things: there was a letter. That was the letter you were just talking about.

And then there was a press release about the letter.

Investigator: From the Army Corps of Engineers?

Tom Collier: From the Army,

not the Corps of Engineers, so up several steps. And they Army said that the project could not be approved as it had been presented to the Corps of Engineers.

Now, what they meant to say is that we had to comply with the letter, alright?

But that's all they meant to say, is that we should comply with the letter.

Investigator: Essentially present a sound mitigation plan-

Tom Collier: That's correct.

Investigator: That will be discussed, approved -

I mean just saying that's not the end of the process.

Tom Collier: Well it's pretty much the end of the process, yea. And so the Army press release was characterizing the letter,

it just did it by choosing poor language and that was misread by the press. Alright?

And just to prove that that's correct,

about five days after that we finally got the guy who runs the Corps of Engineers in Washington, DC – his name is Ryan Fisher –

and Ryan Fisher is the Deputy Assistant Secretary of the Army for Civil Works, which means he's the guy that runs the Corps of Engineers nationwide for Donald Trump.

And he said 'Don't misread the press release. All the press release was doing was talking about the letter, and you can see what the letter says.'

The letter says 'if they file a comprehensive mitigation plan that meets the requirements then they'll be able to get a Record of Decision.'

Investigator: Why is it that the Army came out with such a statement? Why did they need to do that?

Tom Collier: It looks to me like it was written by some dumb press release writer and nobody else looked at it. That's all I could tell.

Investigator: Hmm. Do you think it's politically motivated?

Tom Collier : I don't!

I mean if it was politically motivated we wouldn't have been able to get the guy who runs the Corps of Engineers to come in and say 'Don't – that doesn't matter.' Right?

He would have never come in and said 'It's the letter that you look at, not the press release'.

If it had been politically motivated.

and typically with the Army Corps of Engineers, if there's something that's going to be out of the ordinary they try and get us that information as soon as possible.

Like this mitigation plan, where we had to go from what was called out-of-kind out-of-watershed mitigation to in-kind in-watershed mitigation.

As soon as that became the requirement they let us know and that was back in June so that allowed us to put the team into the field and get that work done

So we did have almost two months' notice on that. And then we spent, with two teams in the field getting all that work done.

So if we, if they'd been unpredictable then they would not have told us anything to begin with and we would have had to start the mitigation studies in September

and as it stood the mitigation studies took about six weeks in total, in the field.

Investigator: And was it the same with the northern route, when they decided to-

Ron Thiessen: And they gave us a heads up to the northern route before, and they said - they gave us a heads up so we could put documentation in place

if we wanted to challenge their decisions.
And remember I told you it was, you know, we were torn.

We had done all this work on the central, on the ferry alternative, and now we were going the northern corridor

and we were missing one land access agreement on the northern corridor,
so we did challenge them.

But at the end of the day the northern corridor is the better route and it makes it look better for the ultimate litigation against the Army Corps of Engineers.

Then again, they'd made changes, they didn't accept our proposition without any questions.
They made us make some changes.

Those all look good to the courts when the environmentalists sue the Army Corps of Engineers over the permits later this year.

Ultimately there's a few decisions that we can't manage and we have to be able to then manage the change.

And the Army Corps of Engineers knows that and they help us with that by giving us early advice,

letting us know, no surprises, and with lots of time.

So different parts of our project are at different levels of engineering.

So the mining would be at feasibility. The processing would be at feasibility.

But the infrastructure is probably pre-feasibility level. In fact, when we were using the southern route with the ferry, I'd say that was probably scoping level.

We'd not gone out and gotten detailed engineering studies on building the ferry, costing the ferry, and those kinds of things.

And part of it was why do a feasibility study on three different alternatives when only one gets selected at the end of the day. So as it turned out we had three different infrastructure corridors

and we thought that the ferry route would be most acceptable because it was the least environmentally impactful. It had the smallest what's called wetlands footprint

but it and the western route had the least amount of engineering on them, both of them scoping level, whereas the northern route had pre-feasibility level engineering

and at the 11th hour the federal agencies asked us to change from the ferry route to the northern corridor. They preferred a larger wetlands footprint and no ferry on the lake.

Which is ok, we like the northern corridor better because it allows us to have a concentrate pipeline as opposed to the materials handling of trucking to the lake, unloading onto the ferry,

unloading across the lake, putting it on trucks, and then taking it down to the port.

So when the project was originally being considered 10 years ago the idea was that there would be a northern transportation corridor

and that's where all the investment occurred in terms of engineering work. At some point we considered it might be a railroad, at some point a road,

at some point it would have a slurry pipeline to take the concentrate. Different options were considered, but almost always the northern route.

When I came in my assignment from Ron was to kind of reconsider the project and design something we thought could get through the permitting process

without as much controversy as the original project had engendered. So we did lots of things to the project. We made it smaller, we took out cyanide,

we redesigned tailings facilities, all kinds of things. One of the things we looked at was the transportation corridor and the Clean Water Act

focuses on the number of acres of what's called wetlands that you impact. And by going across the lake we didn't have a road that went across rivers and streams

and so it didn't impact as many wetlands. Forty percent fewer wetlands were impacted if we went across the lake with a ferry than if we did the road.

So Ron and I had this discussion, because from a mining perspective the road would actually have some advantages but from an environmental perspective

it looked as though a ferry made more sense. So Ron and I had a discussion as we were submitting our application, I said

"You know, Ron, the thing that could be best for us is if we submit the ferry route but the Corps of Engineers after they do their study tells us that they selected as an alternative the northern road." That's what happened here. The way the process works in America is you submit what you prefer to build, it's called your preferred alternative, and then the Corps identifies a number of other options. Ok? So other transportation corridor options for our project in addition to the two that we're now talking about. But after they did all the review they decided they preferred the northern route because we didn't have to use an icebreaker ferry on the lake and because we didn't because we didn't come as close to a bear preserve on the southern part of the road by going north. And so they kind of threw us under the bus to the alternative that actually made more sense to us from a mining perspective. And so now we're going to be building a northern corridor. We'll have a slurry pipeline as part of it so the concentrate will go down to the coast by pipeline. [47:05] And it makes a lot of things easier for us. It makes expansion much easier

That's what happened here. The way the process works in America is you submit

what you prefer to build, it's called your preferred alternative,

and then the Corps identifies a number of other options. Ok? So other transportation corridor options for our project in addition to the two that we're now talking about.

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We'll have a slurry pipeline as part of it so the concentrate will go down to the coast by pipeline.

And it makes a lot of things easier for us. It makes expansion much easier. It makes the construction much easier. Just a bunch of things become easier.

So while this was not something we sought, this was forced on us by the Corps of Engineers, it actually worked out to our benefit.

Investigator: And when you say it is easier for the expansion you mean post-20 years or...?

Tom Collier: Yes post-20 years. Because we don't have to, you know we just send more stuff through the pipeline. We don't have more trucks, we don't.. you know just more pipeline.

So it's perfect for that, essentially perfect for that.

Let's put a little history on right of way for a second. It is not unusual at all to get your record of decision and not have right of way agreements. Happens all the time in these projects. All the time

Now for us, we've got a little bit of a dilemma. It's gonna cost us more to get it quicker. We'd like to have it quicker because it answers questions that folks like you ask.

On the other hand we don't need it for three years. We've gotta go through state permitting for three years. We're not gonna be able to build a road until after that.

So the longer we wait the better the deal we get, right? And so I'm here doing this on a daily basis. You know do I want to pay a little more and get this done more quickly?

Do I want to drag this out and get a better deal? And that's where we are.

it's like if you owned a piece of land out there near our project I've gotta build a road across it. So I'm coming out there and I've got two options.

I could buy your land or I can purchase from you a right of way to build the road and use the road only, ok? And some of them we're buying the land.

Some of them we're just getting the right of way. Either one works well for us.

Ronald Thiessen: Maybe [inaudible] around you. That's not always the case but sometimes you can go around the landowner.

You know it becomes well do I want this over my land or not because there's no other use for this land.

Yea but here's a point that they really haven't focused on yet. Ron mentioned the term 'go around' ok? So they had a small allotment,

BBNC owned a small allotment that the original proposal would have required that we put a road across. The final proposal however we went around it.

Yea I don't think they focused on that yet and I don't want to tell them publicly that we don't have to cross their land, but we don't have to so it doesn't matter what BBNC says.

Investigator: Why don't you want to tell them?

Because then I'm fearful they'll try to stop us some other way. Right now they think they've stopped us because we can't cross they're land. I'm happy for them to continue to think that, ok?

the fact that we proposed the ferry route and they forced us to choose the northern corridor route is proof that they took a hard look at the issue.

So it actually helps us, it doesn't hurt us. In addition, the fact that they are requiring a significant amount of mitigation proves that they've taken a hard look at the mitigation issue.

So these things that have been somewhat problematic for us to deal with as we've gone through this process actually help us enormously when we get into litigation.

Investigator: Ok, so you mean that actually it's almost like, it's good! It's almost good that—

Tom Collier: It is very good for us to have proposed one thing and for the Corps to have told us to do something else. That shows that we didn't go in there and just get what we wanted! Alright?

They took a hard look at everything and made us do some other things. Yes, it's very good for us.

Investigator: And you said last time that when we – I think Ron said that you guys had foreseen that, you proposed this southern on purpose – was it?

Ronald Thiessen: No, what I said was that you know I, being a mining guy, always liked the northern corridor and I had problems with the ferry route because there was material handling.

But Tom wanted the ferry route because it had a lesser wetlands footprint and he thought that would appease, or appeal to, the EPA and the Department of Interior.

But, Tom did say wouldn't it be ironic if at the end of the day they pushed us back to the northern corridor.

I mean, you know – and then Ron you get what you want and I'm not really getting what I want. And that's actually what happened!

from the perspective of litigation, the northern corridor choice and the mitigation decision are very helpful to us. Those are not negatives. Those are real positives.

The mitigation is, we have to do a lot more work than we'd originally expected.

So that obviously means they're holding our feet to the fire.

Investigator: Ok, ok. And all that's gonna be proof of the integrity of the process later on?

And so that's all part of the strategy?

Ron Thiessen and Tom Collier: Yes.

Investigator: So you knew, Tom, where the wind was coming from!

No, sometimes you get lucky. But, you know, chuckles, and this, you know, while it's nice that Ron gets his northern corridor, we put a lot of time and effort into the ferry route.

I think we would have all preferred that that had been the way this worked out. But it didn't, but it's not a downside to us.

From the perspective of long-term future expansion of the mine, the northern corridor is best.

The fact that they made us take the northern corridor

will be very helpful to us as we go through litigation. Win-win!

Ronald Thiessen: And I think the northern corridor, most of the mining people will like it because we get to ship the concentrate in a pipeline.

And that means far less material handling. You know, whereas the ferry required containers of concentrate and so you take them to the ferry, take them off the truck, you put them on the ferry,

you go across the lake, you take them off the ferry, you put them on a truck, you

take them to the coastal port, you take them off the truck and you put them on a barge,

you just – there's a lot more handling.

Investigator: I hear you, I hear you. And was this a surprise for you that they choose that, or you were kind of, you knew that they would–

Ronald Thiessen: Hey Tom, It was a surprise.

Tom Collier: Yea it was clearly a surprise. It was a surprise.

Murkowski? Senator Murkowski. That lady from Alaska. Senator Murkowski.

Well she can't make a negative decision. Could she slow down the ROD? Potentially she could. Senator Lisa Murkowski, her father was the Governor of Alaska, back three governors ago.

He is the governor that accompanied Bob Dickinson and I to London to meet Rio, BHP, and Anglo to invite them into the project. And so Rio came in as a shareholder, Anglo came in as a partner. Senator Murkowski, she's very political. She in her heart wants the project to go ahead. She will say things that appeal to sometimes people's emotions but that won't do any damage to the project overall. So Senator Murkowski we feel good about. Senator Sullivan – so Murkowski isn't up for election. When a Senator is not up for election, they don't do anything. Alaska has two senators. Every state has two senators. They're appointed for six

Senator Murkowski, she's very political. She in her heart wants the project to go ahead. She will say things that appeal to sometimes people's emotions

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When a Senator is not up for election, they don't do anything.

This year Senator Sullivan is up for, and he's not as prestigious or long-serving. I think Senator Murkowski has had, this is, she's in her third six-year appointment.

And Sullivan's going into his second and so he's got a battle on his hands and we're trying to work with him to make sure he doesn't go and say something negative like

– and he won't say 'Don't build the mine', but he might say 'Don't issue the ROD until after the election'.

Investigator: Oh my god. Can he do that?

He can say that, but would it have any impact? It depends on whether Trump feels he's going to lose. Sullivan's a Republican senator and is it important that he gets elected.

If he says 'Delay the ROD' will that help him get elected?

It's an age-old practice where when you have constituents, you have important people who support you on two sides of an issue, alright,

you try to find a way to satisfy them both.

You don't choose one or choose the other. You try to satisfy them both. The way that Senator Murkowski has done that is that when she's asked a question

she says things that don't sound supportive of pebble – but when it comes time to vote, when it comes time to do something, she never does anything to hurt Pebble, Ok?

Never. Alright? So let me give you a very specific example. So last year the House of Representatives, the national House of Representatives, Congress,

passed a what's called a rider to an appropriations bill. So a piece of legislation that would have prevented the federal government from funding the permitting process for Pebble.

It would have killed Pebble. Alright? It then goes to the United States Senate and the Senate has to consider this. The committee that it goes to is the committee that's chaired by Lisa Murkowski.

Ok? So Lisa Murkowski kills the bill. Right? It doesn't go anywhere. That's the end of it. No problem for us. Dead.

But in what's called the committee report, so this is something that's not voted on it's just a report that's issued by the committee at the time,

Lisa Murkowski says I've got some questions about this pebble project that I think need to be answered before it can move ahead. So she threw a bone to those constituents that are against us in the committee report but when it really mattered she didn't do anything. Ok? That's the way Lisa Murkowski is, and frankly that's the way a lot of senators and congressmen are in America is that they say things that satisfy one side of an issue but they don't do anything that would hurt the other side of the issue. And that's where Murkowski is. I: Wow, that's hard to understand but yea it is what it is. RT: It's called sitting on the fence. Don't get off on either side, just sitting on the fence.

So she threw a bone to those constituents that are against us in the committee report but when it really mattered she didn't do anything.

Well Lisa Murkowski is very unpredictable but she had some opportunities to kill this project if she wanted to and she didn't do it.

The most obvious one was the one I described to you when it was right

there before her. All she had to do was kind of close her eyes and let it go past. But she didn't. She stopped it.

And so Lisa Murkowski is Lisa Murkowski. That's what she does. Now having said that, she's also with this president the single most unpopular senator of the 100.

So the fact that Lisa is saying things that aren't positive is not bad for us with the Administration.

Yea so both senators, Senator Sullivan and Senator Murkowski, also – they didn't misread the press release –

they relied upon a story that was printed in the newspaper that didn't have a named source. In other words it was a rumor that was printed.

And the two senators jumped out and said that they had heard, based on this news story, that the project was being delayed by the Trump Administration,

and they jumped on that and said that from their perspective was not a bad thing.

They were wrong. They're now embarrassed. Since it's the political season they're still trying to figure out what the hell they're gonna do,

but an interesting sideline of that – and I wish I could have thought about this – but it's kind of frozen them. They haven't been able to say anything about Pebble

since then because if they come out and say something, they're gonna have to admit that they were wrong about what they did.

So right now they're just kind of sitting over in a corner and being quiet, ok?

And that's – if they stay there–

Ronald Thiessen: Perfect for permitting!

Tom Collier: If it's just – gosh, it couldn't be a better thing for us

because these guys they can't cause us a problem.

This is not a process that involves US senators. So we get to our ROD,

whatever their position is, but if they're not making bad news stories for us if they're quiet.

So right now it's not such a bad situation for us. They're both in a corner being quiet.

Well right now, he's off in a corner being quiet.
So I think that's our plan to work with him – is leave him alone and let him be quiet.

Investigator: Well that's a good policy. And you think that's–

And I mean it's not – we're talking – that's an exaggeration. We have a very close relationship with one of his top advisors who in fact – our – the guy who was my predecessor,

John Shively, rents an apartment in Alaska from his, from Sullivan's state director. And the two of them have worked together for 20 years so John knows her well and talks to her regularly.

And she's embarrassed that the senator got out there with the wrong message. But right now, John – who keeps informed with her, who keeps in touch with her –

has been told that he's just gonna be quiet. He's gonna try to ride out the election and remain quiet.

I am registered in Alaska as what's called Undecided, an Independent. So I have not registered as a Democrat or a Republican, but I am a well-known Republican fundraiser.

I've supported all the Republican candidates in the state. I meet with the two senators, the congressman, the governor on a regular basis

and they welcome me as someone they know supports the Republican party. So just a little story about that. On Tuesday of this past week we had a primary election in the state of Alaska.

So what we're doing is choosing the candidates for the Republican party and the candidates for the Democratic party that will run for the state legislature in Alaska in November.

I've been a proponent in Alaska for getting the Republican party to be more focused and more disciplined on these elections.

There's been this crazy thing in Alaska where we've elected republicans that have gone down to our legislature and organized with Democrats as the majority party.

So they get elected as Republicans but they act as Democrats. So my view was, we gotta throw these guys out. Let's get rid of them.

So I organized, I was one of a number of organizers of a business group, we got together, raised money, we put together a campaign and we defeated them all!

We changed nine out of, there are let's see 40 uh, 50 seats that were up for election

and out of that 50 we threw out nine people that had not been supporting the governor and that had not been supporting Pebble.

It's gonna make for dramatic change in the legislature here in Alaska and I was a leader in that effort for the Republican party so my Democratic politics is really not a problem

Now having said that, it's entirely possible that we may have Biden as a President, and if we do I'm gonna brush off my Democratic credentials

and start using them a little more actively than I do.

Yes the parent company is a Canadian-listed publicly traded company. It trades on the Toronto Stock Exchange and the New York Stock Exchange.

Investigator: And the New York as well, right. And this is HDI?
Ronald Thiessen: No this is Northern Dynasty.

I: This is Northern Dynasty, ok. Which you are the head of the company, right?

RT: I'm the CEO of Northern Dynasty.

And we have a couple of Alaskan subsidiaries. And each subsidiary owns one partnership unit of Pebble Limited Partnership. It is a bit funny, I'm a partner with myself.

But originally one of those partnership units was owned by Anglo. They exited. We bought that partnership back from Anglo for \$100,000. So now we end up owning both partnership units, separate, and the Pebble Limited Partnership still intact. And that's because an incorporated partnership in the United States is a very good structure from a liability standpoint but also tax efficiency. I: Oh really? Yea that makes sense. Liability, what do you mean? If there is any risk with the mine this statute would protect you, would protect us? RT: Yes, the liability stop said 'The Alaska Corporation'. I: Oh. RT: Doesn't go beyond. I: So you mean that HDI is completely protected? RT: It is. HDI is not, HDI provides services to Northern Dynasty and Pebble, but it doesn't own any of it. HDI is kind of a private services company. That's where a bunch of employees, we have the Vancouver office, you know. I: Ok. RT: HDI, it's a company we put together, it's like a management company. I: Ok. RT: But it, the only thing it owns is office furniture and office equipment. Then it has employee contracts. It's because, on a mining project like Pebble, in the early days you use a lot of geologists. I: Uh huh. RT: And very few engineers. I: Yes. RT: Then when you finish doing all the drilling then you start shifting to engineers, now where are the geologists gonna

separate, and the Pebble Limited Partnership still intact. And that's because an incorporated partnership in the United States is a very good structure from a liability standpoint

but also tax efficiency.

Yes, the liability stops at the Alaska corporation.

Ronald Thiessen: Doesn't go beyond.

Investigator: So you mean that HDI is completely protected?

It is but HDI is not, HDI provides services to Northern Dynasty and Pebble,

but it doesn't own any of it. HDI is kind of a private services company.

That's where a bunch of employees, we have the Vancouver office, you know.

HDI, it's a company we put together, it's like a management company.

But it, the only thing it owns is office furniture and office equipment. Then it has employee contracts. It's because, on a mining project like Pebble,

in the early days you use a lot of geologists. And very few engineers. Then when you finish doing all the drilling then you start shifting to engineers, now where are the geologists gonna go?

So HDI has this, this inventory of skilled people and it sends the geologists, when the geologists are done they come back to HDI and then maybe they go to Poland to work on our Polish project.

Or they go to Arizona to work on the Florence project. And same with the engineers. I mean it's like fisheries biologists. We have one of the best fish biologists in all of North America.

He works here, he works for HDI. But when Pebble needs him he's working on Pebble. When Taseko needs him for Gibraltar or New Prosperity or Yellowhead, then he goes and works there.

Investigator: And so you were saying, what you were saying is that liabilities, risk wouldn't go beyond Pebble Limited? It would not touch Northern Dynasty?

Correct, correct. Just like, it was the same with Anglo.

under a limited liability partnership there's the general partner and the liability partners.

So the general partner, which is called Pebble Mines Corp,

takes most of the liability but only has one percent of the asset. And the limited liability partners have 99% of the assets and none of the liability.

Investigator: So the HDI, they're not total strangers right?

Ronald Thiessen: Oh I'm the CEO of HDI as well.

Investigator: As well, ok. So it's all part of you guys?

Ronald Thiessen: It's a private company.

There's only six partners, or six shareholders.

Investigator: So in our case our investment would be with Northern Dynasty?

Ronald Thiessen: Yes, yes. Under the terms that we talked about, yes.

Investigator: Exactly so somehow protected for any, any sort of liabilities regarding the mine, the future, the tailing, the water, the salmon, you know what I mean.

Yes absolutely.

Ronald Thiessen: Oh you mean if there was a tailings disaster or something like that?

I: Yea, something like that.

RT: There would be no liability to you at that the Northern Dynasty level shareholder.

The actual liability is captured at the operating company level, which is under US terms it's called a limited liability partnership.

So there are partner companies and then there's the general partner. A general partner already exists, it's called Pebble Mines Corp. and there are two partners.

Now we, Northern Dynasty, happen to have both partnership units because we bought Anglo's unit back. When we find our final partners,

you know with one of the major mining companies in the world, they will then acquire that partnership unit from us and we'll go back to being two partners, two limited liability partners,

with a Pebble Mines Corp. And so you will be a shareholder of Northern Dynasty, which owns 50 percent of the project when the major mining company, or consortium companies, come in

and they will bring the capital to build the project.

Yea, you'd be several levels removed from the liability. The liability would be at the limited liability partnership level and there would be insurance on it plus the assets at that level.

You'd be two levels up because there's a US-based company that owns the share

– the units of the partnership and the shares of Pebble Mines Corp.

and then there's Northern Dynasty, the Canadian company.

I can send you a corporate organization chart.

Yes – we put a lot of thought into this overall corporate structure,

from a tax standpoint, from a liability standpoint, all those features.

We also, part of our mitigation is atmospheric water and snow melt. We will capture and hold, normally freshet occurs in May and June.

And that water flushes down the streams out to the ocean but spawning doesn't occur till late July and August. So by then many of these streams are dry so they aren't spawning habitat.

Because of the water control system, so all of the water that comes onto a mine site in North America is called contact water.

And contact water, then you must gather it up and deal with it in an environmentally responsible manner. Many mines gather that water up, store it, and hope that it evaporates away.

That's the only way to get rid of it. What we're doing is we have water handling facilities that we are going to gather this water up, we're gonna store it,

and then we're building two large water treatment plants as part of our mine development. And at spawning time we'll put that water through the water treatment plant

and put it into three different streams to create spawning habitat. And we've got charts that say 'Ok, here's the volume of water, the meters, or yards, of channel

and this is what the impact will be to increase sockeye salmon, increase Coho salmon, increase spring salmon, or increase trout. We've got all of that done.

Once the mine is finished, and remember this mine is not gonna be finished for 180, 200 years. So it [water treatment facilities] will be there. And obviously if you refurbish regularly,

Once the mine is finished, and remember this mine is not gonna be finished for 180, 200 years. So it [water treatment facilities] will be there. And obviously if you refurbish regularly,

now we actually believe that this water that we gather up will qualify ultimately under environmental standards for discharge without treatment

We've said, so that we don't have to ask the question 'can we discharge it without treatment?' we're building the water treatment plants.

Ronald Thiessen: Anyway. And so we think after 10 or 12 years it'll be

so successful that the state's gonna say 'Can you do more of it in the area and we won't need water treatment.

Those of us who have been in government, I think you guys know that I used to work for President Clinton, in the Clinton Administration,

and so I have a sense of how government is supposed to work. Those of us who have that kind of experience in government are just flabbergasted frankly at the way this administration works.

The left hand often doesn't know what the right hands doing. But most importantly, there are people out there who take it upon themselves to make statements.

They're not attributed statements, so they're off the record statements but the reporters report them using a 'high, official, in-the-government-said'.

And that's what was going on with the Politico story, no source on the record and they were just flat out wrong. And so, by the end of the day on Saturday...

Investigator: What did your contact... Your contact is at the Army Corps?

Tom Collier: That's one of my contacts.

We must have placed more than two dozen calls in to different people at the White House.

And with none of those senior level officials-

Investigator: which level?

Tom Collier: I'm talking about at the level of the Chief of Staff and just below.

I'm talking about the very top levels of government, ok? Now in this administration they can't say to you 'The president is not going to do this'.

All they can say to you is if the president were gonna do this, I would know - and I don't know! And I can also tell you that this has not been discussed in the White House,

not even discussed in the White House. We had people who attended the senior level meetings of the campaign staff.

One theory here is that this is being driven by the campaign for some reason, right? The campaign staff said they had two extensive meetings over the course of the weekend

and this was not discussed in those meetings either. So, when we finally got to the bottom of it what we recognized is that someone in the administration had heard of this letter we got today.

We knew that the letter was coming. We've known it for weeks. It is not a significant letter. As Ron put it, it is a due course letter.

In the American government, particularly in this Administration, there are people who leak things on a regular basis. That's kind of how they try to do their business.

It's shocking to me. You know in the Clinton Administration they would have cut both my hands off if I had leaked something like this,

but here in this Administration there's no discipline, there's no accountability.

There is an ability for Trump, at the conclusion of this process, to veto the project but again Trump needs a scientific record to do that and he doesn't have one.

And Trump has some other problems. In order to veto this project as part of this process there is a set out course of action you have to take, certain steps you have to take at certain times.

You have to announce that you've got some questions that you think are important enough in order to keep this open to preserve the possibility of a veto.

And you have to do that at the time the Draft Environmental Impact Statement is published, so a year ago. That's called a 3A letter.

EPA filed a 3A letter. Yes, they preserved their right to be able to veto. But then – let me take you forward – the next step is they have to file a 3B letter, which says 'after looking at this further,

we still think we might file a 3B letter.' The 3B letter had to have been filed about nine months ago. They got a couple of extensions on it, but ultimately they decided not to file the 3B letter.

So they got out of the process. They did not check the box they gotta check in order to veto this! Now, the courts have never finally ruled whether a president could veto a project

without filing a 3B letter, but the process says he must file a 3B letter in order to veto. So we're in pretty good shape.

EPA has indicated its clear intent not – the Trump EPA – not to veto this process. And again, even if they decided they wanted to, they don't have a scientific record that justifies it.

So we're in – Practically there's no risk that the Trump EPA is gonna veto. There's just no risk.

Investigator: And have you confirmed all this with – what's the name of the administrator? Mr. Andrew Wheeler? Have you been able to confirm all that?

Tm Collier: Not with Andrew Wheeler, because Andrew Wheeler is recused.

We hired Andrew Wheeler's firm years ago to help us. So when Andrew Wheeler became the Administrator of EPA,

he had to put us on a list of things that he could not deal with while he was Administrator. He had to recuse himself. So he appointed the General Counsel of EPA to make all Pebble decisions.

Tom Collier: And yes, we have confirmed that with the General Counsel of the EPA.

Investigator: Who is this person?

Tom Collier: His name is Matt Leopold. Now, just to make things as complicated as they could possibly be, which is the way American politics works,

Matt Leopold has recently announced that he's leaving his job as General Counsel of EPA.

And it will be Matt's deputy that will be making those decisions

but we have confirmed this with both of them.

Investigator: So they are all in agreement that Pebble should go on?

And the interesting thing here about this decision that makes it better for us is if they do nothing, we prevail.

So they'd have to take some action in order to stop us, and there's just no way they're gonna put their head up and take this kind of action,

especially given the record they've developed so far where they officially said they were not gonna file a 3B letter.

Investigator: So they just have to look the other way and that's good for us

Tom Collier : That's correct. Go outside and take a smoke and we're done, right.

Pebble itself has 450 square miles of mineral claims, or I'm sorry 425 square miles of mineral claims, and so there could be more mines on the Pebble lands over time.

We have other sites that we've drilled into and we have ore-grade mineralization in other areas in that 425 square miles but we don't talk about it too much

because right now we want people to focus on only Pebble, not that there's gonna be a dozen mines built here, but it's gonna be Pebble alone in that area.

Investigator: But in your reality how many more mines are there gonna be?

Ronald Thiessen: Well you know there, so I mean listen the first mine is 180 years long, Pebble.

There's no rush for the other ones but I think ultimately, it's like you can say like Escondida, like Los [unclear], like Chuquicamata, you could see, you know, three to four mines in the area.

But that might be over a century.

Investigator: Yea, that's exactly what I was about to say. So that would be, say, three, four – in reality what's at stake here is three, four mines for a century in the region?

Ronald Thiessen: Yes

Have you shared your plan or what the plan is about of having several other mines in pebble with the Army Corps? What have they said about that?

Ronald Thiessen: So... Yes, we have.

More about the extension of the original mine to subsequent years. They took a look at downstream, the kinds of things that would need to be considered

and they did take some of that into account but because we are only applying for a 20-year mine life most of this will be addressed sometime in the next 20 years.

Investigator: Mhmm. And it's important to not make it public now I understand.

Ronald Thiessen: Yes.

So we've, with respect to other mines, typically we share that

information under
the NDA with the other potential partners, the mining operating
partners.

you can see it, there's a picture in our presentation and it's induced
polarization. It's a picture of the 425 square miles and it's got a
bunch of dots on it.

Each one of those little dots represents potentially another mine
site.

And so the army corp when they made their decision,
they took into account that. Its not Public but

Ron Thiessen: Yes

Investigator: -- ah. I understand

So they are already thinking along your side guys on the
big development expansion and are planning in this way?

Ron Thiessen: Yes. Yes. We've told them that there are two ways we
would expand.

The most obvious one is the extend the mine life, the mining license
by 20 to 40 years,

once we know the next methodology, block caving, open pit, or a
combination of the two.

And then the other expansion potential is to expand the mill from
180,000 tons a day to say 320,000 tons a day.