

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.