



February 6, 2020

James Gorman  
Chairman and CEO  
Morgan Stanley  
1585 Broadway Avenue  
New York, NY  
USA 10036  
E-Mail: [james.gorman@morganstanley.com](mailto:james.gorman@morganstanley.com)

Re: Northern Dynasty Minerals and the Pebble Mine

Dear Mr. Gorman:

On behalf of NRDC and its 3 million members and conservation activists, I write, first, to applaud your commitment to sustainability in investing, as demonstrated by your company's Institute for Sustainable Investing, its recent Sustainable Investing Summit, and, covering a wide range of topics from climate to plastics to sourcing to governance, the extensive content on your website describing your views on environmental and social responsibility ("ESG").

We strongly endorse, for example, your understanding of ESG best practices that:

Investing in companies that lead in environmental, social and governance best practices is no longer niche—it's one of the strongest ways to help ensure long-term, sustainable returns. . . .

The global zeitgeist has shifted, with more people embracing the tenet that what is good for the planet is good for all of us, raising sustainability as the new imperative for good business, corporate stewardship and economic growth.

And we agree that "[a]nalyzing companies' environmental, social and governance behaviors is essential in determining the viability of long-term returns." Since the January 2018 letter from BlackRock's Laurence Fink, this message to CEOs, board members, and investors has reverberated like a blast of fresh air. It promises a new era in investing, focused not just on short-term corporate profits but on long-term sustainability.

With this in mind, I write more specifically today to express our concern about Morgan Stanley's continuing financial relationship to one of the most dangerous development projects anywhere in the world today. Called the Pebble Mine, it is a massive open pit gold and copper mine proposed to be sited at the headwaters of the greatest wild salmon ecosystem on Earth. The project's 100

**NATURAL RESOURCES DEFENSE COUNCIL**

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percent owner today is Northern Dynasty Minerals – a small, financially challenged Canadian company with no other assets.

Over the past decade, the embattled project has been abandoned by four of the world's largest and most respected mining companies, and, since 2011, the company's share price has dropped from over \$21.00 to just \$0.43 today. Notably, a significant majority of Northern Dynasty's shares are now owned by retail investors, who we believe may not be fully informed about the company's business or the myriad risks associated with its only project. According to its January 2020 investor presentation, almost 64 percent of the company's shares are owned by retail investors, while only 20.8 percent are owned by institutions.

As you may know, and as we've been dismayed to learn, Morgan Stanley continues to be a large shareholder in Northern Dynasty despite divestment from that company by its most knowledgeable large institutional investors (i.e., the major mining companies). With 3,648,714 shares as reported in September 2019, Morgan Stanley is currently the fourth largest institutional investor in Northern Dynasty. We were further surprised to learn that, as of that report, Morgan Stanley had recently increased its holdings in the company by 136 percent – a direction fundamentally inconsistent with your well-expressed environmental, social, and financial commitments referred to above given the risk that Northern Dynasty's Pebble Mine project poses to one of the greatest and most productive wild ecosystems on the planet.

For many years, the people of Bristol Bay in overwhelming numbers – joined by NRDC and a broadly diverse coalition of stakeholders around the world -- have successfully opposed this reckless, highly unpopular, and unsustainable project, and we intend to continue that opposition for as long as it takes to ensure that the Pebble Mine is stopped once and for all. I attach for your consideration several recent documents reflecting the intensity and resolve of this longstanding opposition in Bristol Bay.

Because of Morgan Stanley's association with Northern Dynasty and therefore with the Pebble project, we suspect that the information provided to you by the company may not reflect the balance and accuracy that, as an investor or investment advisor, you need and have a right to expect. Our hope in contacting you is to begin to address that imbalance, because we believe it is important for you to understand the reasons why this particular project continues to engender such widespread opposition, why we believe the project is ultimately certain to fail, and why we believe it is a bad investment, uniquely unworthy of your financial participation or support and in conflict with Morgan Stanley's own core principles of investment stewardship.

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To that end, we urge you to consider the following:

First, to be clear, this is not a dispute about the merits of mining. We need minerals, and we need mining. But Pebble has long been uniquely detrimental to the industry as, at regional, state,

national, and international levels, it has become one of the most widely condemned mining projects anywhere today -- an environmental, social, and financial pariah on a global scale. This is neither opinion nor hyperbole; it is objective fact -- a rare consensus of condemnation reflected in the reality that the Pebble Mine has been

- intensely opposed for years by 80 percent of the residents in Alaska's Bristol Bay region -- that is, by the people who live there;
- abandoned over the past nine years by four of the largest mining companies in the world -- Mitsubishi Corporation, Anglo American, Rio Tinto, and First Quantum Minerals;
- described by the U.S. Environmental Protection Agency, after years of peer-reviewed scientific study, as potentially "catastrophic" in its environmental impacts;
- dismissed repeatedly "as the wrong mine in the wrong place" by a consensus of former EPA Administrators for every Republican President (except Ford) since EPA was created -- Nixon, Reagan, George H. W. Bush, and George W. Bush.
- denounced in 2016 by the IUCN World Conservation Congress, which voted virtually unanimously to oppose the Pebble Mine and urge the United States government to deny permits;
- opposed by 60 jewelry companies around the world, led by Tiffany & Co., which has concluded that it poses a "dire threat to the remarkable Bristol Bay ecosystem, and the world's most productive salmon fishery it sustains," and, repeatedly, that "there are certain places where mining should simply never occur. Alaska's Bristol Bay is one such place";
- condemned in 2017 as a "value-destroying boondoggle" by New York-based investment firm Kerrisdale Capital, which, based on a thorough financial analysis, concluded that the "Pebble project is doomed: politically impaired and commercially futile . . .";
- rejected in 2013 and 2018 by trustees for several of the largest pension funds in the country -- CalPERS, CalSTRS, NYPERS, and NYCERS;
- repudiated by a 65% majority of Alaskan voters in a 2014 statewide initiative that protects the region's salmon from destructive projects like Pebble;
- targeted in 2019 by the U.S. House of Representatives, which passed an appropriations package with an amendment barring funding for the Pebble Mine permitting process, and by Alaska's Senior Senator Lisa Murkowski, whose Interior, Environment, and Related Agencies Appropriations Subcommittee approved report language, enacted by the full Congress, calling on the Army Corps to address deficiencies in the permitting process;
- censured in 2019 at a House Transportation and Infrastructure Subcommittee hearing by Chair Peter DeFazio, calling the Pebble Mine "a bad idea made even worse by the sham review process currently underway" and, in a follow-up letter, calling the permit process "so fundamentally flawed and inadequate as to preclude any meaningful review on the likely impacts"; and

- opposed in December 2019 by West Virginia Senator Joe Manchin, a long-time friend of mining and ranking member of the Senate Environment and Public Works Committee, stating “there's no way, shape or form that the Pebble Mine should go forward when you are basically going to have the chance at ruining one of the greatest fisheries in the world. That doesn't make any sense to me at all.”

Thus far, almost four million public comments have been submitted in opposition to Pebble through a range of public comment processes from 2014 through 2019, and the numbers are certain to continue to grow.

Second, it is the unacceptable and irremediable location of this massive project – whether permitted in twenty-year phases as currently proposed by the company or all at once – that has most animated the breadth and intensity of Pebble’s opposition, and, as Mitsubishi, Anglo American, Rio Tinto, and First Quantum discovered, it is this issue on which economic and technical feasibility ultimately depends. There is no dispute that Pebble’s open pit would be gouged from the pristine tundra at the top of the watershed that feeds the most productive wild sockeye salmon fishery on the planet. Last summer alone, that fishery produced over 58 million fish, and every year it generates revenue of \$1.5 billion and jobs for 14,000 people.

Bristol Bay is the “Fort Knox” of sockeye salmon on Earth – the source of 50 percent of global supply -- and the sustainable economic engine of southwest Alaska, fueled by both commercial fishing and recreation. And it sustains the people and wildlife of Bristol Bay who have subsisted on its natural bounty for centuries. As Pebble goes, so goes the watershed, with an essentially eternal supply of food pitted against a vast contaminated mining district. And the people of Bristol Bay have inalterably chosen the food.

Third, despite what Northern Dynasty has said publicly and may have assured Morgan Stanley’s analysts privately, EPA’s Bristol Bay Watershed Assessment remains the definitive peer-reviewed scientific confirmation that the watershed and its resources would be irreparably harmed by this project – even if (hypothetically) the mine were to operate flawlessly. It confirmed, too, that if there is a breach – from many foreseeable causes, releasing contaminants through a range of exposure pathways in this seismically active and hydrologically complex region -- the consequences could be “catastrophic.” While Northern Dynasty has chosen to dismiss this multi-year scientific process, the people of Bristol Bay will not.

Fourth, all but dead in 2016, the project was given new life by the Trump Administration, and, as a result, the Pebble Mine is currently the focus of a permitting process by the U.S. Army Corps of Engineers. That process, however, has no potential to address the concerns that have plagued and beleaguered this project for so many years. Despite hundreds of thousands of comments being submitted during the most recent public comment period last year – overwhelmingly critical of the agency’s accelerated process and flawed draft environmental review – the agency has made clear that it intends to accelerate its permit process to conclusion, in derogation of any meaningful review.

According to the Department of the Interior, the draft is “so inadequate that it precludes meaningful analysis.” The EPA concluded that “Pebble may have substantial and unacceptable effects” on fisheries in Bristol Bay, and the Fish and Wildlife Service and the National Marine Fisheries Service, too, raised a range of similarly significant issues. According to Alaska’s senior Senator Lisa Murkowski, “the Corps’ DEIS has failed to meet my standard of a robust and rigorous process.” On this deficient record, litigation is a certainty and the risk of reversal by the courts of any permit a high likelihood.

Mr. Gorman, any prudent investor ignores this unique history at its financial and reputational peril. If you continue to invest in disregard of the unavoidable risk to the greatest wild salmon ecosystem on Earth and the people and wildlife that depend on it – or if you assist your clients in doing so -- you do so with the knowledge that NRDC and the coalition of Alaska stakeholders that we support are committed to continue, for as long as necessary, doing whatever we can to ensure that Pebble is stopped, Bristol Bay is protected, and the watershed that feeds it doesn’t fall victim to reckless desperation of Northern Dynasty.

We believe the unique circumstances and history of the Pebble Mine should matter to Morgan Stanley, because your company can’t credibly argue that it is playing no part in the resurrection of this socially and environmentally toxic project. Consistent with your commitment to social and environmental responsibility, we urge you to do all that is within your power to dissociate your company and any of your clients from Northern Dynasty.

To be clear, we’re not asking Morgan Stanley to make a moral judgment. Objectively, the Pebble Mine is a bad social, environmental, and financial investment. Indeed, the Pebble Mine is one of the best examples of the worst the world has to offer – an unconscionable scheme by an underfunded company to enrich itself by impoverishing the irreplaceable natural heritage of Bristol Bay. Given this, we ask what it is that you and your colleagues at Morgan Stanley hope to hear from Northern Dynasty, the Army Corps, or anyone else that, in the face of this unreasonable risk and broad-based condemnation, could justify proceeding with such a project in such a place?

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The fate of the Pebble Mine at the headwaters of the 40,000-square mile Bristol Bay watershed may be the most consequential land use decision in North America today, pitting an essentially eternal supply of food against an essentially eternal supply of poison. It is absolutely “the wrong mine in the wrong place,” and the time for Morgan Stanley to act is now. Because if a project as environmentally destructive as this one, as intensely opposed by the people who live there, as widely condemned at regional, national, and international levels – if such a project can comfortably co-exist with your vision of corporate social responsibility, then that vision is just business as usual.

Mr. James Gorman, CEO

February 6, 2020

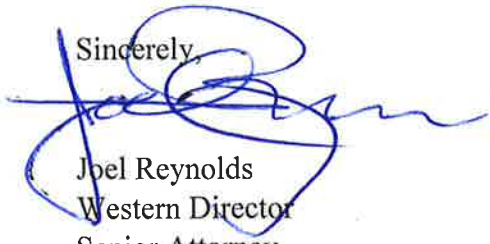
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Your commitment to sustainable investing is compelling, full of promise for a better world. But Morgan Stanley's significant relationship through Northern Dynasty to the Pebble Mine is fraught with financial and reputational risk for your investors, inconsistent with the long-term financial, environmental, or social sustainability that is the focus of your commitment. If that relationship continues, then your inaction will speak louder than words, and the story it tells will have nothing inspirational to say about your commitment to social and environmental responsibility.

As CEO of Morgan Stanley, you have the power to change that – and we hope you will. We would welcome the opportunity to discuss this matter with you and members of your board at your convenience.

Thank you once again for your leadership on ESG and your commitment to the principle that “what is good for the planet is good for all of us, raising sustainability as the new imperative for good business, corporate stewardship and economic growth.”

Sincerely,



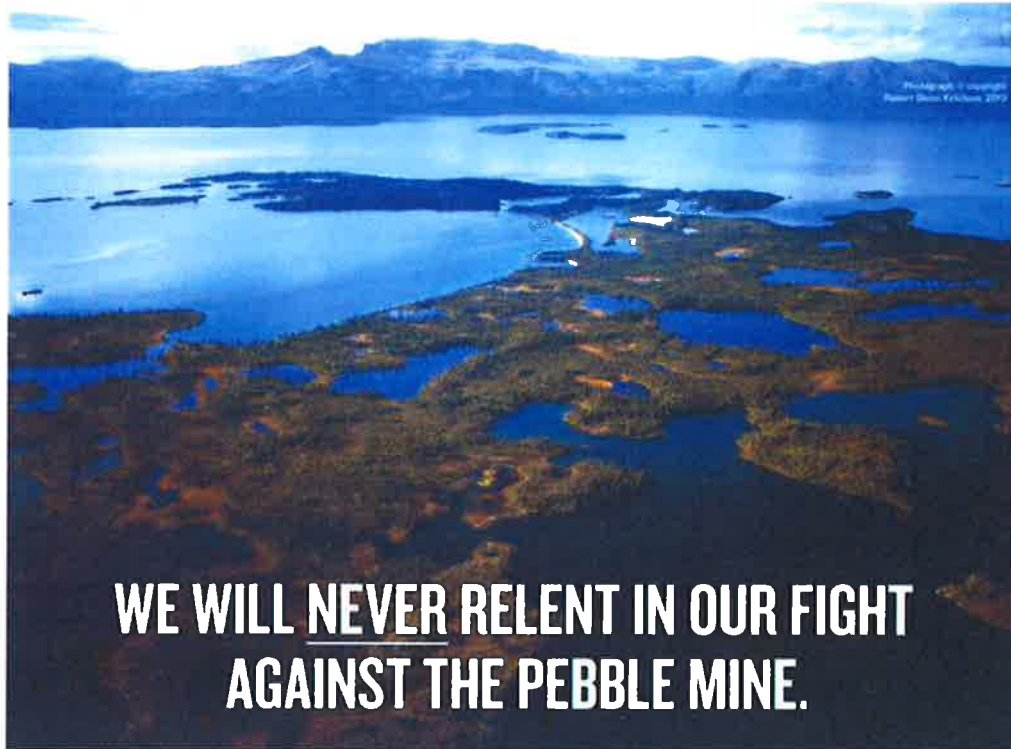
Joel Reynolds  
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Senior Attorney

cc: Tom Glocer  
Hutham Olayan  
Bob (Robert) Herz  
Ray Wilkins  
Jami Miscik  
Perry Traquina  
Nobuyuki Hirano  
Alistair Darling  
Elizabeth Corley  
Stephen Luczo  
Dennis Nally  
Mary Schapiro  
Takeshi Ogasawara  
Audrey Choi, Chief Sustainability Officer

# The New York Times

June 21, 2019

## A MESSAGE TO INVESTORS



**Because Bristol Bay, Alaska, is a national treasure, and its people, wildlife, and the greatest wild salmon fishery on earth depend on it.**

- **The proposed Pebble Mine** is a uniquely reckless project that, according to the U.S. Environmental Protection Agency, could have catastrophic consequences for a thriving local economy; indigenous ways of life; the region's waters and wildlife; and a commercial fishery that generates \$1.5 billion annually, supports 14,000 jobs, and supplies half the world's wild sockeye salmon.
- **Four of the largest mining companies** in the world — Mitsubishi Corporation, Anglo American, Rio Tinto, and First Quantum — determined that the Pebble Mine is a bad investment and backed out of the project.
- **EPA administrators** for Presidents Nixon, Reagan, George H. W. Bush, and George W. Bush called the Pebble Mine "the wrong mine in the wrong place."
- **The 170-nation World Conservation Congress** voted virtually unanimously to oppose the Pebble Mine and urge the U.S. government to deny permits.
- **Local, state, national, and international groups** stand shoulder to shoulder with the native tribes and communities of Bristol Bay against the Pebble Mine.
- **If the Trump administration** rubber-stamps the Pebble Mine, it will do so in defiance of scientific consensus, world opinion, and overwhelming local opposition.

**THIS RECKLESS SCHEME CARRIES UNPRECEDENTED RISK.**  
**CALL ON THE TRUMP ADMINISTRATION TO STOP THE MINE: [NRDC.ORG/STOPPEBBLE](https://www.nrdc.org/stoppebble)**





# The Washington Post

May 1, 2019



## "THE PEBBLE MINE IS THE WRONG MINE IN THE WRONG PLACE"

**T**he question of whether to build a massive open pit copper and gold mine in the heart of the planet's largest wild sockeye salmon fishery has a simple answer. The Pebble Mine is the wrong mine in absolutely the wrong place, and the answer is no.

As proposed, the Pebble Mine would produce more than a billion tons of mining waste in the headwaters of the streams and rivers that flow into Alaska's Bristol Bay. The 40 million to 60 million sockeye salmon that return each year to spawn in the Bristol Bay watershed support the largest commercial salmon fishery in the world, fueling a \$1.5 billion economy and 14,000 jobs.

In 2014, the U.S. Environmental Protection Agency completed a thorough four-year review of the mine and its impacts on the watershed. The study found that the mine would destroy pristine wetlands, that roads and pipelines would slice through salmon-spawning streams, and that toxic chemicals would threaten Bristol Bay's waters.

Alaska Native communities have assessed the mine's impacts on their livelihoods and way of life and have reached the same conclusions. Commercial fishermen in Alaska say that "large-scale mineral development activities present serious risks for the Bristol Bay salmon fishery." They are among the 65 percent of Alaskan voters who believe the Pebble Mine poses an unacceptable threat to the state's fishing industry.

Even the mining companies initially backing the Pebble Mine have concluded it's a losing proposition.

The mining giant Rio Tinto abandoned the project in 2014. Anglo American withdrew its 50 percent stake in the project in 2013, taking a \$500 million loss in the process. Mitsubishi Corporation sold out in 2011. In 2013, First Quantum Minerals terminated negotiations for participation in the project.

Understanding the project's risks, and at the request of Alaskan tribes, the EPA pledged to use the federal Clean Water Act to protect Bristol Bay. Unfortunately, the last remaining company in the Pebble Limited Partnership sued to stop the Clean Water Act process, falsely claiming the EPA was acting outside of its authority.

Before the lawsuit was resolved but within months after the Trump Administration began, the EPA, then under the direction of Administrator Scott Pruitt, agreed behind closed doors to reverse course, settling the Pebble Partnership's lawsuit and abandoning the science-based Clean Water Act process intended to protect the Bristol Bay region and its fishery.

We oppose the Trump Administration's efforts to sweep nearly a decade of science and Clean Water Act review under the rug. The record is clear: The Pebble Mine is fundamentally flawed—it's the wrong mine in the wrong place.

And the choice is simple. Protect the greatest salmon fishery on the planet. Protect Alaskans and the Bristol Bay watershed.

Signed,

**William D. Ruckelshaus**  
EPA Administrator,  
Presidents  
Richard Nixon and  
Ronald Reagan

**William K. Reilly**  
EPA Administrator,  
President  
George H. W. Bush

**Bruce Babbitt**  
Secretary of the Interior,  
President  
William J. Clinton

**Christine Todd Whitman**  
EPA Administrator,  
President  
George W. Bush



[WWW.NRDC.ORG/SAVEBRISTOLBAY](http://WWW.NRDC.ORG/SAVEBRISTOLBAY)



# POLITICO

October 22, 2019



**DON'T LET  
POLITICS TURN THIS**



**INTO THIS**

The Trump Administration is ignoring science in favor of politics to advance the Pebble Mine, at the headwaters of Alaska's Bristol Bay. Despite extensive studies documenting that the mine will do irreparable, perhaps catastrophic harm to the region's world class wild salmon fishery, political insiders are pushing the mine through the permitting process at a record pace.

It's time to listen to the science and stand with the people of Bristol Bay in their fight to **stop the Pebble Mine.**



COMMERCIAL FISHERMEN  
FOR  
BRISTOL BAY





**united**  
TRIBES OF BRISTOL BAY



**FOR COMMERCIAL FISHERMEN  
BRISTOL BAY**



January 23, 2019

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

Dear Mr. Collier:

On behalf of the people of the Bristol Bay region, we write to register our strong disagreement with statements made in your December 11, 2018 letter to the Bristol Bay Native Corporation ("BBNC") and substantially reiterated in a January 9, 2019 follow-up letter from your staff.<sup>1</sup> Repeatedly you emphasize the word "responsible" in describing your plans for development of a mine at Pebble, and you express frustration that nevertheless "BBNC continuously refuses to have a detailed discussion about our issues and potential partnering initiatives" and warn that the "window for decisions is closing"-- that the "worst possible outcome for BBNC and its shareholders is for Pebble to secure permits to operate a mine with BBNC standing on the sideline watching as others enjoy the economic benefits."

To be crystal clear, **we remain committed to doing everything within our power to protect the Bristol Bay region from the Pebble Mine.** While we hear your frustration at the continuing opposition to your project by BBNC and so many others, your correspondence, in language and substance, reflects again the kind of clumsy duplicity and hollow assurances that, over the past decade, have plagued the Pebble project and its last remaining partner, Northern Dynasty Minerals. Rather than "elevating a fact-based discussion about the project," as you claim, your letters to BBNC -- and your refusal to concede the legitimacy of any of its articulated concerns -- reflect only the latest attempt, through misstatements, omissions, and arrogance, to elevate the

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<sup>1</sup> Letter from Thomas Collier, The Pebble Limited Partnership, to Daniel Cheyette, BBNC (Dec. 11, 2018); Letter from Abe Williams, The Pebble Limited Partnership, to Daniel Cheyette, BBNC (January 9, 2019).



desperate financial interest of Northern Dynasty over the interests and long-expressed opposition of the region's residents.

Consider, for example, the following:

### **1. History of Pebble Partnership**

Over the past eight years, the Pebble project has been abandoned by Mitsubishi Corporation (2011), Anglo American (2013), Rio Tinto (2014), and First Quantum Minerals (2018) -- not for reasons of misrepresentations by others about the project's risks; indeed, these global mining companies are eminently qualified to assess mining value and risk. Each certainly had the benefit of travelling "to the site to view our operation and our commitment first hand." Each left the project after concluding, based on their own due diligence, that better economic opportunities lie elsewhere, with partners other than Northern Dynasty. And, as you well know, Northern Dynasty has itself been seeking to sell its interest in Pebble since at least 2011 and, most recently, has cited the possibility of a buy-out once a DEIS is issued.<sup>2</sup> Because Northern Dynasty is entirely invested in the Pebble prospect, the company -- and any prospect for its major shareholders to recoup their financial losses -- depend on attracting such a buyer or other significant funders.

### **2. Failure to Provide Economic Feasibility Analysis**

Under these circumstances, the continuing lack of an "economic feasibility study" of the project is inexplicable, and your assurance that such an analysis "remains on your to-do list" is unacceptable and manifestly non-responsive. Since you have previously promised a study by the end of last year,<sup>3</sup> a more likely explanation for its continuing absence is your concern that a competent economic analysis of what you refer to as the "new smaller, more environmentally responsible project" proposed for permitting would underwhelm any reputable investor interested either in making a profit or in being assured of Pebble's financial viability.

When the Army Corps of Engineers' contractor AECOM submitted a formal request for such an analysis last September, Northern Dynasty declined, citing a Canadian securities regulation enacted to ensure that misleading, erroneous or fraudulent information relating to mineral properties is not published or promoted to investors on the stock exchanges overseen by the Canadian Securities Authority. Our repeated requests, too, have simply been ignored.

### **3. Disregard for Objections to Accelerated Permitting Schedule**

Far from listening to the concerns of Bristol Bay's residents, as you claim, you have also ignored our repeated objections to the unreasonably accelerated schedule for permitting by the Army Corps -- something you characterize as a "red herring." It is disingenuous for you to assert, in reply to these concerns, that meaningful public participation "is not about lengths of timelines to complete the process nor is it about page lengths of given documents" -- as if those aspects of the

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<sup>2</sup> Frank Curzio, Interview with Ron Thiessen, Wall Street Unplugged (Dec. 20, 2017).

<sup>3</sup> Elwood Brehmer, *Pebble owners working to refine economics of smaller plan*, Alaska Journal of Commerce (Apr. 11, 2018), available at <http://www.alaskajournal.com/2018-04-11/pebble-owners-working-refine-economics-smaller-plan#.XBqJWXRKg2w>.

process have nothing to do with either the thoroughness and transparency of the review or the ability of the public to engage.

In fact, for a project like Pebble – given its complexity, controversy, risk, data gaps, and significant post-application changes in scale and description – such concerns go to the very heart of the credibility of the process and the trustworthiness of both the applicant and the regulator. Your generalized assurance of a “thorough review in a timely fashion in a way that is helpful for concerned stakeholders” does nothing to ensure, as you describe it, a “thorough, objective, and transparent review of the data presented by the applicant.”

#### **4. Failure to Disclose Personal Financial Interest**

Our concern about schedule is reinforced on a more personal level by your own financial stake in early completion of the federal permitting process. As BBNC noted in its recent letter to you, “[y]our employment contract guarantees you an ‘extraordinary bonus’ of \$12.5 million if PLP obtains a ‘positive ROD’ from the Corps of Engineers within four years of the date of PLP’s application.”<sup>4</sup> This staggering bonus – above and beyond your PLP annual compensation (in 2017: CAN \$2,357,744) – exceeds even the \$5,274,000 “success fee” owed by the end of 2018 to Pebble’s counsel (presumably Steptoe and Johnson, with which you have long been associated) for reaching an agreement with former EPA Administrator Scott Pruitt to settle Pebble’s litigation against EPA.<sup>5</sup> Your personal financial interest in an accelerated schedule presents the appearance of (or an actual) conflict of interest at odds with your assurances about the adequacy of the permit process. This question, too, you have ignored.

#### **5. Pattern of False or Misleading Statements**

If trust is your goal, other questionable assurances have also been consistently counter-productive, including, for example, your unequivocal endorsement on national television of the absurd proposition that “you are going to be able to put a clean mine up there that’s going to have no effect.”<sup>6</sup> In fact, thousands of acres of pristine wetlands will be destroyed just in construction of the mine footprint, not to mention hundreds of stream crossings and attendant degradation of critical salmon habitat. Similarly, by minimizing or failing to mention the complex connections between ground and surface waters in the upper watershed, your public statements intentionally suggest a hydrological isolation of the site that not only materially understates risk but, as BBNC has pointed out, is belied even by Pebble’s own Environmental Baseline Document.

You assert that you “are absolutely convinced [the project] will not harm the fishery in Bristol Bay” – indeed, that your “sophisticated models ... show we can have a potentially positive

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<sup>4</sup> Letter from Daniel Cheyette, BBNC, to Thomas Collier, The Pebble Partnership, Dec. 7, 2018; *see also* Northern Dynasty Minerals Ltd., Notice of Annual General Meeting of Shareholders and Information Circular (May 16, 2018), p. 20, available at <https://www.sec.gov/Archives/edgar/data/1164771/000106299318002329/exhibit99-3.htm>.

<sup>5</sup> Northern Dynasty Minerals, Ltd., Condensed Consolidated Interim Financial Statements (September 30, 2018), at 19, available at <https://www.sec.gov/Archives/edgar/data/1164771/000149315218016262/ex99-1.htm>.

<sup>6</sup> Drew Griffin, Scott Bronstein and John D. Sutter, *EPA head met with a mining CEO -- and then pushed forward a controversial mining project*, CNN (Oct. 24, 2017), available at <https://www.cnn.com/2017/09/22/politics/pebble-epa-bristol-bay-invs/index.html>.

impact on fish habitat ...” -- and Northern Dynasty CEO Ron Thiessen, too, has claimed that Pebble “will enhance the fisheries.” This kind of technological arrogance only undermines your credibility and, ultimately, public confidence. By contrast, on the basis of its twice peer-reviewed scientific risk assessment – the Bristol Bay Watershed Assessment – EPA concluded that mining of the scale contemplated at the Pebble deposit would result in “significant and unacceptable adverse effects” to important fishery areas in the Bristol Bay watershed,<sup>7</sup> that the Pebble Mine would have “significant” impacts on fish populations and streams surrounding the mine site, and that a tailings dam failure would have “catastrophic” effects on the region.<sup>8</sup>

#### **6. Mischaracterization of EPA Review Requested by Bristol Bay Residents**

Your opposition to the EPA process is, of course, one more example of your disregard for the concerns of the people of Bristol Bay. EPA’s review was formally requested by the region’s tribes, and the agency’s resulting administrative process was endorsed and supported in overwhelming numbers by Bristol Bay’s residents at every opportunity. Formal comments from the region submitted during the final public comment period, for example, supported EPA’s watershed assessment by a staggering 98 percent, as did 84 percent of all comments from Alaskans. While Pebble’s opposition to EPA’s review was in no way surprising, it was a definite outlier, motivated by transparent self-interest.

Notably, you suggest through citation to the House Science Committee that the process was somehow tainted with bias, but you fail to mention the contrary conclusion of EPA’s Inspector General after an investigation undertaken at Northern Dynasty’s request. According to that report: “Based on available information, we found no evidence of bias in how the EPA conducted its assessment of the Bristol Bay watershed, or that the EPA predetermined the assessment outcome.”<sup>9</sup> Notably, under the terms of Pebble’s own May 2017 settlement agreement with EPA (at 111.A.3), “EPA may use the Bristol Bay Watershed Assessment without any limitation.”

#### **7. Disregard of Broad Consensus that Pebble is the “Wrong Mine in the Wrong Place”**

Perhaps you have in mind findings like those of EPA when you refer to “correcting the rhetoric that has permeated the public conversation in Alaska about Pebble.” But the problem historically with Pebble isn’t the failure of its underfunded Canadian owner to set the record straight. The fundamental problem is that Pebble is “the wrong mine in the wrong place” -- something you have been told repeatedly for years not only by the people of Bristol Bay but by a wide range of other voices, including EPA Administrators from the administrations of Presidents Nixon, Reagan, George H.W. Bush, and George W. Bush. According to Tiffany and Co., whose

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<sup>7</sup> U.S. EPA, *Proposed Determination of the U.S. Environmental Protection Agency Region 10 Pursuant to Section 404(c) of the Clean Water Act*, Pebble Deposit Area, Southwest Alaska (July 2014), available at [https://www.epa.gov/sites/production/files/2014-07/documents/pebble\\_pd\\_071714\\_final.pdf](https://www.epa.gov/sites/production/files/2014-07/documents/pebble_pd_071714_final.pdf).

<sup>8</sup> U.S. EPA, *An Assessment of Potential Mining Impacts on Salmon Ecosystems of Bristol Bay, Alaska*, 910-R-14-001A (Jan. 2014), available at [https://www.epa.gov/sites/production/files/2015-05/documents/bristol\\_bay\\_assessment\\_final\\_2014\\_voll.pdf](https://www.epa.gov/sites/production/files/2015-05/documents/bristol_bay_assessment_final_2014_voll.pdf).

<sup>9</sup> U.S. EPA, Office of Inspector General, *EPA’s Bristol Bay Watershed Assessment: Obtainable Records Show EPA Followed Required Procedures Without Bias or Predetermination, but a Possible Misuse of Position Noted*, Report No. 16-P-0082 (Jan. 2016), available at <https://www.epa.gov/sites/production/files/2016-01/documents/20160113-16-p-0082.pdf>.

“No Pebble Pledge” has been joined by over 60 jewelers around the world, the question is whether “there are certain places where mining simply should simply never occur,” and its answer is “Alaska’s Bristol Bay is one such place.”<sup>10</sup>

We agree. The unacceptable location of this massive project—whether permitted in twenty-year phases or all at once—is the issue that has most animated the breadth and intensity of Pebble’s opposition. As Mitsubishi, Anglo American, Rio Tinto, and First Quantum discovered for themselves, it is the issue on which economic and technical feasibility ultimately depends.

#### **8. Inconsistency of Current and Future Mine Plans with Regional Concerns**

Your claim to “have spent a lot of time to understand local concerns” is simply not credible. In fact, your refusal to acknowledge or meaningfully respond to the questions or concerns of the people of Bristol Bay – including each of those described above – suggests that you aren’t actually listening at all. Even your central assertion that “we have brought forward a smaller mine plan . . . in direct response to these conversations” is belied by Northern Dynasty’s continuing sales pitch to potential investors about a 200-year, “multi-generational opportunity” at Pebble, grounded on the expectation of full development of a mine far beyond the scale, time-frame, and impacts of what is described in your permit application. In fact, that expansive investor pitch is as inextricably tied today to the financial viability of the Pebble Mine as it was a decade ago – before every one of your major mining partners walked away.

#### **9. Unacceptable Vision for the Future of Bristol Bay Region**

Finally, you state that your project “could dramatically change the political and economic balance in the region . . .,” and this may be true if your vision is a demand for jobs in environmental remediation. But the reckless future you imagine for the region – long after you and Northern Dynasty are gone -- isn’t anything to which the people of Bristol Bay aspire. Indeed, through the Bristol Bay Regional Vision Project, priorities have been explicitly defined in the region, including improving sustainable economic development opportunities, preserving cultural and subsistence resources, and increasing education opportunities for tribal youth. “Large development based on renewable and non-renewable resources must not threaten our land, our waters, or our way of life.”<sup>11</sup>

This vision means maintaining and protecting the incomparable fishery forever as the engine that sustains the people and communities economically, culturally, socially, and environmentally. There is no place for a project that introduces the kind of unreasonable and unavoidable risk posed by the Pebble Mine.

**We will never relent in our defense of Bristol Bay – for our communities, our families, and future generations.**

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<sup>10</sup> Tiffany & Co., Washington Post Ad (Feb. 2018).

<sup>11</sup> Bristol Bay Regional Vision Project, available at <http://www.infoinsights.com/project/bristol-bay-regional-vision/>.



Sincerely,



Robert Heyano  
President  
United Tribes of Bristol Bay



Ralph Andersen  
President & CEO  
Bristol Bay Native Association



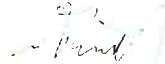
Norm Van Vactor  
President & CEO  
Bristol Bay Economic Development Corporation



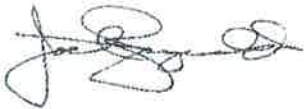
Mark Niver  
Representative  
Commercial Fishermen for Bristol Bay



Scott Hed  
Director  
Alaska Sportsman's Alliance



Tim Bristol  
Executive Director  
Salmon State



Joel Reynolds  
Western Director  
Natural Resources Defense Council

Cc:

Dan Sullivan, United States Senator for Alaska  
Lisa Murkowski, United States Senator for Alaska  
Don Young, United States Representative for Alaska  
Mike Dunleavy, Governor of Alaska  
Cathy Giessel, Senator, Alaska State Senate  
Chris Birch, Senator-Elect, Alaska State Senate

Lyman Hoffman, Senator, Alaska State Senate  
Bryce Edgemon, Speaker, Alaska House of Representatives  
Alicia Sirra, Associated General Contractors of Alaska  
Andrew Wheeler, Acting Administrator, Environmental Protection Agency  
Bruce Tangeman, Commissioner, Alaska Department of Revenue  
Chris Hladick, Region 10 Administrator, Environmental Protection Agency  
Colonel Phillip Borders, Commander, U.S. Army Corps of Engineers, Alaska District  
Corri Feige, Commissioner, Alaska Department of Natural Resources  
Curtis Thayer, Alaska Chamber of Commerce  
Deantha Crockett, Alaska Miners Association  
Douglas Vincent-Lang, Acting Commissioner, Alaska Department of Fish and Game  
Hallie Bissett, Alaska Native Village Corporation Association  
Jason Brune, Commissioner, Alaska Department of Environmental Conservation  
Jason Metrokin, President and CEO, Bristol Bay Native Corporation  
Julia Salmon, Igiugig Native Corporation  
Kara Moriarty, Alaska Oil and Gas Association  
Karen Matthias, Council of Alaska Producers  
Lee Forsgren, Deputy Assistant Administrator for Water, Environmental Protection Agency  
Marleanna Hall, Resource Development Council  
Rebecca Logan, Alaska Support Industry Alliance  
Ronald Thiessen, CEO, Northern Dynasty Minerals  
Ryan Aaberg, Pedro Bay Corporation  
Ryan Fisher, Principle Deputy Assistant Secretary of the Army  
Sue Anelon, Iliamna Natives Corporation  
Trefon Angasan, Alaska Peninsula Corporation  
Ventura Samaniego, Kijik Corporation