



for truth | for process | for pebble

Zales Jewelers  
Attn: Theo Killion, President/CEO  
901 W. Walnut Hill Lane  
Irving, TX 75038-1003

April 16, 2010

Dear Mr. Killion:

The announcement that Zales Jewelers has denounced the mining of minerals in the Bristol Bay region of Alaska and vowed to boycott gold from the proposed Pebble project is outrageous.

Pebble remains an exploration project today, and the Partnership is still working to assess the feasibility of a potential mine at Pebble. It seems premature then – in the absence of a development plan – to publicly oppose a project before all the facts are available. We don't yet know what will be proposed, what the mine may look like, how much of the resource may be developed, how many jobs could be created or the economic impact Pebble may have on the state and region. What we do know is that the economic situation in Bristol Bay is extremely dire and therefore warrants a full evaluation of Pebble.

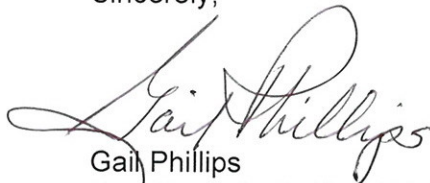
Permanent jobs are scarce in Bristol Bay, and cost-of-living expenses are extraordinary. Fuel, food and electricity are some of the costliest in the country, and many families are leaving the region as a result of these economic challenges. In November 2009, *Alaska Economic Trends* estimated more than 1,600 people had left the region. The report also documented the area tallies the highest rate of unemployment in the state of Alaska – significantly higher than the national average, as well. Pebble could contribute to a year-round economy for the region, create jobs, generate supply and service contracts and provide a substantial local tax base. It may also provide low-cost power and improved infrastructure to Bristol Bay communities.

Pebble is located on state land specifically designated for resource exploration and development. But if the prospect cannot be developed without maintaining the integrity of the Bristol Bay fisheries, the mine will not be built. This assurance is reinforced by Alaska's stringent permitting process. For the project to ultimately become a mine, it would have to meet the highest environmental standards of any mine in Alaska. As the former Speaker of the Alaska House of Representatives, I can personally attest to this.

It is important to understand that the Pebble discussion is not about pitting mining against fishing or choosing one resource over another. It's about pursuing a plan that may allow both to coexist effectively. It is my belief, and the belief of Truth About Pebble, that the project deserves an open and fair hearing with Alaskans and local, state and federal agencies. The Pebble Partnership should be given the right to submit a project plan, go through the permitting process and see if Pebble can be responsibly developed. If the Partnership cannot present a plan that is acceptable to Alaskans and protects existing jobs and resources, then the project should not and will not be built.

While I respect your right to oppose Pebble, or any other project for that matter, your decision to do so before learning all the facts is hasty and cause for great concern. If you are interested in learning different perspectives about Pebble and the process in place to ensure responsible development in Alaska, I would welcome an opportunity to speak with you. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Gail Phillips". The signature is written in black ink and is positioned above the printed name and title.

Gail Phillips  
President, Truth About Pebble

Cc: John Lowe, Jr., Board Chairman