

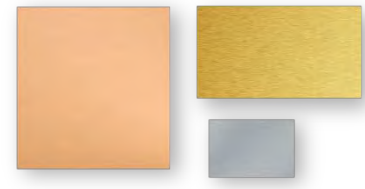


The Alliance

March 2019

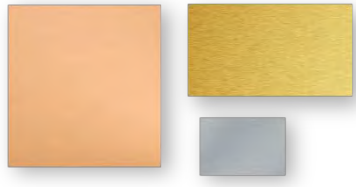


**Ambler Mining District Industrial Access Project
(AMDIAP) UPDATE**



Agenda

1. AIDEA's Role
2. DMTS Model
3. AMDIAP Background
4. Project Purpose
5. Proposed Project
5. Permitting Update/Next Steps
6. Questions/Discussion

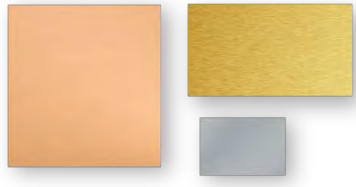


AIDEA's Role

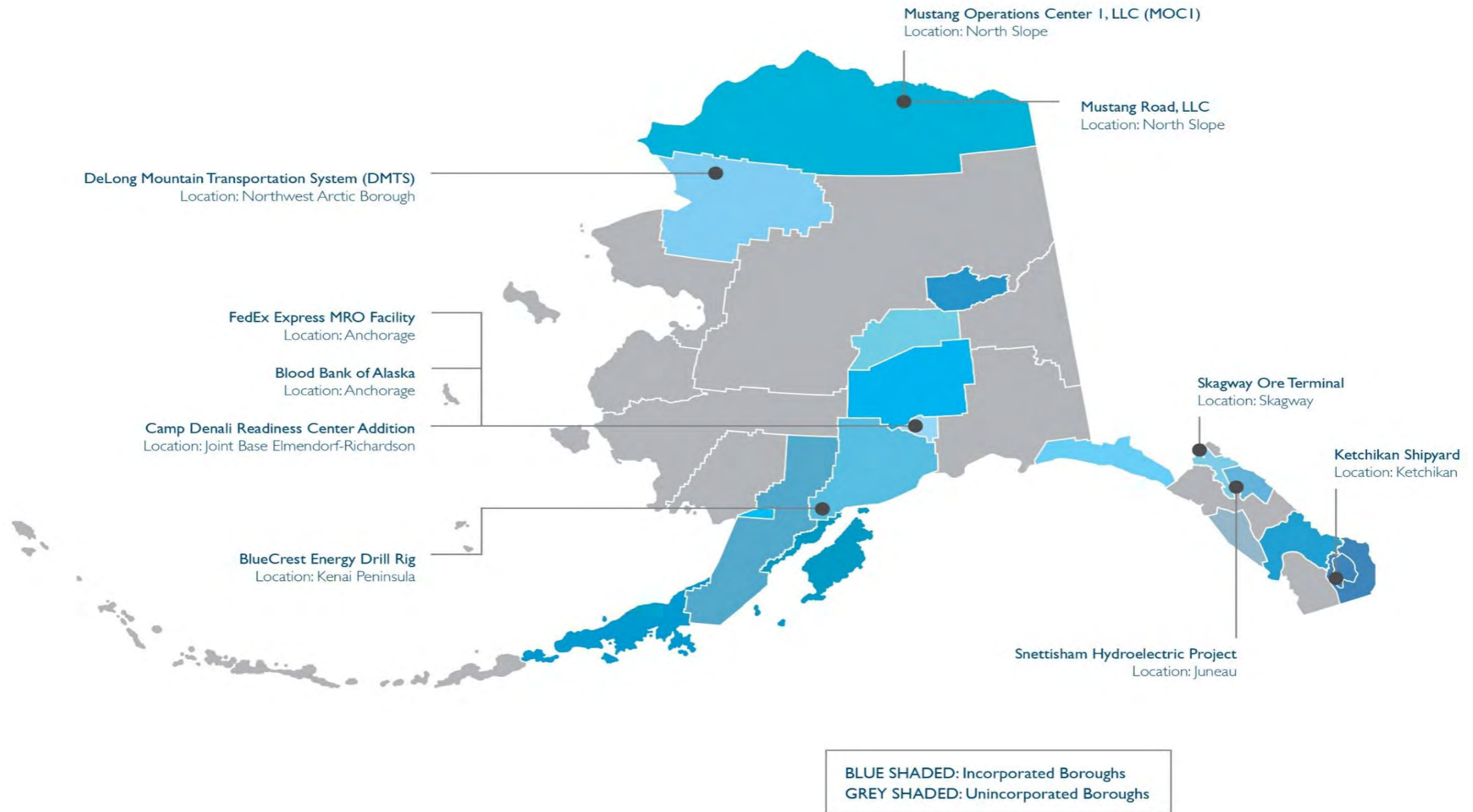
Role Defined in Statute

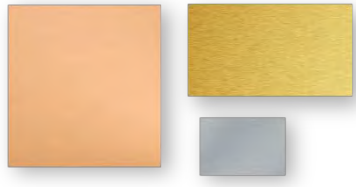
The screenshot shows the website for The Alaska State Legislature. The main header includes a map of Alaska and the title "The Alaska State Legislature". Below the header is a navigation menu with links for HOME, SENATE, HOUSE, BILLS & LAWS, MEDIA CENTER, PUBLICATIONS, and GET STARTED. The main content area displays "31st Legislature(2019-2020)" and "Alaska Statutes 2018". A search bar is visible on the right. The text of AS 44.88.010 is shown, including a paragraph about powers necessary to accomplish objectives and a sub-section (11) about importing private capital. A blue box highlights the text: "(b) It is declared to be the policy of the state, in the interests of promoting the health, security, and general welfare of all the people of the state, and a public purpose, to increase job opportunities and otherwise to encourage the economic growth of the state, including the development of its natural resources, through the establishment and expansion of manufacturing, industrial, energy, export, small business, and business enterprises and the other facilities referred to in (a) of this section by creating the Alaska Industrial Development and Export Authority with the powers, duties, and functions as provided in this chapter." A dotted line connects this box to a larger blue box at the bottom of the slide.

(b) **It is declared to be the policy of the state**, in the interests of promoting the health, security, and general welfare of all the people of the state, and a public purpose, **to increase job opportunities** and otherwise **to encourage the economic growth of the state, including the development of its natural resources**, through the

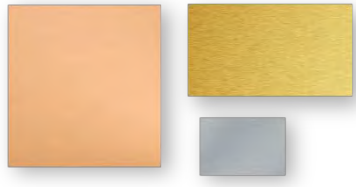


AIDEA's Projects

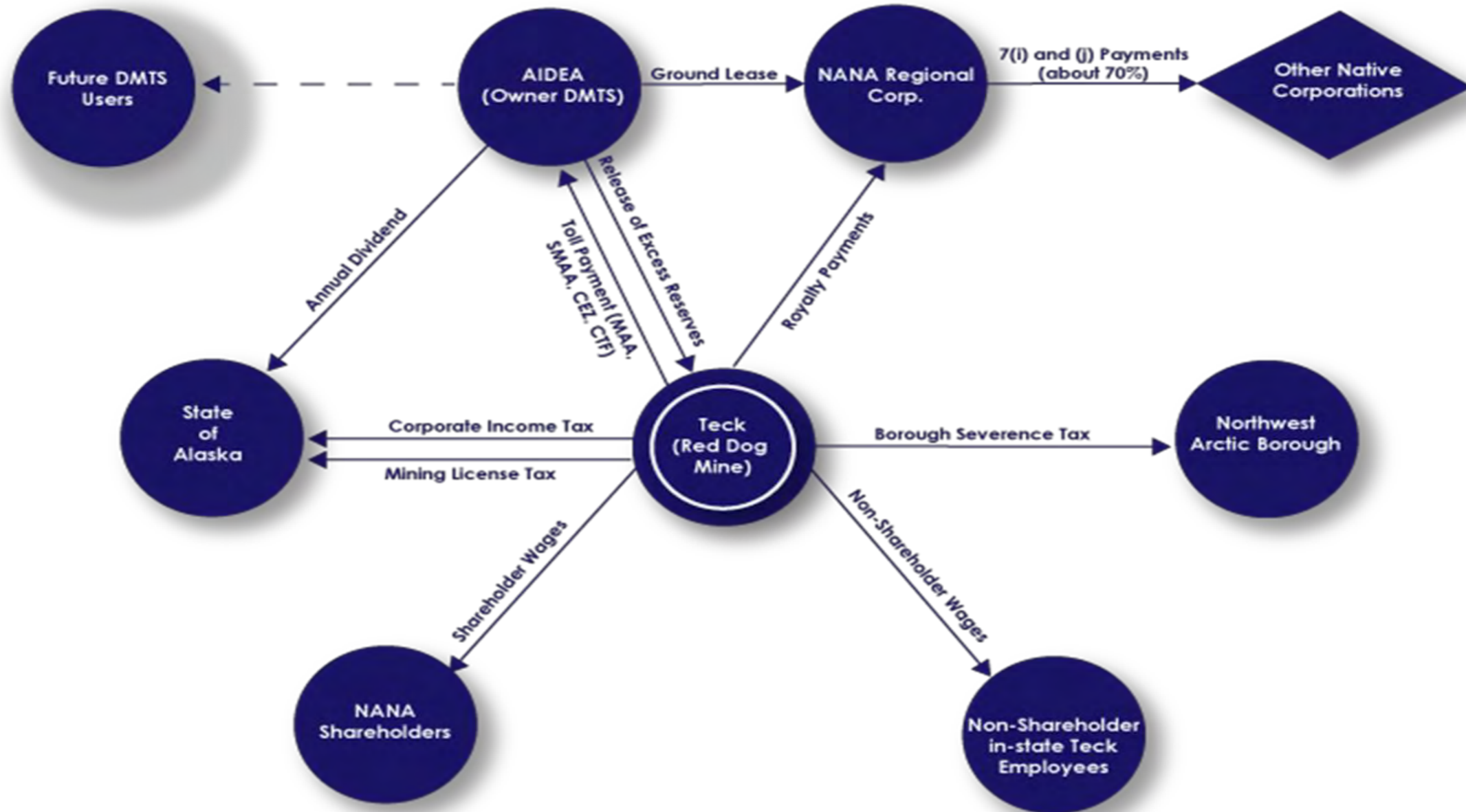




DMTS Project Model



Stakeholders in the Red Dog Mine

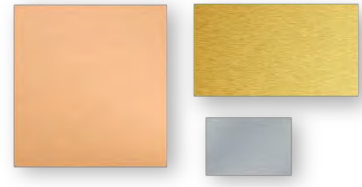




DMTS – Red Dog Success Model

- Employment
 - 2018 – 1,338 Jobs (Direct and Contractors)
 - 55% of year-round Red Dog jobs filled by NANA Shareholders
 - 78% of Teck Alaska workers live in AK
- Northwest Arctic Borough (NWAB)
 - Annual PILT payments (2016 to 2021) estimated at \$14MM to \$18MM
 - Through 2018 \$235 million in PILT Payments
 - New Village Improvement Fund - payments of \$6MM to \$8MM annually
- Native Corporation Participation
 - Royalties to NANA shared through ANCSA Section 7(i)/7(j) payments
 - \$1.2B shared by NANA since 1990
 - 2017 \$247.0MM NANA royalty; \$156.4MM shared

Sources: North of 60 Mining News March 2019 (NANA – ‘Two worlds, one Spirit’)



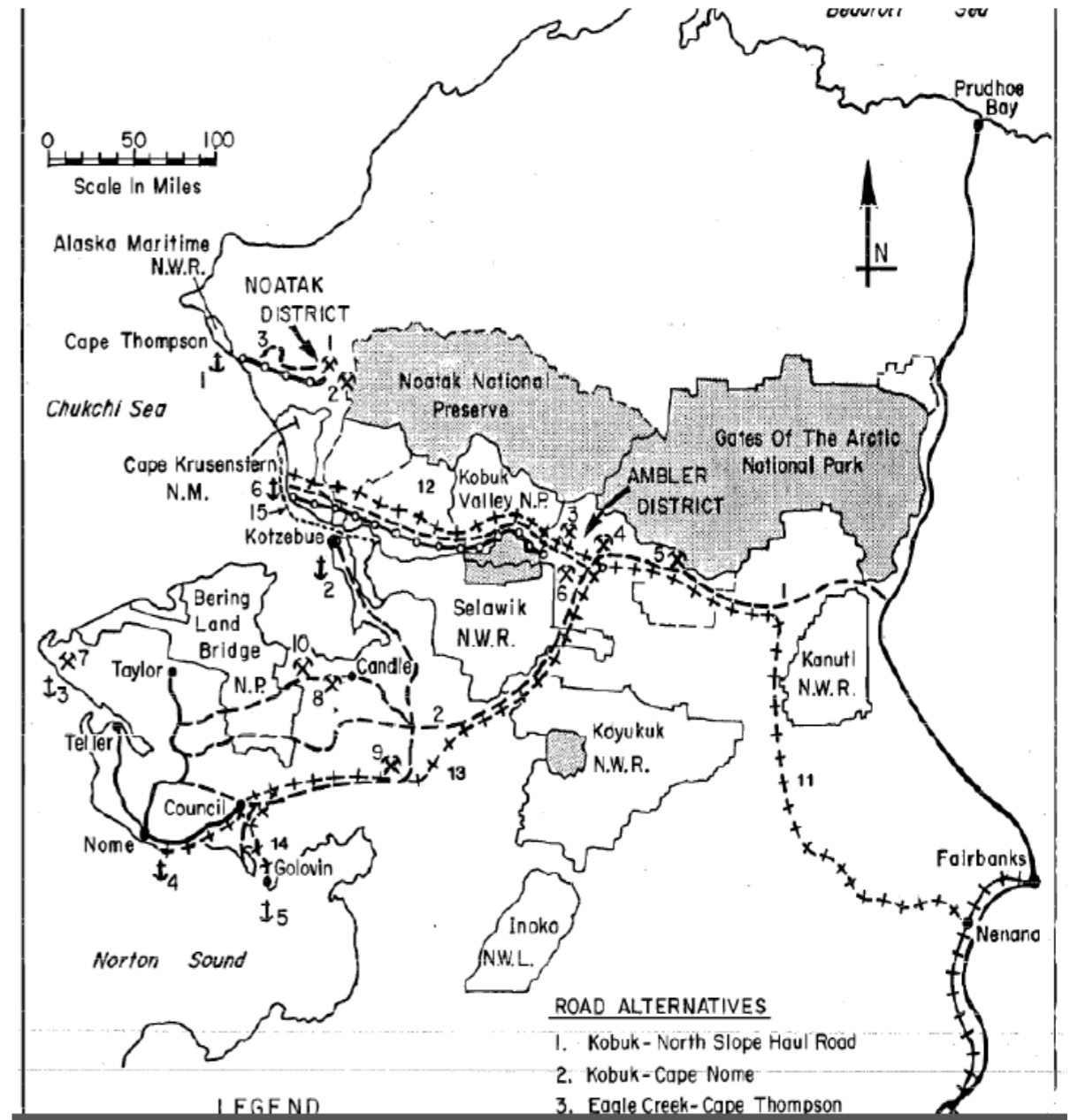
Project Background

Project History

ALASKA CONSTRUCTION

February, 1968 — 50 cents

the colorful story
of bornite, a
far-north
outpost
where
men are
waging a



1968 Bornite Article

1981 Western Alaska Access Study



ANILCA Provision for Ambler Access

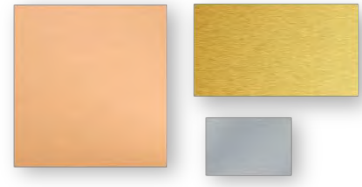
PUBLIC LAW 96-487—DEC. 2, 1980

94 STAT. 2379

and scenic beauty of the mountains, forelands, rivers, lakes, and other natural features; to provide continued opportunities, including reasonable access, for mountain climbing, mountaineering, and other wilderness recreational activities; and to protect habitat for and the populations of, fish and wildlife, including, but not limited to, caribou, grizzly bears, Dall sheep, moose, wolves, and raptorial birds. Subsistence uses by local residents shall be permitted in the park, where such uses are traditional, in accordance with the provisions of title VIII.

Post. p. 2422.

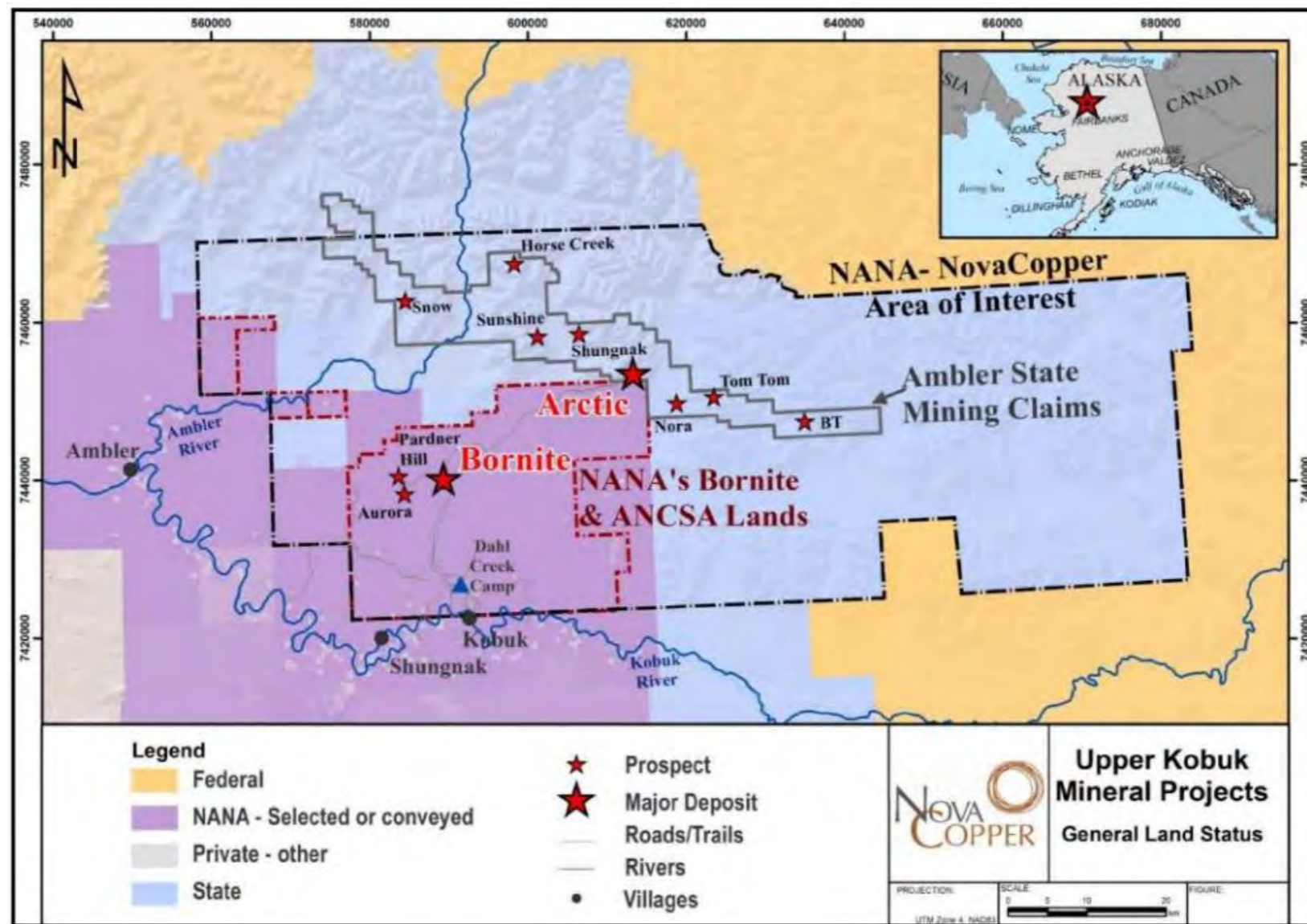
(b) Congress finds that there is a need for access for surface transportation purposes across the Western (Kobuk River) unit of the Gates of the Arctic National Preserve (from the Ambler Mining District to the Alaska Pipeline Haul Road) and the Secretary shall permit such access in accordance with the provisions of this subsection.



Project Purpose

Unlock the Resource Rich Region

- 75-mile-long mineralized area
- Copper, Lead, Zinc, Gold, Silver and Cobalt Resources



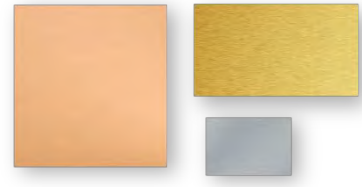
Arctic NI 43-101 Figure 4-1



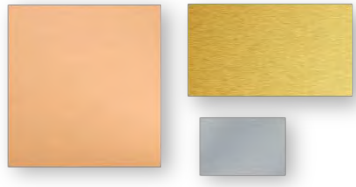
Goals of the Project

- Develop industrial access to the Ambler Mining District
- Support exploration and development of mineral resources in the Ambler Mining District
- Promote economic development and job opportunities in the region and the state

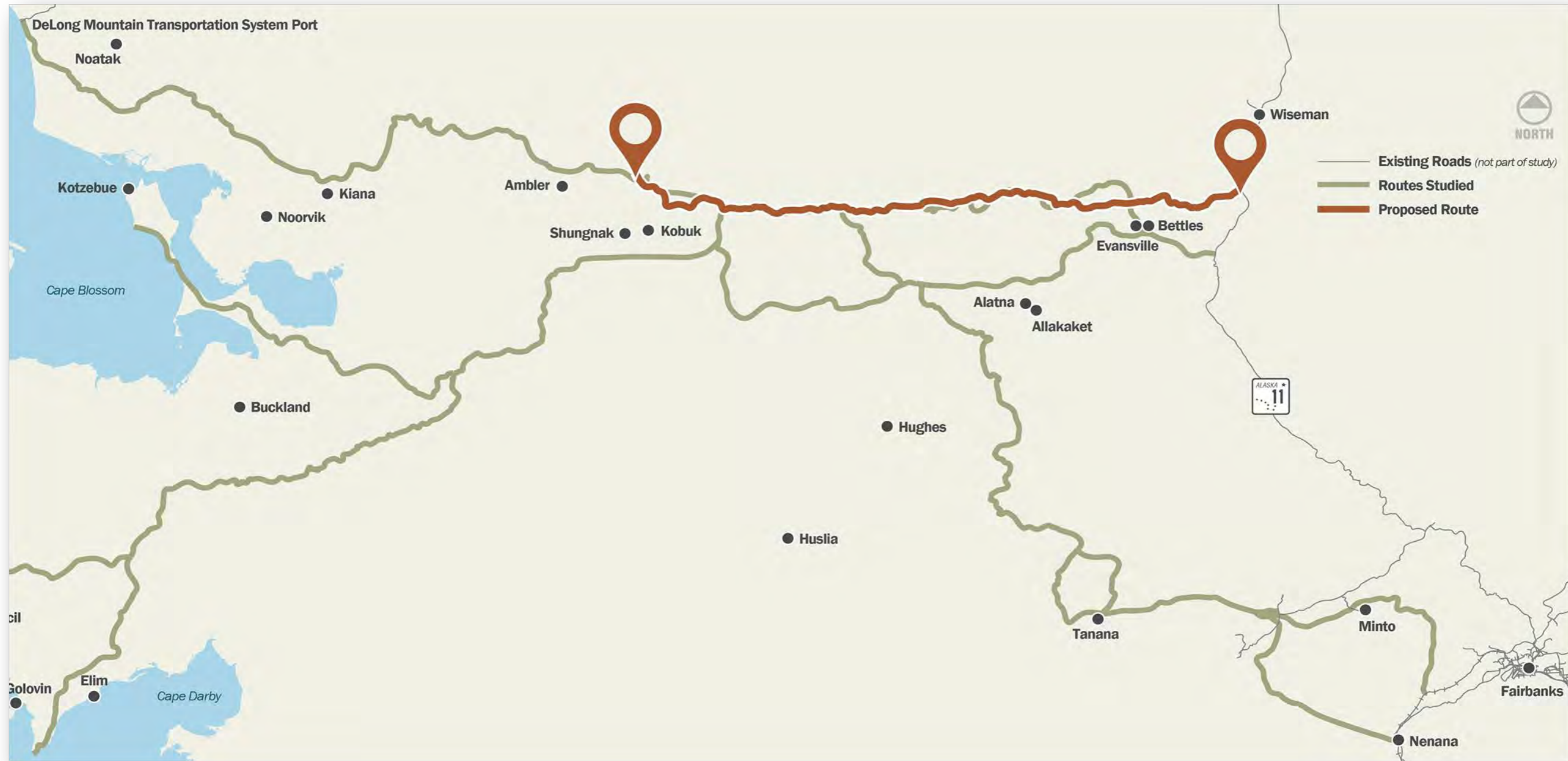




Proposed Project



AMDIAP DOT/PF Corridor Alternatives



Phased development as demand increases

- Phase I – 16ft single-lane, seasonal road (approx. \$280MM)
- Phase II – 18ft single-lane, year-round road (approx. \$40MM additional)
- Phase III – 32ft two-lane, year-round road (approx. \$60MM additional)

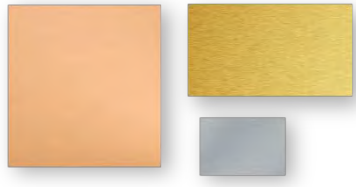
*2017 dollars with 10% contingency. Bridges are 1-lane wide with a 23-foot deck width. \$320MM total after Phase II and \$380MM total for all Phases).



Benefits of Project

- Potential Road Benefits
 - Construction: Annual average of 486 jobs
 - Operations: Estimated 68 full-time jobs
- Potential Mine Benefits
 - Mine construction (4 mines)
 - 5,933 direct jobs with \$457.4MM/yr. in wages
 - Mine operations (4 mines)
 - 1,534 direct jobs with \$164.2MM/yr. in wages
- Potential Government Revenues (4 mines)
 - \$261MM estimated in mining license tax revenues to state
 - \$357MM estimated in corporate income taxes to state
 - \$78MM estimated in production royalties to state
 - \$6.5MM estimated in annual PILT to NWAB per mine

From Cardno report using 2014 Dollars



Permitting/Next Steps



Ambler Permitting Process

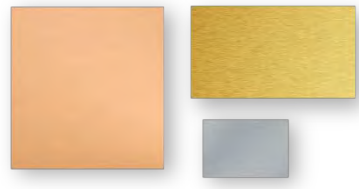
Application submitted to relevant federal agencies:

- BLM – NEPA and Title XI of ANILCA
- NPS/FHWA – ANILCA Section 201(4) (Title II)
- USACE – wetland permits
- USCG – bridge permits



NEPA Process

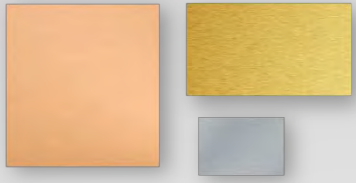




CRA Agreement for EIS Schedule



- Draft EIS August 2019
- Final EIS November 2019
- Record of Decision (ROD) December 2019

A person wearing a cap, a backpack, and outdoor clothing stands on a rocky riverbank. They are looking down at a clipboard or map they are holding. The background shows a river, tall grasses, and a line of evergreen trees under a cloudy sky.

Questions / Discussion

www.ambleraccess.org