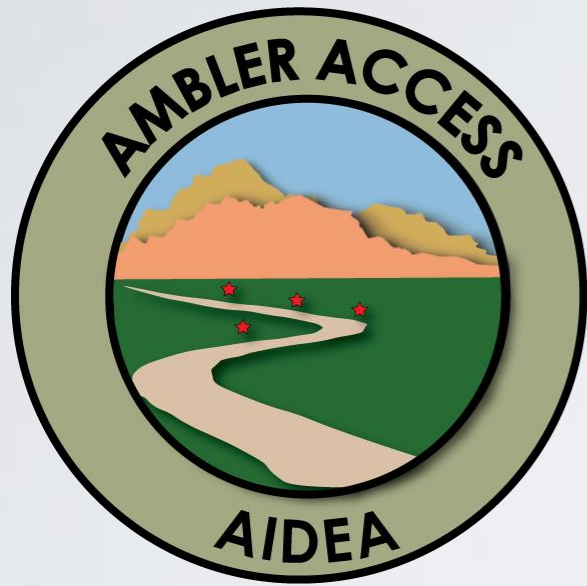




The Alliance Ambler Update

February 2018





Agenda

- AIDEA Background
- Project Overview
- Project History
- Permitting Process
- Project Status



AIDEA Background



AIDEA Overview

Mission: To Promote, Develop, and Advance Economic Growth and Diversification in Alaska by providing various means of Financing and Investment.

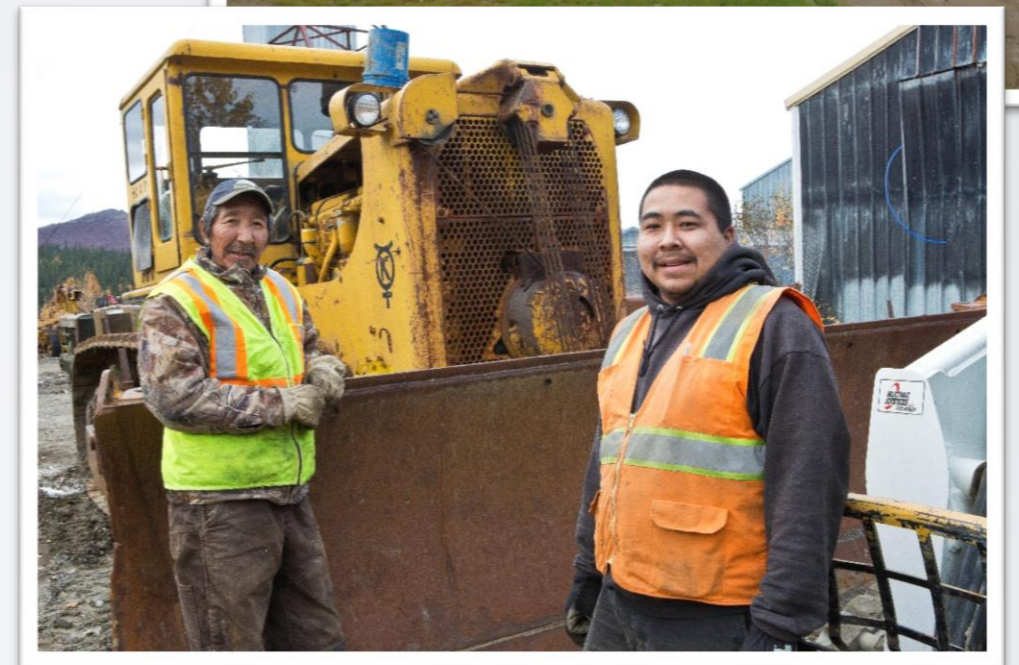
- Statewide Assets & Projects Include:
 - DeLong Mountain Transportation System (DMTS) is a 52 Mile road and Port that transports the zinc concentrate from the Red Dog Mine in the NWAB.
 - Skagway Ore Terminal.
 - Snettisham Hydroelectric Project outside of Juneau.
 - Interior Energy Project in Fairbanks and North Pole.
- FY17 Highlights
 - \$1.3 Billion Net Position
 - \$5.83 Million increase in Net Position
 - \$12.88 Million Dividend Declared for FY18 (\$392 Million the past 20yrs)



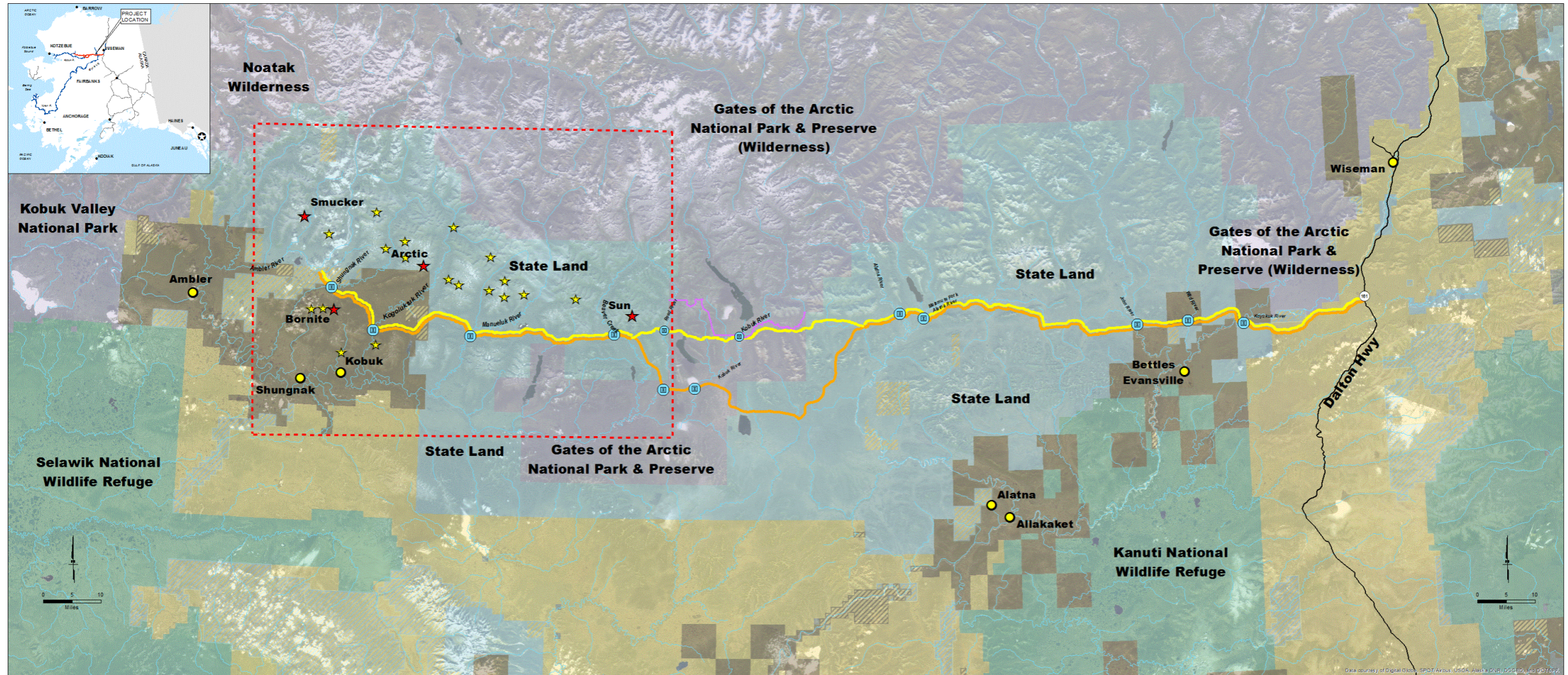
Project Overview

Purpose of the Project

- Evaluate 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 AMDIAP Corridor



AMBLER MINING DISTRICT INDUSTRIAL ACCESS PROJECT

Ambley Mining District	AMDIAP Preferred Corridor (211 Miles)	Existing Roads	Proposed Large Bridge	Bureau of Land Management (Federal Land)	ANCSA (Native Corporation Land)	State Land
Major Mineral Deposit	AMDIAP Alternative Corridor (228 Miles)	Milepost 161	Cities	Fish and Wildlife Service (Federal Land)	ANCSA Selected	State Selected
Mineral Resources		Rivers and Streams	Wilderness Boundary	National Park Service (Federal Land)		

Source: Ambley Mining District - Geology and Geochemistry of the Arctic Prospect, Ambley District, Alaska. Schmidt, Jeanne Marie, Stanford University Ph.D., 1994. Mineral Resources / Major Mineral Deposits - Hawley, C.C. and Yant, M. K., 2009. Report on Minerals, Western Alaska Access Planning Study Inventory Report Land Ownership - BLM, 2016.





AIDEA's Proposed Ambler Access

- 200+/- miles long industrial road (restricted access)
- Four maintenance stations
- Generalized land status
 - 128+/- miles on State land
 - 51+/- miles on federal (NPS/BLM) land
 - 32+/- miles on ANCSA corporation lands



Ambler Proposed Budget

- Phased Development as demand increases
 - Phase I – single-lane, seasonal road (approx. \$280MM)
 - Phase II – single-lane, year-round road (approx. \$320MM)
 - Phase III – two-lane, year-round road (approx. \$380MM)



Ambler Access Financing

- AIDEA will likely finance as a Public-Private Partnership (P3) and may issue bonds for the Project
- AIDEA would hold rights-of-way
- AIDEA will charge fees for road use that will pay for the financing as is the case with the Delong Mountain Transportation System (DMTS) that supports Red Dog Mine



AIDEA Access Financing

- AIDEA would partner with others for final design, construction, operation and maintenance
- AIDEA would issue bonds to be repaid with use fees from permitted users (similar to Red Dog DMTS Road)



Project Benefits

- Community Benefits
 - Potential for high-paying jobs
 - Potential for lower transportation costs for food, fuel and other goods
 - Opportunities for communities/individuals to create businesses
 - Opportunities for other services (fiber optic) to expand into area



Ambler Mining District History



Ambler Mining District History

- Kennecott Resources discovered copper at Bornite in 1957
- Alaska National Interest Lands Conservation Act (ANILCA) --Creation of the “Boot” in 1980
 - State of Alaska requested access to Ambler Mining District and State-selected lands
 - ANILCA included a unique Concept for Ambler
 - Created National Preserve in Gates of the Arctic but statute specifically granted an access corridor from the Ambler Mining District to the Dalton Highway

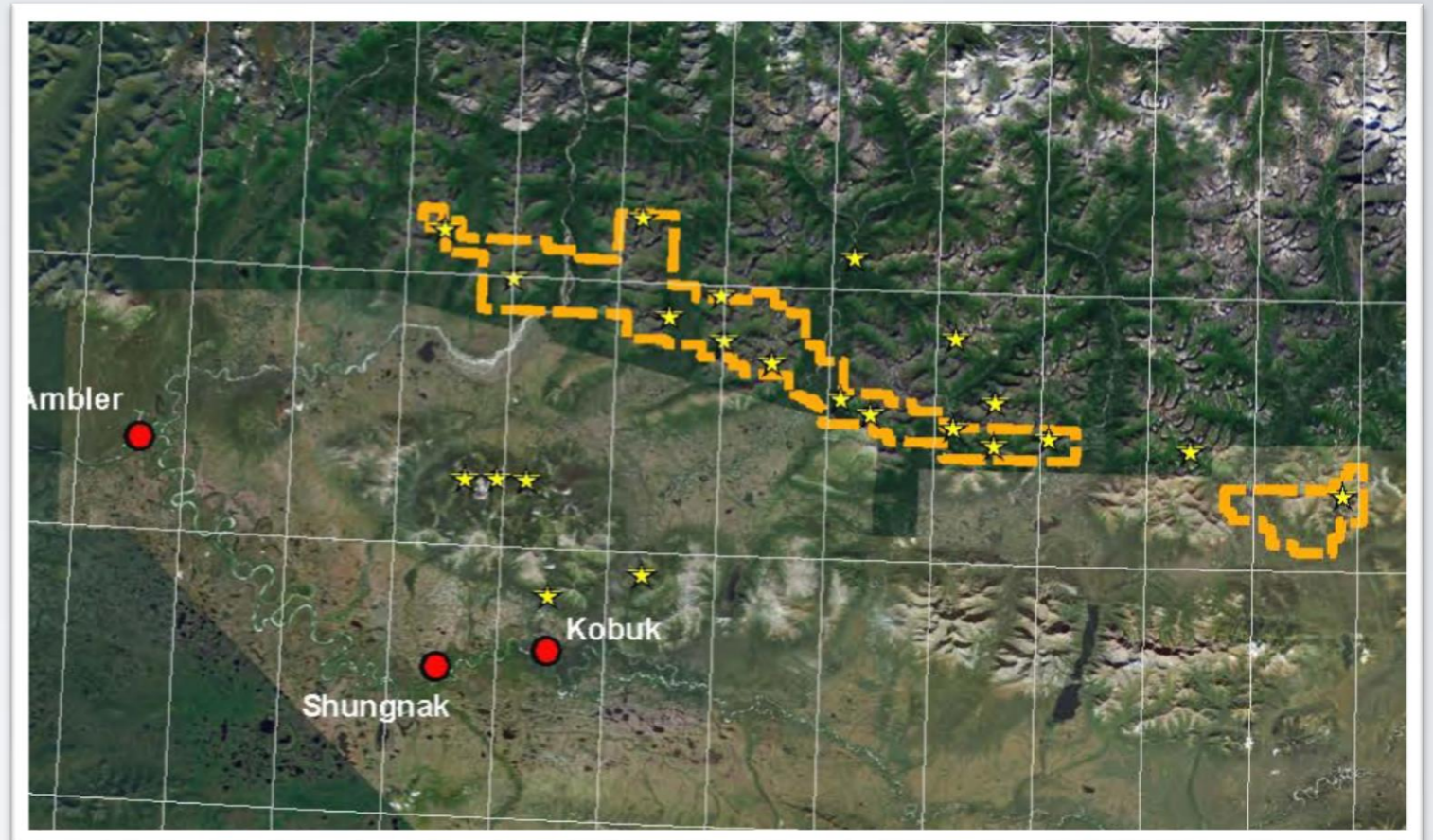


ANILCA Provision for Ambler Access

- Section 201(4)
 - “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.”
 - Secretaries of Interior and Transportation directed to prepare an Environmental & Economic Analysis (EEA) for selecting a route across the Preserve (GARR)
 - EEA will evaluate impacts on wildlife, fish, habitat, rural and traditional lifestyles, including subsistence
 - Process is used instead of a NEPA EIS
 - Route selection methodology is unique to Ambler Access project

Resource Rich Region

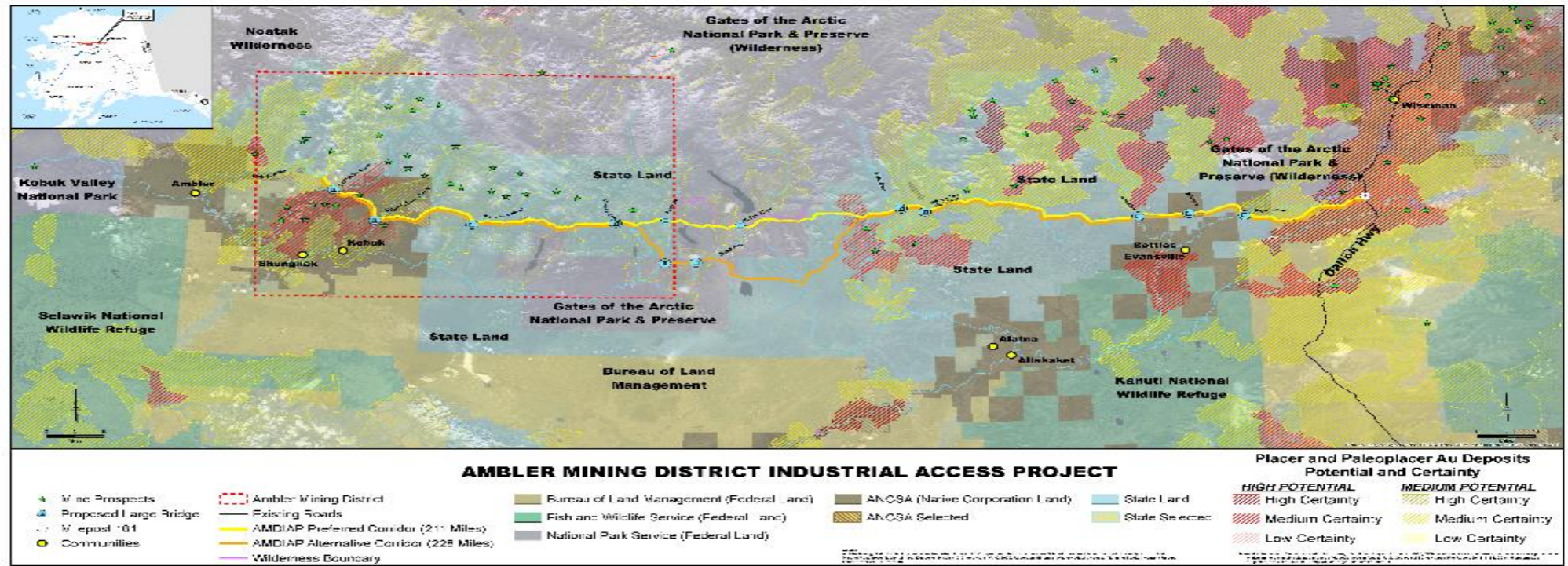
- 75-mile-long mineralized area
- Key deposits:
 - Arctic (Trilogy Metals)
 - Sun (formerly Andover Ventures)
 - Bornite (NANA)
 - Smucker (Teck Cominco)



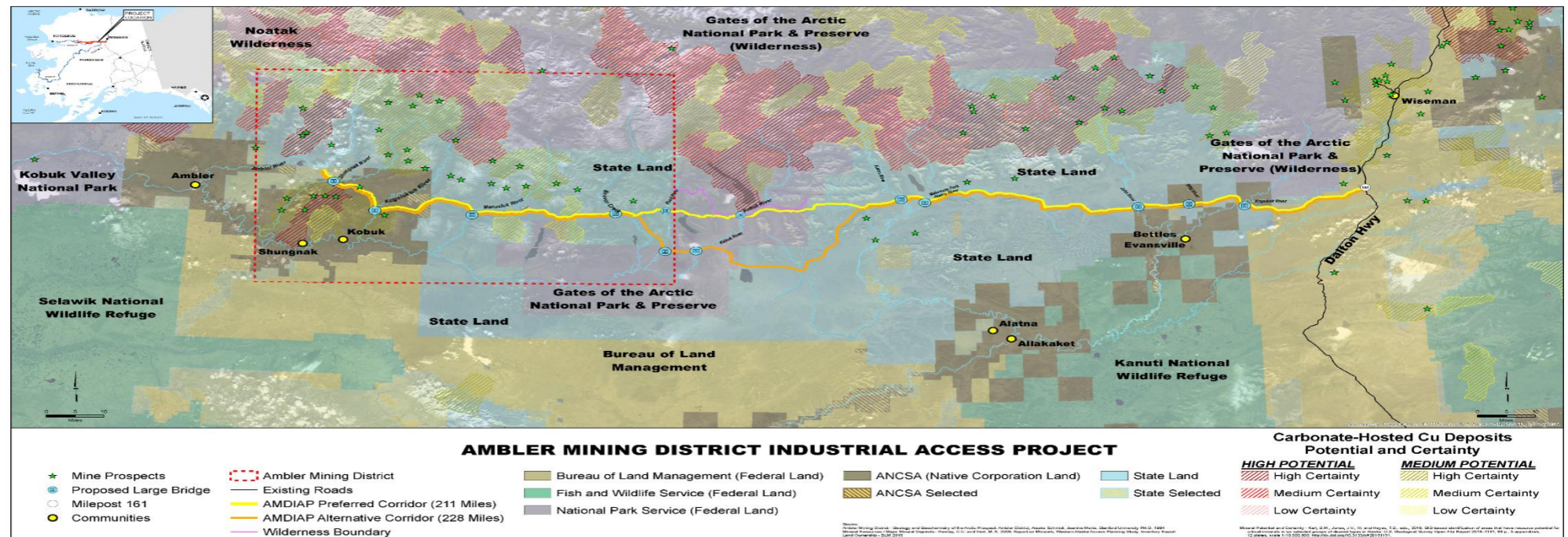
Mine feasibility studies show overland transportation is required for mining to be economically feasible

Resource Rich Region

Gold



Copper

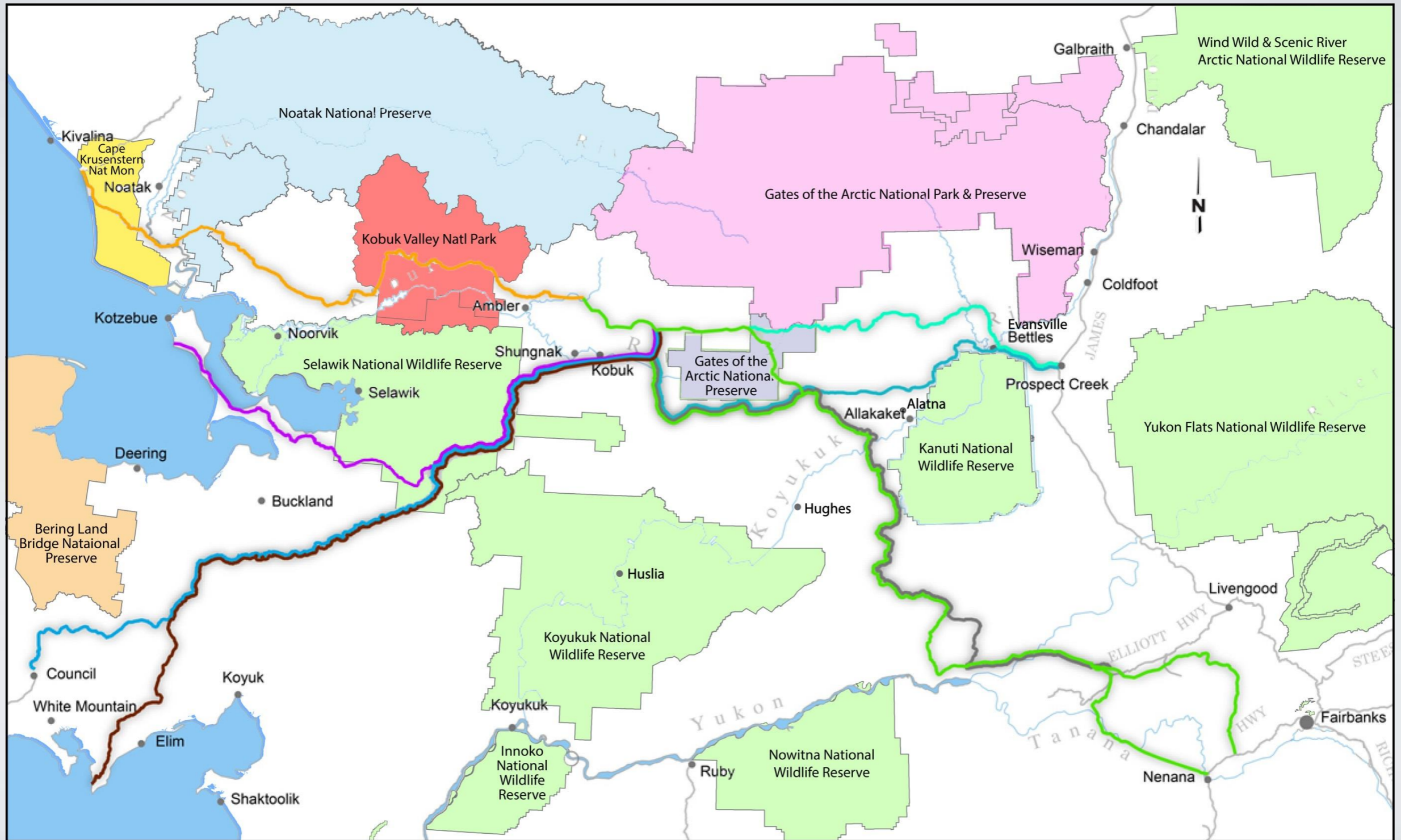




Project History To Date

- DOT&PF initiated transportation reconnaissance efforts in 2010-transferred to AIDEA in 2013
- Community outreach started under DOT&PF, accelerated under AIDEA (over 30 meetings held)
- Preliminary baseline environmental research and engineering undertaken for ANILCA SF 299 ROW application

DOT&PF Alternatives Evaluated





Results from DOT&PF and AIDEA

- Working with National Park Service, Identified 2 feasible routes across the Gates of the Arctic Preserve
- AIDEA conducted additional geo technical studies, including an HGM Study
- AIDEA submitted SF299 application to 5 federal agencies in 2015
- AIDEA moved route north of Bettles/Evansville



Permitting Process/Roles

Ambler has a Multifaceted Permitting Process

1. NPS: For the route across the National Preserve:
ANILCA Section 201 (4) (Title II)

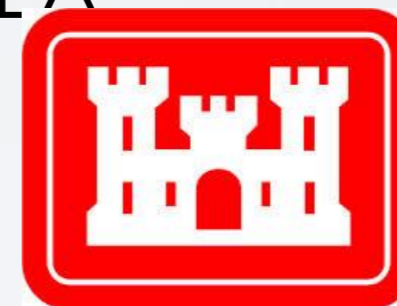


2. BLM: For the route across BLM, State and ANCSA
lands: NEPA and Title XI of ANILCA



• Key federal agencies

- BLM – right-of-way/Title XI EIS
- NPS – right-of-way/Title II Sec. 201 (4) EEA
- USACE – wetland permits
- USCG – bridge permits



• Other state and local agencies



Agency Roles in Review Process

- AIDEA
 - Applicant for ROW under ANILCA Title II and Title XI
- National Park Service
 - Prepares Environmental & Economic Analysis for ROW through Gates of the Arctic Preserve (GANPP)
 - Determines route through GANPP
 - Issues ROW on NPS-managed lands
- Bureau of Land Management
 - Prepares EIS on ROW application
 - Issues ROW on BLM-managed lands



Project Status



BLM EIS Schedule

- NEPA Scoping Process underway
- BLM scoping meetings held in 12 communities in Nov-Dec 2017
- Scoping comment period ended Jan 31, 2018
- Draft EIS anticipated end of March 2019
- Final EIS anticipated end of December 2019



Next Steps



After the EIS and EEA

- Final Design, Finalize Construction Cost and Permitting
- Financing and Capital Identified
- Right-of-way negotiations with non-federal entities
- Construction of Phase I (2 years estimated)
- Construction of additional phases as mining activity increases and demand supports expansion



Questions/Discussion

