



Alaska Mining

Alliance Fairbanks Industry Update Forum
October 10, 2019





- ✓ Interior Highlights
- ✓ Mining Benefits Alaska and Alaskans
- ✓ Mining Pays its Way
- ✓ What You Can Do

Interior Highlights: Fort Knox

- 8 millionth ounce of gold was poured yesterday – 10/09/19 (original mine plan was for 4M ounces total)
- National safety award to be announced soon for 2018 safety performance: 1.5M hours with no lost time incidents
- Barnes Creek Heap Leach (2nd heap leach) liner placement :
 - completed on time and on budget
 - thanks to great partnership with contractor AAP
 - 2.2M ft² of impermeable liner this project season



Interior Highlights: Pogo

- One year since Northern Star Resources bought Pogo
- \$30 million to be invested to expand processing plant
- Plus new equipment and exploration to extend mine life
- Local impact:
 - 426 employees; average salary: \$138,000/year
 - nearly \$59M in annual employee wages
 - \$132M in direct spending with local businesses
 - 63 new hires since NSR acquisition = nearly \$7M in additional local impact



Interior Highlights: Projects

- Livengood:
 - 2019 budget = \$3.7 million
 - Focus on metallurgical studies to define/refine project
- Upper Kobuk Mineral Projects and Ambler Road
 - DEIS for Ambler Road
- Exploration:
 - Increased exploration spending
 - Dramatic increase in early exploration projects





Mining Activity in Alaska

- ★ Producing Mines
- ▲ Projects in Permitting
- ✱ Advanced Exploration Projects
- Community with Mining Industry Employees



Benefits to Alaska: jobs

- 4,500 direct jobs
- 9,200 total direct and indirect jobs
- \$715 million total payroll
- Average annual wage of \$102,000
- Residents of 60+ communities
- Contracts for AK businesses



Benefits to Alaska Native Corporations



- 7(i) and 7(j) royalty sharing:
 - \$1.9 billion to NANA (1982-2018), of which \$1.2 billion shared
- Jobs for shareholders:
 - Red Dog 55%
 - Upper Kobuk Minerals Projects 58%
- Business partnerships



Local and State Government Revenue

2018

- \$34 million to local governments (largest taxpayers in Juneau, Fairbanks and Northwest Arctic)
- \$103 million to state government
- \$46 million in other state government-related revenue





Mining Pays its Way

- Companies pay exploration, development and construction costs
- This often includes access and infrastructure, unlike in Lower 48
- Financial assurance for reclamation and closure



AIDEA'S Return on Investment

- Mission: encourage Alaska's economic growth
- \$265 million investment in the Red Dog port and road
- \$475 million in payments from Red Dog (12/2018)
- 6.5% annual interest on loan agreement
- Annual dividend to State General Fund
- Contract goes to 2040

Source: www.aidea.org and AIDEA email 2019-10-01



Council of
Alaska Producers



News-Miner editorial

Move ahead on Ambler Road

Alaska must constantly press ahead with resource development

Sep 15, 2019 

News-Miner opinion: Alaska can thrive if it develops its natural resources. This state is rich with them.



Alaska risks withering, however, if it doesn't continually seek to develop those resources. Our state's leaders from time to time talk about the need for big projects to do this, but lawsuits, not enough money or some other challenge seem to derail them.



The natural resources in our state are often out of easy reach, however. Access can be a real problem, but it shouldn't be a reason not to pursue development of those resources.





News-Miner editorial

Move ahead on Ambler Road

Alaska must constantly press ahead with resource development

Sep 15, 2019

“Reaching the Ambler Mining District isn’t an idea that just popped up. It’s been around since Congress approved, and President Jimmy Carter signed, [ANILCA] of 1980. The Act, which established numerous national conservation units in Alaska, specifically mentioned access to the Ambler Mining District.”



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Daily News-Miner

THE VOICE OF INTERIOR ALASKA

News-Miner editorial

Move ahead on Ambler Road

Alaska must constantly press ahead with resource development

Sep 15, 2019 

“The Ambler Mining District Industrial Access Project is a big project that could bring big dividends for Alaska. We live in a land of big ideas. Let’s have this one become reality.”



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Social impacts of mining: the real story



The Arctic Sounder

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OPINION: Mining: Jobs that make a difference

September 12th 4:00 pm | By **WILLIE HENSLEY**

print email

It had been almost 10 years when I returned to this great state after time spent away at boarding school and college. I was one of the lucky unlucky ones - "lucky" because I got a great education; "unlucky" because I had to leave my family and surroundings to get it. I was 24. Statehood had come to Alaska and it was an exciting time; I decided to enroll in a graduate course in constitutional law.

I discovered that Alaska Natives were on the verge of losing over 100 million acres of land to the new state — without compensation. I used my new knowledge to help fight for our lands. The result, within five years, with everyone working together, was a \$1 billion settlement and 44 million acres of land to be owned and controlled by our own



Renewable Energy = more mining



Thank you!

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