

COMMONWEALTH NORTH



AMBLER MINING ACCESS

July 2020

AIDEA'S PURPOSE

The screenshot shows the official website of the Alaska State Legislature. The header includes the title 'The Alaska State Legislature' and a navigation menu with links for HOME, SENATE, HOUSE, BILLS & LAWS, MEDIA CENTER, PUBLICATIONS, and GET STARTED. Below the header, the current session is identified as the 31st Legislature (2019-2020). A search bar is present on the right. On the left, a 'Basis Navigation' sidebar lists various categories like Bills, Legislators, and Committees. The main content area displays 'Alaska Statutes 2018' and specifically 'AS 44.88.010'. The text of the statute is shown in two paragraphs, with the second paragraph (b) highlighted by a blue box. A dotted line connects this box to a larger, more detailed version of the same text box below the screenshot.

The Alaska State Legislature

HOME SENATE HOUSE BILLS & LAWS MEDIA CENTER PUBLICATIONS GET STARTED

31st Legislature(2019-2020)
Alaska Statutes 2018
AS 44.88.010

powers necessary to accomplish the objectives stated in this paragraph, including the power to issue taxable and tax-exempt bonds, to acquire ownership interests in projects, and to provide development project financing as provided in this chapter;

(11) it is in the state's interest to import private capital to create new economic activity that would not otherwise take place in the state.

(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.

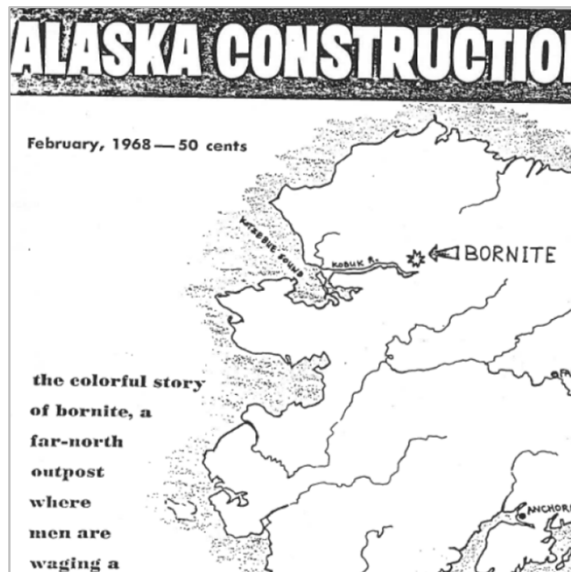
(b) **It is declared to be the policy of the state**, in the interests of promoting the health, security, and general welfare of all the people of the state, and a public purpose, **to increase job opportunities** and otherwise **to encourage the economic growth of the state, including the development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

GOALS OF AMBLER ROAD PROJECT

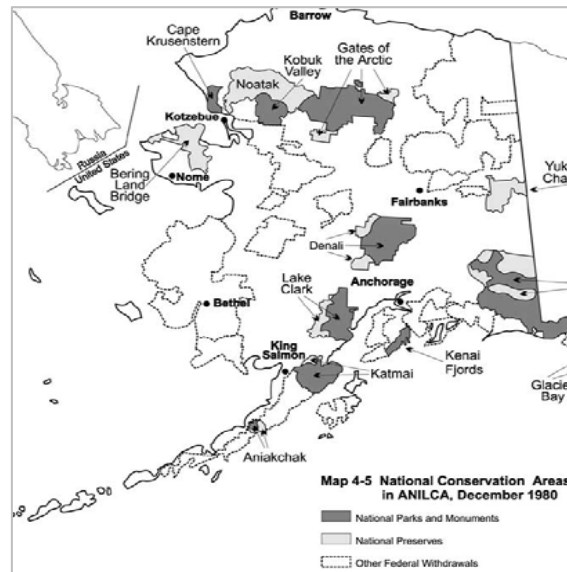
- Develop a controlled industrial access road to the Ambler Mining District
- Support exploration and development of mineral resources in the Ambler Mining District
- Promote economic development and job opportunities in the region and the state



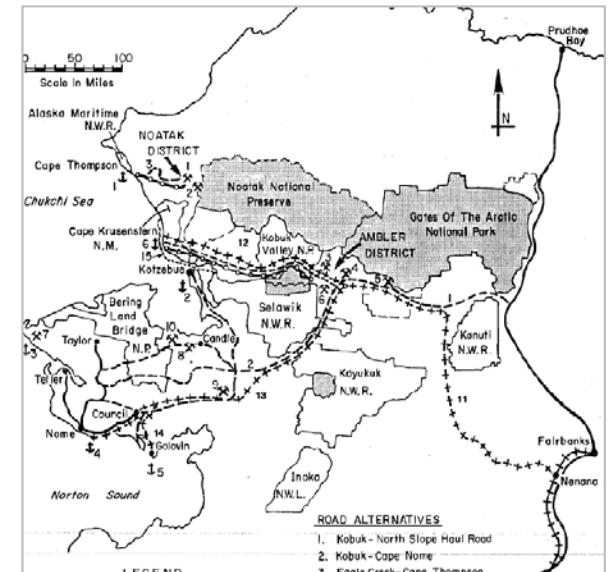
PROJECT HISTORY



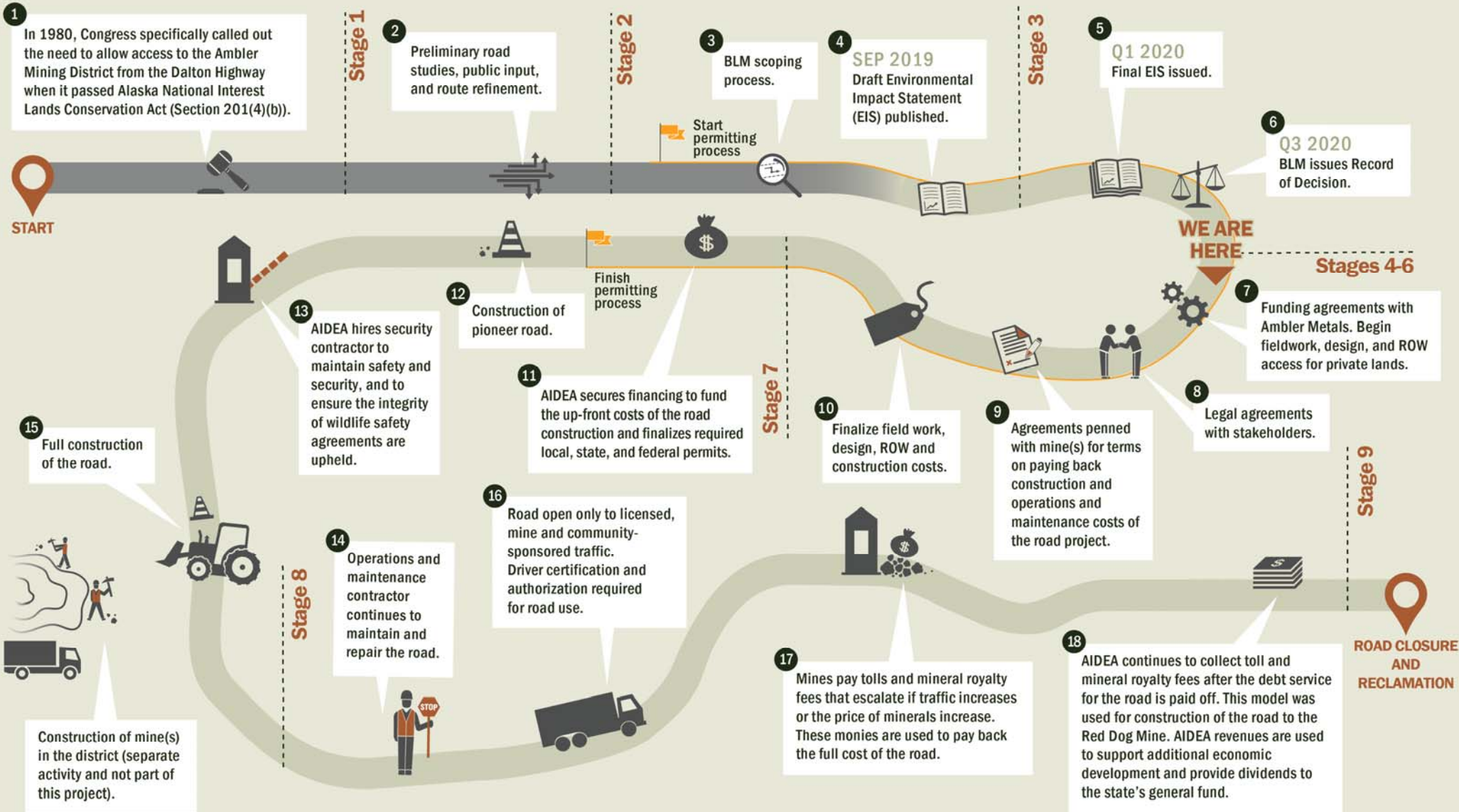
1968 Bornite Article



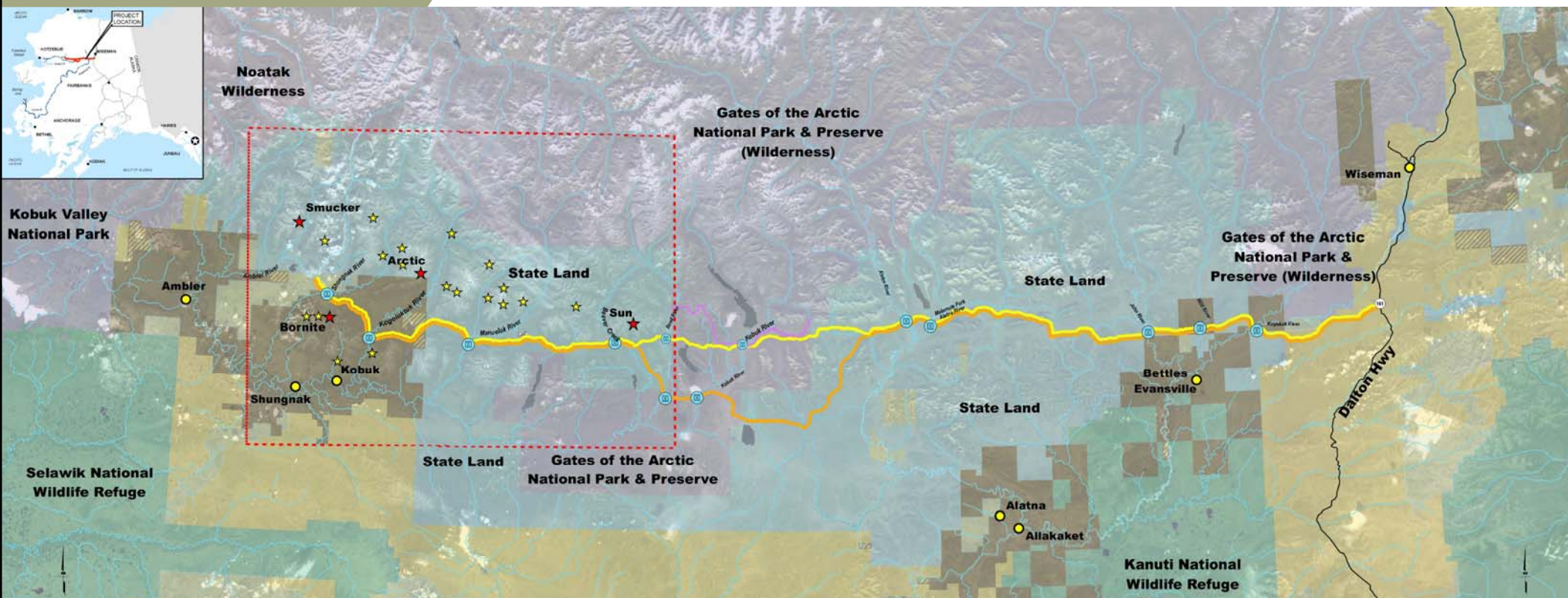
ANILCA Passed in 1980



1981 Western Alaska Access Study



AMBLER AREA



- | | | | | | | |
|------------------------|---|--------------------|-----------------------|--|---------------------------------|----------------|
| Ambler 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: Ambler Mining District - Geology and Geochemistry of the Arctic Project, Alaska Division, Jeanine Mark, Stanford University Ph.D. 1984. Mineral Resources - Major Mineral Deposits - Henley, C.C. and Hunt, M.K. 2008. Report on Minerals, Western Alaska Access Planning Study. Inventory Report. Last Modified: 04/04/2014

COMPLEX PROJECT

Key Elements

- 200+ mile new road in remote Alaska
- Design components
 - 29 bridge crossings
 - Understanding the permafrost
 - Materials site with 12 million cubic yards of fill
 - At least 40 fish passage sites
 - Caribou concern considerations
- Crossing approval from five landowners
- Fiber optic and communication towers
- ANILCA and NEPA requirements
- 26 permits and authorizations
- Federal laws: CWA, NHPA, MSFCMA, ESA, MBTA, BGEPA, WSRA, RHA
- Multiple mines in exploration
- Coordinating with stakeholders (many hundreds of miles apart from each other)

DELONG MOUNTAIN TRANSPORTATION SYSTEM

- **Red Dog Mine**
 - Zinc mine in Western Alaska
- **DMTS - road to the Red Dog Mine**
 - 52 miles
 - Financed by AIDEA
 - Paid by the mine



CARIBOU REGULARLY CROSS THE DMTS ROAD



Photo courtesy of Teck

DMTS: THE NUTS AND BOLTS



Payment of past and present road costs

Minimum Annual Assessment (MAA)

Cominco/Teck entered into a 50-year agreement with AIDEA at a 6.5% rate of return

Supplemental Minimum Annual Assessment (SMAA)

DMTS expansions of Port Facilities with same rate as MAA

Operations & Maintenance Agreement

Paid by road users in addition to the MAA and SMAA

DMTS: THE NUTS AND BOLTS



Profit Sharing

Contingent Tonnage Fee (CTF)

Additional payment when tonnage shipped exceeds annual threshold

Contingent Escalator for Zinc Price (CEZ)

Additional payment when market price increases

PROJECT TEAM



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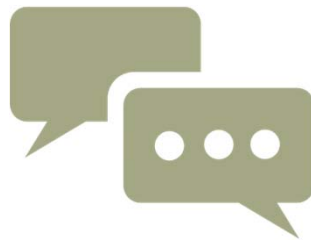
Chief Infrastructure Development Officer

Sam Tappen

Infrastructure Development Officer

Betsy McGregor

Preliminary Design & Environmental Manager



QUESTIONS/DISCUSSION

www.ambleraccess.com

ACRONYMS

AIDEA – Alaska Industrial Development and Export Authority

AMDIAP – Ambler Mining District Industrial Access Project

ANCSA – Alaska Native Claims Settlement Act

ANILCA – Alaska National Interest Lands Conservation Act

BGEPA – Bald and Gold Eagle Protection

BLM – Bureau of Land Management

CEZ – Contingent Escalator for Zinc Price

CTF – Contingent Tonnage Fee

CuEq – Copper Equivalent

CWA – Clean Water Act

DMTS – DeLong Mountain Transportation System

DOT&PF – Alaska Department of Transportation and Public Facilities

EIS – Environmental Impact Statement

ESA – Environmental Site Assessment

LOM – Life of Mine

MBTA – Migratory Bird Treaty Act

MAA – Minimum Annual Assessment

MmT – Million Metric Tons

MSFCMA – Magnuson-Stevens Fishery Conservation and Management Act

NAB – Northwest Arctic Borough

NEPA – National Environmental Policy Act

NHPA – National Historic Preservation Act

NOA – Naturally Occurring Asbestos

PILT – Payment in Lieu of Taxes

RHA – Rivers and Harbors Act

ROW – Right-of-Way

SMAA – Supplemental Minimum Annual Assessment

SOA – State of Alaska

TCC – Tanana Chiefs Conference

UAA – University of Alaska Anchorage

WACH – Western Arctic Caribou Herd

WSRA – Wild and Scenic River Act