



Testimony on Ambler Mining District Industrial Access Road

for
Alaska House Natural Resources Committee,
Oversight Hearing
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Stages of Exploration

Early

- Is there anything there worthy of interest?

Middle

- Is there enough to make a mine?
- Is the grade consistently high enough?
- What's the geometry, continuity?

Late

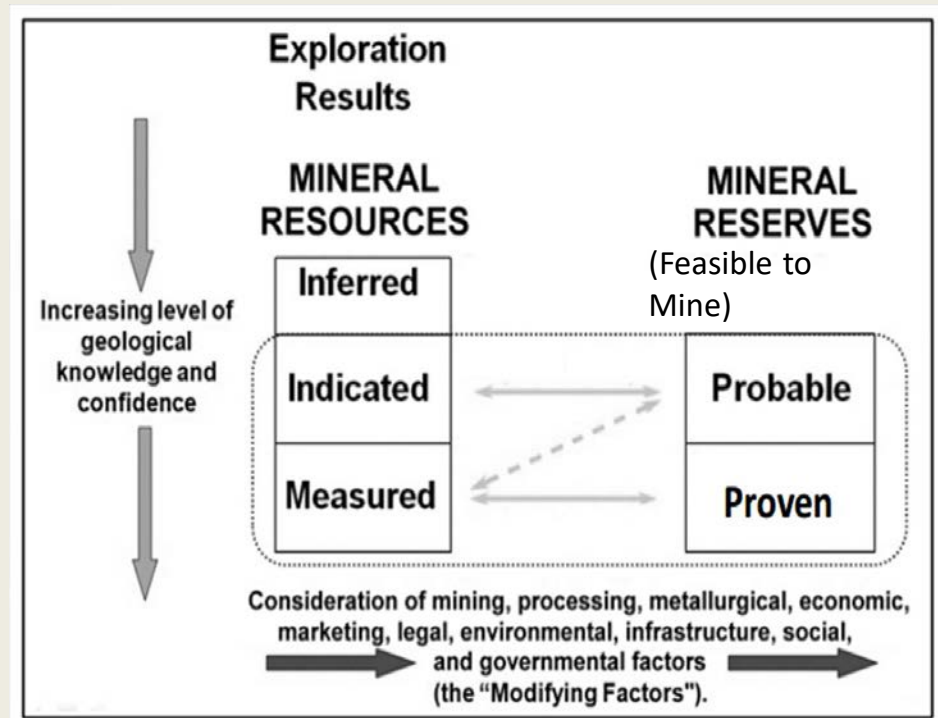
- Can this be mined profitably considering ALL factors?

Mineral Resources

The ore body:

- **Inferred Resource:** low confidence
- **Indicated Resource :** moderate confidence
- **Measured Resource:** high confidence

*There are NO **measured** mineral resources at any of the Ambler district deposits*



*United States investors are cautioned not to assume that estimates of **indicated** mineral resources are economically minable, or will be upgraded into **measured** mineral resources.*

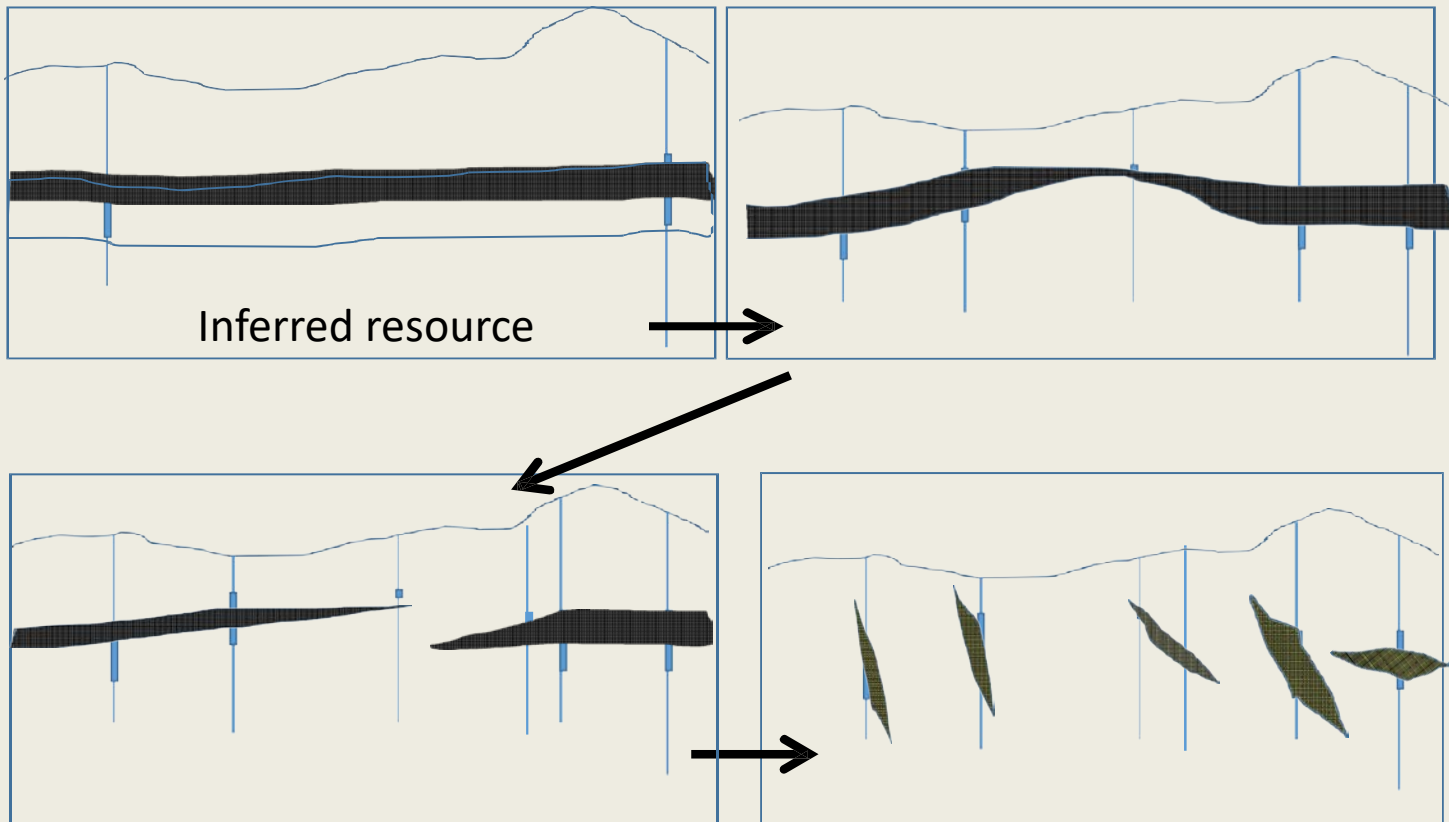
Trilogy, 2018 Annual 10K form

Reserves

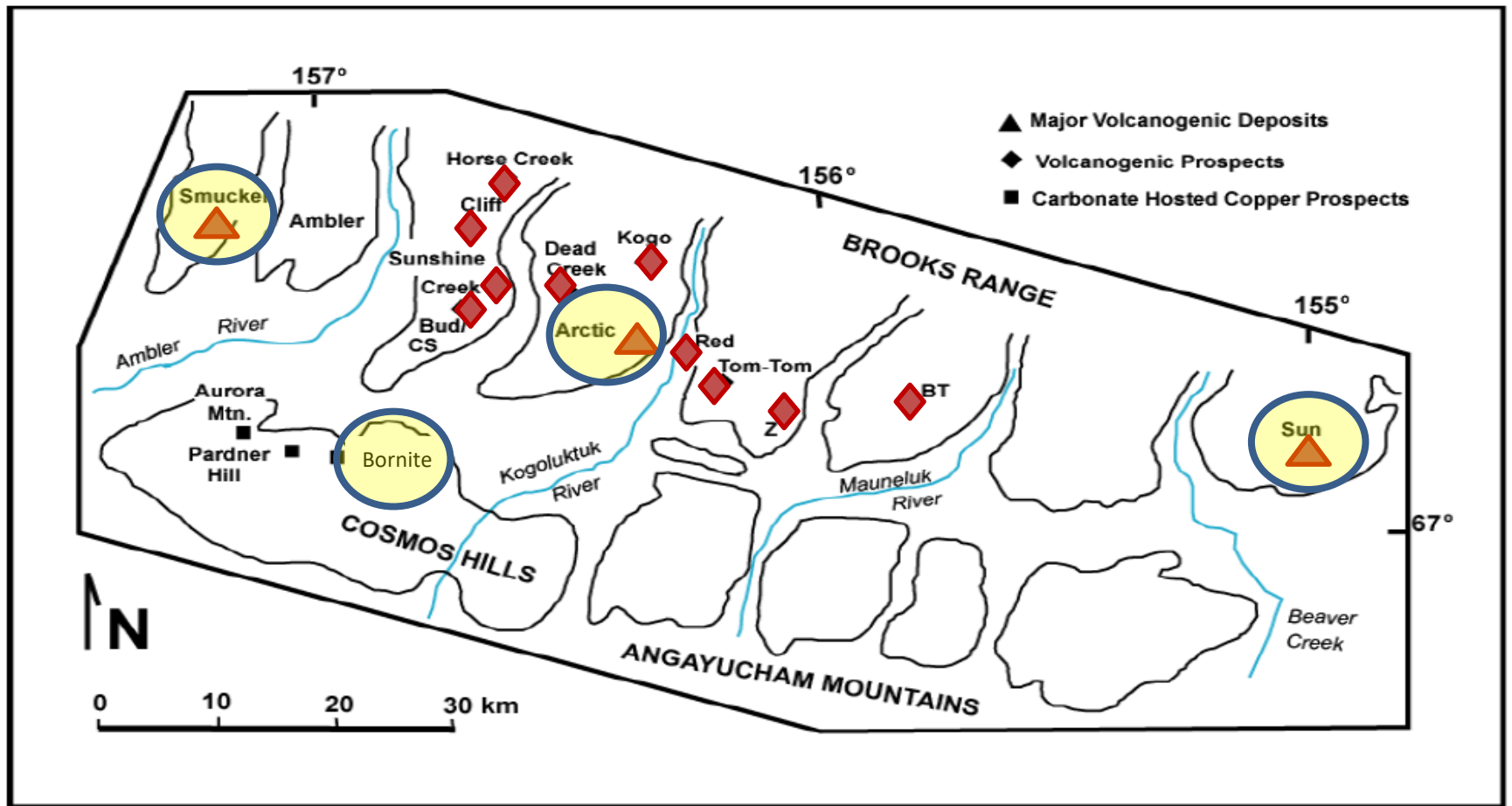
The ore body + economics

- **Measured or Indicated Resource** tons and grade within the mine plan are **converted to Proven and Probable Reserves**.
- Measured and Indicated Resource blocks **OUTSIDE** of the mine plan shapes are still reported as Resource

Infilling defines the ore body



Ambler district deposits



Red symbols indicate deposits that are likely sulfide-based minerals with an inherent risk of acid mine drainage.

Key Points

- Deposits have not been shown to be feasible to mine
 - *Not a single deposit has been shown to have “measured resources” or “proven reserves”, terms which provide a level of certainty that mining could be profitable.*
 - *State should be concerned about the lack of effort to define ore bodies to develop mines*
 - *Only one company is exploring the area*
- Geology shows high potential for acidic conditions.
 - *State should be concerned about underestimation of the cost of operation and closure*