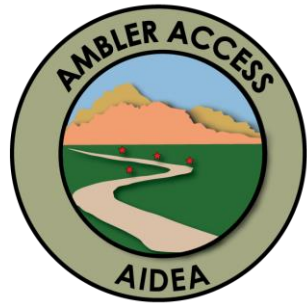


**AIDEA PRESENTATION TO SENATE
COMMUNITY & REGIONAL AFFAIRS**



AMBLER MINING DISTRICT INDUSTRIAL ACCESS PROJECT

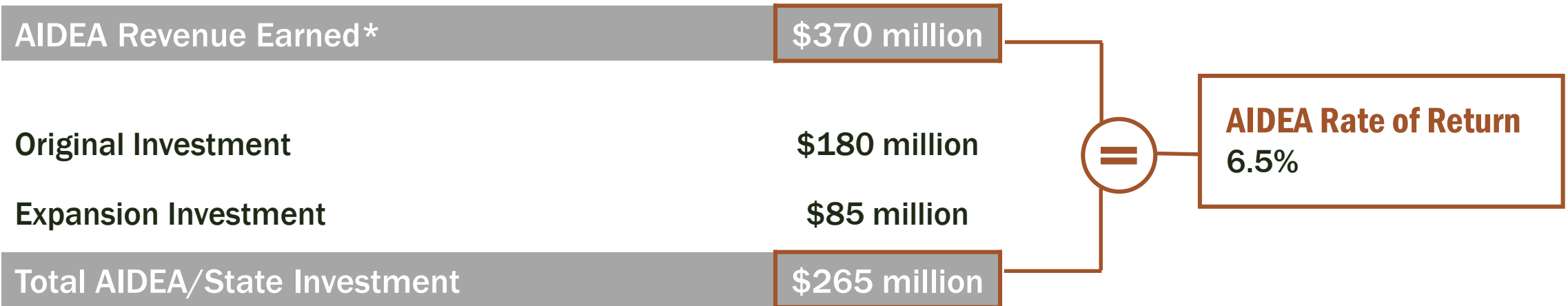
February 2020

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**

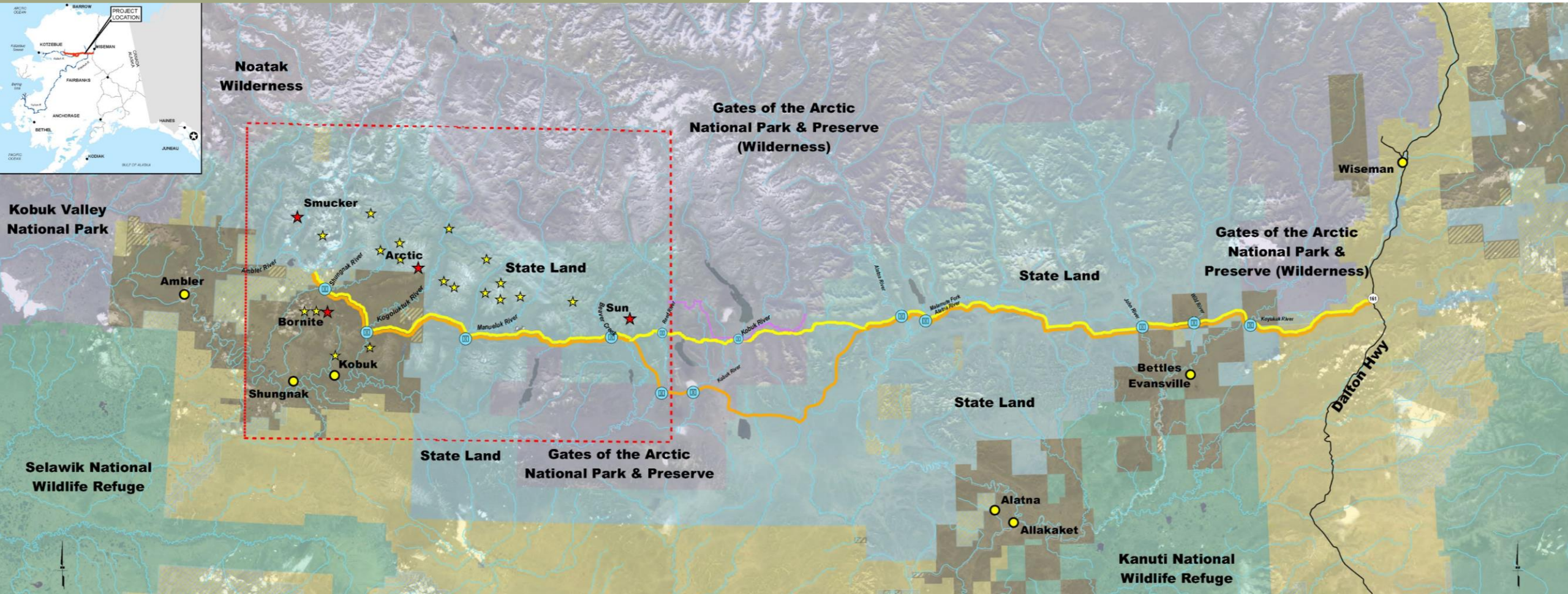


EXAMPLE PROJECT: ROAD TO RED DOG MINE



**As of June 30, 2019 – AIDEA is still collecting revenue on the road*

AMBLER AREA



- - - - Ambler Mining District
- ★ Major Mineral Deposit
- ★ Mineral Resources

- AMDIAP Preferred Corridor (211 Miles)
- AMDIAP Alternative Corridor (228 Miles)

- Existing Roads
- Milepost 161
- Rivers and Streams

- ⊕ Proposed Large Bridge
- Cities
- Wilderness Boundary

- Bureau of Land Management (Federal Land)
- Fish and Wildlife Service (Federal Land)
- National Park Service (Federal Land)










- ANCSA (Native Corporation Land)
- ▨ ANCSA Selected

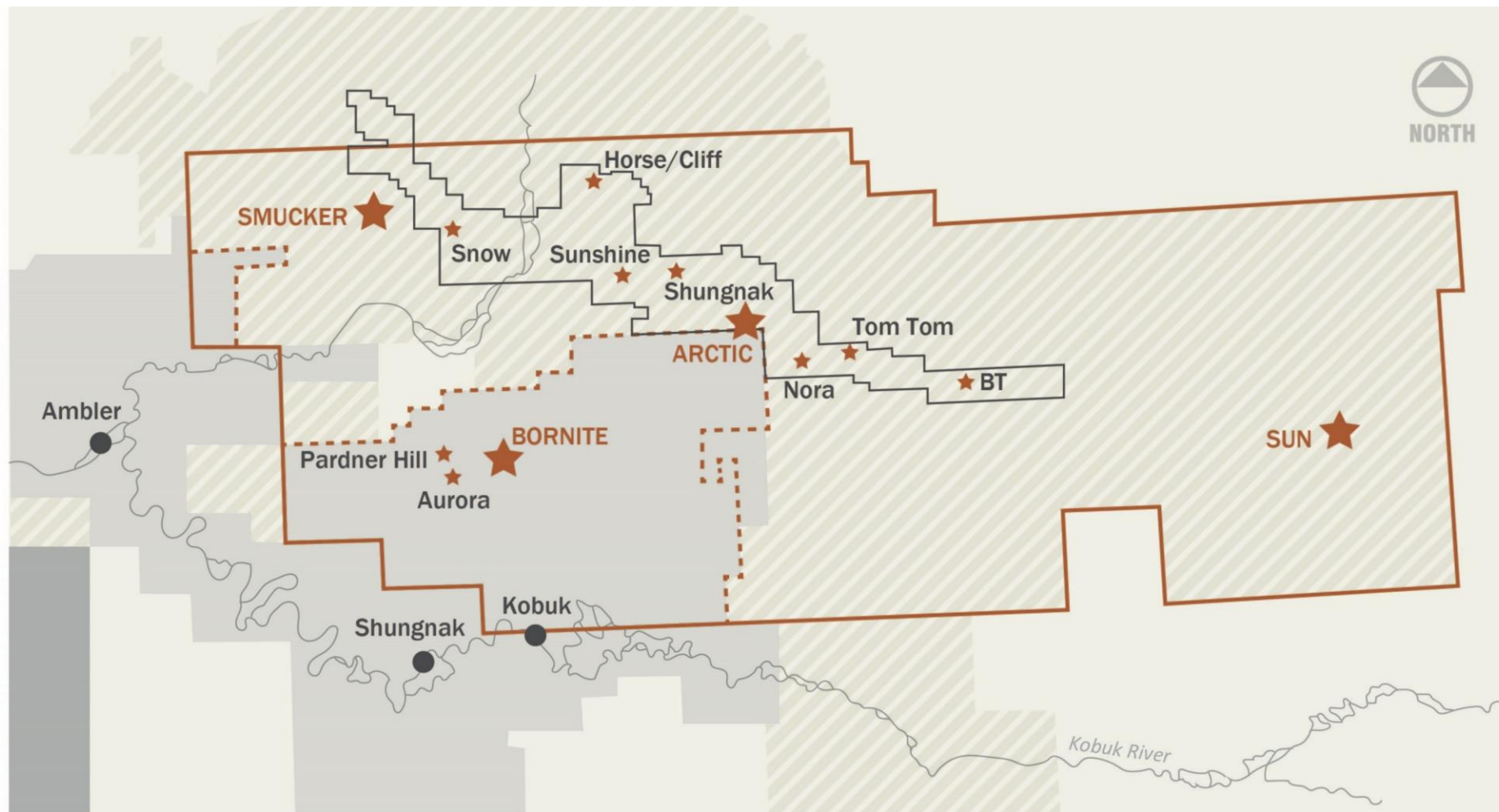
- State Land
- ▨ State Selected

Source: Ambler Mining District - Geology and Geochemistry of the Arctic Project, Ambler District, Alaska Schindler, Jeanine Marie, Stanford University Ph.D. 1994
Mineral Resources / Major Mineral Deposits - Hawley, C.C. and Vail, W.K. 2008. Report on Minerals, Western Alaska Access Planning Study. Inventory Report
U.S. Department of the Interior, Bureau of Land Management

AMBLER AREA

LEGEND

-  Federal
-  State
-  NANA - Selected/Conveyed
-  Private/Other
-  Major Deposit
-  Prospect
-  NANA - Trilogy Area of Interest
-  NANA's Bornite & ANCSA Lands
-  Ambler State Mining Claim Group



POTENTIAL RESOURCE VALUES*

Mine	Operating Life	Identified Resource (Million Metric Tons)	Copper Equivalent Grade	Identified Resource Value (Life of Mine)	Annual Revenues
Arctic	12	43 MmT	4.36%	\$10B	\$866M
Bornite	21	182 MmT	1.60%	\$13B	\$627M
Sun	6	11 MmT	4.13%	\$1.6B	\$262M
Smucker	5	7 MmT	6.22%	\$1.1B	\$219M
Total	-	243 MmT	-	\$26B	\$1.97B

Source: 2019 Economic Impacts of Ambler Mining District Project and Mine Development Report – UAA.

*Numbers rounded for presentation purposes

MINING DISTRICT POTENTIAL

How certain is the district to produce working mines?

- 13 mines currently in various stages of exploration and/or permitting
 - December 2019 – South 32 and Trilogy Metals announced formation of Upper Kobuk Minerals Projects JV

Trilogy	South 32
Formed in 2011 to advance the Upper Kobuk projects	Globally diversified mining and metals company
Agreement with NANA for exploration and development	Operations in Australia, S. Africa, and S. America
\$32M in net assets	\$10B in net assets
JV to form in February 2020	



+



= Important Partnership

MINES: JOBS AND OPPORTUNITIES



Potential mine benefits (4 mines)

Construction:

- 2,777 direct annual jobs with \$286M/year in wages
- 2,034 indirect and induced annual jobs with \$108M/year in indirect wages

Operations:

- 495 direct annual jobs with \$72M/year in wages
- 3,436 indirect and induced annual jobs with \$228M/year in wages

State and local payments (4 mines)

SOA and local government revenues

- \$1.3 Billion (in addition to AMDIAP payments)
- Royalty, corporate income tax, claim rental, mining license fee, fuel tax, local taxes/PILT

Source: 2019 Economic Impacts of Ambler Mining District Project and Mine Development Report – UAA

AN INDUSTRIAL ROAD

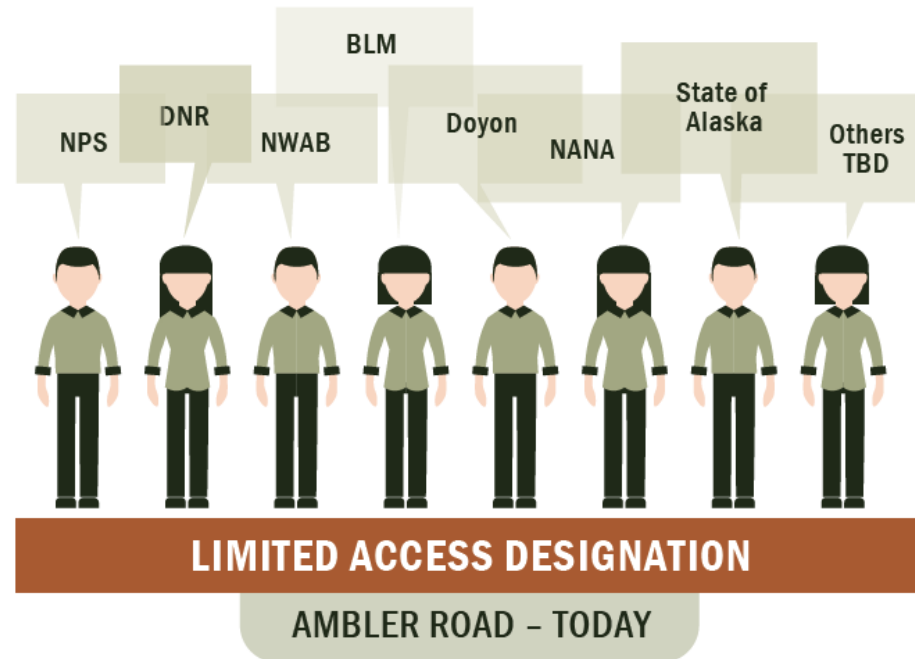
- Ambler Access is designed to be a controlled road with limited environmental and wildlife impacts.
- It draws on AIDEA's experience with the Delong Mountain Transportation System (DMTS), the road and port that support the Red Dog Mine.
- The Ambler Road will use protocols similar to the DMTS with trained drivers, radio communications, and instructions that traffic stops when wildlife are spotted.
- AIDEA plans to establish a Subsistence Advisory Committee similar to that used at Red Dog Mine so that traditional and local knowledge is used during the construction and operation of the road.
- AIDEA also plans to provide other community benefits, comparable to DMTS Village Fuel Transfer program.

CARIBOU REGULARLY CROSS THE ROAD TO THE RED DOG MINE



Photo courtesy of Teck.

NOT THE SAME AS THE DALTON



No federal funds for construction or operation



Operated by an LLC, not the state DOT&PF



Controlled access ROW – not Public Highway ROW

AIDEA'S DEVELOPMENT PLANS

- AIDEA is Alaska's economic development authority charged by statute to create jobs and improve the economy through natural resource development.
- The Ambler Mining District is an opportunity for jobs, economic growth, and diversification of the State's economy.
- This effort will take time, financing, and planning but the process is well underway.
- The Bureau of Land Management expects to issue a Final Environmental Impact Statement on the Project on March 6, 2020.

Stage	Elements	Funding Source	Budget (2020 Dollars)	Expended/ Encumbered	Duration
Stage 1	Reconnaissance/Preapplication	DOT&PF (SOA funds) AIDEA (SOA funds)	\$9.25M \$8.5M	\$9.25M \$8.5M	5 years
Stage 2	SF299 application	AIDEA (SOA funds)	\$8.5M	\$8.48M	4 years
Stage 3	DEIS to FEIS/ROD	AIDEA	\$1.5M	-	1 year
Stage 4	Field Work & Permitting	AIDEA/Investors/ Mining Companies	\$31.3M**	-	4 years
Stage 5	Design	AIDEA/Investors/ Mining Companies	\$28.2M**	-	4 years
Stage 6	ROW Acquisition	AIDEA/Investors/ Mining Companies	TBD*	-	4 years
Stage 7	Construction ¹ (through phase 2: one-lane road) and Financing ² /Reclamation Costs ³	Revenue bonds	\$449M ¹ \$50M ² /\$75M ³	-	4 years
Stage 8	Operation & Maintenance	Mining user fees	\$10M/year*	-	LOM
Stage 9	Closure & Reclamation	Revenue bonds	Prefunded in Stage 7		Closure
Total	-	-	\$661.25M*	-	

*Total does not include AIDEA internal staff time, ROW acquisition, mitigation, or annual O&M costs.

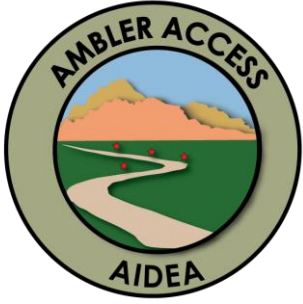
** Cost to final investment decision Stage 4 + Stage 5 = \$59.5M

A geologist wearing a pink jacket, orange safety vest, and a red headband is using a rock hammer on a rocky hillside. The background shows a steep, rocky slope under a cloudy sky.

QUESTIONS/DISCUSSION

Photo courtesy of Trilogy Metals Inc.

[www. ambleraccess.com](http://www.ambleraccess.com)



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