



Alaska Industrial Development and Export Authority



Ambler Road Update

House Finance Subcommittee

February 15, 2018





Agenda

- Project Overview
- Project History
- Permitting Process
- Project Status
- What comes next?



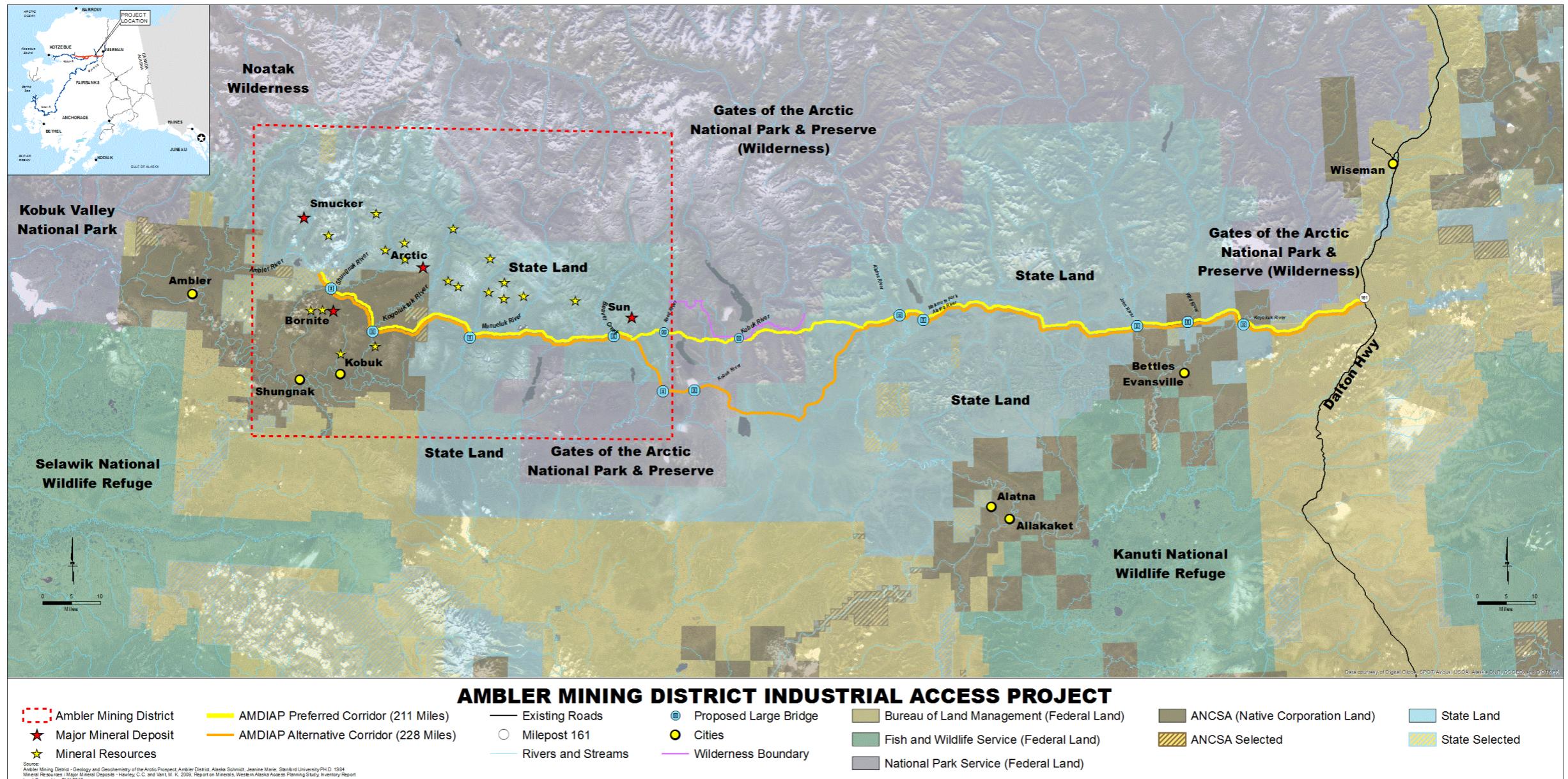
Project Overview

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





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

- 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 finance project probably 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 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 Road)





•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

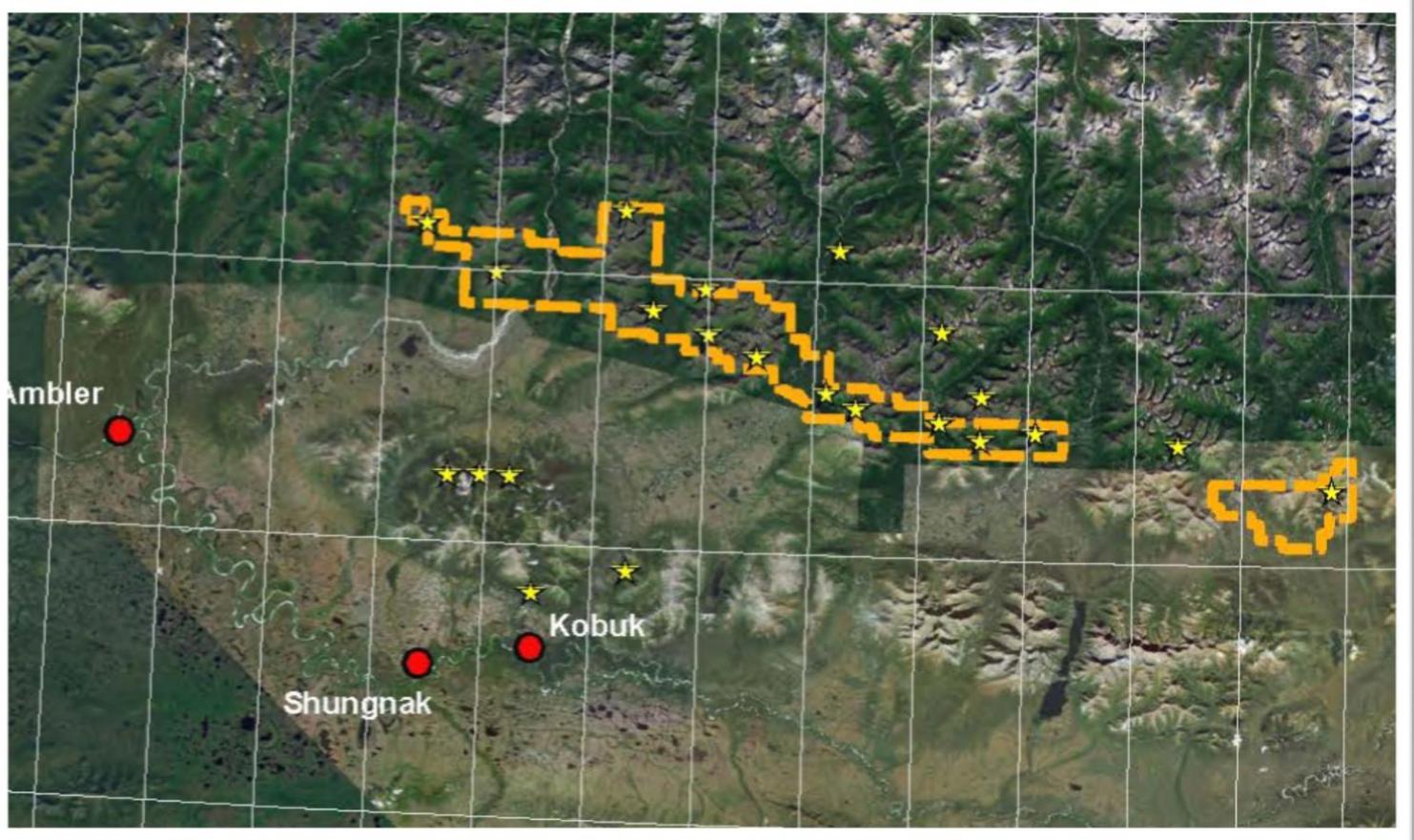
- Kennecott Resources discovered copper at Bornite in 1957
- Alaska National Interest Lands Conservation Act (ANILCA) --Creation of the “Boot” in 1980
 - State of Alaska requested access to Ambler Mining District and State-selected lands
 - ANILCA included a unique Concept for Ambler
 - Created National 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

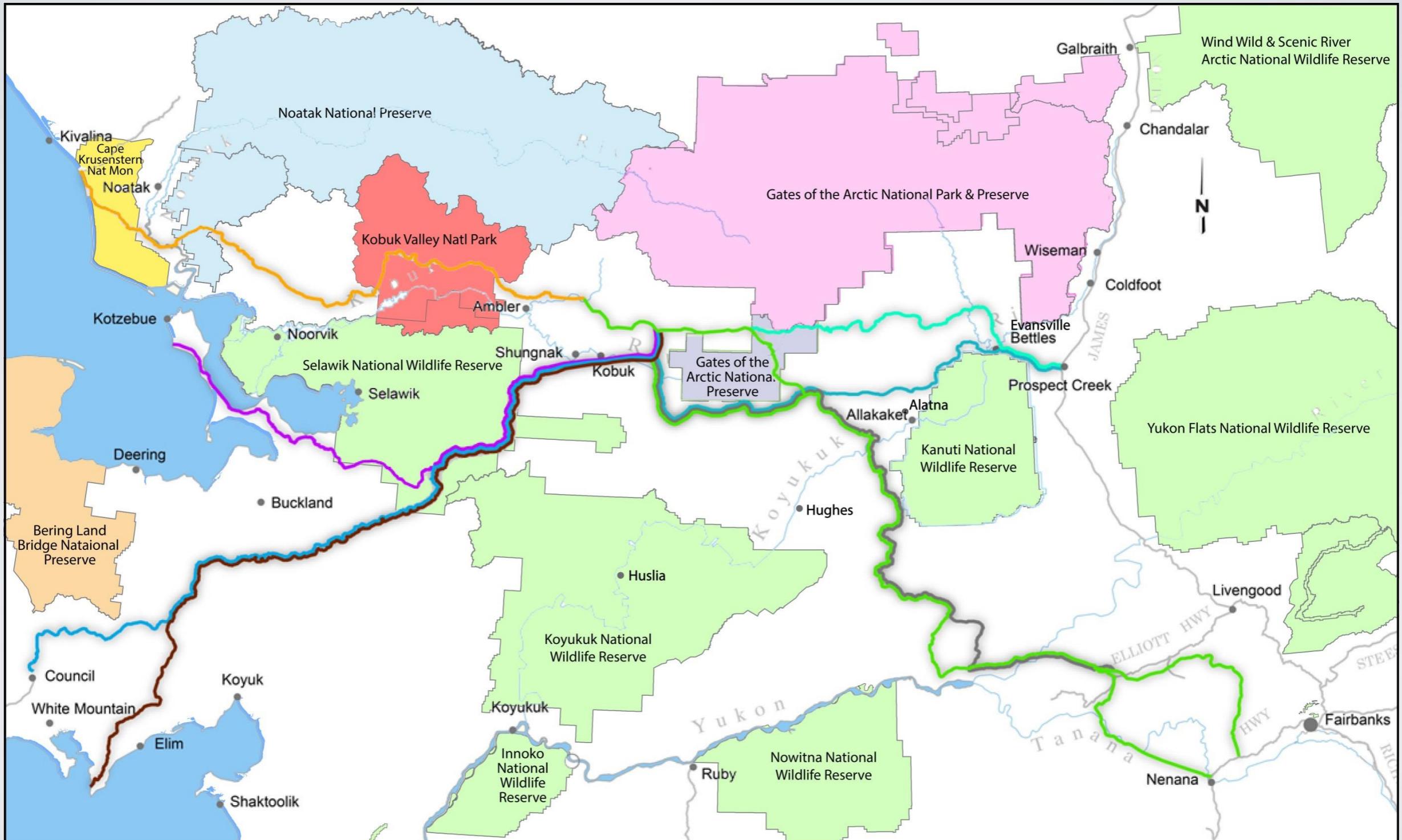


Project History To Date

- 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

- 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 Studies
- AIDEA submitted SF299 application to 5 federal agencies in 2015

DOT&PF Alternatives Evaluated

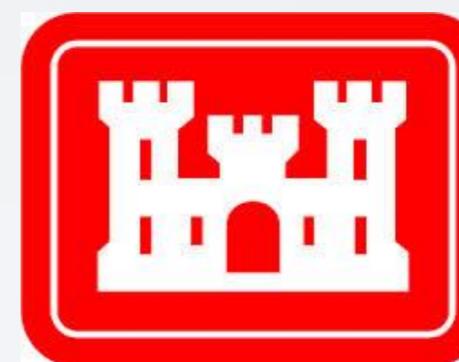




Permitting Process/Roles

Ambler has a Multifaceted Permitting Process

- For the route across the National Preserve:
ANILCA Section 201(4) (Title II)
- 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/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 through Jan 2018
- BLM scoping meetings held in 12 communities in Nov-Dec 2017
- Scoping comment period ends 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 acquisition from non-federal entities
- Construction of Phase I (2 years estimated)
- Construction of additional phases as mining activity increases and demand supports expansion