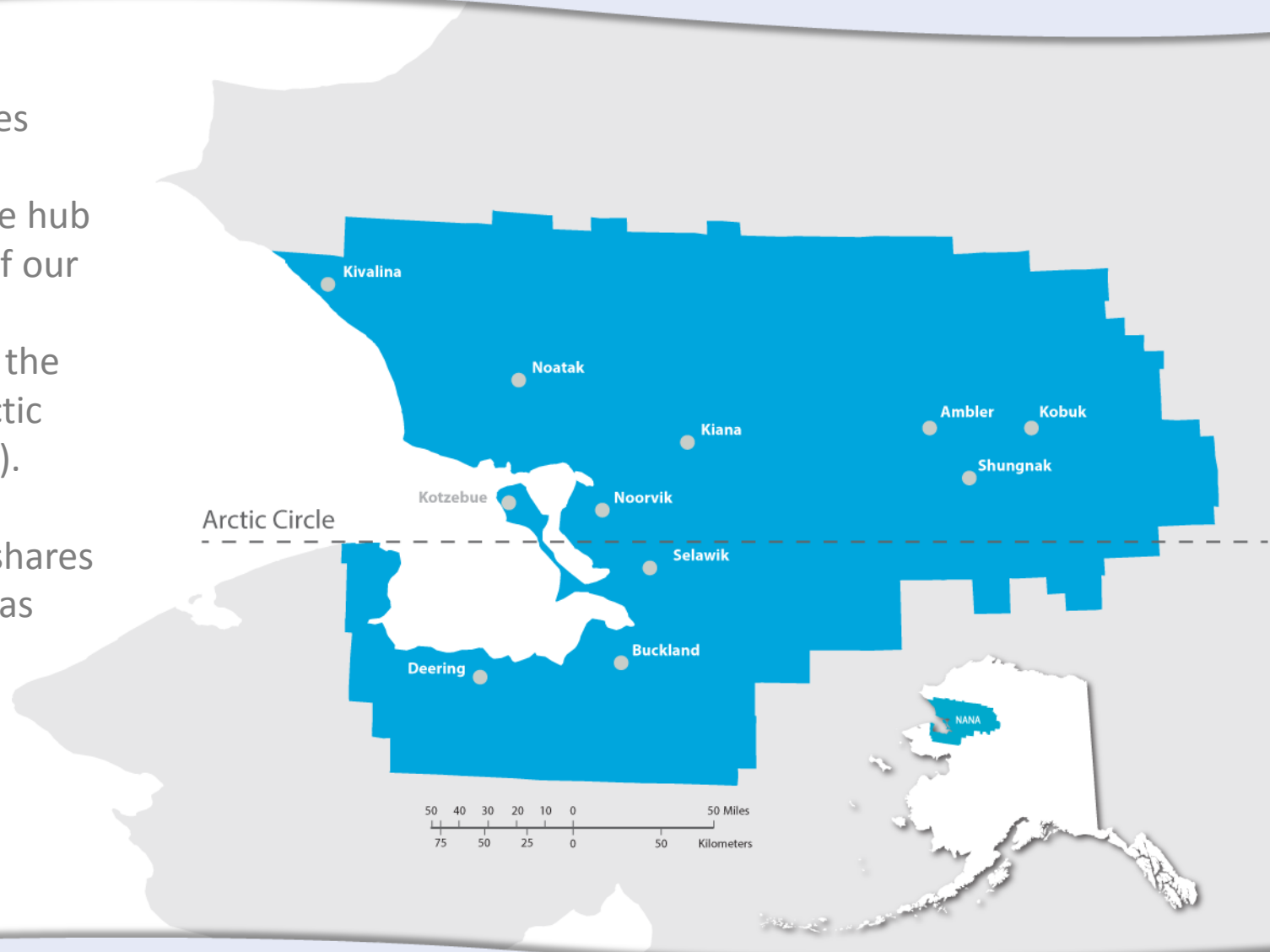


Sustainable Mineral Development in Northwest Arctic – Benefiting Alaska



The NANA Region

- 11 communities
- Kotzebue is the hub and the seat of our municipal government – the Northwest Arctic Borough (NAB).
- NANA region shares same borders as NAB.



NANA Formation



NANA Regional Corporation incorporated in 1972 as the regional corporation for Northwest Alaska.



NANA's first board chairman was Robert Aqqaluk Newlin, Sr. and the first president was John Schaeffer.



In 1974, NANA Development Corporation was created .



Responsible development on NANA lands and the businesses create profit for the corporation.

An Iñupiat Corporation



When NANA first started, we had about 4,800 shareholders.



We have more than 13,500 shareholders. Our shareholder base is growing all the time.



In 1991, NANA shareholders voted to include shareholder descendants born after the December 18, 1971 cut-off date of ANCSA into NANA.



Shares in our corporation cannot be bought or sold. They must be inherited or gifted.

NANA's responsibility to shareholders



Improve
quality of life



Maximize
economic
growth



Protect and
enhance lands



Promote
healthy
communities

An Iñupiat Corporation



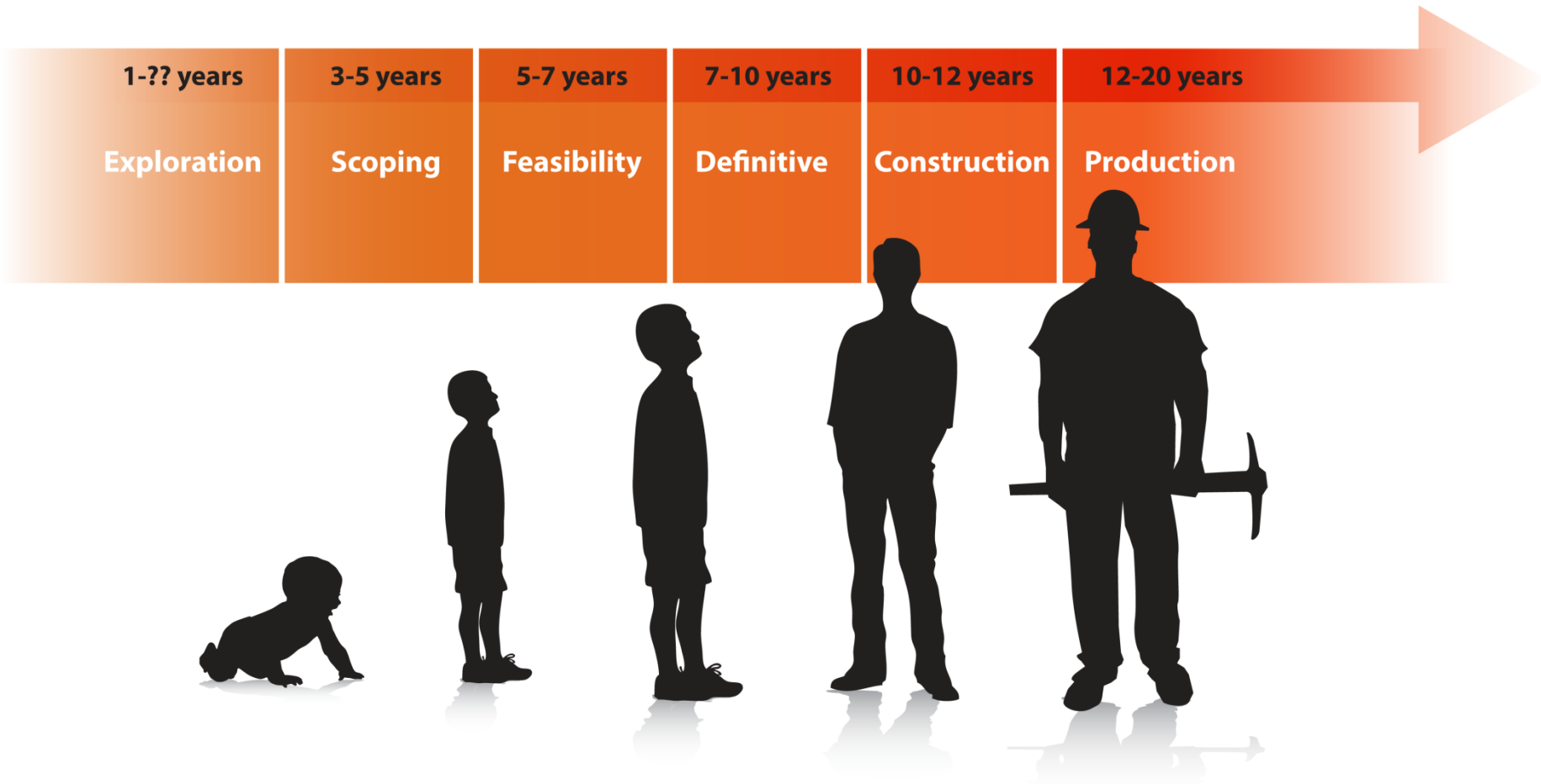
Subsistence is the highest and best use of our lands.

We responsibly develop NANA's subsurface resources by working with our shareholders and within the region

Responsible development at Red Dog Mine has helped improve the lives of our shareholders and build the economy of our region.



Mineral Development Takes Time



Red Dog Mine Development Timeline



1968

Bob Baker brings the future mine site to the attention of the USGS.



1970

USGS publishes report on zinc/lead findings at future mine site.



1971

Alaska Native Claims Settlement Act (ANCSA) enacted



1975

US Bureau of Mines, directed by Congress, sends geologists (and contracts with WGM) to study the potential of Red Dog site



Late 70s

NANA begins villages meetings to discuss mining potential

Red Dog Mine Development Timeline



1980

NANA exercises right to 120 square-mile parcel that includes Red Dog Mine



1982

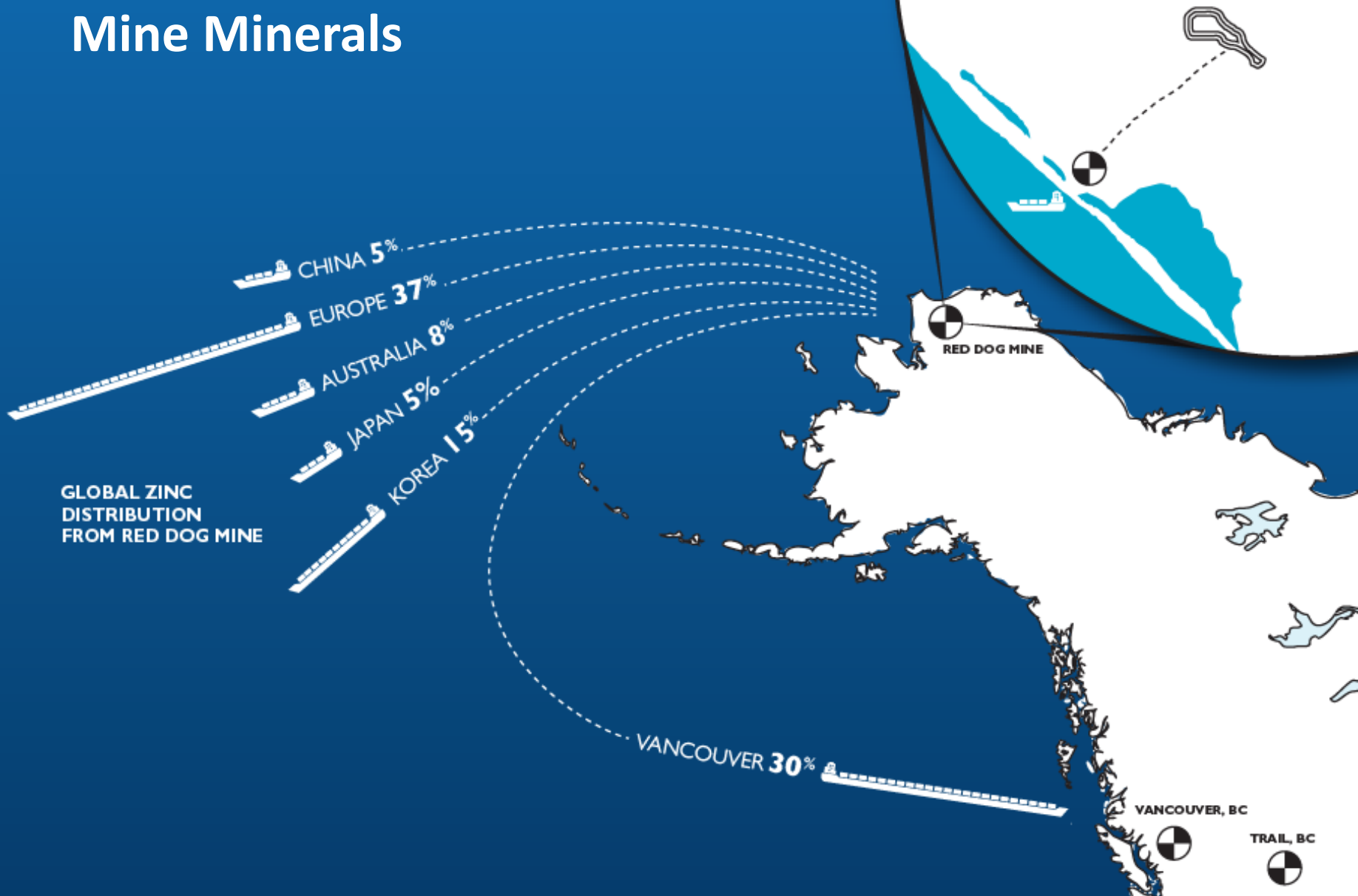
NANA and Cominco agree to lease terms



1989

Production at Red Dog Mine begins

Distribution of Red Dog Mine Minerals



70 % (2012) of US zinc
mine production

4.5% (2013) of
global zinc mine
production

~49%-60% of Alaska's
mineral export

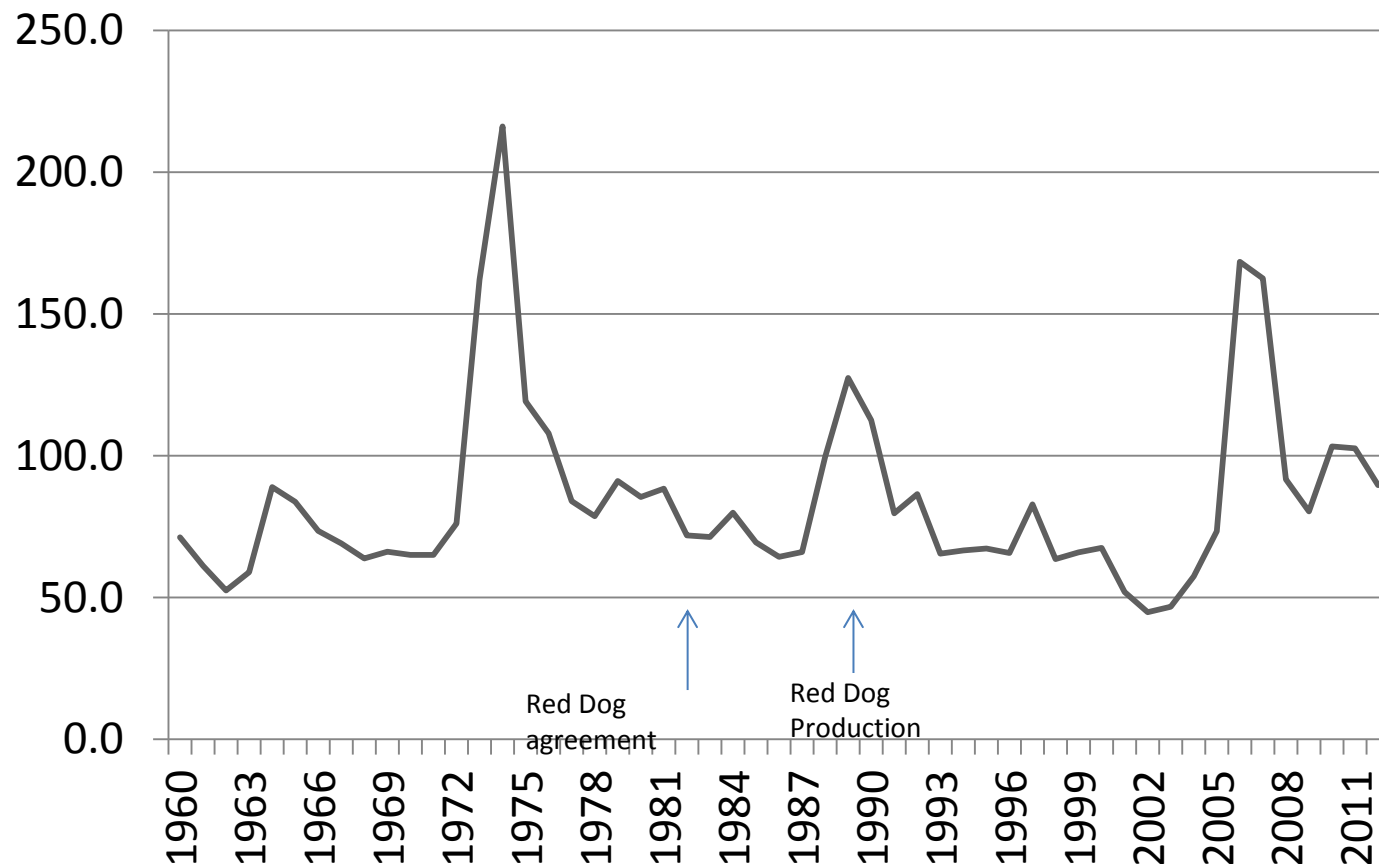
~16% of Alaska's
export in 2012 was
due to Red Dog



Zinc Price adjusted for in 2013 Dollars (\$/lb)

A challenge to operation

– world price has a tremendous effect on revenue



Benefits of Development



\$1 BILLION

in proceeds paid to NANA
since mining began (2013)



600+ Jobs



\$608 MILLION

in total 7 (i) payments (through
2013)



**73% U.S. zinc
production**



~\$558 MILLION

in Alaska benefits, annually (2010)



54% Shareholder Hire



\$119.7 MILLION

in total PILT to NAB since mining began

Benefits to Shareholders

In 2013 NANA provided significant benefits to our shareholders from Red Dog Mine proceeds:



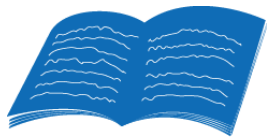
\$1.5 MILLION

Aqqaluk Trust



\$3.9 MILLION

In social & cultural benefits



\$874,000

In scholarships to shareholders, dependents and descendants



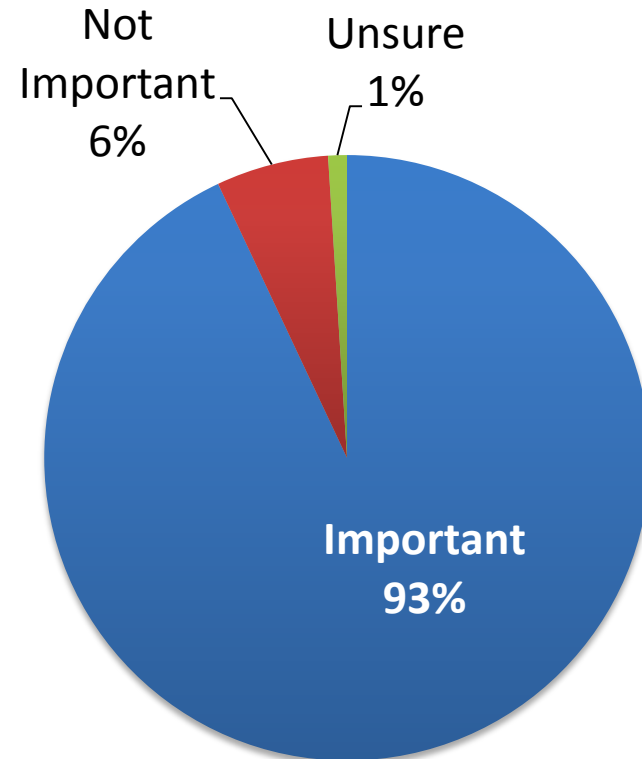
\$1.1 MILLION

In Village Economic Development grants to communities

Shareholder Survey

How important do you believe mineral development is for the economic health and well being of NANA?

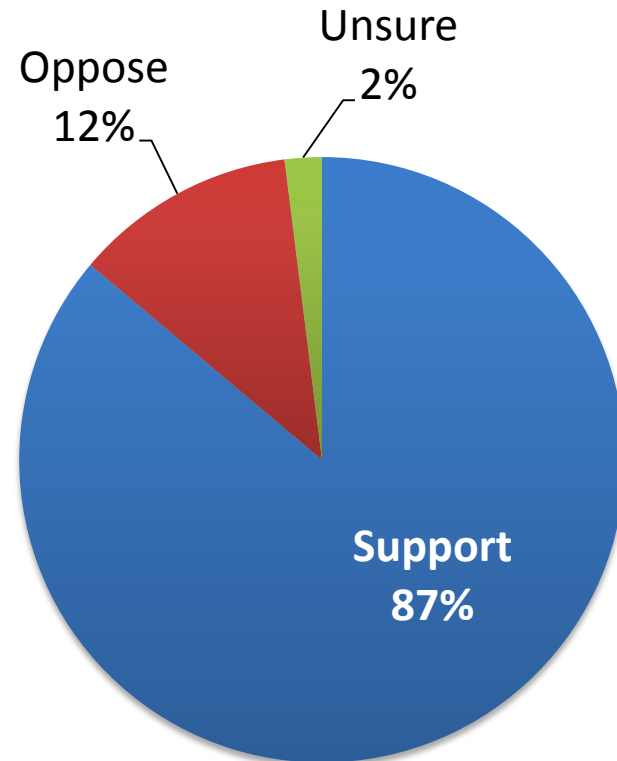
*Results of 2011 NANA Survey
conducted by Dittman Research
in Oct. 2011.*



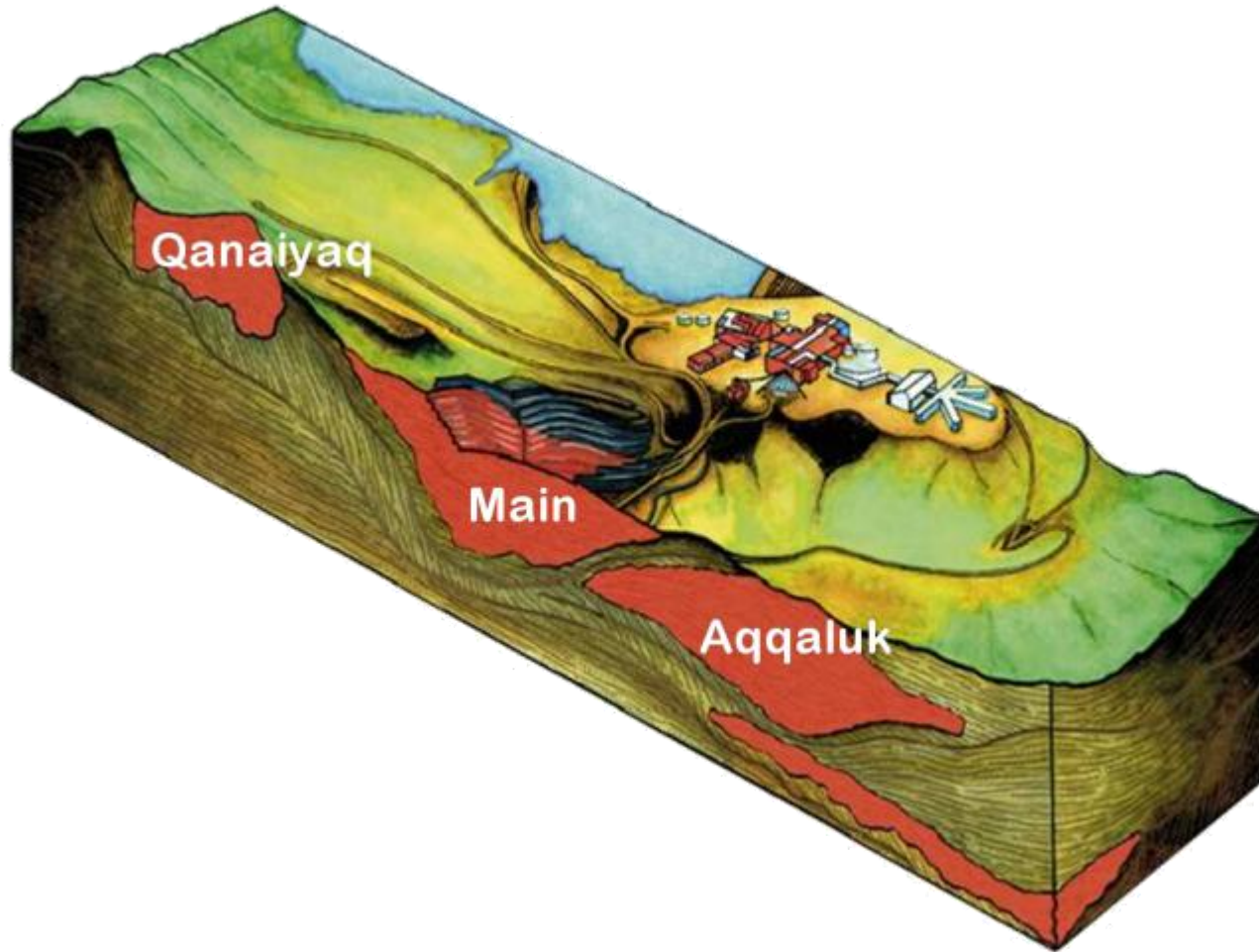
Shareholder Survey

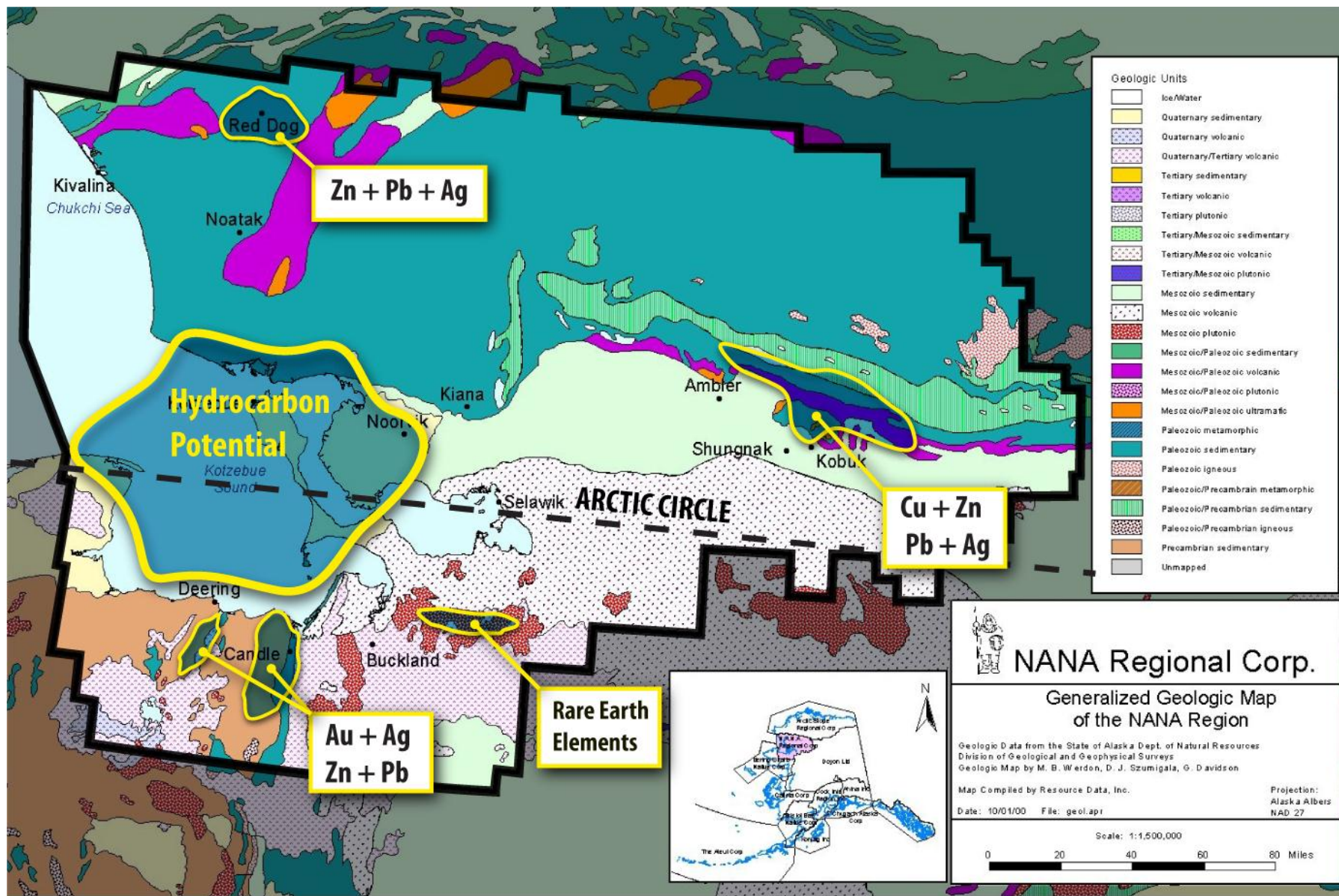
Do you support or oppose new mineral development on NANA lands?

*Results of 2011 NANA Survey
conducted by Dittman Research
in Oct. 2011.*



The Future of Red Dog Mine





Northwest Alaska's Strategic Minerals

| US Foreign Dependence/China % of global consumption | | |
|---|--|--|
| <div>Zn zinc</div> | 73% (5% of global reserve) | 43% |
| <div>Cu copper</div> | 35% (5% of global reserve) | 40% |
| <div>Ge germanium</div> | 90% | China accounts for 55% of global refinery production |
| <div>Co cobalt</div> | 75% (<1% of global reserve) | ?? |
| <div>Pb lead</div> | 18% (recycled lead is 91% of US consumption) | 45% US imports basically all primary lead |

Upper Kobuk Mineral Project

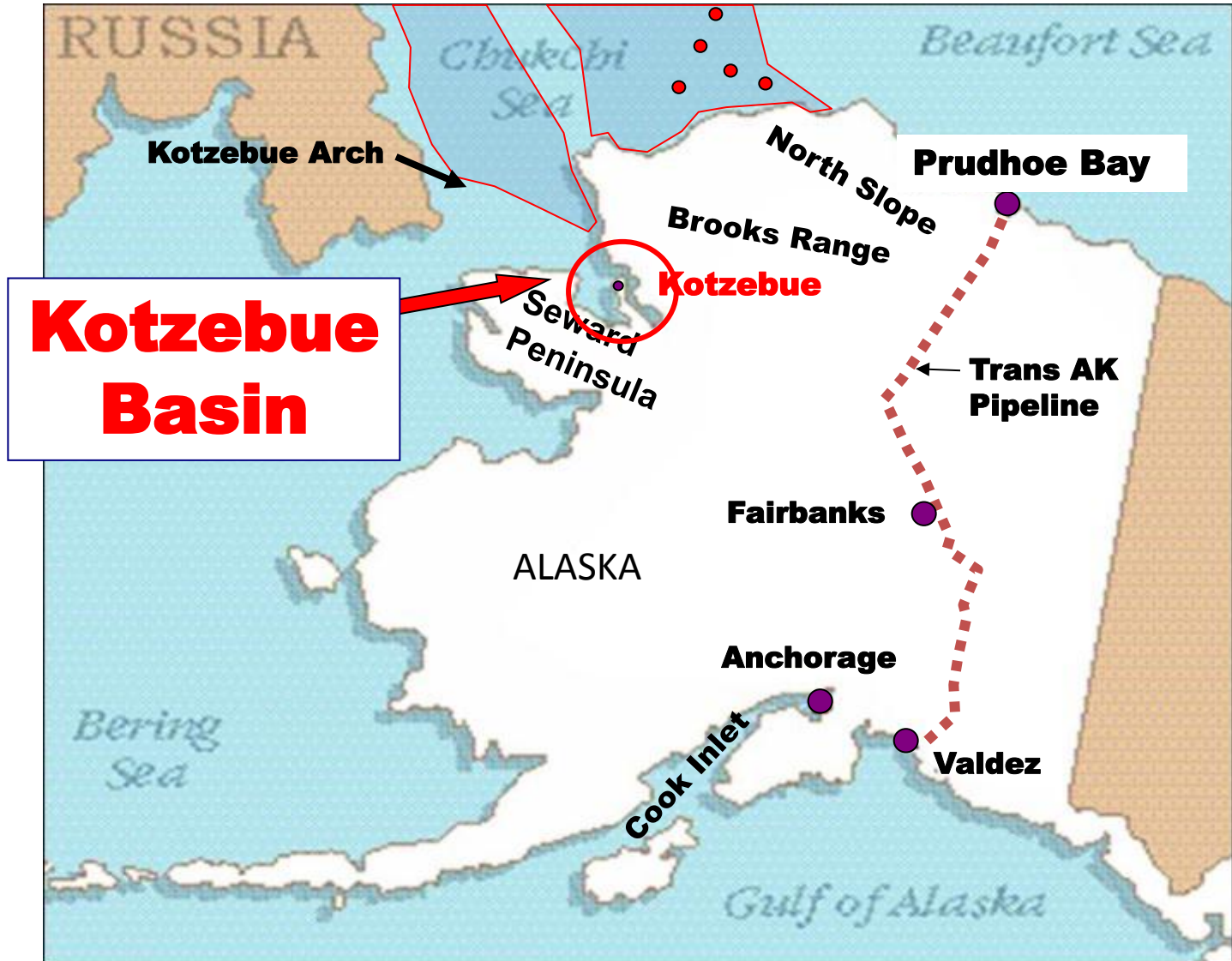
An advanced stage mineral exploration project in the Ambler VMS district



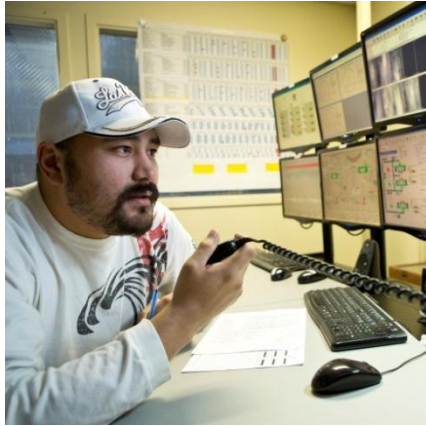
Other Potential



- Basin 350 x 80 miles
- Onshore NW AK and offshore Chukchi Sea
- Separated from Hope Basin by Kotzebue Arch
- Depocenters ~ 20,000 ft Tertiary & probably Cretaceous



Cooperation



Cooperation and Consultation

Thousands of years of cooperation and values
Commitment to consultation and working together
Cooperation and a project we can be proud of .

Opening Arctic

The opening of the Arctic; has Alaska's ship come in? Or is it someone else's?



Taikuu

