



AMDIAP - AMBLER EIS PROJECT

CURRENT STATUS

April 2016

Consolidated permit applications have been filed with several relevant federal agencies, including the National Park Service, the U.S. Army Corp of Engineers, U.S. Fish and Wildlife Service, Bureau of Land Management, U.S. Coast Guard, and the U.S. Federal Highways Administration. AIDEA has received requests for additional information from the relevant federal agencies, and is preparing a revised application, expected to be submitted in Spring of 2016.

PROJECT DESCRIPTION

The Ambler Mining District Industrial Access Project (AMDIAP) concerns the preparation of the scoping portion of an Environmental Impact Statement (EIS) for an approximately 200-mile industrial access road from the Dalton Highway to the Ambler Mining District in northwest Alaska. The Ambler Mining District has extensive mineral resources, including copper, silver, gold, lead and zinc. It has been characterized as one of the largest undeveloped copper-zinc mineral belts in the world. The area has been explored for decades, but development of the mineral resources has been limited due to a lack of transportation infrastructure for mine construction and operation.

The AMDIAP project could provide surface access to the Ambler Mining District and enable further exploration and development of the area's resources, providing for economic development. AIDEA undertook the project with the goal of forming a Public-Private Partnership to finance, construct, operate and maintain the facility. The project design is modeled on AIDEA's successful Delong Mountain Transportation System (DMTS), which includes an industrial access road from the Red Dog Mine to the DMTS port. AIDEA worked with private industry to develop the DMTS industrial access road and the costs of road construction were paid back through tolls on road use.



AMDIAP could provide access to the Ambler Mining District through Gates of the Arctic National Preserve making use of special provisions in the Alaska National Interest Lands Conservation Act (ANILCA), that allow this type of access to reach the Ambler Mining District.

APPROVAL PROCESS

ANILCA Section 201 directs the Secretaries of the Interior (represented by the National Park Service) and Transportation (represented by Federal Highways Administration) to conduct an Environmental and Economic Analysis to determine the best route through Gates of the Arctic National Preserve. Title XI of ANILCA also requires an Environmental Impact Analysis under the National Environmental Policy Act. The Bureau of Land Management, the Army Corps of Engineers, and the Coast Guard are participating in the Title XI process as they have regulatory authority over land, wetlands and water crossings on the proposed project.

In addition to the federal approvals, the project would require a land use permit from the Northwest Arctic Borough. Finally, AIDEA's regulations require there to be resolutions of support for the project from the Northwest Arctic Borough and a Regional Resource Advisory Committee appointed by the Governor to represent communities in the unincorporated areas in which the project is located.

BUDGET/FINANCE

AIDEA, as a development finance authority, would develop the access route as a Public-Private Partnership in which AIDEA funds and bonds would be used in conjunction with private capital for the construction and operation of the access modality. As with the DeLong Mountain Transportation System, mines using the road to haul ore to market would pay a user fee that would pay back the financing used for the road's development and construction.

PROJECT/ ECONOMIC BENEFITS

Development of AMDIAR could allow private industry to develop a 75-mile long area of high mineral resources. Over the life of the project, multiple mines would likely be developed in the area. Benefits from the project include:



- Job and business opportunities for rural residents in north-central and northwest Alaska
- An annual average of 300 jobs over the road construction period
- A total payroll of up to \$120 million for the road construction workforce
- Up to 20 full-time jobs for road operations and maintenance over the life of the road
- Increased employment and wages from mine construction and operations in the Ambler Mining District
- Economic benefits from just one proposed mine (Arctic) include:
 - 400 direct jobs over two years for mine construction
 - \$100 million in wages for mine construction workers
 - 500 long-term direct jobs for mine operations
 - \$46 million per year in mine workforce wages
 - 1,000 direct, indirect and induced jobs with \$79 million in wages annually
 - \$115 million in mining license tax revenues to the State
 - \$158 million in corporate income taxes to the State
 - \$58 million in production royalties to the State

PARTNERS

Owner/Operator: Public-Private Partnership
Partners: AIDEA, NovaCopper, other mining companies, and other private entities