



AMBLER MINING DISTRICT ACCESS PROJECT

RESTRICTED ACCESS: AMBLER MINING ROAD

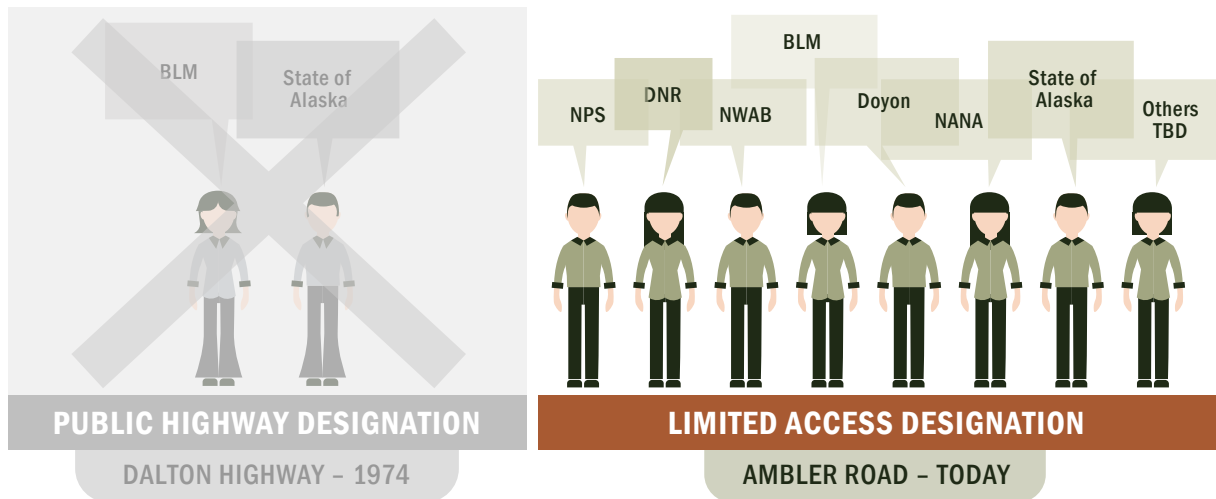
A common concern about the Ambler mining district industrial access road is that the road will someday be open to the public like the Dalton Highway. Legal agreements, the road designation, funding, and authority over the road are all different than the Dalton Highway and will preclude any one entity from making changes to its status. The following is a snapshot of some of the many reasons the Ambler road will not be open for public use like the Dalton Highway is.

AIDEA IS ESTABLISHING NUMEROUS SAFEGUARDS TO PROTECT ITS LIMITED-USE STATUS

Ambler project managers at AIDEA were cognizant of the history of changes made to the designation of the Dalton Highway, and deliberately created a legal structure for Ambler that makes any effort to make the road open to the public difficult and essentially precludes it from ever being open. The legal and contractual requirements include:

- A requested limited federal right-of-way
- Operation of the road by an LLC, not a State agency
- Restrictions in the financing terms
- Endorsements in insurance policies
- Anticipated restrictions in the needed landowners' easements
- Restrictions likely to be placed in the Environmental Impact Statement (EIS)
- The identified road users and financiers (mine owners/operators) want it limited

All of these will act together to constrain any State official or entity from being able to make the road open to the public without redoing all of the respective agreements, legal stipulations, and environmental documents that designate the Ambler road as limited access.



A CLOSER LOOK: WHY THE ROAD WILL REMAIN CONTROLLED ACCESS

- AIDEA Requested a Restricted Right-of-Way from the Federal Government**
The Dalton Highway was formed with a public right-of-way that was initially closed to the public, but was later opened by the Bureau of Land Management (BLM) at the request of the State. In

contrast, AIDEA has requested a limited and restricted right-of-way from the federal government for the Ambler road as it crosses BLM and National Park Service (NPS) land.



The Road will be Operated by an LLC and not a State Agency

AIDEA developed an ownership model for the proposed project described in the SF 299 Application that envisioned the road being owned, operated, and maintained by an LLC. The LLC could develop protocols and impose restrictions on the road use in a similar manner to that which was used at the AIDEA-financed road to the Red Dog Mine.



AIDEA's Finance Plan Will Restrict How it can be Used

Bonds will finance the road and potential investors will be told the road will be used for a restricted purpose, largely limited to mining exploration and mine operations. These limitations on corridor usage allow the road to be built as a less expensive industrial road and not a public highway. Restrictions on the road's use will be incorporated in the agreements between the bondholders and AIDEA.



As an Industrial Road, the Project will have to be Insured

It is envisioned an LLC, not the state, will operate the road, and that entity will need to procure and pay for insurance for potential liability from its operations. An insurance policy will be based on the limited-access designation spelled out by its right-of-way, governance, and financing plan and agreements.



Easements with Multiple Landowners will Restrict How the Road can be Used

Because the proposed route primarily crosses land owned by Doyon, NANA, and the State of Alaska Department of Natural Resources, AIDEA will have to negotiate with each landowner for the right to cross their respective lands. This will usually be in the form of an easement which will contain restrictions on how the right-of-way can be used.



Restrictions Likely to be Placed in the EIS

Federal law directs agencies to identify measures which can avoid or minimize negative impacts and enhance positive benefits. These measures would likely be conditions placed on the right-of-way granted.



The Mining Companies Potentially Using the Road Supports Controlled Access

The potential mining companies in the area support controlled access. Financing for the road will be paid back by these mine entities. Those payments will be based on agreements between each company and AIDEA, and/or the road operator. It is anticipated these agreements will require the use of the road to remain restricted.

COULD THE STATE OF ALASKA TAKE OVER THE ROAD?

One question that comes up is whether the road could be transferred to the Department of Transportation and Public Facilities and therefore become a public road. The legal and financial structure of the proposed road would require more than a simple transfer between State entities.

Like all of the scenarios listed, many entities would need to agree, which is a highly unlikely scenario.

- 1** The State of Alaska would need to pay back AIDEA and other investors in the project – it could not use AIDEA funds to do it.
- 2** AIDEA's Board of Directors would have to vote on the matter.
- 3** BLM would have to agree to the change of the federal right-of-way.
- 4** Landholders Doyon, NANA, and DNR would have to agree to change of ownership and control.
- 5** The NPS would have to grant its consent for the portion of the route that goes through Gates of the Arctic National Park and Preserve.