

NORTHWEST ARCTIC BOROUGH



AMBLER MINING DISTRICT INDUSTRIAL ACCESS PROJECT

October 2019

AGENDA



1. AIDEA's Role



2. Ambler Area and Project



3. Controlled Access



4. Road Management



5. Subsistence



6. Phasing Plan



7. Where Are We Now?



Section 1.
AIDEA's Role



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**





AIDEA'S ROLE

The Alaska State Legislature

HOME SENATE HOUSE BILLS & LAWS MEDIA CENTER PUBLICATIONS GET STARTED

31st Legislature(2019-2020)
Alaska Statutes 2018
AS 44.08.010
powers necessary to accomplish the objectives stated in this paragraph, including the power to issue taxable and tax-exempt bonds, to acquire ownership interests in projects, and to provide development project financing as provided in this chapter;

(11) It is in the state's interest to import private capital to create new economic activity that would not otherwise take place in the state.

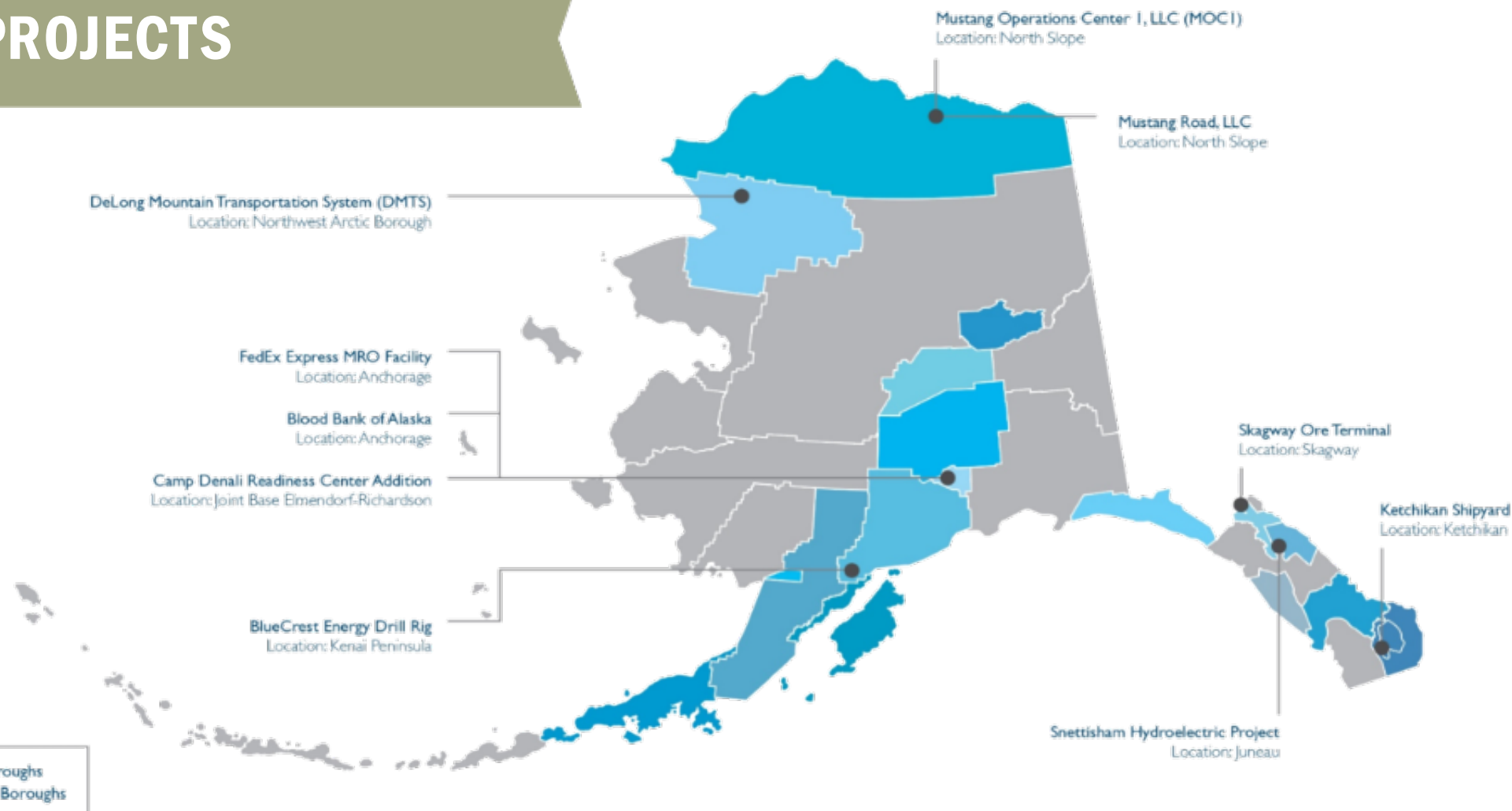
(b) It is declared to be the policy of the state, in the interests of promoting the health, security, and general welfare of all the people of the state, and a public purpose, to increase job opportunities and otherwise to encourage the economic growth of the state, including the development of its natural resources, through the establishment and expansion of manufacturing, industrial, energy, export, seafaring, business, and business enterprises and the other facilities referred to in (a) of this section by creating the Alaska Industrial Development and Export Authority with the powers, duties, and functions as provided in this chapter.

(b) It is declared to be the policy of the state, in the interests of promoting the health, security, and general welfare of all the people of the state, and a public purpose, to increase job opportunities and otherwise to encourage the economic growth of the state, including the development of its natural resources, through the



1. AIDEA's Role

AIDEA'S PROJECTS





EXAMPLE PROJECT: ROAD TO RED DOG MINE

AIDEA Revenue Earned*	\$370 million	=	AIDEA Rate of Return 6.5%
Original Investment	\$180 million		
Expansion Investment	\$85 million		
Total AIDEA/State Investment	\$265 million		

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



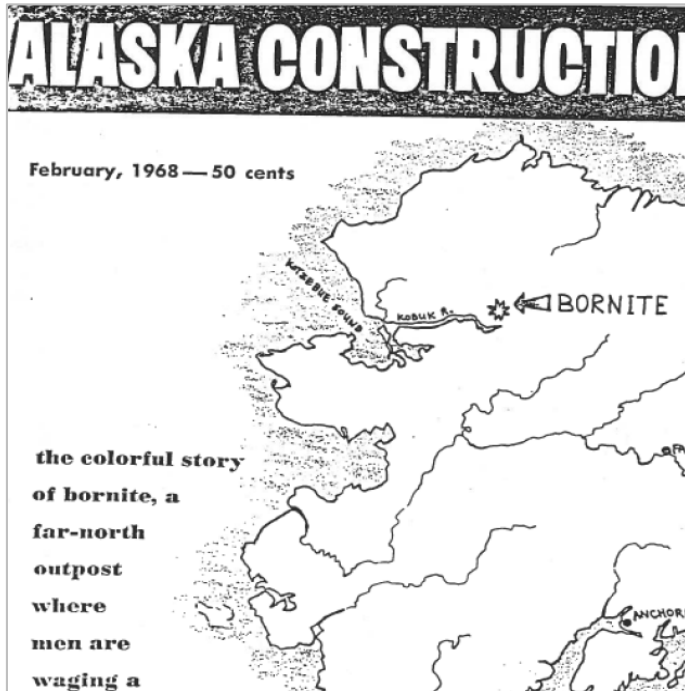
Section 2.

Ambler Area and Ambler Project

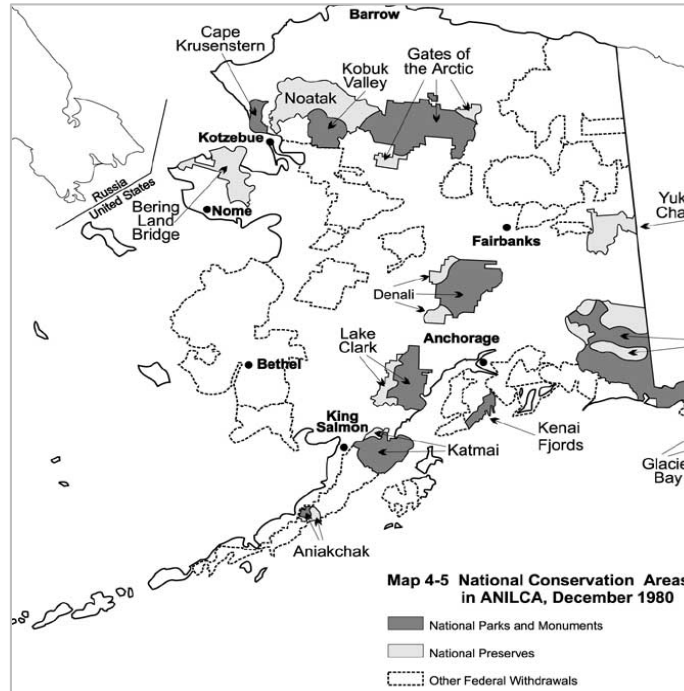


2. Ambler Area and Ambler Project

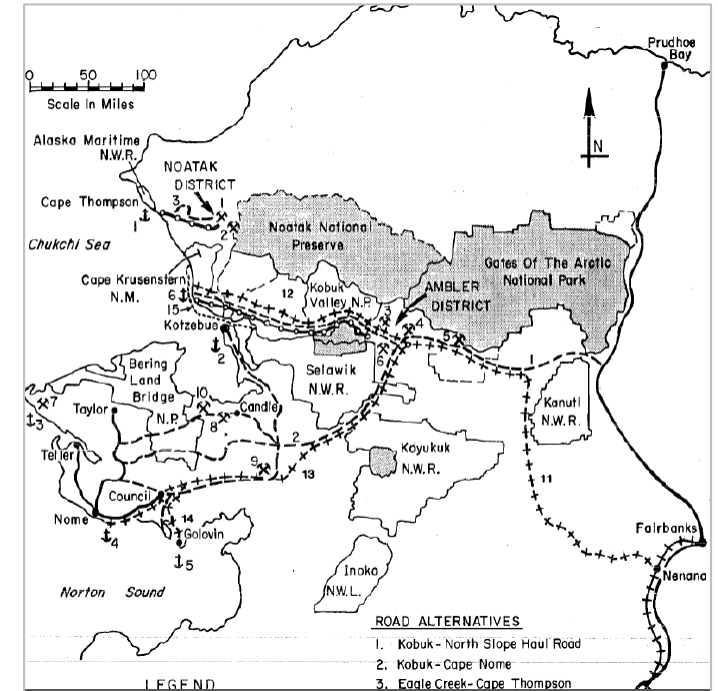
PROJECT HISTORY



1968 Bornite Article



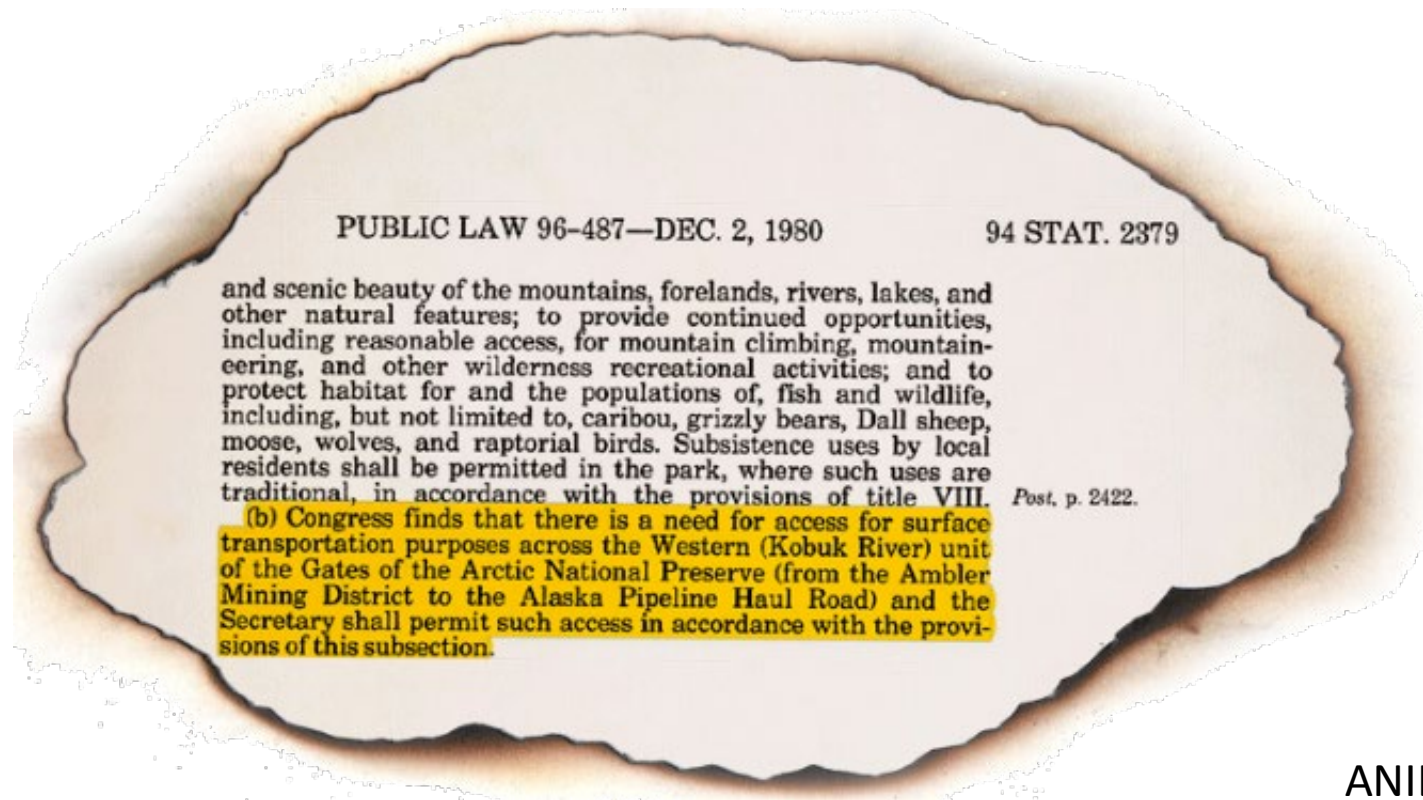
ANILCA Passed in 1980



1981 Western Alaska Access Study



ANILCA PROVISION FOR AMBLER ACCESS



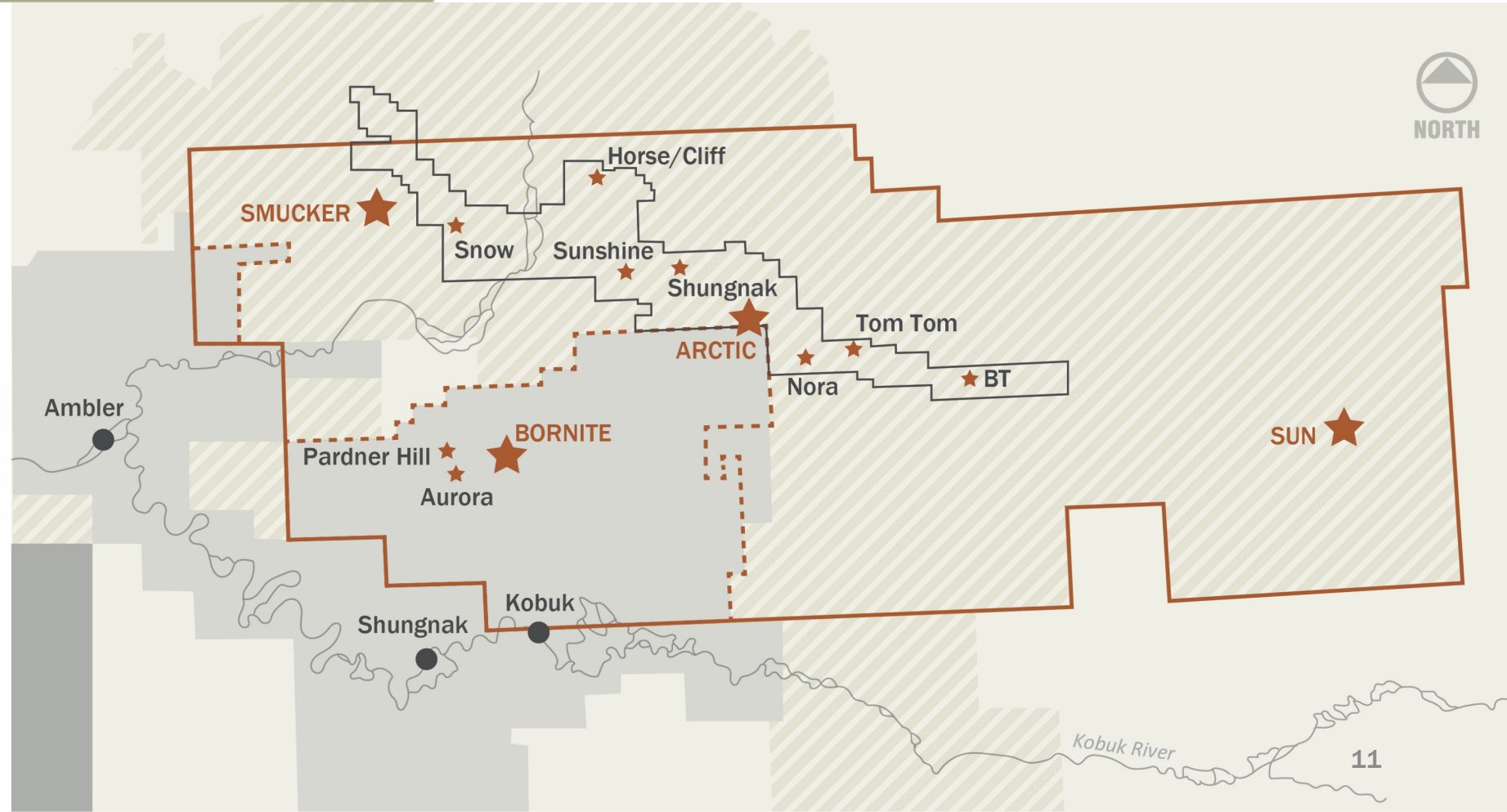
ANILCA, Section 201(4)(b)



AMBLER AREA

LEGEND

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





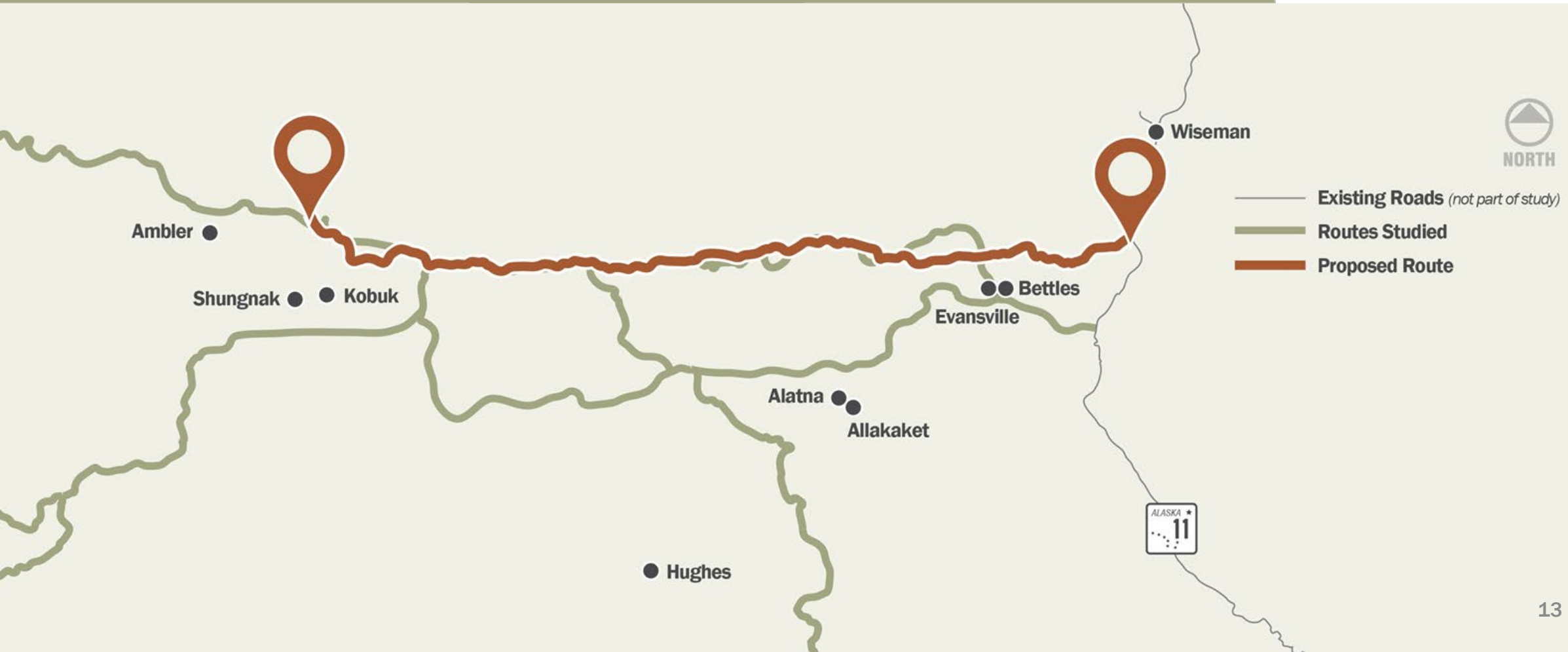
POTENTIAL RESOURCE VALUES*

Mine	Operating Life	Annual Revenues	Annual Direct Labor Costs	Annual Direct Ops Employment	LOM
Arctic	12	\$866 M	\$32 M	217	\$10 B
Bornite	21	\$627 M	\$23 M	157	\$13 B
Sun	6	\$262 M	\$10 M	66	\$1.5 B
Smucker	5	\$219 M	\$8 M	55	\$1 B
Total	-	\$1.97 B	\$72 M	440	\$26 B

Source: 2019 Economic Impacts of Ambler Mining District Project Report. *Numbers rounded for presentation purposes

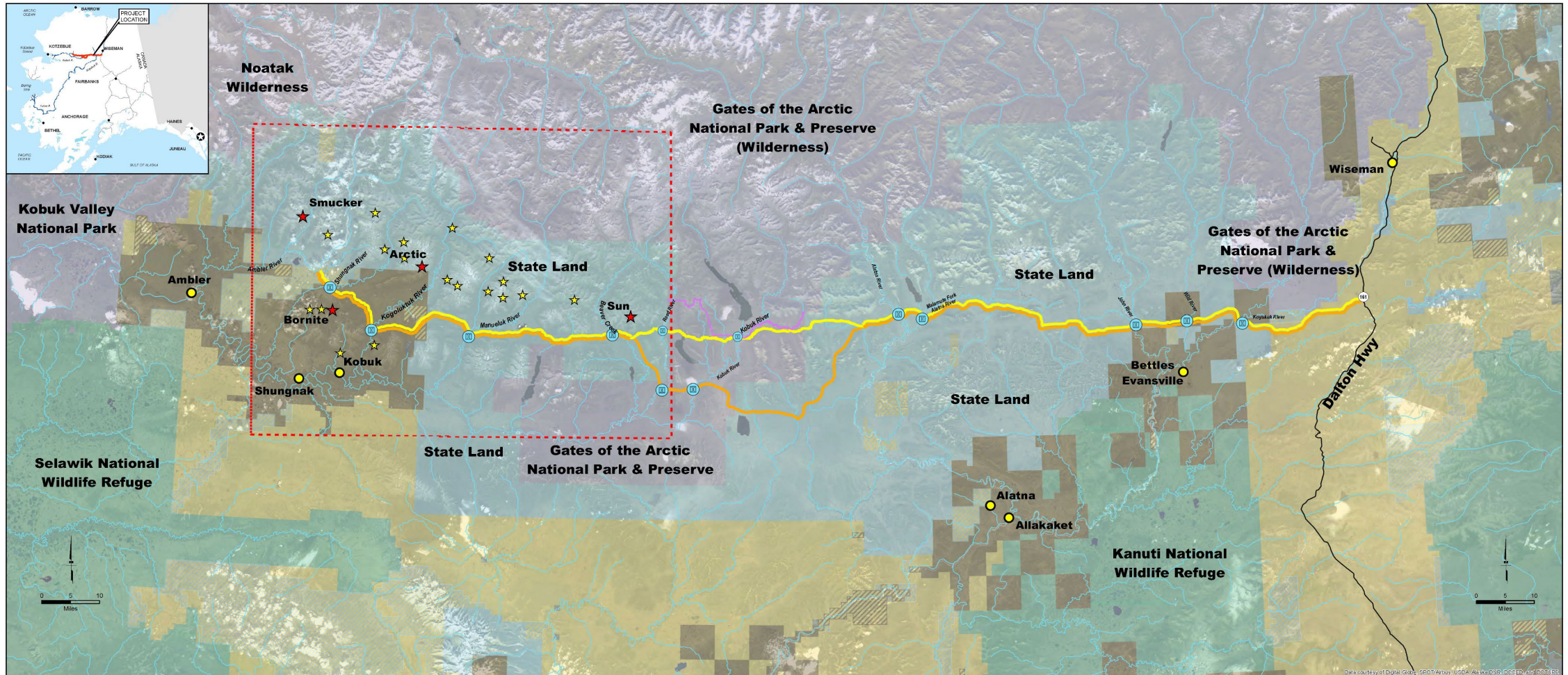


ROAD FROM DALTON TO AMBLER MINING DISTRICT





2. Ambler Area and Ambler Project



AMBLER MINING DISTRICT INDUSTRIAL ACCESS PROJECT

- Ambler Mining District
- AMDIAP Preferred Corridor (211 Miles)
- AMDIAP Alternative Corridor (228 Miles)
- ★ Major Mineral Deposit
- ★ Mineral Resources
- Existing Roads
- Milepost 161
- Rivers and Streams
- Wilderness Boundary
- Bureau of Land Management (Federal Land)
- Fish and Wildlife Service (Federal Land)
- National Park Service (Federal Land)
- Proposed Large Bridge
- Cities
- ANCSA (Native Corporation Land)
- ANCSA Selected
- State Land
- State Selected

Source: Ambler Mining District - Geology and Geochemistry of the Arctic Prospect, Ambler District, Alaska Schmidt, Jeanine Mark, Stanford University Ph.D. 1994
Mineral Resources / Major Mineral Deposits - Hanley, C.C. and Van, M.K. 2008. Report on Minerals, Western Alaska Access Planning Study, Inventory Report
Last Updated: 11/11/2015



Section 3.

Controlled Access



AIDEA KEEPS THE ROAD PRIVATE





ACCESS

Primary purpose of the road:

- Support exploration and the commercial transport of resources, equipment, supplies, and personnel to the Ambler Mining District.

Community access

Not primary purpose

- Commercial transport of goods and services
- Same rules-of-road as mine users

Access spurs

- Separate environmental process
- Separate landowner agreements

Prohibited uses

- Personal use (hunting, fishing, small-scale mining)

Communities near the road may choose to construct spur roads and/or use predetermined staging areas adjacent to the road to haul or pick up freight.

To Mine Area

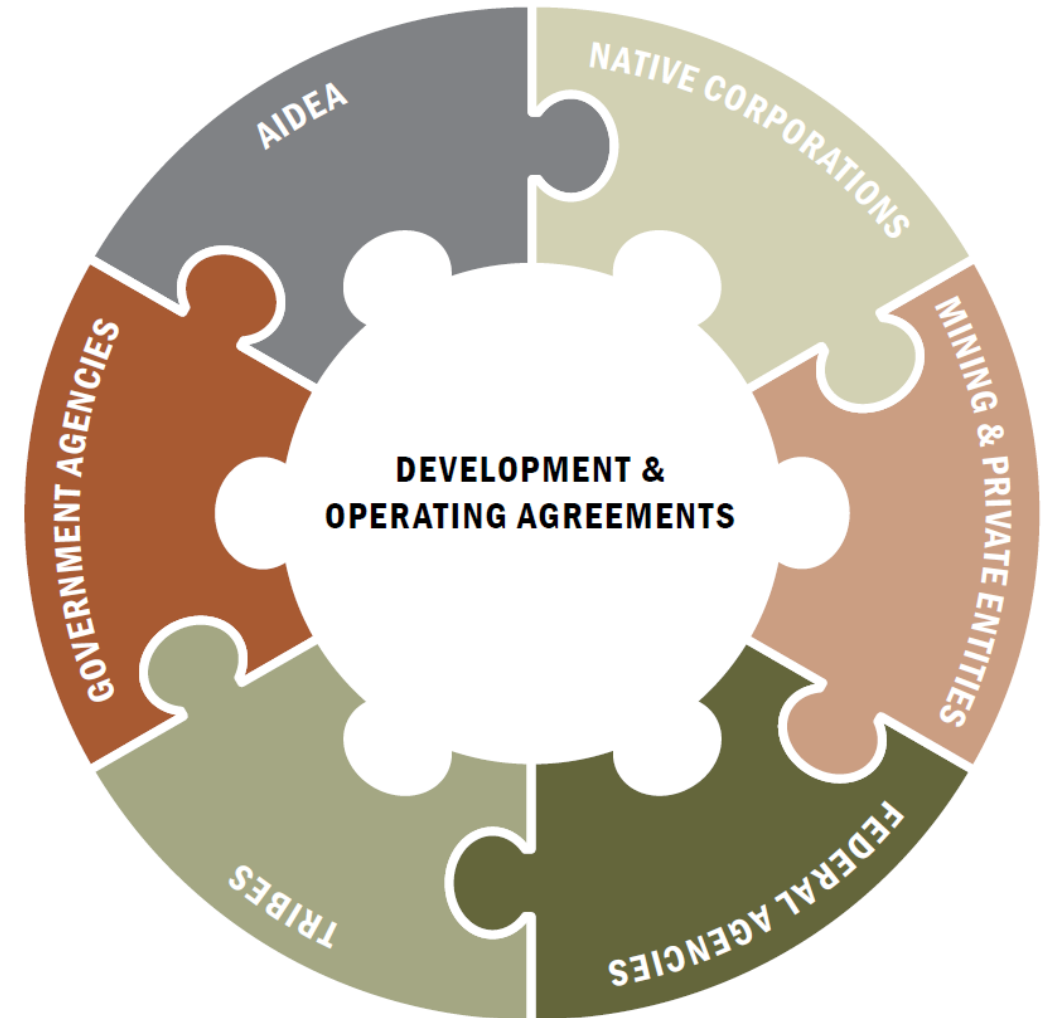




ACCESS LOCKED IN AGREEMENTS

Public-Private-Partnership (P3):

AIDEA would seek a P3 to develop, operate, and maintain the road in compliance with mutually agreed upon operating and permit stipulations.





ACCESS LOCKED IN THROUGH AGREEMENTS



Landowner Easement Agreements



Environmental Impact Statement



Insurance Policies

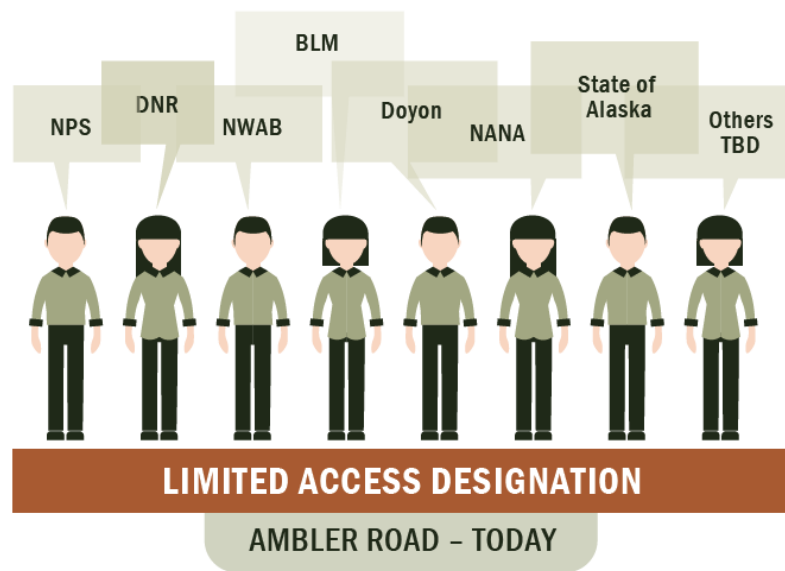
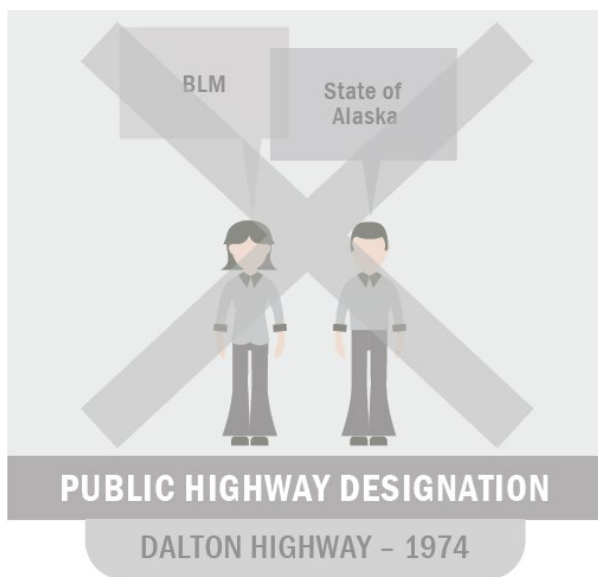


Development & Operating Agreements



3. Controlled Access

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



3. Controlled Access

COULD THE STATE TAKE OVER THE ROAD?





GUARDED ACCESS

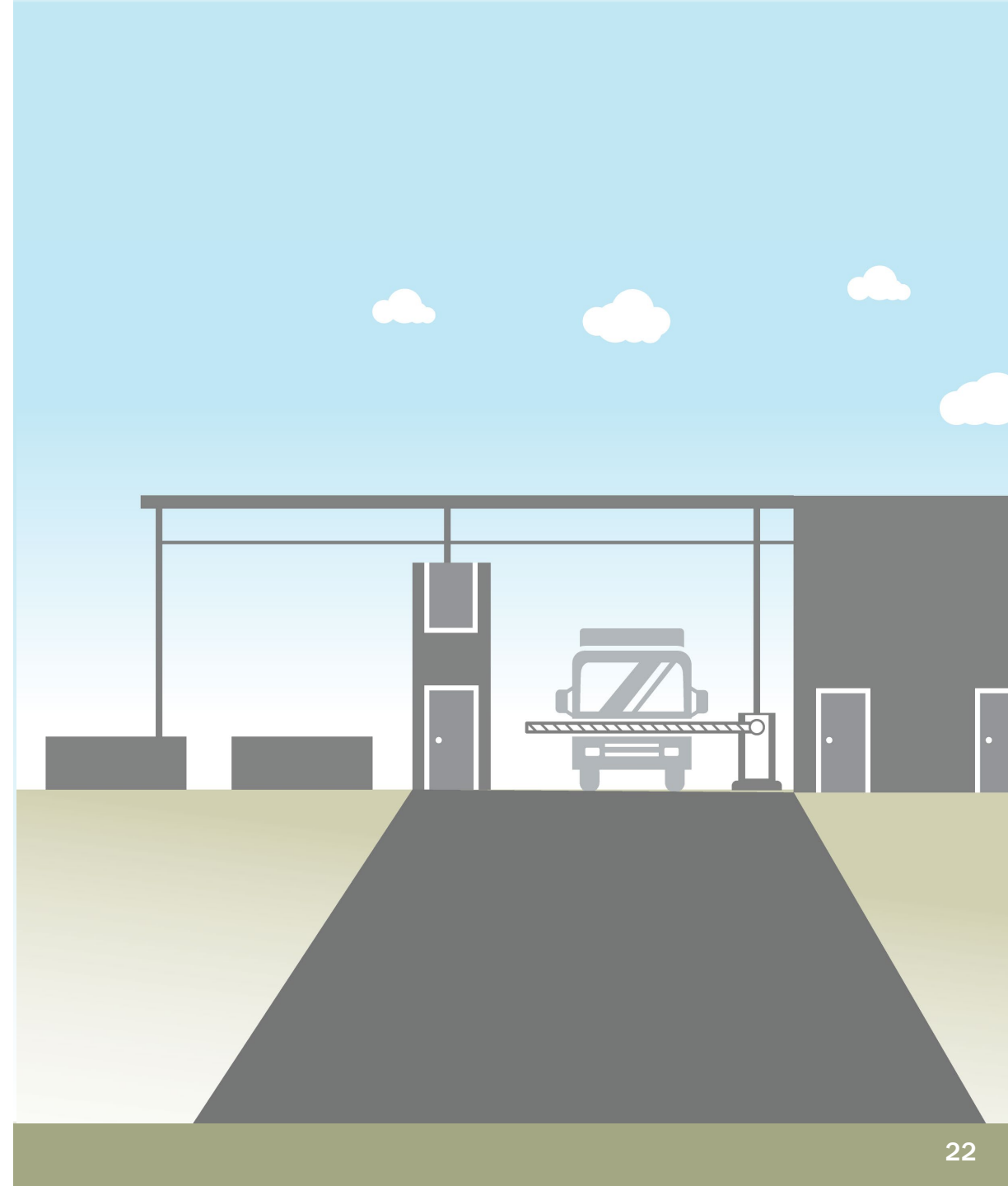
Gated entrance stations

- Guard stationed 24/7
- Dalton Highway
- West end
- Possibly other locations

Monitoring by road operations staff

- From vehicles
- Other technology (possibly drones, etc.)

Safety and security plan required





Section 4.

Road Management



COMMUNICATIONS

Road operators

- Operators will monitor from maintenance stations and on the road

Communications

- Two-way radio required for safety and security
- Drivers must report their location every hour
- Maintenance station personnel will keep track of all vehicles on the road

Fiber optic (once installed)

- Able to communicate the entire length

All drivers will be required to have two-way radios to report any unauthorized users or activities they see.





SAFETY

Required licensure and AMDIAP training/procedures

- Commercial driver license
- See something, say something
- Must stop if Caribou are within 300 feet of road
- Pilot car

Road operators will train/retain

- First aid responders
- Spill response personnel

First aid/spill response equipment will be available

- Maintenance facilities
- In vehicles
- Large bridge locations (spill response only)

All drivers will be required to take an Ambler Road-specific class with instruction on unique requirements for operating vehicles safely on this road.





Section 5.
Subsistence



RULES OF THE ROAD: WILDLIFE

300-foot rule for caribou

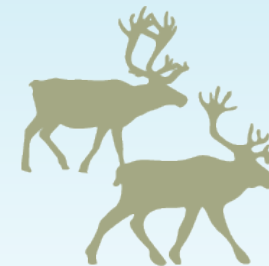
Call in wildlife sightings

ADF&G/road operations will work together with subsistence advisory committee:

- To minimize conflicts during migration
- Regarding awareness for other subsistence activities

Local wildlife monitors may be employed during migration periods, if needed

Drivers must stop and wait if caribou are within 300 feet of the road.





SUBSISTENCE

A subsistence advisory committee will be formed

- Identify subsistence crossing areas
- Coordinate access across the road
- Communications between subsistence users/road operators
- Local subsistence monitors may be employed, if needed





PROTECTING THE CARIBOU

Avoidance of critical areas

- 50 years of data by ADF&G and NPS
- Proposed route attempts to avoid historically important WACH calving areas and migratory routes





EXAMPLE SUBSISTENCE RAMP



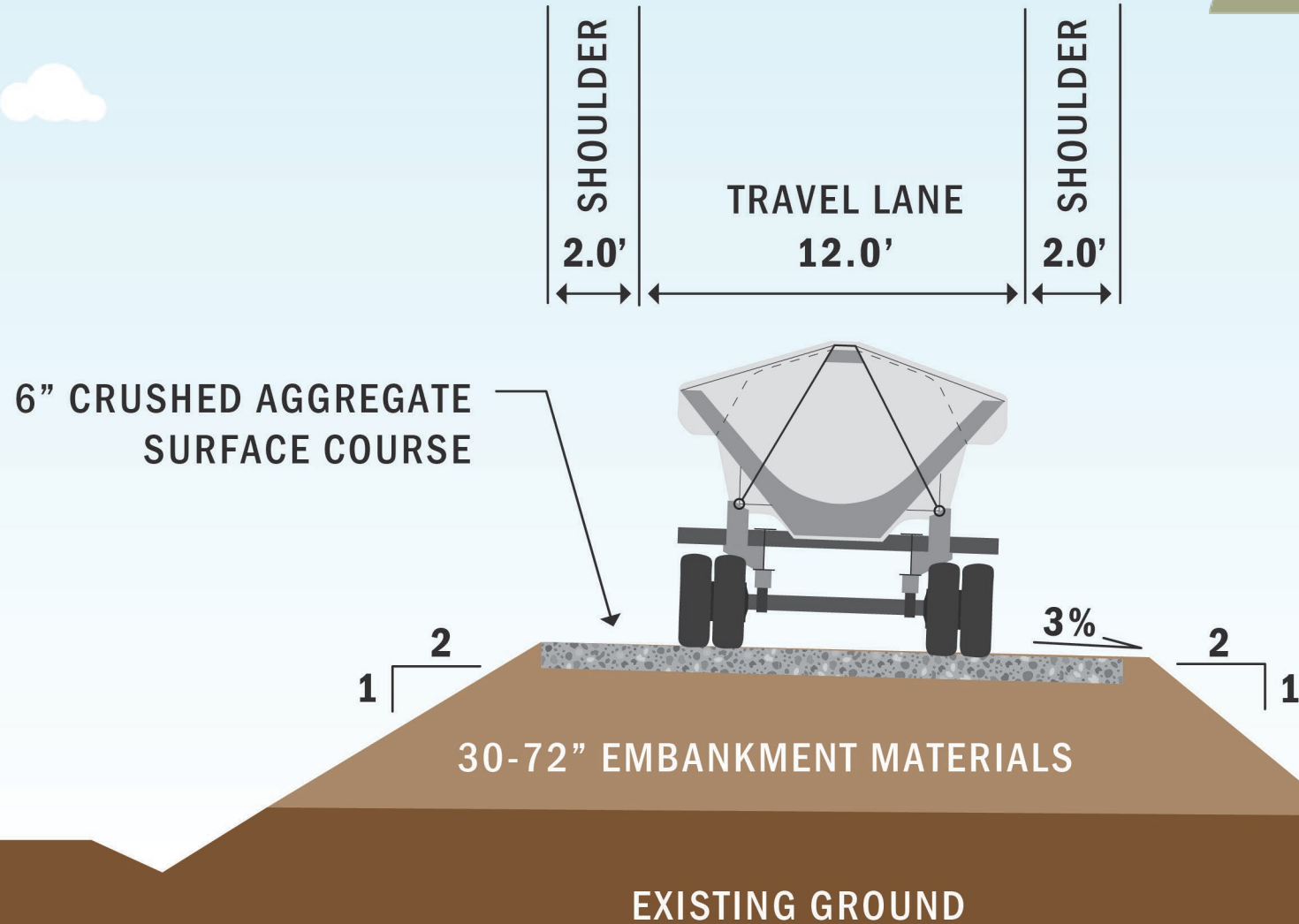


Section 6.

Phasing Plan

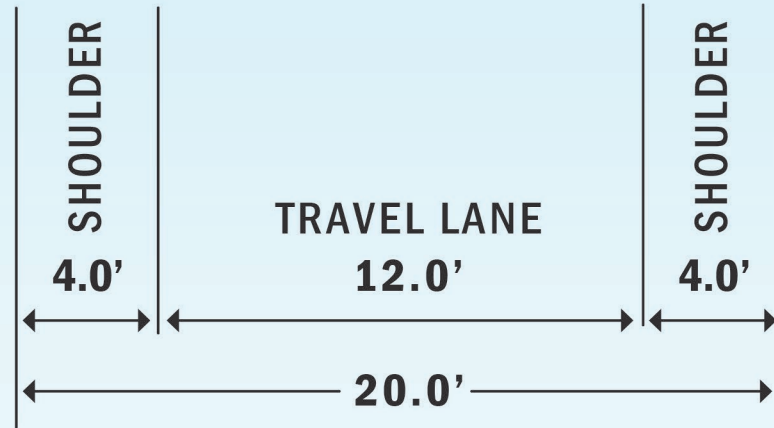


PHASE I: PIONEER ROAD

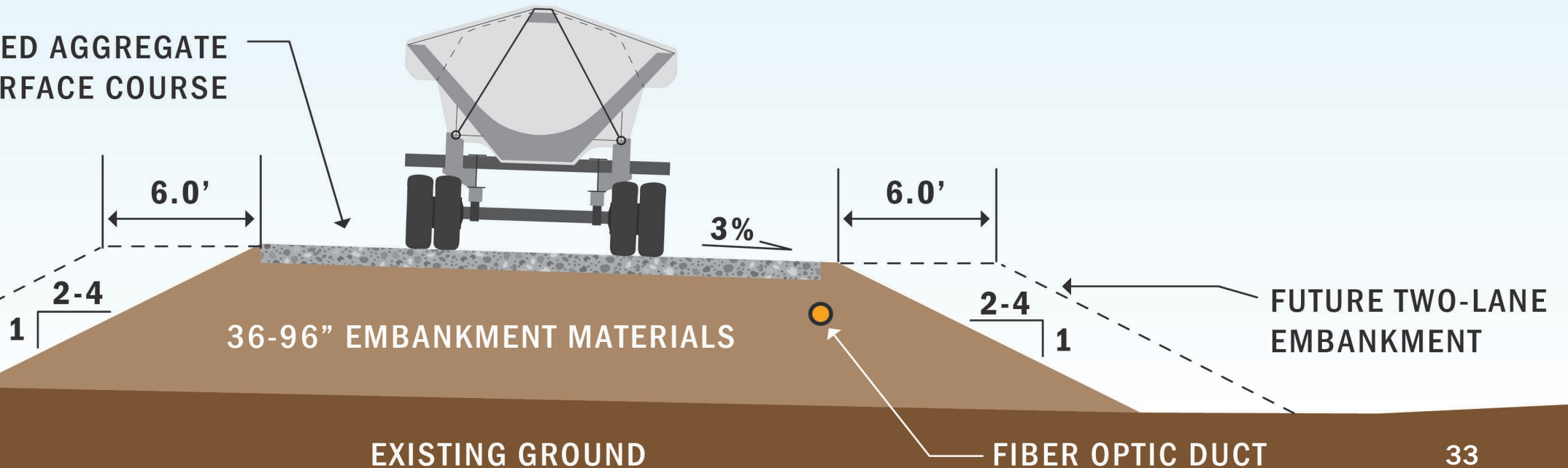




PHASE II: 1-LANE ROAD

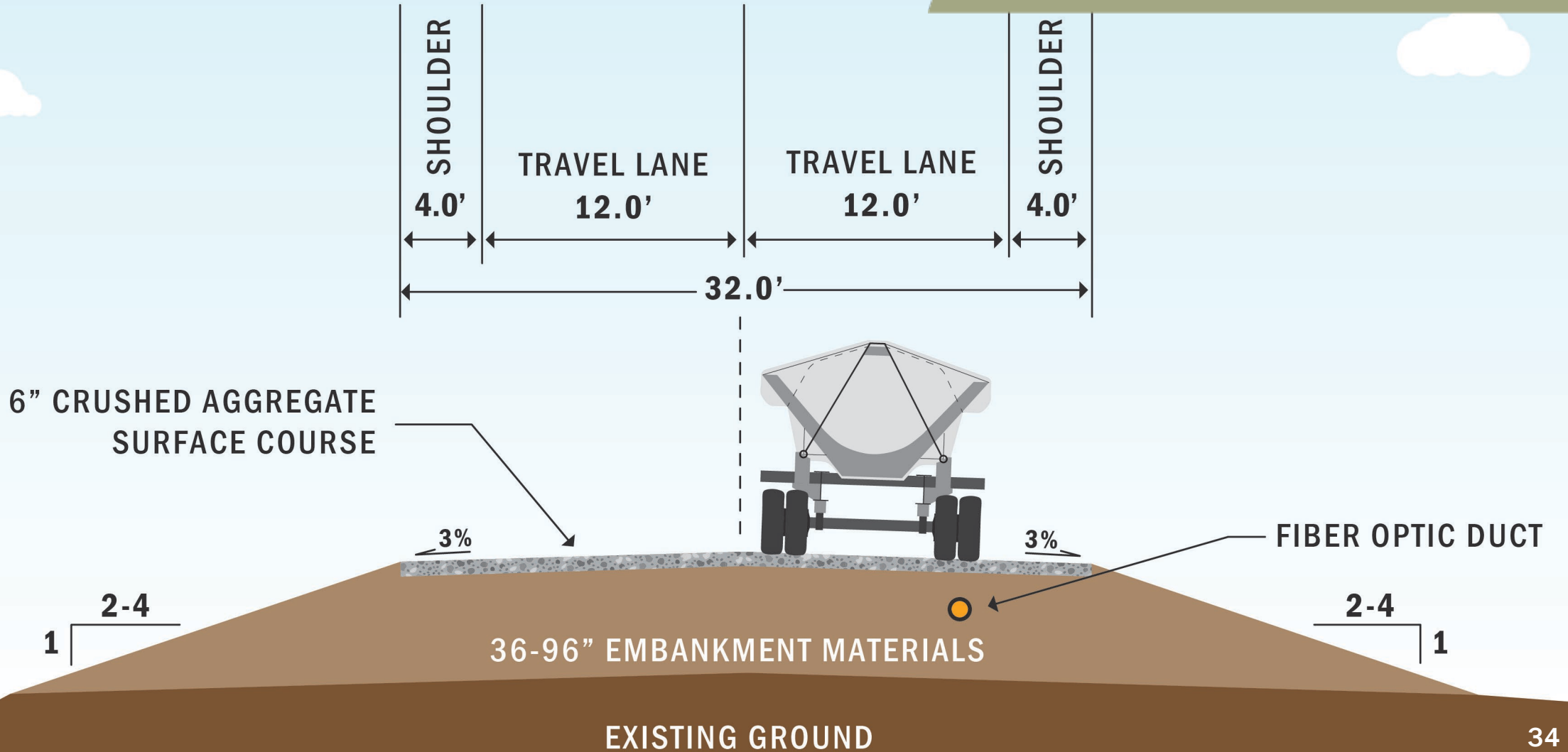


6" CRUSHED AGGREGATE SURFACE COURSE





PHASE III: 2-LANE ROAD



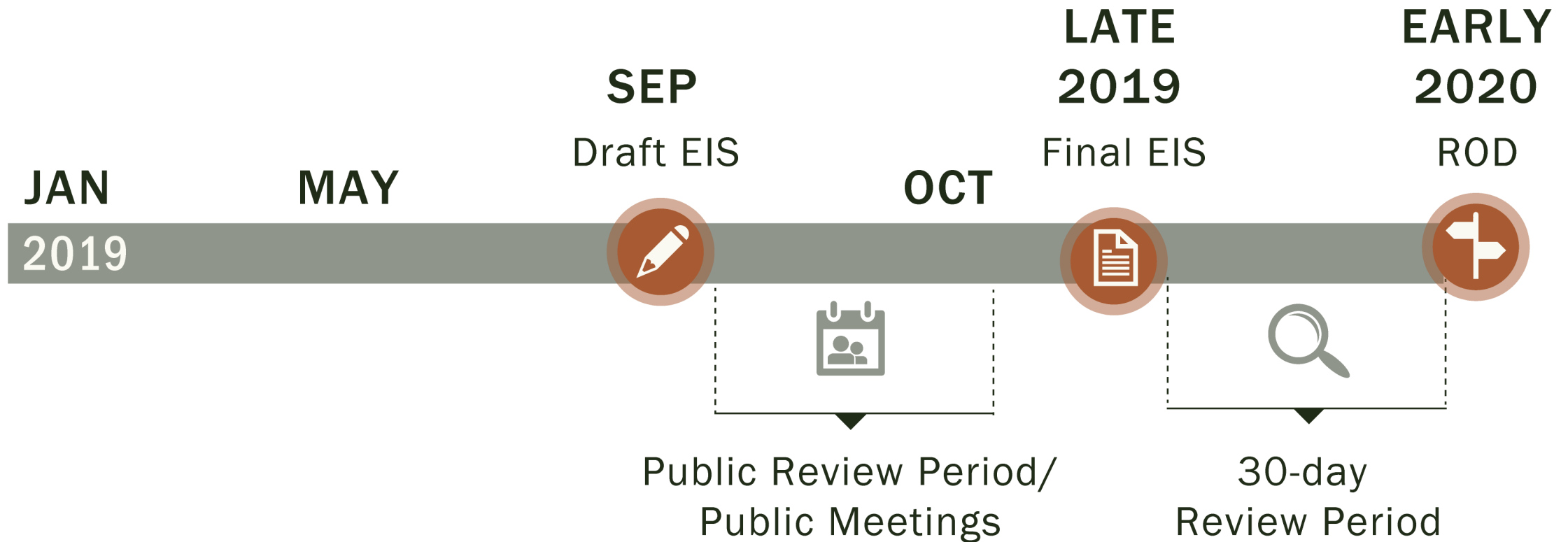


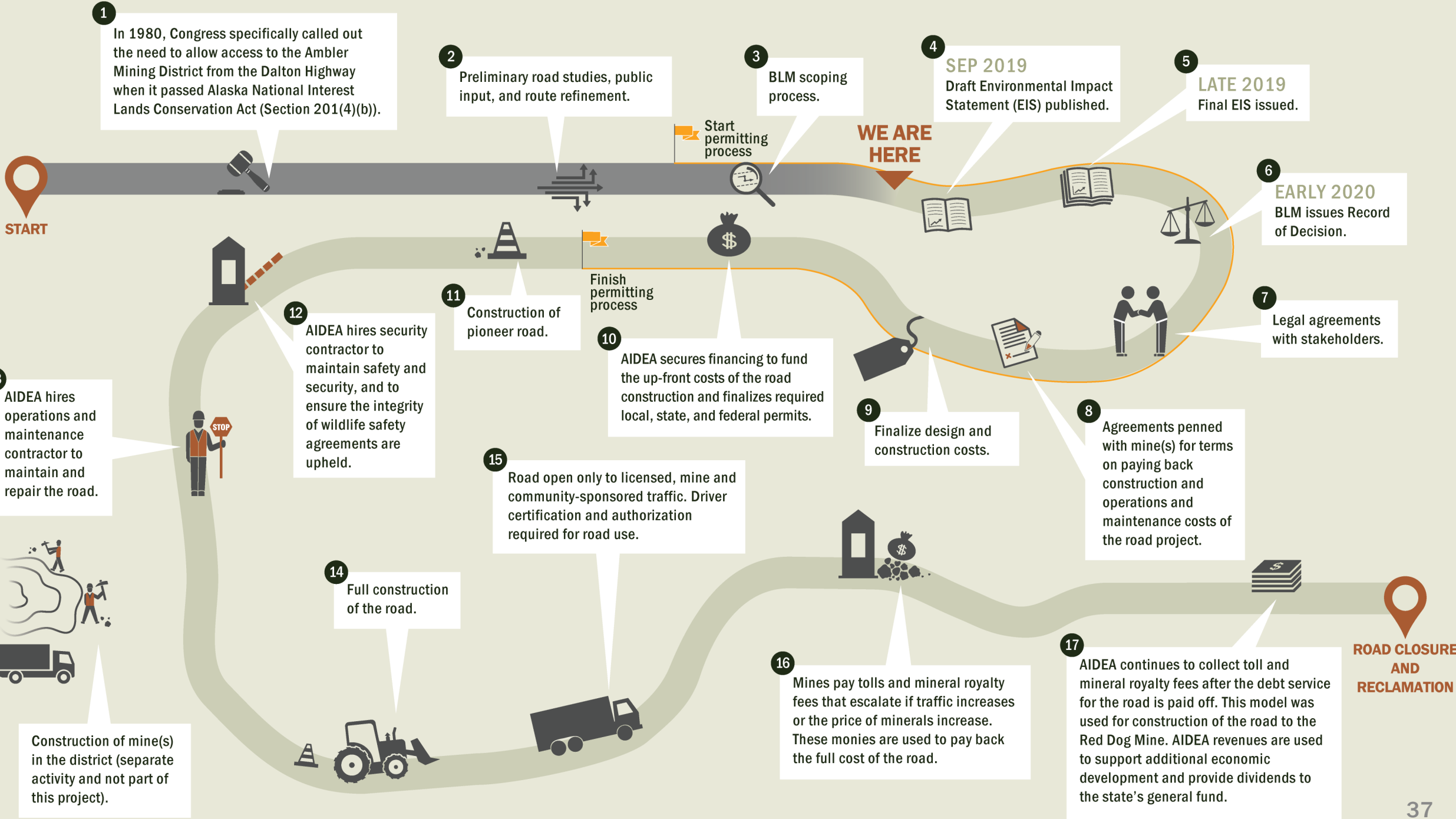
Section 7.

Where Are We Now?



WHAT IS HAPPENING NOW?





1 In 1980, Congress specifically called out the need to allow access to the Ambler Mining District from the Dalton Highway when it passed Alaska National Interest Lands Conservation Act (Section 201(4)(b)).

2 Preliminary road studies, public input, and route refinement.

3 BLM scoping process.

4 SEP 2019 Draft Environmental Impact Statement (EIS) published.

5 LATE 2019 Final EIS issued.

6 EARLY 2020 BLM issues Record of Decision.

7 Legal agreements with stakeholders.

8 Agreements penned with mine(s) for terms on paying back construction and operations and maintenance costs of the road project.

9 Finalize design and construction costs.

10 AIDEA secures financing to fund the up-front costs of the road construction and finalizes required local, state, and federal permits.

11 Construction of pioneer road.

12 AIDEA hires security contractor to maintain safety and security, and to ensure the integrity of wildlife safety agreements are upheld.

13 Full construction of the road.

14 Road open only to licensed, mine and community-sponsored traffic. Driver certification and authorization required for road use.

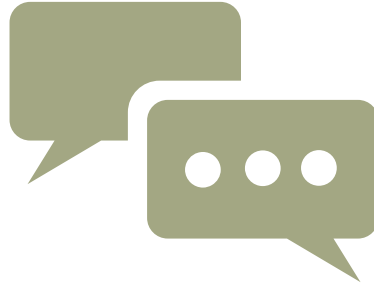
15 Mines pay tolls and mineral royalty fees that escalate if traffic increases or the price of minerals increase. These monies are used to pay back the full cost of the road.

16 AIDEA continues to collect toll and mineral royalty fees after the debt service for the road is paid off. This model was used for construction of the road to the Red Dog Mine. AIDEA revenues are used to support additional economic development and provide dividends to the state's general fund.

17 AIDEA hires operations and maintenance contractor to maintain and repair the road.

Construction of mine(s) in the district (separate activity and not part of this project).

ROAD CLOSURE AND RECLAMATION



QUESTIONS/DISCUSSION