



Revised November 29, 2011

**Project Fact Sheet: DELONG MOUNTAIN TRANSPORTATION SYSTEM (DMTS)
Serving the mining district that includes the RED DOG MINE**

CURRENT STATUS: The shipping season commenced on June 28, 2011 with the arrival of the “Maple Grove,” and loading began on the 28th. The shipping season has ended with shipping of approximately 1.25 million Wet Metric Tons (WMT) of concentrate (1.1 million WMT of zinc and 150 thousand WMT of lead).

Teck Alaska proceeded with development of the Aqqaluk Deposit. Previously, this expansion had been questioned about its ability to assure that the wastewater would meet the level of water quality required by an old, but still binding, discharge permit. The EPA confirmed that newer, less stringent levels of water quality would still be protective of the environment and work on the mine began in the summer of 2010.

SCOPE OF THE PROJECT: The DMTS consists of a 52-mile, 30-foot wide, all weather industrial haul road, a shallow water dock, offshore conveyor concentrate loading facility, fuel distribution and storage systems, and other port facilities. The DMTS road, designed to accommodate multiple users, leads from the mining district that includes the Red Dog Mine to a port site located on the Chukchi Sea, about 12 miles south of Kivalina. Initial construction was completed in 1990 and port expansion in 2000.

PURPOSE: To provide employment opportunities in northwest Alaska through development of a transportation system to serve the Red Dog Mine.

PARTICIPANTS: AIDEA owns the DMTS. NANA Regional Corporation owns the Red Dog ore deposit and has contracted its mining to Teck. Teck Alaska has contracted with AIDEA for a priority non-exclusive right to use the DMTS system until 2040 to ship ore concentrates over the road, store concentrates in the storage buildings, and transload concentrate onto ore ships. Teck pays a toll for use of the facilities and is obligated to operate and maintain the system at a commercially reasonable rate of compensation.

ECONOMIC/SOCIAL EFFECTS: In 2009, the Red Dog Mine and DMTS provided 516 regular and approximately 100 seasonal jobs of which over 250 were staffed by NANA shareholders. In 2009 Teck’s payment in lieu of taxes to the Northwest Arctic Borough (NWAB) was estimated at \$9 million. In 2009 Tech’s royalty payment to NANA was approximately of \$38.8 million. From the mine’s inception, NANA has been paid \$466 million in nominal royalty payments while the NWAB has received approximately \$90 million in revenue.

PROJECT COST: The original investment base work of \$180 million was completed in 1990. In the late 1990’s, the port site facilities were expanded to handle Red Dog’s increased production. AIDEA’s DMTS investment base is now approximately \$267 million. AIDEA’s investment is being repaid with annual fees assessed to the DMTS users.

SOURCE OF FUNDS: In 1987, \$103 million in tax-exempt bonds were sold by AIDEA to fund a portion of the original construction of the project. A state appropriation to AIDEA provided the remaining original investment base funding. On March 27, 1997, AIDEA sold \$150 million in bonds, in part, to finance the DMTS expansion. The insured bond sale was the largest bond sale in AIDEA's 30-year history, and the first time the Authority received a AAA rating on its general obligation bonds.