



CURRENT STATUS

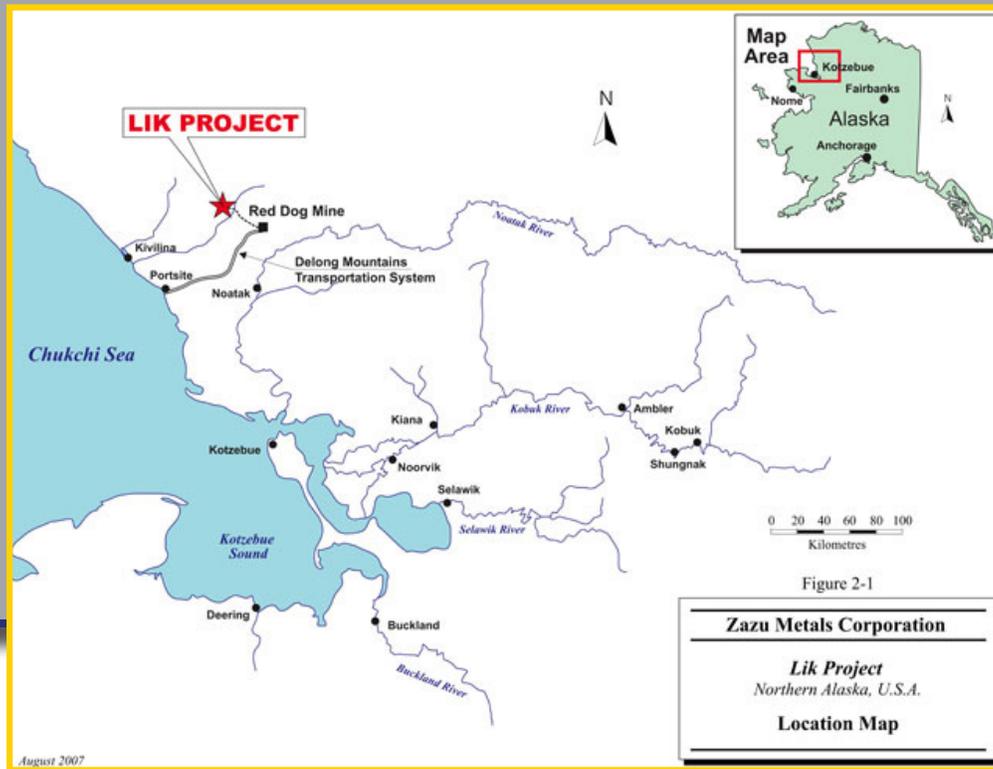
February 2016

Zazu Metals Corporation is conducting feasibility, design, and environmental study/permitting efforts for the potential development of the Lik Mine, located just northwest of the expanding Red Dog Mine site. In Spring 2013, AIDEA completed an agreement with Zazu to perform additional feasibility studies for the potential use and expansion of DMTS to support the mine, building upon prior studies. The final report was posted to AIDEA's website in January 2015.

PROJECT DESCRIPTION

The Lik Deposit is a zinc-rich mineral site in northwest Alaska, about 11 miles to the northwest of the existing Red Dog mine and approximately 40 miles east of the village of Kivilina. Zazu Metals Corporation, along with other partners, owns the federal mineral rights for the deposit which lie within State of Alaska lands. Since the deposit's discovery in the early 1970's, several drilling campaigns have been conducted to map the extent and estimate the volume of potential ore present. Work has continued over the past few years with on-going mine design, permitting, and other analyses being performed. Based on current understandings of the deposit, approximately 18.74 million tons of recoverable ore are present, grading to roughly 8% zinc, 2.6% lead, and 52 grams/ton silver. The deposit represents one of the largest remaining undeveloped zinc prospects in the world.

Zazu has worked with AIDEA since 2009 to evaluate the potential for the use and extension/expansion of the existing Delong Mountain Transportation System (DMTS) to service this new potential mine. Preliminary plans involve using approximately 40 miles of the existing DMTS-Red Dog road, extension of a roughly 20-mile road to the Lik mine site, and potential expansion of the port site/operations. Expansion requirements may include additional fuel storage, upgraded utilities, modifications to the existing ship loading system/conveyor, and/or construction of additional buildings for ore concentrate storage. Potential costs for these modifications/expansions are estimated at up to \$50 million, not including the costs for the road extension.



BUDGET/FINANCE

Financing of the necessary modifications and/or expansion to the DMTS infrastructure to support the potential Lik mine would likely be performed similarly to those executed between AIDEA and Teck Alaska, Inc., the Red Dog mine operator and current DMTS user/operator. Under such an arrangement, Zazu would repay AIDEA's investment via a toll structure that provides for a minimum annual payment and additional payments based on certain factors, including terminal throughput and/or zinc prices.

PROJECT/ ECONOMIC BENEFITS

The potential Lik mine and transportation system development would provide the following direct and indirect benefits:

- Development of the mine may continue and extend the life of the successful operations of the existing DMTS facilities.
- The potential future throughput from the Lik Mine may match well with the anticipated decreased throughput from Red Dog in the post-2020 period. This may also

spread DMTS operating costs out across both mines, aiding the financial viability of each.

- The mine would contribute additional or sustained payments to the Northwest Arctic Borough, whose only other stream of income for government services is the Red Dog mine.
- The mine would provide new and sustained jobs additional income for NWAB residents.

PARTNERS

Owner: AIDEA

Operator: Zazu Metals Corporation