

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

RESOLUTION NO. G22-06

**RESOLUTION OF THE ALASKA INDUSTRIAL
DEVELOPMENT AND EXPORT AUTHORITY
RELATING TO DEVELOPMENT OF THE AMBLER
ACCESS PROJECT TO CONDUCT TECHNICAL
FEASIBILITY STUDIES OF THE AMBLER ACCESS
CORRIDOR AND PROPOSED TIDEWATER
EXPORT TERMINALS.**

WHEREAS, one of the purposes of the Alaska Industrial Development and Export Authority (the “Authority”) is to develop and provide financing for industrial development and facilities that “are essential to the development of the natural resources and the long-term economic growth of the state, and will directly and indirectly alleviate unemployment in the state...” AS 44.88.010(a)(4), 44.88.070(1);

WHEREAS, the Ambler Access Project is aimed at the development of an industrial road that provides access to the Ambler Mining District and it is the type of development that the Authority was established to pursue;

WHEREAS, the Arctic Infrastructure Development Fund (“AIDF”) was set up by the Legislature so that it could accept funds transferred into the fund by the Board of the Authority;

WHEREAS, the Authority has the ability to finance development projects that create infrastructure needed to bring natural resources to market;

WHEREAS, the opening of new areas for natural resource development through the construction of access roads is important in supporting economic development and is in furtherance of the Authority’s statutory mission;

WHEREAS, the Authority may use the AIDF to finance Arctic infrastructure development;

WHEREAS the Ambler Access Project was declared to be an Arctic infrastructure development project under the Arctic Infrastructure Development Program and Fund in Board Resolution G20-11;

WHEREAS, the Authority under the AIDF is authorized to enter into agreements for, rights-of-ways, and studies and to contract for services with a professional advisor, including engineers, or other technical experts necessary to fulfill the purposes of the program;

WHEREAS AIDEA is interested in developing an industrial road to the Ambler Mining District to support exploration, development, and mining activities in the area, consistent with the March 2020 Ambler Road Final Environmental Impact Statement, the July 2020 Ambler Road Record of Decision issued jointly by the U.S. Bureau of Land Management and U.S. Army Corps of Engineers , and the July 2020 Record of Decision issued jointly by the Secretaries of the Interior and Transportation on Alignment of the Ambler Road through the Kobuk Preserve (“collectively, the “Ambler Road RODs”);

WHEREAS, the Authority is interested in understanding the transportation logistics of exporting ore from rail accessed ports in Southcentral Alaska;

NOW, THEREFORE, BE IT RESOLVED BY THE AUTHORITY AS FOLLOWS:

Section 1 The Authority is authorized to conduct a technical feasibility analysis of the Ambler Access Corridor to include road, rail, and port infrastructure requirements in support of the anticipated concentrate volumes produced from the Ambler mining district for export from tidewater location.

Section 2 The Authority is authorized to expend \$250,000 from the Arctic Infrastructure Development Fund to pay for the technical feasibility analysis.

Dated at Anchorage, Alaska, this day of April 13, 2022 .



Secretary

Chair



MEMORANDUM

TO: Board Members
Alaska Industrial Development and Export Authority

FROM: Alan Weitzner
Executive Director

DATE: April 13, 2022

RE: Ambler Access Technical Port Feasibility Study
Resolution No. G22-06

AMBLER MINING DISTRICT

The Ambler Mining District is an extensive prospective copper-zinc mineral belt in northwestern Alaska with large deposits of cobalt, germanium, gallium, arsenic, palladium, lead, gold, silver, and platinum. These elements are essential for our nation's tech-focused economy, clean energy transition, and military effectiveness. The development of the Ambler Mining District aligns with current federal policy to reduce our dependence on critical mineral imports and Presidential executive orders to identify new sources of critical minerals, increase activity at all levels of the supply chain (exploration, mining, concentration, and separation) and streamline the leasing and permitting processes to expedite the exploration and production of secure, reliable domestic resources.

While the Ambler Mining District has been explored since the 1950's, development of those proven mineral resources has been limited due to a lack of transportation infrastructure. The Alaska Industrial Development and Export Authority ("AIDEA" or the "Authority") is currently in development of the Ambler Access Project (AAP), a proposed 211 mile controlled industrial access road that would provide road access from the Dalton Highway to the Ambler Mining District. This is one component of a secure, reliable Alaskan transportation corridor or supply chain for these critical minerals. Based upon the known resource potential of the mining district, establishing access through the AAP has the potential to lead to 4-5 concurrent mine operations which broadly impacts the state's existing infrastructure capacity from mine to port.

PROPOSAL

AIDEA staff is requesting the Board's authorization to spend up to \$250,000.00 from the funds currently in the Arctic Infrastructure Development Fund ("AIDF") for an independent technical feasibility study of the Ambler Mining District transportation corridor and proposed tidewater export terminals accessed via rail.

The feasibility study will evaluate ore concentration routes from the intersection of Ambler Road and Dalton Highway to marine vessels docking in Southcentral Alaska. Four export terminals accessed via rail will be evaluated for technical feasibility:

- Port Mackenzie
- Port of Alaska (Anchorage)
- Seward
- Whittier

This technical feasibility study seeks to aggregate the entire logistics transportation chain from mine to tidewater to better understand constraints on existing infrastructure and scope required infrastructure upgrades in support of the ore concentrate volumes produced through the Ambler Mining District. Road, rail, and port considerations will be evaluated. Previously published port and transportation studies will be evaluated to determine if any relevant information can be included in study.

The study will include a comparative analysis of Port options and include a Strengths, Weakness, Opportunity, and Threats (SWOT) Analysis. Class 5 estimates will be produced for all port options in order to formulate an opinion of probable capital cost for infrastructure upgrades.

AIDEA will competitively procure a qualified contractor to perform the technical feasibility analysis in accordance with our procurement regulations.

AIDEA MISSION

AIDEA's purpose is to promote, develop, and advance the general prosperity and economic welfare of the people of Alaska. The opening of new areas for natural resource development through the construction of access roads and/or transportation corridors is important in supporting economic development in connection with the extraction, transportation, and production of timber, metals, minerals, hydrocarbons, petroleum products, and other resources.

Under AS 44.88.010(a)(4), the legislature found and determined that the development and financing of industrial development and facilities “are essential to the development of the natural resources and the long-term economic growth of the state and will directly and indirectly alleviate unemployment in the state...”. An industrial road that provides access to a mining district is the type of development that AIDEA was established to pursue.

Development of the Ambler Mining District, and the AAP by AIDEA, is anticipated to bring benefits to the region and to the State of Alaska by diversifying the economy and providing job opportunities to Alaskans. As a result, the AAP, as well as this study, is in the public interest and serves a public purpose by facilitating access, exploration, and development to the Ambler Mining District and its abundant critical minerals and metals.

Based upon an Impacts Report dated June 28, 2019, by the University of Alaska, economic and job growth benefits to the region and state include:

1. Creation of over 3,000 total (direct, indirect, and induced) jobs and over \$230 million in

total wages during construction of the Project;

2. An additional 2,400 total jobs and over \$195 million in total wages during mine construction;
3. The combined operation of the Project and associated mines supporting roughly 1,800 total jobs with nearly \$137 million in total wages; and
4. Benefits directly to local communities along the Project route such as broad band internet, and lower cost fuel and goods; and
5. Significant new revenues for both local and State governments.

ARCTIC INFRASTRUCTURE DEVELOPMENT FUND

The March 27th, 2020, Board Resolution G20-11 authorized the transfer of \$35 million from the Revolving Fund to the AIDF, subject to further action by the Board to expend any funds from the AIDF. The statute establishing the AIDF is AS 44.88.810, which provides for this type of transfer and provides that the monies in the AIDF are separate from those in the Revolving Fund.

Under AS 44.88.820, the use of the fund balance in the AIDF is to be used for “Arctic infrastructure development”. The Project is an infrastructure development project located north of the Arctic Circle and Board Resolution G20-11 declared the Project to be an Arctic infrastructure development under AIDF. The proposed controlled-access industrial road is designed to provide a route to allow entry to the Ambler Mining District for both mining exploration and mine development and operations. AIDEA may expend money from the AIDF for this development and to finance such projects. AS 44.88.800 states that the Arctic infrastructure development program is created in the authority to promote and provide financing for Arctic infrastructure development.

As set forth in AS 44.88.830, AIDEA may use the AIDF to finance Arctic infrastructure development. The fund monies may also be used to acquire real or personal property by purchase, transfer, or foreclosure when the acquisition is necessary to protect the authority’s interest in financing. AS 44.88.830(a)(2). There is also authority to enter into agreements for the transfer and control of infrastructure, facilities, rights-of-way, and studies (AS 44.88.830(a)(5)) and to contract for services with a professional advisor, including an attorney, bond counsel, engineer, or other technical expert necessary to fulfill the purposes of the program (AS 44.88.830(a)(6)).

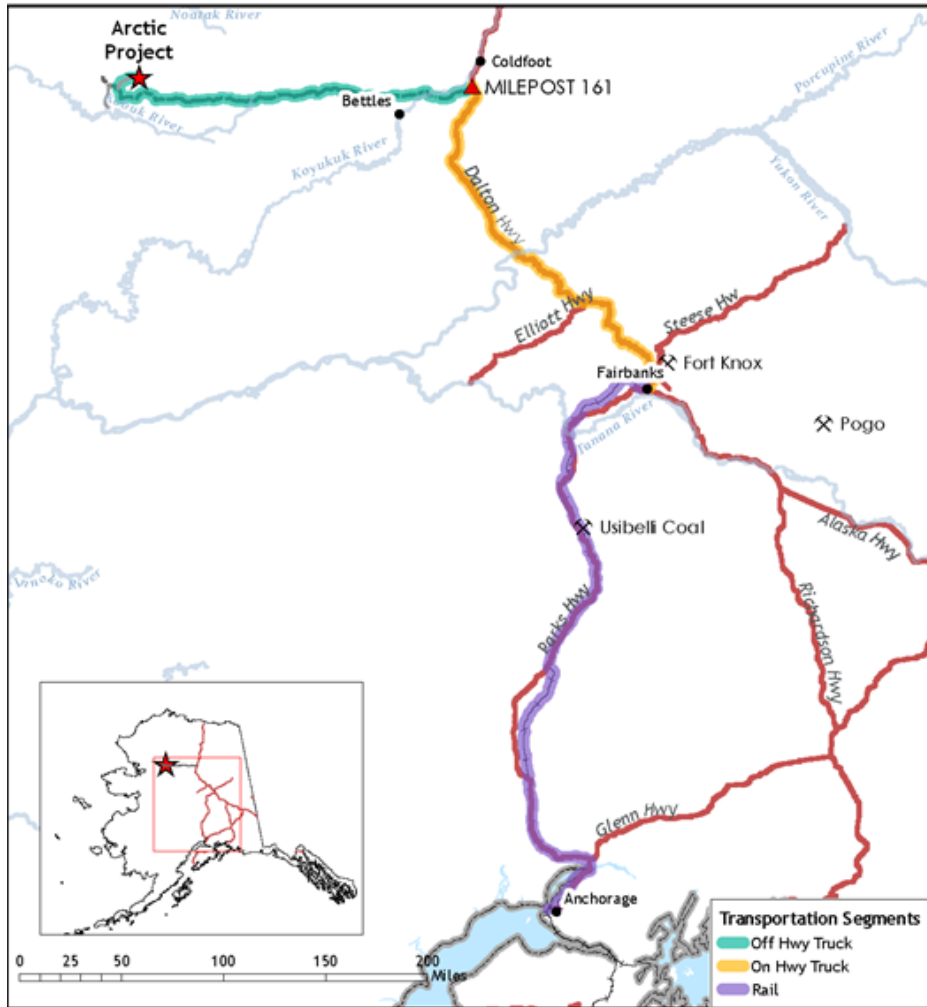
RECOMMENDATION

AIDEA staff recommends that the Authority (i) competitively procure a contractor to perform the technical feasibility analysis for the Ambler transportation corridor to include ports with rail linkage and (ii) authorize the Authority to spend up to \$250,000.00 from the AIDF.

ATTACHMENTS

1. Arctic Mine Concentrate Transportation Example – Courtesy of Ambler Metals LLC

CONCENTRATE TRANSPORTATION



ARCTIC MINE TO DALTON HIGHWAY VIA AAP

- 214 Miles
- Off-highway trucks
- 2 containers per truck

ARCTIC MINE TO DALTON HIGHWAY VIA AAP

- 240 Miles
- On-highway trucks
- 1 container per truck due to Dalton Hwy weight restrictions

ARCTIC MINE TO DALTON HIGHWAY VIA AAP

- § 360 miles
- § 2 dedicated trains per week with extras on mixed load trains