



CURRENT STATUS

QUARTER 2 - 2020

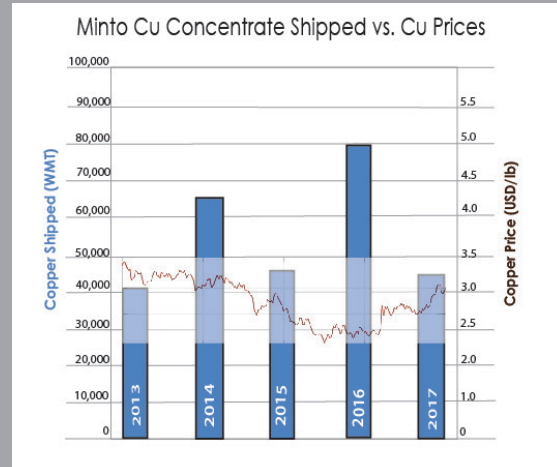
Effective June 3, 2019, Capstone Mining (“Capstone”) sold its 100% interest in the Minto Mine to Pembridge Resources PLC (“Pembridge”) for \$20 million. AIDEA’s User Agreement with Capstone for the main storage building, comprising 42,000 square feet, has now been assigned to Pembridge under a Joinder and Amendment Agreement. Capstone remains jointly liable for Pembridge’s obligations under the agreement through the remaining term (March 2023). Pembridge has brought the mine out of care and maintenance and is currently accumulating copper ore concentrate at mine site for shipment to Skagway beginning in January 2020.

PROJECT DESCRIPTION

In July 1990, AIDEA purchased the Skagway Ore Terminal (SOT) to bring stability to Skagway’s then major year-round industry; fund essential environmentally efficient renovations to the terminal; and open the door to additional economic growth by marketing the terminal to other potential users. The terminal was purchased from White Pass Railway, with a sublease of City property approved by the Municipality of Skagway. The current user is Minto Explorations Ltd., a subsidiary of Capstone Mining Corp. (previously Sherwood Copper Corp.). The user contracted with Mineral Services Inc. (MSI) to operate and maintain the terminal in April 2008.

The SOT consists of a 6.7 acre industrial waterfront lot whose primary features include: a 98,000 square foot 16-inch thick concrete floor; a 42,000 square foot concentrate storage building (the original concentrate storage building was demolished in 2003) surrounded by concrete containment walls, office, shop, laboratory, electrical and wash buildings; enclosed materials handling loadout conveyors and shiploader; and a .37 acre adjacent lot which contains a fueling facility (two 10,000 gallon day tanks) and tank farm (four 30,000 gallon storage tanks).

SKAGWAY ORE TERMINAL



AIDEA's investment facilitates continued employment in the Skagway area through a stable mining operation.

PROJECT HISTORY

Construction of the SOT Reactivation Improvements began in February 2007. The building "In Service" date was 1 October 2007. The first ship was loaded with ore concentrates 24 October 2007. Substantial completion was achieved 18 January 2008. AIDEA's Board approved negotiation of an amendment to the User Agreement with Minto/Capstone to provide additional storage capacity on 7 October 2008. The building extension (14,000 SF) was substantially complete mid-December 2008. Minto/Capstone ships approximately 60,000 dry metric tons of copper concentrate through the terminal per year.

BUDGET/FINANCE

Original acquisition budget was \$25 million: Tax-exempt bonds sold by AIDEA, to be repaid with terminal user fees. AIDEA financed the Minto/Capstone upgrades for a total of \$14 million (AIDEA funds on hand) reimbursed by tenant fees over a seven year period. Minto/Capstone pre-paid the outstanding balance of \$8.5 million (plus a pre-payment fee) in December 2010.

PROJECT/ ECONOMIC BENEFITS

Under current operations, the SOT creates up to 23 jobs at the terminal (3 full time, 2 part time plus 18 during ship loading six times a year for a 24 hour period), plus jobs associated with the trucking of the concentrates from Northern Canadian mines to Skagway. Mineral concentrate shipping operations normally occur on a year-round basis, enhancing employment in a community otherwise heavily dependent on the summer tourist season. AIDEA continues to engage with potential users of the terminal. Ultimately, a new lease at the terminal will demonstrate the potential for future opportunities for other mining projects in northwestern Canada and the eastern interior of Alaska for the shipment of mine products to market. Additionally, all Skagway residents benefit from the enhanced winter road maintenance to Whitehorse, as well as additional revenue through real property taxes.

PARTNERS

Facility Owner: AIDEA
Land Owner: City of Skagway
User: Minto Explorations, Ltd.
Operator: Mineral Services Inc. (MSI)