

RED DOG MINE ACCESS INFRASTRUCTURE (DMTS)



February 2023

Current Status

Teck Alaska Inc. (Teck) has transported 1,045,803 wet metric ton of zinc and 193,687 wet metric ton of lead to the port facilities through December 31, 2021. A total of 1,239,490 WMT of concentrate was shipped in the 2021 season and Teck experienced a similar tonnage for 2022 and expects another productive year in 2023. The road and port infrastructure are holding up well with no major issues.

Teck and AIDEA are in the process of renewing the U.S. Army Corps of Engineers Section 404 permit to continue maintenance dredging at the port. Additionally, state and federal approval is being sought for a multi-year exploration plan in the area that could one day lead to a large expansion of operations. If approved, this would include a 10-mile exploration road, bridges, and related facilities. The road would extend from the mine to two large new prospects to the northern, known as Aktigiruaq and Anarraaq. The Aktigiruaq prospect could be one of the largest undeveloped zinc deposits in the world, comparable in size to the Red Dog mine that has already operated for more than 30 years.

AIDEA stands ready to support efforts which could lead to the possibility of future expansion and infrastructure needs.

Jobs

- 500+ regular direct full-time positions related to the mine and port operations
- 100 seasonal jobs, mostly related to port operations

Economic Benefits

- Greater than \$120 million of annual royalty payments to NANA and other ANCSA corporations
- Provides sizeable payments-in-lieu-of-taxes (PILT) to the Northwest Arctic Borough (NWAB)
- Teck provides significant support to NWAB organizations and events
- Bulk fuel is shared with local villages at significant cost savings



Location

Near Red Dog Mine in northwest Alaska

Partners

Owner: AIDEA
Operator: Teck
Landowner: NANA Regional Corporation, Inc.

Financials

\$180 million for initial DMTS facility construction
\$85 million for 1997 expansion

Project Description

The DeLong Mountain Transportation System (DMTS) was opened in 1989 to support the development of the Red Dog Mine in northwest Alaska. The Red Dog Mine, operated by Teck Alaska, Inc. on behalf of NANA Regional Corporation, Inc., is one of the world's largest producing zinc mines. The DMTS provides the necessary infrastructure to transport ore from the mine site to the ore export barges. The expansion of the DMTS port facilities in 1999 enabled Teck to increase mine and port throughput, improving the overall project economics.

The full system includes the following infrastructure:

- A 52-mile, 30-foot all-weather gravel industrial haul road from the mine to the port.
- A shallow water dock to receive supplies, fuel, equipment, and personnel.
- An offshore conveyor system to load ore concentrate to lightering vessels that can convey the concentrate to larger ships further offshore.
- A fuel distribution facility, including six bulk tanks capable of storing approximately 15 million gallons of fuel for port and mine use.
- Storage facilities, including two buildings with approximately 1.2 million tons of ore storage capacity.
- On-site power, other utilities and residential quarters for up to 96 workers.

Support

Support comes from the Northwest Arctic Borough and its residents who benefit through the creation of jobs at the mine, lowered cost of heating, and through support of local non-profit organizations.