ECONOMIC STUDY RESULTS HIGHLIGHTS

Economic Impacts of West Susitna Access Road Development
Prepared by McKinley Research Group, LLC for the Alaska Governor’s Office

Construction of the West Susitna Access Road (WSAR) would open
a broad geographic area with no current road access.

NEW AND ADDITIONAL RECREATIONAL OPPORTUNITIES

- Proximity to the state’s primary population centers means Alaska residents would likely represent a high percentage of new recreation users.
- The number of hunters in the region has been limited due to lack of access.
- Increased opportunity for fishing, hunting, snowmachining, hiking, and camping.
- Several major waterways identified which could see enhanced access if the West Susitna Access Road were constructed.
- The WSAR would add accessibility for dippers in the new lower Susitna personal use fishery, and rainbow trout anglers without a boat to access the waterways.

HUNDREDS OF POTENTIAL CONSTRUCTION AND MINING INDUSTRY JOBS

Significant impacts on the ability of mineral exploration companies to construct and operate mines, which would not otherwise be financially feasible.

- The road would facilitate mining jobs that are categorized as direct jobs, indirect jobs, and induced jobs. In total across all job categories, approximately 380 – 1,200 total jobs per project would result from the area being made road accessible for mining.
- The road would facilitate creation of 200 – 500 new direct mining jobs per project, resulting in $24M to $59M in annual operating wages.
- Completion of the 100-mile West Susitna Access Road would require an estimated 600 – 800 construction jobs just to complete road construction alone.
- The proposed road could reach 1,722 mining claims across three different mining districts.
- Development of new infrastructure subject to local property tax, benefitting from various taxes and royalties based on mine income.

1 With several mining companies actively exploring adjacent to or near the road, the potential exists for three-to-five different projects to be developed in the near term. This could collectively produce 900 – 1,500 direct mining jobs and $108M - $180M in annual operating wages.

### Table 11: Potential Annual Mine Direct and Multiplier Impacts, West Susitna Area

<table>
<thead>
<tr>
<th>Project</th>
<th>Operating Jobs</th>
<th>Operating Wages ($Millions)</th>
<th>Total Jobs Impact Range</th>
<th>Total Wage Impact Range ($Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estelle</td>
<td>200-400</td>
<td>$24-$47</td>
<td>380-760</td>
<td>$38-$90</td>
</tr>
<tr>
<td>Whiter</td>
<td>500</td>
<td>$59</td>
<td>950 - 1,200</td>
<td>$95-$115</td>
</tr>
<tr>
<td>Island Mountain</td>
<td>360</td>
<td>$42</td>
<td>680 - 860</td>
<td>$65-$80</td>
</tr>
<tr>
<td>Rainier West</td>
<td>230</td>
<td>$27</td>
<td>450 - 550</td>
<td>$40-$55</td>
</tr>
<tr>
<td>Canyon Creek</td>
<td>300</td>
<td>$35</td>
<td>500 - 1,000</td>
<td>$50-$70</td>
</tr>
</tbody>
</table>

Source: University of Alaska Anchorage, Institute of Social and Economic Research, Alaska Department of Labor and Workforce Development; and McKinley Research Group estimates.

See page 18 of study results for Table 11.

### Table 7: Mineral Exploration Projects, West Susitna Study Area, 2022

<table>
<thead>
<tr>
<th>Project</th>
<th>Owner</th>
<th>Land Ownership</th>
<th>Resources</th>
<th>Internal Resource</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estelle</td>
<td>Nova Minerals Limited</td>
<td>State of Alaska</td>
<td>Gold, copper, silver</td>
<td>6.6 Moz</td>
<td>Moderate exploitation</td>
</tr>
<tr>
<td>Whiter</td>
<td>GoldMining Inc</td>
<td>State of Alaska</td>
<td>Gold, copper</td>
<td>2.8 Moz</td>
<td>Significant exploitation</td>
</tr>
<tr>
<td>Island Mountain</td>
<td>GoldMining Inc</td>
<td>State of Alaska</td>
<td>Gold, copper</td>
<td>2.0 Moz</td>
<td>Significant exploitation</td>
</tr>
<tr>
<td>Rainier West</td>
<td>GoldMining Inc</td>
<td>State of Alaska</td>
<td>Gold, copper</td>
<td>1.6 Moz</td>
<td>Significant exploitation</td>
</tr>
<tr>
<td>Canyon Creek</td>
<td>Alaska Asia Mining Company</td>
<td>State of Alaska</td>
<td>Coal</td>
<td>165 Min</td>
<td>Moderate exploitation</td>
</tr>
</tbody>
</table>

Source: Nova Minerals Limited, GoldMining Inc, Alaska Department of Natural Resources, and UAA-IDR.

See page 14 of study results for Table 7.
ACCESS TO ESSENTIAL MINERALS

- The road would access areas known to contain significant deposits of hard rock minerals, such as gold, silver, & copper.

CURRENT AND POTENTIAL MINING REVENUE FOR THE STATE OF ALASKA AND MAT-SU BOROUGH

- The Matanuska-Susitna Borough and the State of Alaska would share an estimated $7M annually in taxes and royalties from a single project in the region (Estelle Gold Project). Additional projects coming online could double or triple this revenue.
- Annual Mining Claim Fees paid to the State of Alaska in FY 2022 totaled almost $490,145. Over the last five years from 2018 – 2022, fees for claims in the West Su Region totaled $1.85M (avg. of $369,249 per year).
- Annual Mining License Taxes and Mineral Production Royalties paid to the State of Alaska would result in revenue for the State of Alaska.
  - A single project in the region (Estelle Gold Project) could pay an estimated $700k in annual royalties and an average of $2M annually in Mining License Tax. Additional projects coming online could double or triple this revenue.
- Annual Property Tax Paid to the Mat-Su Borough would be significant.
  - The Estelle Gold Project alone would provide $4.4M annually in MSB property tax. Additional projects coming online could double or triple this revenue.
- When in production, one project (Estelle Gold Project) would pay $4.3 million annually in Corporate Net Income Tax paid to the State of Alaska over approximately 16 years. This could more than double if a second deposit (RPM North) was added. Additional projects coming online would increase this revenue further.
  - By comparison, wilderness lodges in the West Susitna region have paid less than $100k in Corporate Net Income Tax per year to the state.

AGRICULTURE AND TIMBER OPPORTUNITIES ARE SIGNIFICANT

- The project could allow farmers to produce as much as $11.2M in annual crop sales.
- Agricultural land sales could produce as much as $21.5M for the State and Mat-Su Borough.
- Timber resources are estimated at as much as $66.2M in lifetime sales.

LAND OWNERSHIP

- About 61% of the land within this radius is owned by the MSB, State, or Federal government.
- Construction of the access road would likely have the most immediate impact on the land within about 10 miles of the proposed route. The 3,078 parcels in this 10-mile route corridor encompass about 73,000 acres of land*.
  *10-mile radius from proposed West Su Access Route excludes on-road areas of the MSB.