

**ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY**

RESOLUTION NO. G23-07A

**RESOLUTION OF THE ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY RELATING TO THE DEVELOPMENT
OF THE AMBLER PROJECT THROUGH THE CONSOLIDATION OF
PREVIOUSLY APPROVED PROJECT FUNDING RESOLUTIONS
G20-19, G21-09, AND, G22-03 IN ORDER TO RECORD PROJECT
EXPENDITURES BY FUND SOURCE**

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 Mining District Industrial Access Project (“Project”) is aimed at the development of an industrial road that provides access for multiple mining companies to the Ambler Mining District for exploration and mine development and is the type of development that AIDEA 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.

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, and is in the public interest;

WHEREAS, the Project was funded and declared to be an Arctic infrastructure development project under the Arctic Infrastructure Development Program and Fund in Board

Resolution G20-11;

WHEREAS AIDEA is in the process of developing an industrial access road to the Ambler Mining District consistent with the March 2020 Ambler Road Final Environmental Impact Statement, the July 2020 Ambler Road Joint Record of Decision issued by both the U.S. Bureau of Land Management and the U.S. Army Corps of Engineers, and the July 2020 Record of Decision issued jointly by the Secretaries of Interior and the U.S. Department of Transportation on Alignment of the Ambler Road through the Kobuk Preserve;

WHEREAS, the Authority and Ambler Metals, LLC (Ambler Metals) have entered into an Ambler Access Development Agreement that addresses funding and oversight of the Project's feasibility and permitting activities through 2024;

WHEREAS, the Authority has approved three Resolutions, 620-19 for 2020 Pre-Development costs, G21-09 for 2021 Field Season Plan and Budget, and G22-03 for the 2022 Filed Season Plan and Budget, each of which provided authorization for expenditures on various aspects of the Ambler Project;

WHEREAS, AIDEA proposes consolidating Board resolutions G20-19, G21-09, and G22-03 into a single Resolution for accounting purposes to allow for the recording of Ambler Project expenditures by fund source and permit the alignment of tracking costs by the task performed both of which will assist in the production of management reports generated from the Authority's accounting system that are consistent with budgetary controls already in place;

WHEREAS, the Board approved Resolution No. G23-07 in March 2023 authorizing the Executive Director of the Authority to consolidate all prior approved Resolutions totaling \$44,800,000 in preconstruction activities and approving AIDEA funds from the AIDF of \$22,400,000 to advance the Ambler Access Project;

RESOLUTION NO. G23-07A

WHEREAS, the Development Agreement specifies that the Program Manager for the Project shall prepare a proposed annual Program and Budget, with updated Forecast that is specific to the ensuing calendar year;

WHEREAS, the Development Agreement provides that expenditures in the 2024 Project Plan and Budget will be split between the Authority and Ambler Metals, with each party paying 50 percent of the costs;

WHEREAS, making these decisions to advance and manage the Project are all in furtherance of the Authority's statutory powers and advance the public interest.

NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY, AS FOLLOWS:

Section 1. The Authority is authorized to conduct activities in conformity with the 2024 Project Budget that is approved by the Board. The Executive Director is authorized and directed to finalize and sign on behalf of the Authority agreements and contracts with contractors, engineers, and other professionals needed to carry out the work in the 2024 Project Plan and Budget. The Executive Director is authorized to make modifications to the 2024 Project Plan that the Executive Director determines to be appropriate.

Section 2. The Authority approves the 2024 Project Plan and Budget. The Executive Director is authorized to make modifications to the 2024 Project Plan and Budget that the Executive Director determines to be appropriate that do not increase the overall expenditure set out in that budget.

Section 3. Subject to the approval of the 2024 Project Plan and Budget by Ambler Metals, LLC under the terms of the Development Agreement, the Authority is authorized to

expend up to \$26,500,000 from the Artic Infrastructure Development Fund in conformity with Preconstruction Activities.

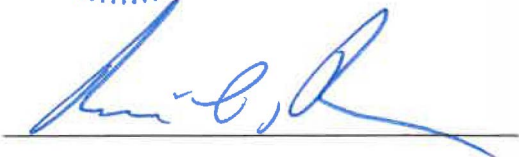
Section 4. The Executive Director is authorized to sign all documents and instruments and take other actions as may be necessary or convenient in implementing this Resolution.

DATED at Anchorage, Alaska, on this 25th day of October 2023.

ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY



Chair



Secretary



MEMORANDUM

TO: Board Members
Alaska Industrial Development and Export Authority

FROM: Randy Ruaro
Executive Director

DATE: October 16, 2023

RE: Ambler Access Project 2024 Field Season Plan and Budget
Resolution No. G23-07A

PROPOSAL

Alaska Industrial Development and Export Authority (“AIDEA” or the “Authority”) staff is requesting the Board’s authorization to spend up to \$13,900,000 for the 2024 Calendar year field season and associated work. The budget would be split 50/50, \$6,950,000 from the funds currently in the Arctic Infrastructure Development Fund (“AIDF”) for 2024 pre-construction work on the Ambler Access Project (“AAP”). These funds will be matched by another \$6,950,000 from Ambler Metals, LLC (“Ambler Metals”) under the terms of the Ambler Access Development Agreement that was approved by the Board on February 10, 2021 and subsequently executed by both parties (the “Development Agreement”).

This work builds on the scope previously approved under Resolution No. G23-07 that consolidated all prior approvals into a total \$44.8 million budget and advances the preconstruction activities. The project is expected to have remaining funds at the end of 2023, staff is requesting an additional \$4,100,000 from the AIDF that will bring the total of \$26,500,000 (Table 2). The 2024 Field Season Plan and Budget request continues to prioritize those field activities approved by the Bureau of Land Management and the focus in 2024 will be to continue Cultural Resource Surveys at component sites. The Programmatic Agreement requires AIDEA to complete Cultural Resource inventory prior to any ground disturbing activities.

On January 6, 2021, AIDEA entered into a multi-year land access agreement and permit with Doyon Limited (“Doyon”) and the NANA Regional Corporation, Inc. (“NANA”), respectively, to allow AIDEA and its contractors controlled access to land owned by Doyon and NANA along the route of the AAP to conduct the final Feasibility and Permitting Activities defined under the Development Agreement. AIDEA’s access to Doyon and NANA lands for the fieldwork proposed under the 2024 Field Season Plan remains subject to the terms and conditions of those agreements.

2024 PROJECT PLAN AND BUDGET

Due to Bureau of Land Management (BLM) and the Department of Interiors (DOI) requested and Court approved Remand. BLM has restricted ground disturbance until a Supplemental Environmental Impact Statement is completed and a Record of Decision is made. The current

project plan does not include any Geotechnical Investigations or advancement of Design. When AIDEA receives approval to conduct ground disturbing activities, the project staff will submit a revised budget and plan for consideration of the Board.

Under the terms of the Development Agreement, the 2024 Project Plan Budget is defined as the field work starting on January 1st and completion December 31st. The approved budget allows the project team to begin entering into contracts to secure the required personnel to complete a full field season in 2024. The pre-construction and feasibility efforts identified for the 2024 Field Season will focus on the progression of cultural resources work primarily on East Side of the project.

The 2024 major planned tasks include:

- Advancing Hydraulic Models
- Environmental Permitting (Includes responding to Supplemental Environmental Impact Statements)
- Cultural Resources inventory and Programmatic Agreement amendments
- Fish Inventory
- Construction Management/General Contractor advisors
- Stakeholder Engagement (Continue funding for Subsistence Advisory Committee and Workforce Development Committees)

As specified in Sections 5(b) and 5(d) of the Development Agreement, the proposed Program and Budget includes the following items:

- (i) A statement of the proposed Expenditures is shown in Table 1;
- (ii) A detailed breakdown of the Expenditures incurred in the prior calendar year actual versus budgeted, shown in Exhibit A;
- (iii) An estimate of all Expenditures to be incurred (as recommended by the Program Manager) and an estimate of the time period during which it will be incurred, plus a reasonable allowance for contingencies given in Table 1.

Under the terms of the Development Agreement, AIDEA will continue to provide the services listed in Resolution G21-09 with the focus on gathering relevant information to progress the engineering design to inform the cost estimate. Those services were procured with contracts in place through 2024 and are not repeated here.

Table 1 Expenditures and Projections through Dec 2023 and forecast through Dec 31, 2024

Ambler Access Preconstruction Activities						
Task	Description	2020	2021	2022	2023*	2024
1	Interim Funding	\$ 840,277.07				
2	Program Management		\$ 291,175.31	\$ 1,289,075.72	\$ 1,325,500.00	\$ 1,300,000.00
3	Stakeholder Outreach		\$ 186,935.00	\$ 799,875.19	\$ 1,103,500.00	\$ 1,200,000.00
4	Design, H&H and Survey		\$ 1,138,537.97	\$ 3,127,367.98	\$ 3,807,900.00	\$ 1,125,000.00
5	Geotechnical		\$ 256,910.55	\$ 806,570.12	\$ 42,230.00	\$ 10,000.00
6	Facilities		\$ 37,075.51	\$ 181,476.24	\$ 318,950.00	\$ 5,000.00
7	Cultural Resources		\$ 1,642,650.56	\$ 1,257,061.82	\$ 1,308,150.00	\$ 4,050,000.00
8	Environmental and Permitting		\$ 91,035.98	\$ 551,427.07	\$ 469,000.00	\$ 650,000.00
9	ICE and Support		\$ 132,324.12	\$ 300,244.23	\$ 223,305.00	\$ 10,000.00
10	Logistics		\$ 1,499,794.39	\$ 4,740,607.12	\$ 7,212,936.41	\$ 4,300,000.00
11	Access Agreements & ROW		\$ 502,255.29	\$ 570,403.00	\$ 724,000.00	\$ 1,000,000.00
12	CMGC			\$ 109,308.15	\$ 22,140.00	\$ 150,000.00
13	Supplemental EIS	\$ -			\$ 2,190,000.00	\$ 100,000.00
	Total	\$ 840,277.07	\$ 5,778,694.68	\$ 13,733,416.64	\$ 18,747,611.41	\$ 13,900,000.00
	Cumulative 2020-2024		\$ 6,618,971.75	\$ 20,352,388.39	\$ 39,099,999.80	\$ 52,999,999.80
		Actuals	Actuals	Actuals	Projected	Forecast

*Rounded

Note: G23-07 has a total of \$44,800,000 approved of which AIDEA 50% portion funded from the AIDF is \$22,400,000. G23-07A Adds funding of \$4,100,000 from the AIDF bringing up the total \$26,500,000. G23-07A will bring the total approved budget for preconstruction activities to \$53,000,000 that will be split 50% by Ambler Metals. Board Resolution G23-07A Approves the 2024 Project Plan of \$13,900,000. Ambler Metals per the Development Agreement will pass a resolution to fund 50% of the 2024 Project Plan of \$6,950,000 matching the AIDF of \$6,950,000.

Table 2 Request for \$4,100,000 from the AIDF for funding 2024 Field Season

Ambler Metals Development Agreement			
	50% AIDEA	50% Ambler Metals	Total
G23-07	\$ 22,400,000.00	\$ 22,400,000.00	\$ 44,800,000.00
G23-07A	\$ 4,100,000.00	\$ 4,100,000.00	\$ 8,200,000.00
Total G23-07A	\$ 26,500,000.00	\$ 26,500,000.00	\$ 53,000,000.00

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 Project 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 Amber Access Project is in the public interest and serves a public purpose by creating access

the Amber Access Project is in the public interest and serves a public purpose by creating access to the Ambler Mining District. 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, the authority 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)).

BACKGROUND ON THE AMBLER ACCESS REQUEST

The Project is based on the filing of the SF-299 Alaska National Interest Lands Conservation Act (“ANILCA”) right-of-way application for an approximately 200-mile industrial access road from the Dalton Highway to the Ambler Mining District in northwest Alaska. In 2009, the Alaska Department of Transportation and Public Facilities (“DOT&PF”) began evaluating multiple road and railroad routes that could provide access to the Ambler Mining District. Access to the District was assessed for both east and west alignments to the District. As a result of these studies, a

potential corridor was identified that would connect the Dalton Highway to the Ambler Mining District by traversing the Gates of the Arctic National Park and Preserve.

In 2013, the project was transferred from DOT&PF to AIDEA. Subsequent to starting the road permitting, AIDEA applied with the BLM for an Environmental Impact Statement (“EIS”), the process of which began in March of 2017. BLM released a draft EIS for the project on August 23, 2019 and issued the Final EIS on March 27, 2020. A Joint Record of Decision was issued by the BLM and U.S. Army Corps of Engineers on July 23, 2020 together with a decision by the Secretaries of Interior and Transportation to approve a route through the Gates of the Arctic National Park and Preserve based on an Environmental and Economic Analysis of the route prepared by the National Park Service (“NPS”) under Title II and Title XI of ANILCA. Rights-of-way permits were issued by the BLM for BLM-managed lands along the approved route and by the NPS, for the portion of the road crossing the Gates of the Arctic National Park and Preserve.

RECOMMENDATION

AIDEA staff recommends that the Authority (i) approve both the 2024 Project Plan and the 2024 Project Plan Budget and (ii) authorize the Authority to spend up to \$26,500,000 from the AIDF for a total Preconstruction Budget of \$53,000,000 with Ambler Metals 50% match.

With the Board’s approval, AIDEA’s Executive Director will include the budget items described above in the quarterly reports to the Board on pre-development projects.

ATTACHMENTS

1. Exhibit A, 2023 Budget to Actuals

Exhibit A

AAP Project Budget		2023 Season													\$ 44,800,000.00	
Task	Description	2023 Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Spend (Actuals + Forecast)	Forecast % Spend
1	Interim Funding Agreement															
2	Program Management	\$ 1,837,275.64	\$ 72,101.98	\$ 71,566.00	\$ 144,099.79	\$ 107,549.92	\$ 128,539.86	\$ 104,826.51	\$ 114,813.87	\$ 106,609.38	\$ 100,318.97	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 1,325,426.28	72%
3	Stakeholder Outreach	\$ 1,160,480.10	\$ 94,127.52	\$ 75,354.10	\$ 89,662.24	\$ 54,671.62	\$ 87,284.84	\$ 86,026.94	\$ 103,991.33	\$ 110,656.32	\$ 58,811.00	\$ 114,285.00	\$ 114,285.00	\$ 114,285.00	\$ 1,103,440.91	95%
4	Design, H&H and Survey	\$ 4,493,000.00	\$ 122,912.66	\$ 94,217.28	\$ 90,221.87	\$ 59,785.47	\$ 121,283.79	\$ 194,903.28	\$ 557,376.67	\$ 632,551.23	\$ 689,606.00	\$ 415,000.00	\$ 415,000.00	\$ 415,000.00	\$ 3,807,858.25	85%
5	Geotechnical	\$ 28,255.00	\$ 755.60	\$ 944.50	\$ 6,679.87	\$ 14,309.24	\$ 13,613.00	\$ 903.98	\$ -	\$ 2,164.11	\$ 714.00	\$ 714.00	\$ 714.00	\$ 714.00	\$ 42,226.30	149%
6	Facilities	\$ 85,000.00	\$ -	\$ 251,401.73	\$ -	\$ 64,689.90	\$ -	\$ -	\$ -	\$ -	\$ 714.00	\$ 714.00	\$ 714.00	\$ 714.00	\$ 318,947.63	375%
7	Cultural Resources	\$ 2,181,053.00	\$ 59,941.62	\$ 68,465.26	\$ 61,306.02	\$ 28,167.79	\$ 96,833.68	\$ 185,877.24	\$ 154,097.84	\$ 136,912.30	\$ 37,306.67	\$ 159,742.40	\$ 159,742.40	\$ 159,743.40	\$ 1,308,136.62	60%
8	Environmental and Permitting	\$ 681,554.23	\$ 34,209.10	\$ 28,189.99	\$ 21,133.71	\$ -	\$ -	\$ 202,276.53	\$ 17,321.10	\$ 29,179.53	\$ 31,200.00	\$ 35,155.00	\$ 35,155.00	\$ 35,155.00	\$ 468,974.96	69%
9	ICE and Support	\$ 305,959.34	\$ 124,468.36	\$ 73,311.07	\$ 15,717.85	\$ -	\$ 10,004.86	\$ -	\$ -	\$ -	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 228,302.14	75%
10	Logistics	\$ 10,851,200.00	\$ 390,151.95	\$ 20,901.54	\$ 32,462.80	\$ 783,865.90	\$ 69,225.59	\$ 1,738,390.20	\$ 912,839.25	\$ 2,479,758.61	\$ 712,505.26	\$ 16,667.00	\$ 16,667.00	\$ 16,666.00	\$ 7,190,101.10	66%
11	Access Agreements & ROW	\$ 826,851.00	\$ -	\$ -	\$ 228,851.00	\$ 10,000.00	\$ -	\$ 220,806.00	\$ -	\$ -	\$ 200,507.00	\$ -	\$ 6,550.00	\$ 57,000.00	\$ 723,714.00	88%
12	CMGC	\$ 163,505.85	\$ 1,221.12	\$ 5,984.71	\$ 520.00	\$ -	\$ -	\$ 14,412.59	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,138.42	14%
13	BLM SEIS	\$ 2,235,975.00	\$ 2,000,000.00									\$ 95,000.00	\$ 95,000.00	\$ -	\$ 2,190,000.00	98%
	Total	\$ 24,880,109.16	\$ 2,899,889.91	\$ 690,336.18	\$ 690,655.15	\$ 1,123,039.84	\$ 526,785.62	\$ 2,748,423.27	\$ 1,860,440.06	\$ 3,497,831.48	\$ 1,832,882.90	\$ 963,477.40	\$ 970,027.40	\$ 925,477.40	\$ 18,729,266.61	75%
	Cumulative 2023 Season		\$ 2,899,889.91	\$ 3,590,226.09	\$ 4,280,881.24	\$ 5,403,921.08	\$ 5,930,706.70	\$ 8,679,129.97	\$ 10,539,570.03	\$ 14,037,401.51	\$ 15,870,284.41	\$ 16,833,761.81	\$ 17,803,789.21	\$ 18,729,266.61	\$ 39,081,655.20	
	Cumulative from May 2021		\$ 23,252,278.50	\$ 23,942,614.68	\$ 24,633,269.83	\$ 25,756,309.67	\$ 26,283,095.29	\$ 29,031,518.56	\$ 30,891,958.62	\$ 34,389,790.10	\$ 36,222,673.00	\$ 37,186,150.40	\$ 38,156,177.80	\$ 39,081,655.20	\$ 5,718,344.80	Available
			Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Accrued	Projected	Projected	Projected	