



Red Dog and the Northwest Arctic: 25 years – Looking back to the future



Hard work + Commodity Prices = \$UCCE\$\$



Northwest Alaska

Some Red Dog Background

- Acquiring the property took work.
- The NANA people's ultimate decision to proceed with the mine – took many community meetings.
- The formation of the NWAB for local benefit (PILT) - 1986
- The necessity of federal legislation to go through the Krusenstern National Monument
- The negotiation for the \$175 million in state loans that had to be approved by the legislature (Alaska Industrial Development Authority)



\$1 BILLION

in proceeds paid to NANA
since mining began (2013)



600+ Jobs



\$608 MILLION

in total 7 (i) payments (through
2013)



**73% U.S. zinc
production**



~\$558 MILLION

in Alaska benefits, annually (2010)



54% Shareholder Hire



\$119.7 MILLION

in total PILT to NAB since mining began

Benefits of Production

2013	Average Annual Jobs	Estimated Annual Wages
Direct	610	\$55 million
Indirect and induced	490	\$30 million
TOTAL	1,100 jobs	\$85 million

Total Red Dog Production & Wages 2013

Annual Average Private Sector Wage Comparison between Teck Alaska, NWAB and Alaska, 2013

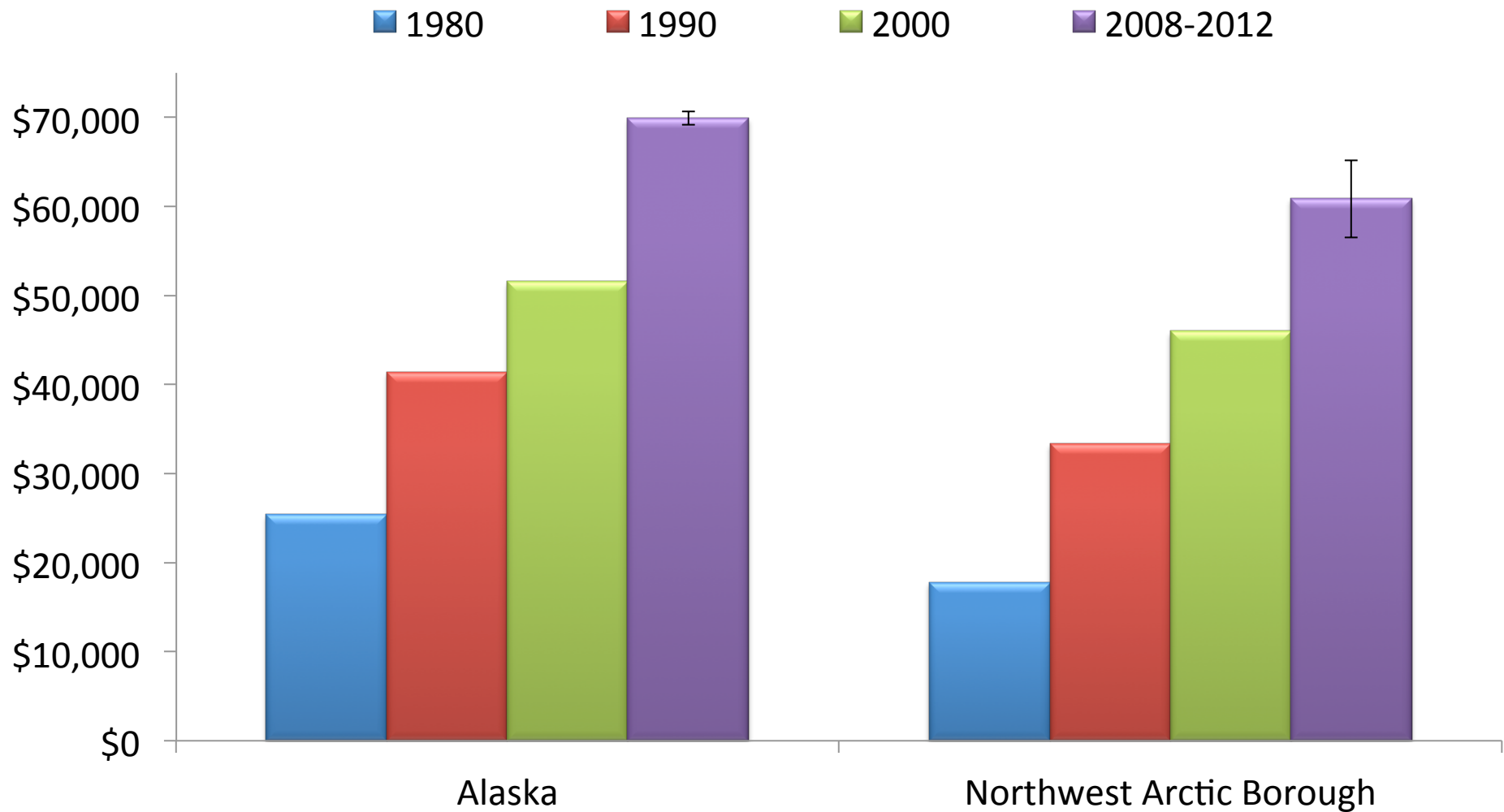


*Excluding Red Dog wages.

Source: Teck Alaska, Alaska Department of Labor and Workforce Development, and McDowell Group estimates.

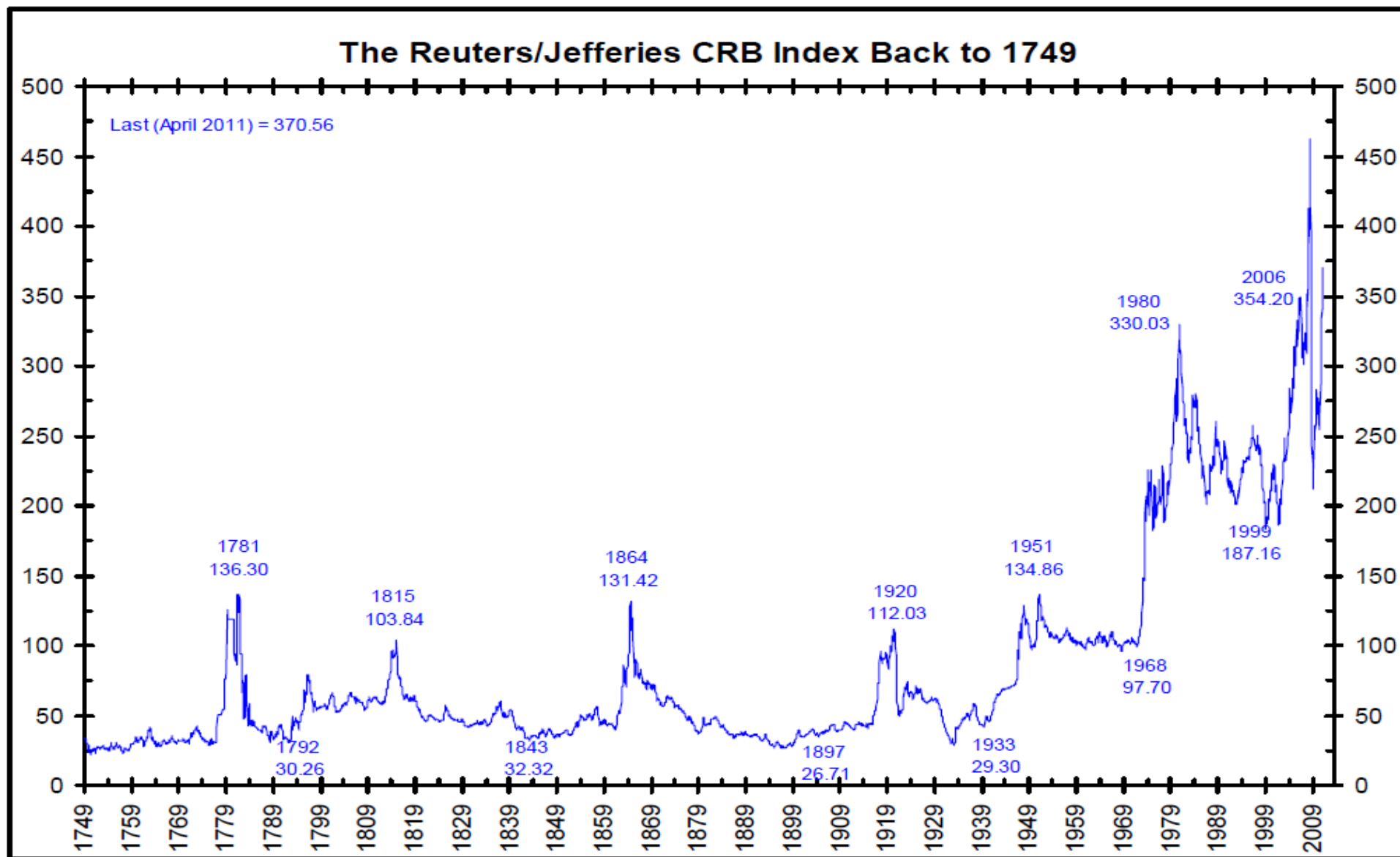
Alaska and NWAB Comparison

Median Household Income



- 
- State taxes and fees: \$27.9 million
 - \$16.3 million Alaska Mining License tax
 - 35% of State's total Mining License revenue FY2013
 - AIDEA (road/port payments): \$29.3 million
 - From 1990 to 2013:
 - **\$208 million** in AK Mining License tax
 - **\$163 million** to various state departments, programs, fees, services, corporate income tax
 - **\$452 million** to AIDEA

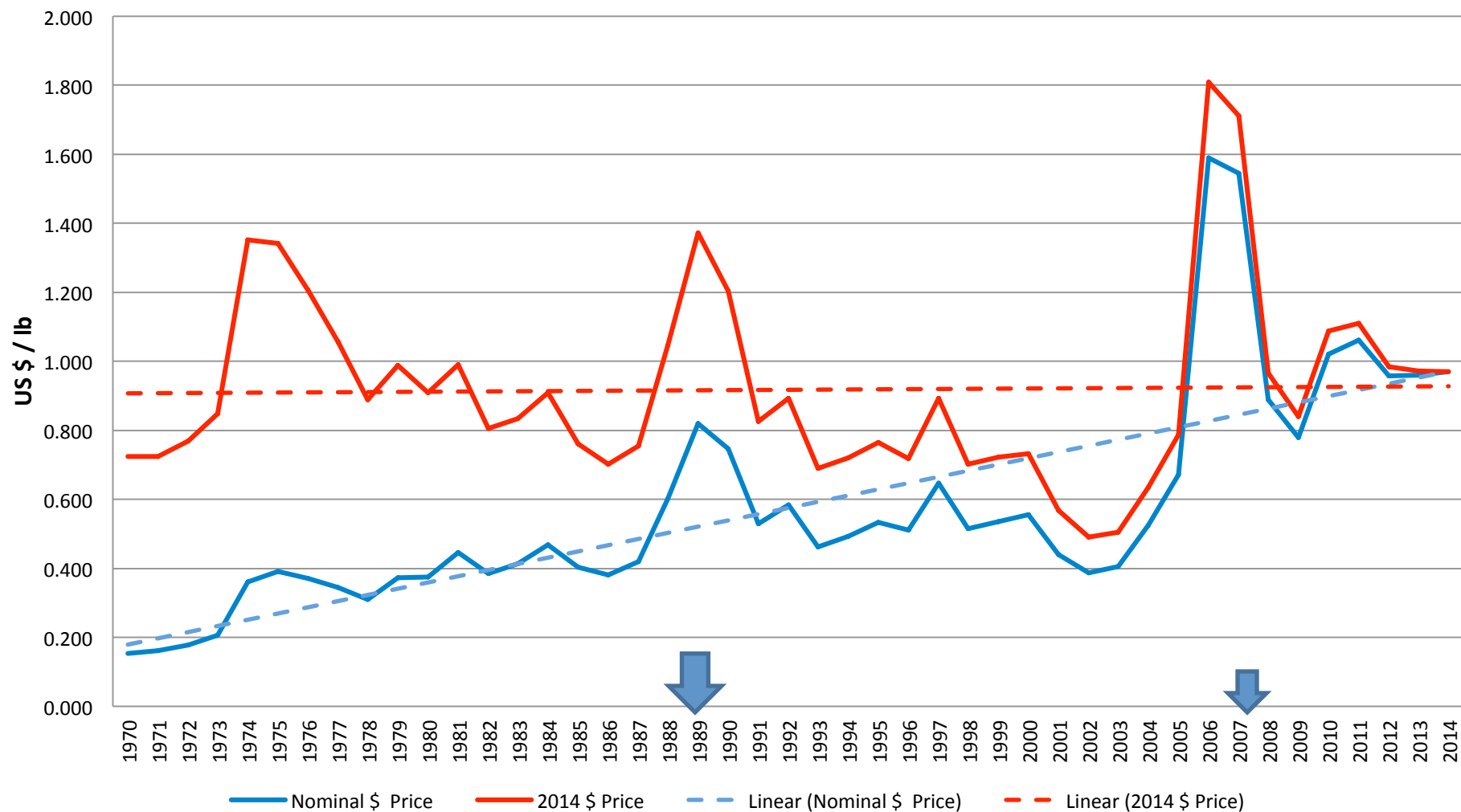
Direct Impacts – State Government Payments, 2013



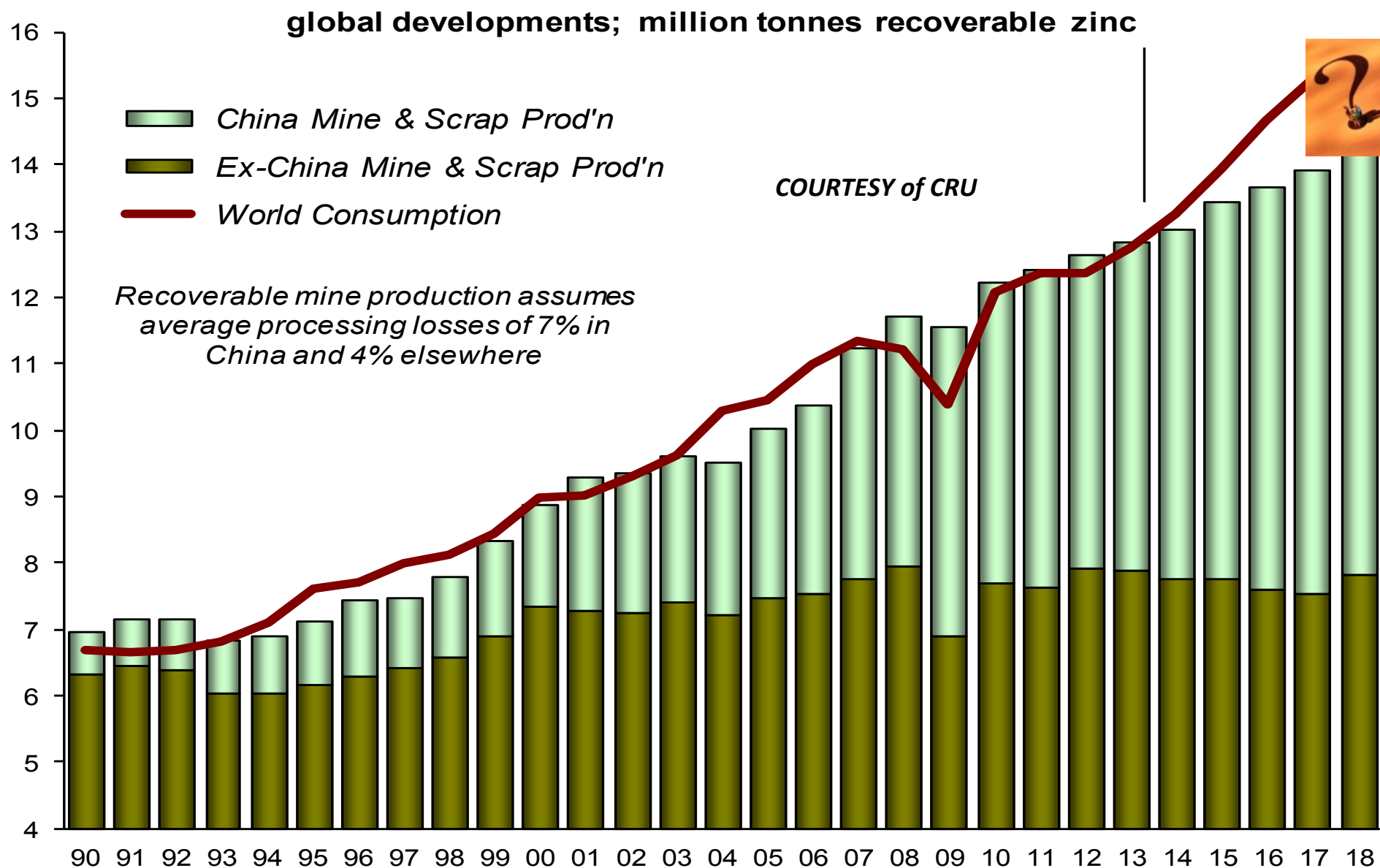
Commodity Prices Over Time

Nominal & Real 2014\$ Zn Prices

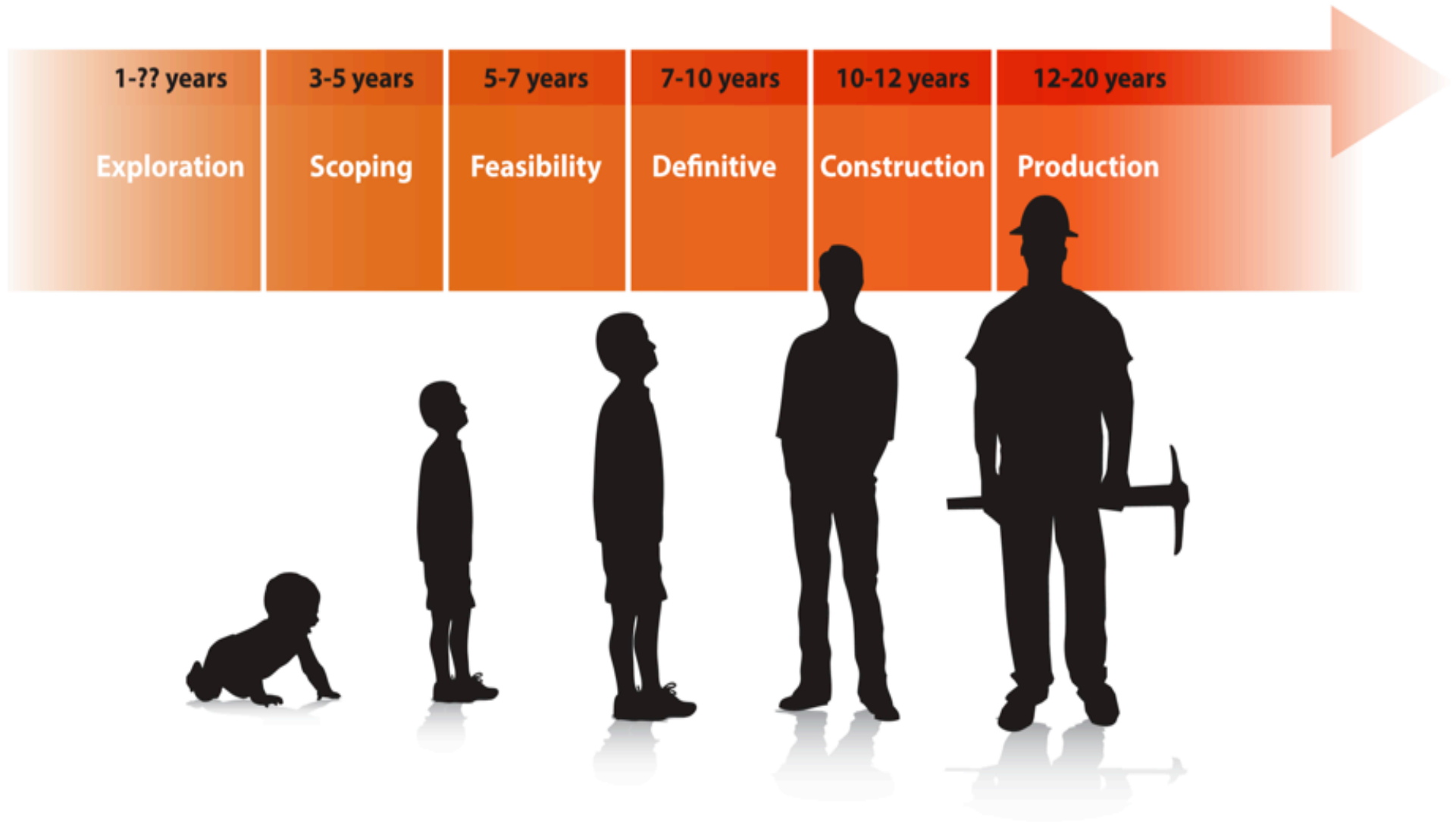
Platts Metals Week price for North American SHG zinc



Historic Zinc Prices



Why Look in the Arctic? What is the Outlook of Zn?



Mine Development Takes Time

Alaska Examples

*Courtesy of Council of
Alaska Producers*

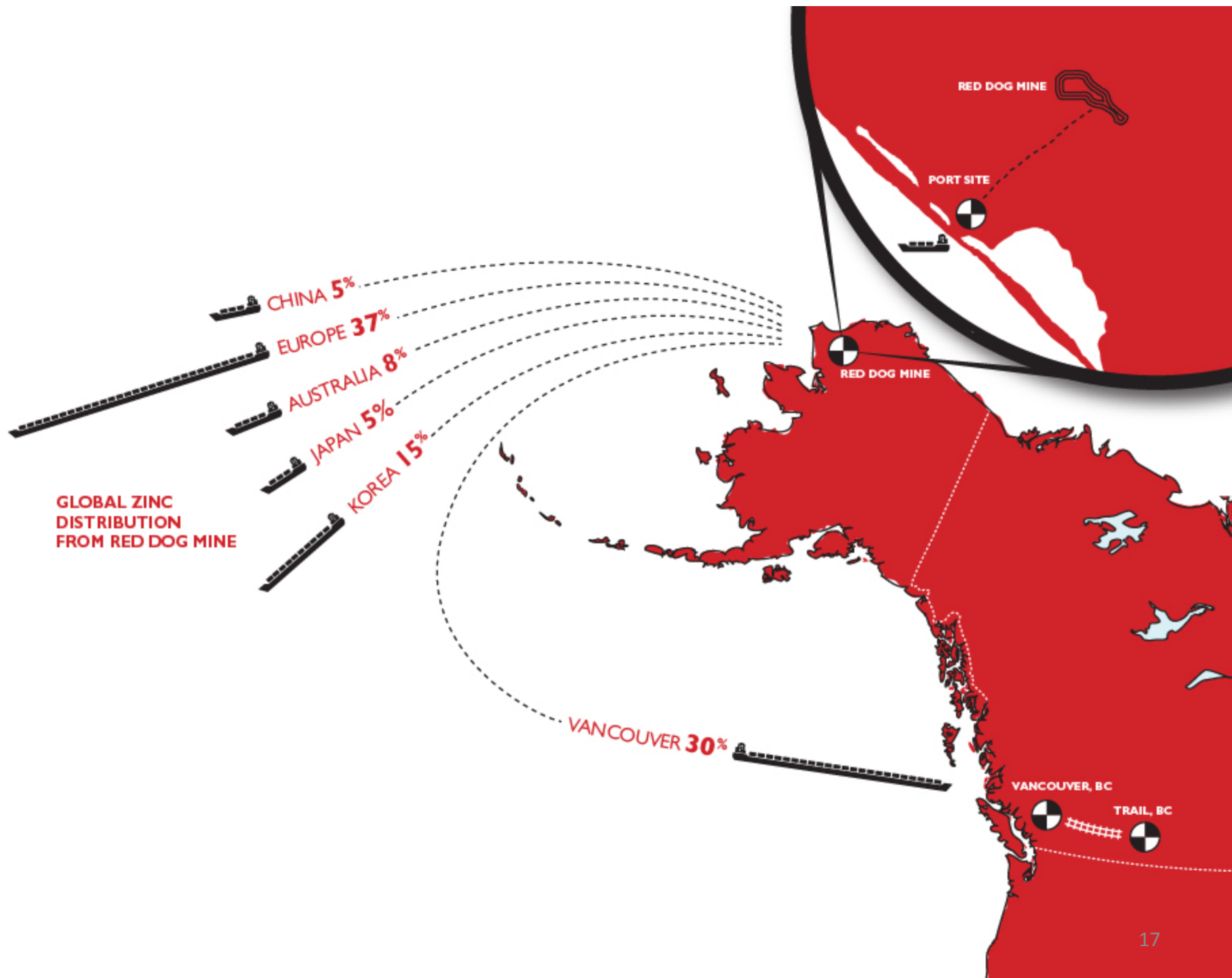
	2003	2013
Average mining salary	\$70,750	\$100,000
CAT haul trucks	(789) \$2,000,000	(793F) \$4,100,000
Average diesel price per gallon	\$1.11	\$3.66
6 yard underground loader	\$570,000	\$1,100,000
40 ton underground haul truck	\$560,000	\$1,300,000

Operating Costs Keep Rising

25 YEARS! RIGHT PLACE, RIGHT TIME, RIGHT ENGAGEMENT

Responsible development at Red Dog Mine has helped improve the lives NANA shareholders and build the economy of Northwest Alaska.







Utilization of the DMTS for local fuel delivery

Noatak & Kivalina Stove Oil Support





Resource Development = Shareholder Development



An advanced stage mineral exploration project in the Ambler district.

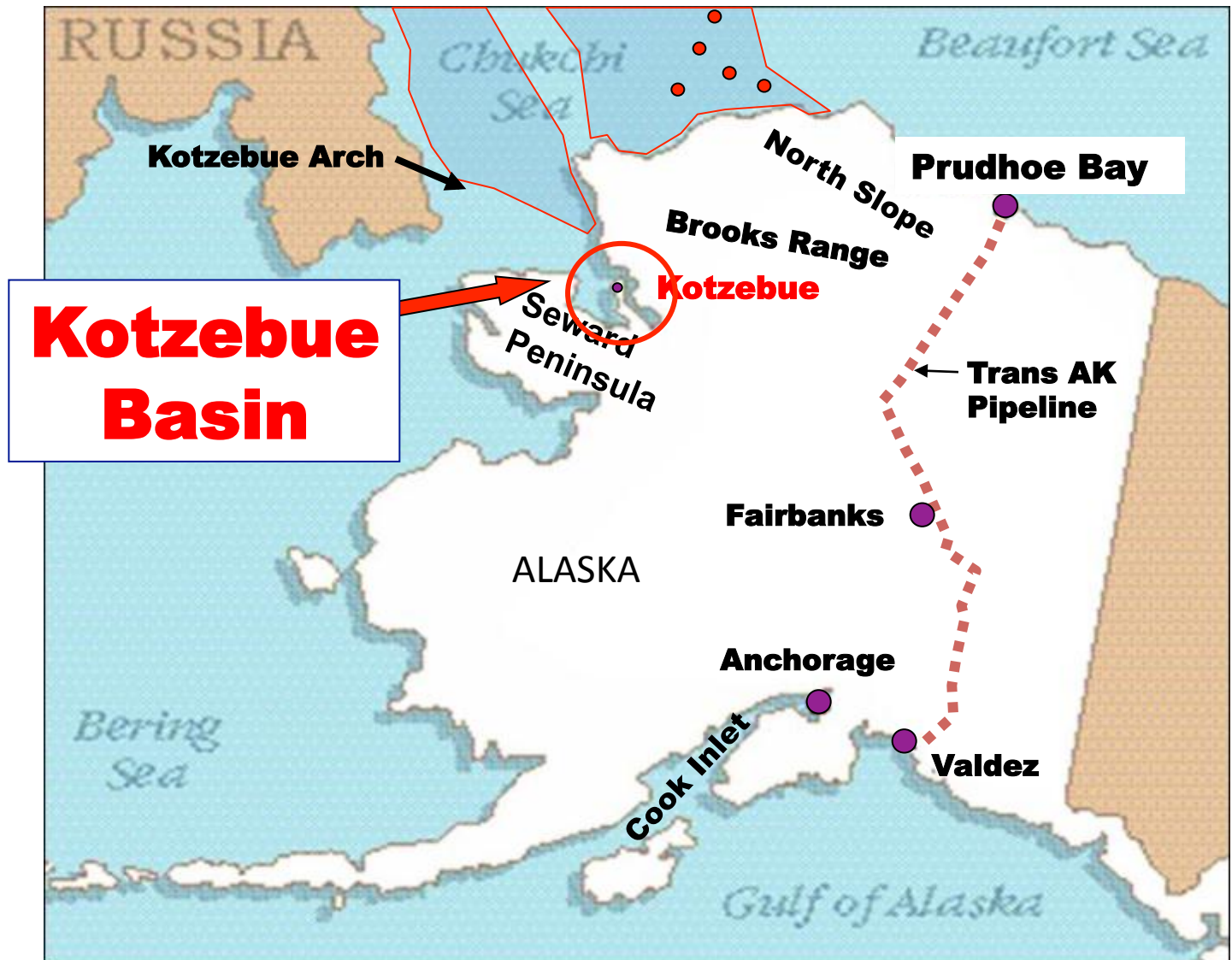
Projects cost \$\$ - NovaCopper has spent ~\$100 million on the project since 2004.

Upper Kobuk Mineral Project

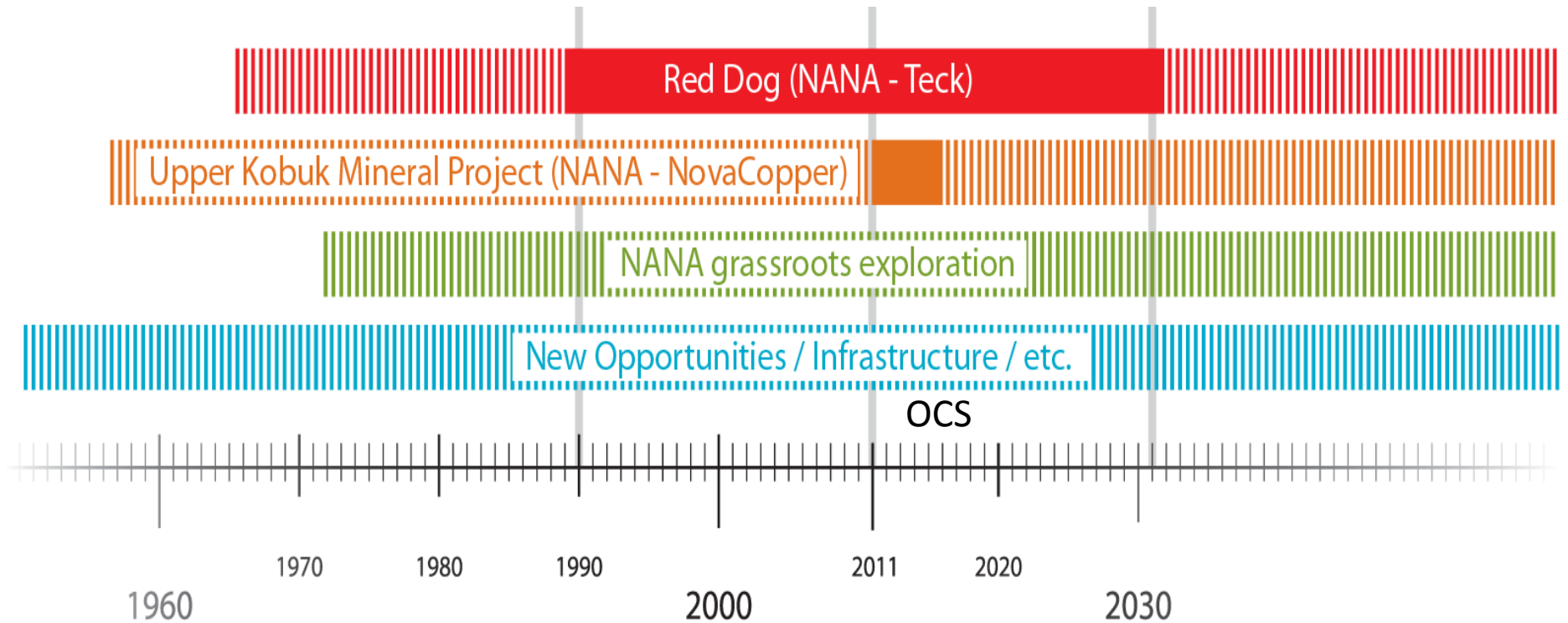
OTHER POTENTIAL



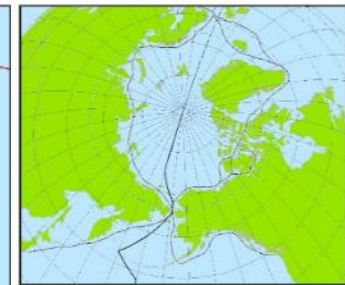
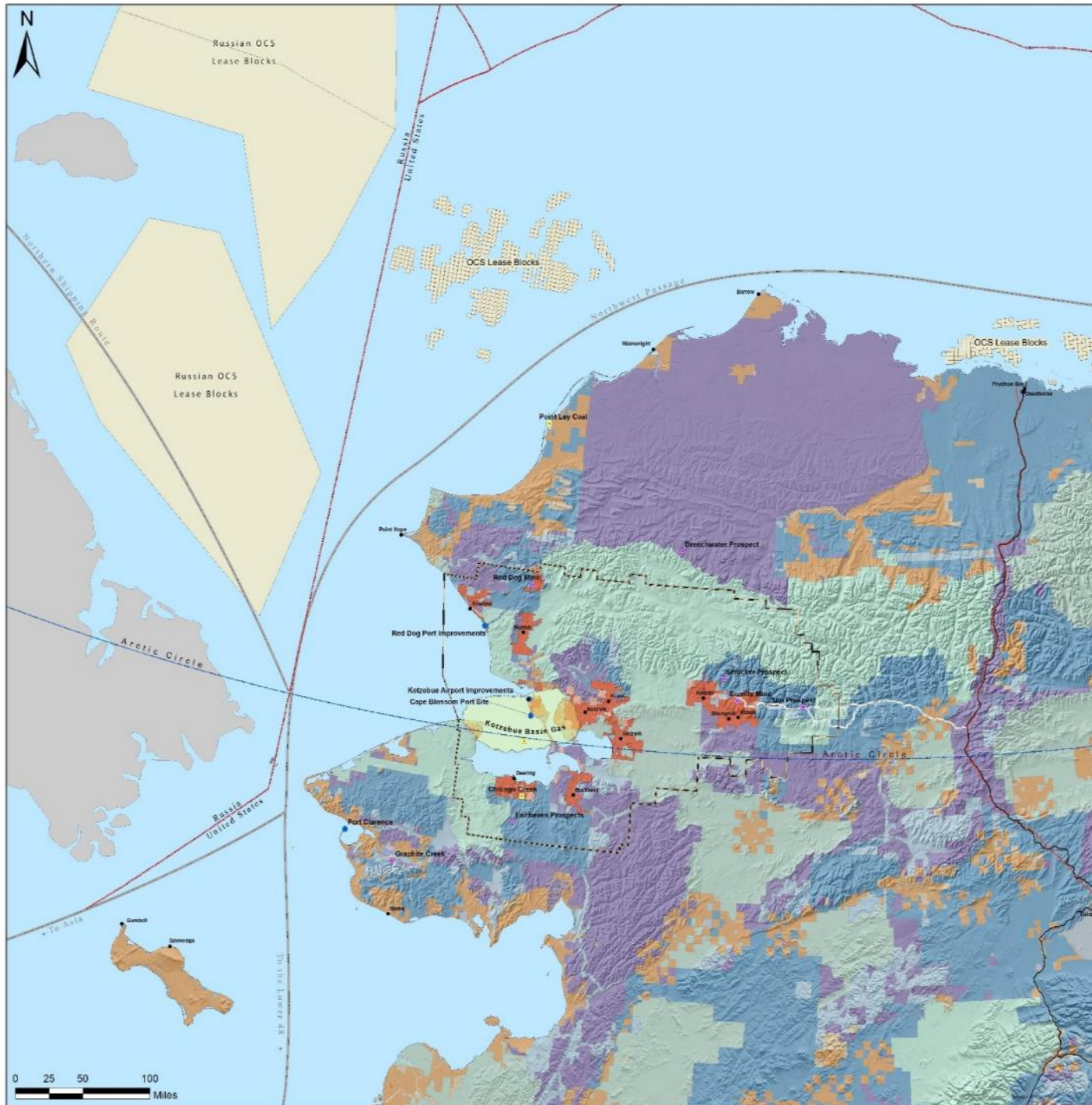
- Basin 350 x 80 miles
- Onshore NW AK and offshore Chukchi Sea
- Separated from Hope Basin by Kotzebue Arch
- Depocenters ~ 20,000 ft Tertiary & probably Cretaceous



Responsible Mineral/Energy Development = Sustainable Economy



NANA Projects



- Selected Cities and Villages
- Opportunity**
 - Infrastructure
 - Mineral
 - Oil, Gas and Coal
- Russia/U.S. Maritime Border
- Proposed Brooks Range East Corridor
- Major Roads
- Red Dog Mine Road
- TAPS
- Shipping Lanes
- NANA Boundary
- OCS Lease Blocks
- NANA Owned Lands
- NANA Selected Lands
- Bureau of Land Management
- Fish and Wildlife Service
- Forest Service
- National Park Service
- Native Patent or IC
- Native Selected
- State Patent or TA
- State Selected

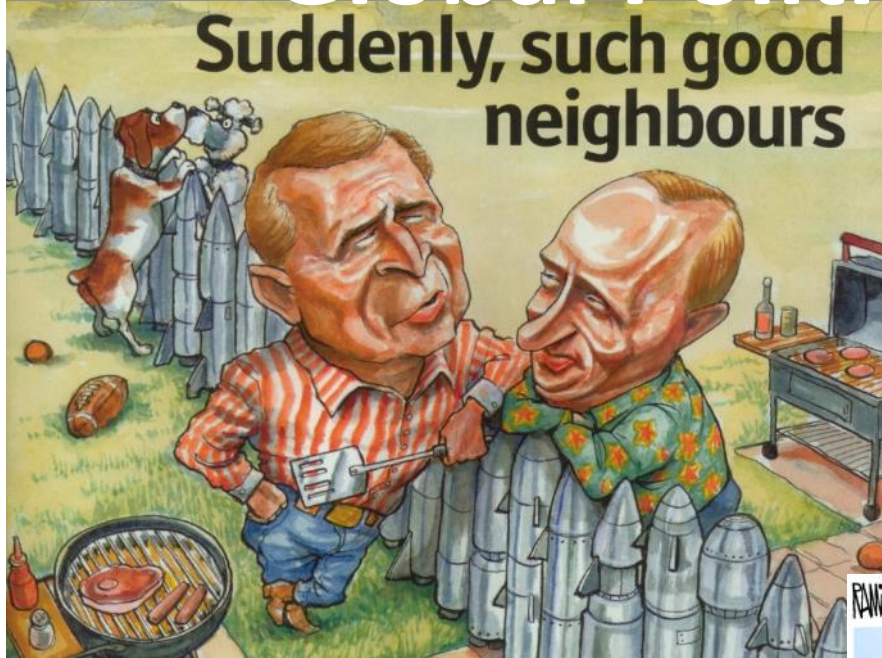
Date: 4/24/2014
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 Coordinate System: NAD 1983 Alaska Albers

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NANA

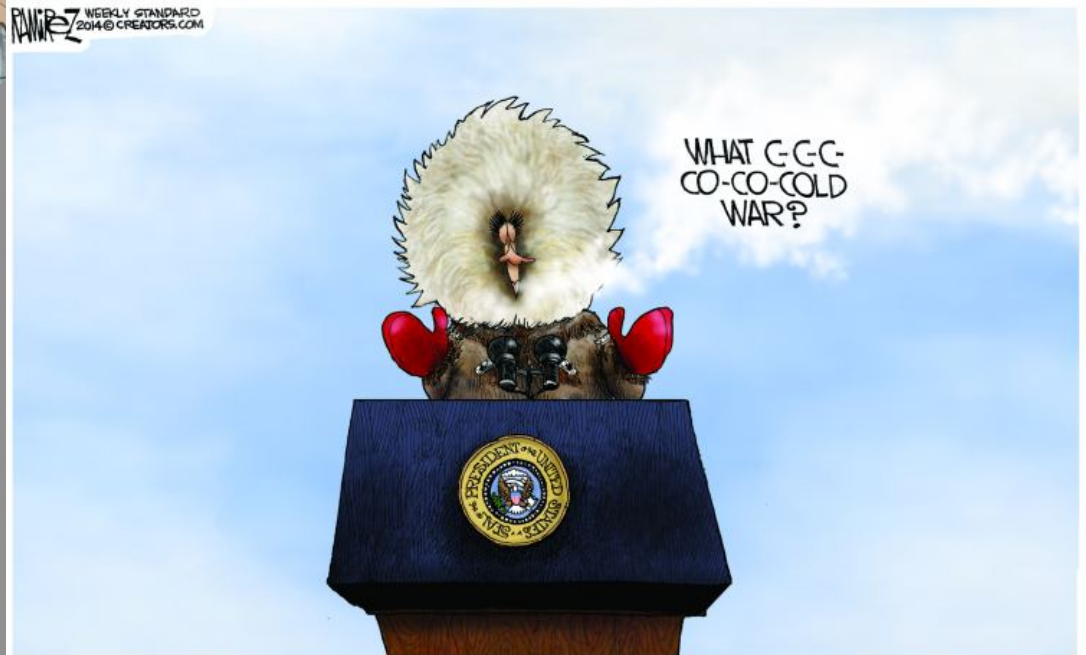


Global Politics...ARE DYNAMIC!

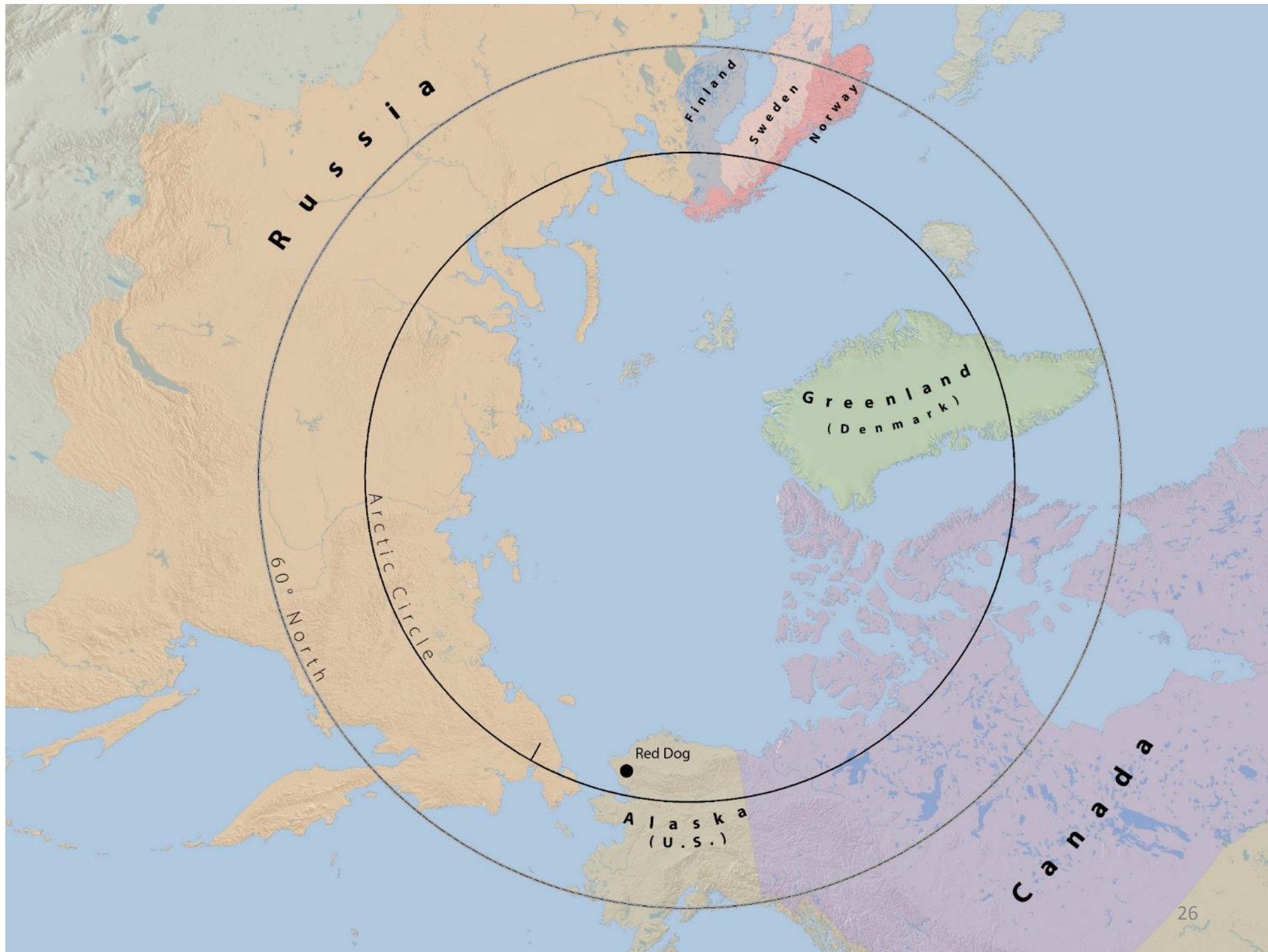


(Adapted from *The Economist*, November 10-16 2001)

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