



# Our future **MATTERS**



Port Heiden

South Naknek

Ugashik

Kokhanok

Newhalen

In January of 2018, the Pebble Limited Partnership formally proposed to Alaska Peninsula Corporation a semi-exclusive right-of-way agreement and multi-year License to Enter through APC lands near Newhalen and Kokhanok on Lake Iliamna.

The purpose of this right-of-way is to construct a road system to transport material from the proposed Pebble mine location to ferry terminals located on the north and south shore of Iliamna Lake, then to a deep-water port located on state-owned lands near Amakdedori Beach on the northern Alaska Peninsula.

The road is estimated to be about 24.5 total miles long, or about 1,205 total acres. The License to Enter for each side of the lake would likely require a multi-year commitment through the duration of the proposed mine's life-span. The permitting of such a road would require significant environmental and structural caution by both regulatory agencies and the Alaska Peninsula Corporation.

There are many considerations APC must take into review. The environmental impact to APC's wild and scenic lands is unknown and the promise of benefit to APC shareholders has yet to be defined.

There are many questions on the table, and there's a significant amount of work to complete before APC management and shareholders can make a well-informed recommendation to our Board of Directors. The information APC management conveys to the Board will require due diligence, and must be based on factual and quantifiable information.

The facts must become clear. Our decisions and actions could potentially have a lasting effect on our lives and those of our descendants.






# Shareholder input **MATTERS**



Let's look at the facts and weigh the **PROS** and **CONS**.

What is the overall value of this proposal to APC? What are the benefits to shareholders? What are the impacts to the environment? What are the impacts to our way of life? What are additional benefits to surrounding APC communities?





# Proposed plan for the Pebble

Proposed mine site area



*Iliamna Lake*



Amakdedori Port ●

*Cook*



APC LAND



PROPOSED ROAD ACCESS CORRIDOR(S) ON APC LAND



# /APC Transportation Corridor



Inlet

## About the proposed corridor

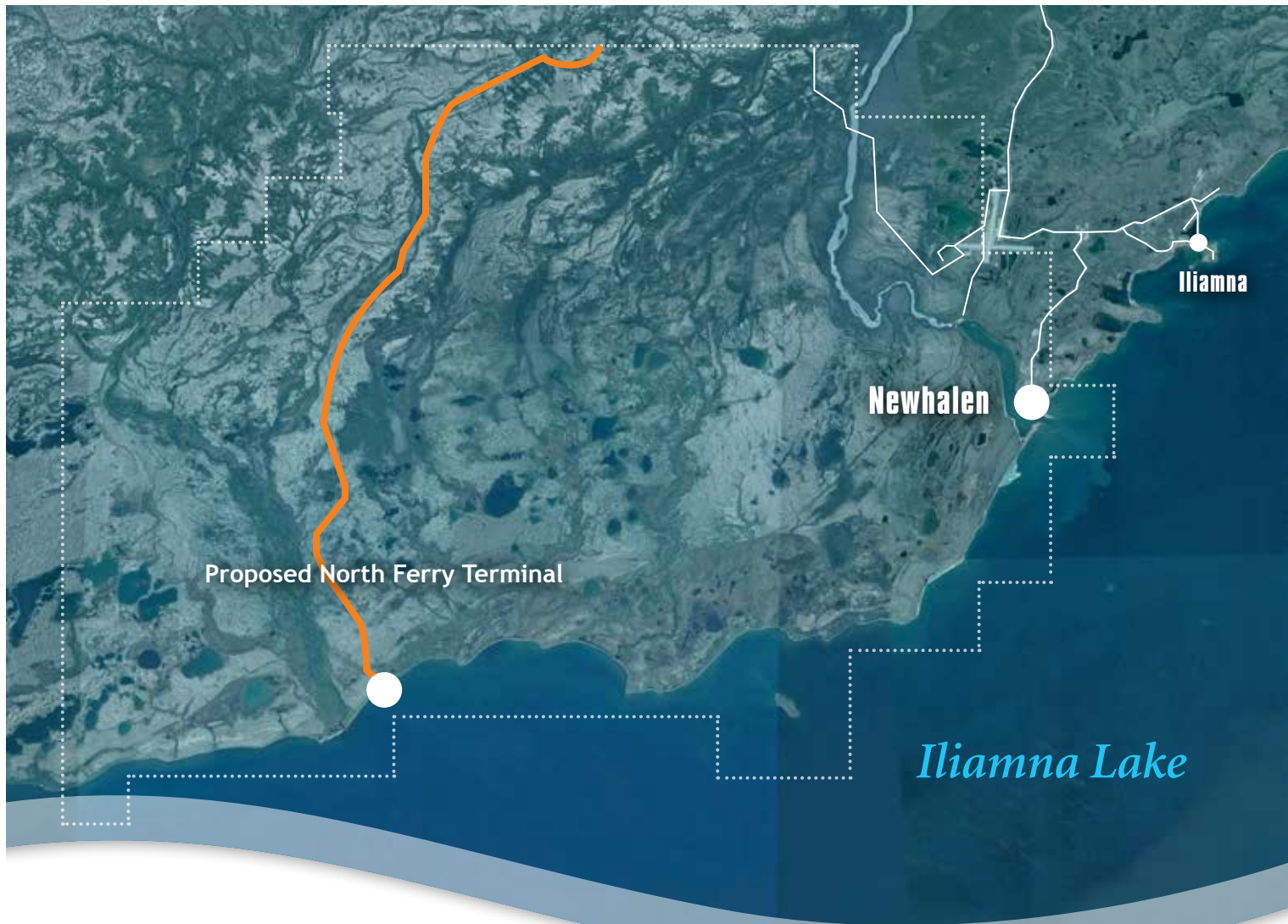
The transportation corridor would be used to transport materials from the proposed mine site to Amakdedori Port on Cook Inlet as well as goods and supplies to the Pebble mine site.

The proposed Pebble/APC transportation corridor consists of two components - a northern and a southern route (map areas highlighted to the left). Transportation infrastructure would include: a road extending from the mine site to a ferry terminal on the north shore of Iliamna Lake, an ice-breaking ferry to transport materials, equipment, and mineral concentrate across Iliamna Lake to a ferry terminal on the south shore near the community of Kokhanok, and a road from the south ferry terminal to connect with the transportation corridor across state lands to Amakdedori Port.

**PICTURED (LEFT):** [1] The northern component would cross known subsistence area lands [2] The south road would cross the Gibraltar River [3] Amakdedori Port on Cook Inlet

## The APC components

	LENGTH (MILES)	AREA (ACRES)
North Access Road	12.2	495
South Access Road	10.9	440
Kokhanok Airport Spur	1.4	120
Material Sites		100
Ferry Terminals		50
<b>Total</b>	<b>24.5</b>	<b>1,205</b>



# Northern ROUTE

- ALASKA PENINSULA CORPORATION LAND
- POTENTIAL NORTHERN ACCESS CORRIDOR
- EXISTING ROADS






Proposed site for the north ferry terminal





# Southern ROUTE

-  ALASKA PENINSULA CORPORATION LAND
-  POTENTIAL SOUTHERN ACCESS CORRIDOR
-  EXISTING ROADS



Proposed site for the south ferry terminal

A scenic sunset over a body of water. The sky is filled with vibrant orange, red, and purple hues. Two large ships are visible on the water, and a small pond in the foreground reflects the sunset. The overall mood is serene and majestic.

# The benefit to shareholders **MATTERS**

## **Potential benefits**

At this point in time, it's too soon to say what the direct tangible benefits would be for Alaska Peninsula Corporation and its shareholders. Benefits of the project could be significant, contribute to a more diversified economy, and provide residents in the region with more opportunities. Currently APC receives revenue through specific contracts we've entered into with the Pebble Project for camp services, environmental monitoring services, and marine studies. In the short-term, APC is negotiating a right-of-way agreement which would include annual rent, eventual toll payments for phased operations, and firm commitments for contracting and job training. As the project progresses, APC shareholders are likely to see benefits through expanded land access, lower cost of energy, job opportunities through construction and operational phases, and training opportunities. Additionally, APC stands to receive an ownership stake in the mine through a developing local ownership initiative. Perhaps most importantly, by being an early partner with the Pebble Project, APC has a seat at the table.

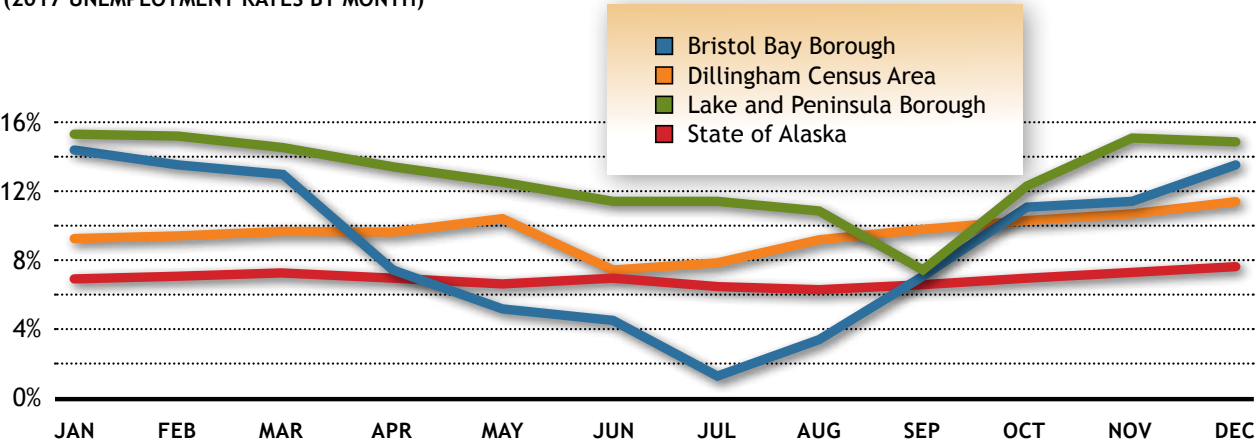


# Balancing the need for jobs and the need to protect natural resources

Commercial fishing is the dominant source of revenue in the Bristol Bay region. No other industries come close in terms of contributing to the economy. As important as the fishing industry is, it doesn't provide jobs and a solid, steady, or year-round livelihood for every household in the region.

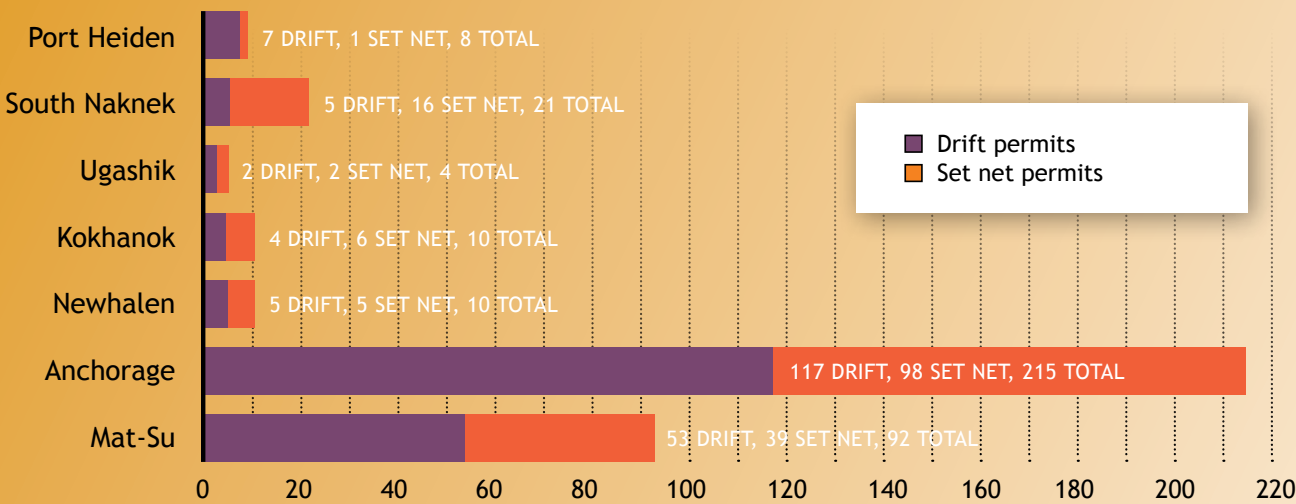
## Year-round steady work opportunities are limited

(2017 UNEMPLOYMENT RATES BY MONTH)



## Residents of the region hold relatively few fishing permits

(NUMBER OF FISHING PERMITS AS OF 2016)





# Employment MATTERS

## Food for thought

In 2016, Alaska's mining industry provided:

- 4,350 direct mining jobs in Alaska.
- 8,600 total direct and indirect jobs attributed to the Alaska mining industry.
- \$675 million in total direct and indirect payroll.
- Some of Alaska's highest paying jobs with an estimated average annual wage of \$108,000, almost twice the state average income.
- \$111 million in payments to Native corporations.
- Mostly year-round jobs for residents of more than 50 communities throughout Alaska.

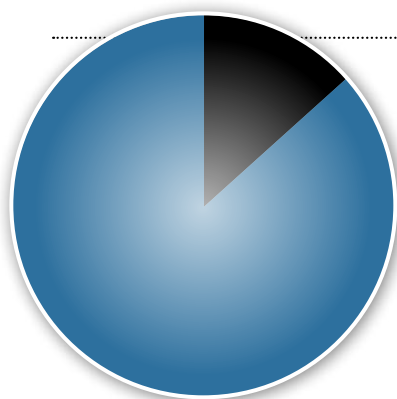
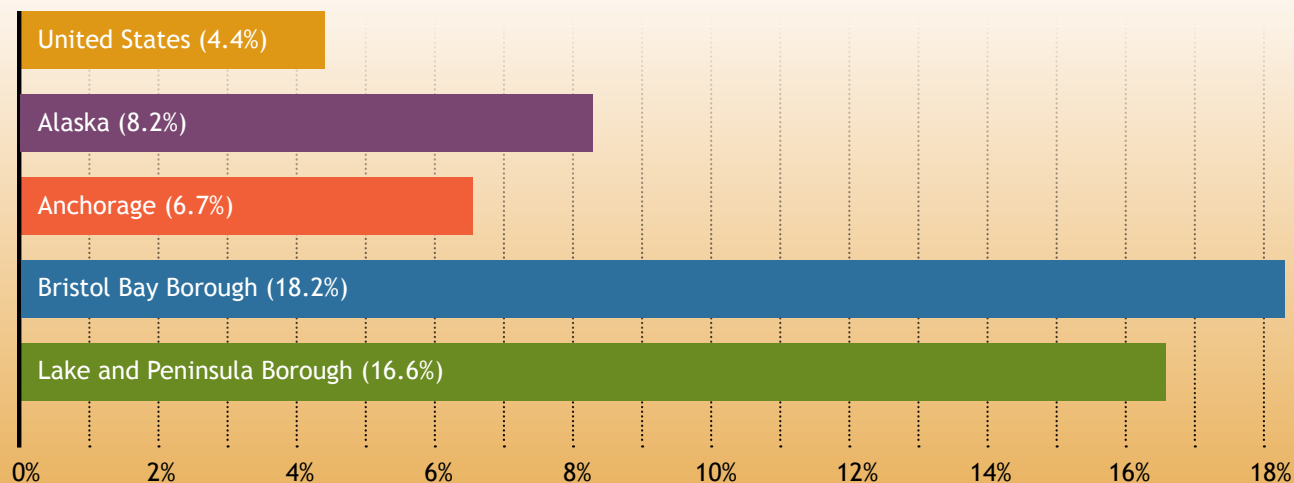
Nearly **75%**

of all wage and salary earnings from mining stay in Alaska because Alaska residents make up about three quarters of all workers in the industry.



## Unemployment rates are high in the region

(2018 UNEMPLOYMENT RATES)



Only **13.2%**

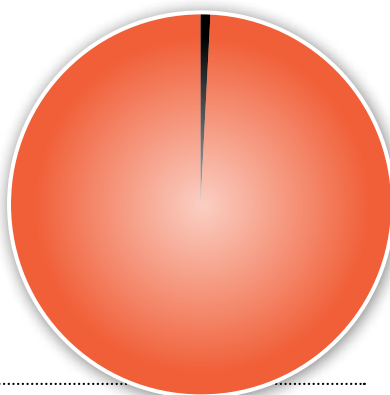
of Bristol Bay Borough fish processing jobs are held by residents of the region.

### Local jobs and income

More than 50% of salmon permit holders in Bristol Bay are not residents of the region. Out-of-state permit holders take about 58.8 % of total Bristol Bay fishery gross earnings. More than 88% of the wages earned from fish processing jobs in the region go to non-resident workers. It is crucial to protect our fisheries and other natural resources, but perhaps worthwhile to also explore and consider the potential economic benefits of mining.

Only **8.6%**

of Lake and Peninsula Borough fish processing jobs are held by residents of the region.



### The health of our communities

Communities are declining and unemployment rates are relatively high in much of the region. Without employment options, sustainable communities and the rural Alaska way of life could be threatened.



## Our Mission

To preserve and enhance the quality of life of Alaska Peninsula Corporation shareholders and to protect our culture while managing our assets in a manner which enhances their value.

## Board of Directors

Trefon Angasan Jr. (*Chairman*)  
Fred T. Angasan Sr. (*Vice Chair*)  
Carvel Zimin Jr. (*Secretary*)  
Gerda Kosbruk (*Treasurer*)  
Adrianne Christensen  
Nancy Flensburg  
Gary Nielsen  
Shirley Nielsen  
Terry Wassillie

## APC Shareholder Input

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