

Kinross Alaska Update

Fairbanks City Council Meeting

September 2022

KINROSS

Manh Choh
A JV with Centrop Oil

KINROSS

Fort Knox

Agenda

1. Kinross Alaska – A Continued Commitment
2. Fort Knox and Fairbanks – 26+ Years Together
3. About Tetlin and Manh Choh – The Key to our Future
4. Resident and Business Benefits
5. Trucking Partner Selection
6. Trucking Details – Safety Management Plan, Traffic Impacts, Air Quality

Who is Kinross Alaska?

- Fort Knox, Gil, and Manh Choh
 - Gil-a satellite deposit on Fort Knox property
 - Manh Choh-a joint venture with Contango & partnership with the Native Village of Tetlin near Tok
- Committed to Fairbanks for over 26 years
- Values based company
 - Putting People First
 - Outstanding Corporate Citizenship
 - Rigorous Financial Discipline
 - High Performance Culture
- Safety is Kinross's highest priority – safety of employees, contractors and the public
- Prioritizes local hire and investment
- 2030 GHG reduction goals and net zero by 2050



 **FORT KNOX RECEIVED THE SENTINELS OF SAFETY AWARD FROM THE U.S. NATIONAL MINING ASSOCIATION (2019) AS THE SAFEST LARGE METAL MINE IN THE UNITED STATES.**

Fairbanks & Fort Knox

- **26+ years** Benefit Footprint
 - **\$2.8B** with local vendors and **\$127M** in property taxes
 - **\$26M** to Mental Health Trust
 - **300+** nonprofit partners
- **Life of mine = 2030**
- **Suports 725 jobs; 200+ contractor jobs; 1400 indirect jobs**
- **Economic stimulus: Last year \$226.4M spent in Fairbanks area**
 - **Power: \$3-4M to GVEA monthly; ~\$39M in 2021** alone -- our mill is what lowers the power cost for Fairbanks residents
 - **FNSB collected \$13M in taxes in 2021** supporting local roads, infrastructure, programs
 - **Over 10% of borough tax revenue comes from Fort Knox**
- **Payroll to 100% local residents over 10 years \$102.8M**



About Tetlin

Lifestyle and land

- Upper Tanana Athabascan, have lived in the region for **thousands of years**
- **Traditional lifestyle** of subsistence (hunting, fishing, and harvesting)
- Full ownership of their land, surface and subsurface
 - However, **not an Alaska Native Claims Settlement Act (ANCSA) revenue sharing recipient**

Hope for the future

- Average **annual household income: \$22,500**
- **42%** of population lives **below the poverty line**
- Households **do not have running water; sewage lagoon** in use
- **High unemployment** and **declining job** opportunities
- Larger Tok area is similar-- high unemployment, declining jobs, similar percentage of population below poverty line



"Manh Choh is more than an economic opportunity and the promise of jobs — it is a legacy project for my people and the surrounding region. With the development of this mine, we will be able to be financially self-sufficient and continue to live our cultural and traditional way of life."

-Tetlin Chief Michael Sam

Manh Choh Project

- Tetlin **searched for an operator it could trust**; first meeting in early 2019
 - Renaming from Peak to Manh Choh
- Open pit gold mine near Tok
- 4–5 year mine life
 - Exploration continues but **don't hope for another Fort Knox**; the deposits are very different from one another
- Production begins in mid-2024, with ore transported along public highways and milled at Fort Knox
- Total production: ~914 koz. gold equivalent oz, 8 g/t
- **Trucking unlocks project**; could not be developed otherwise
- 2022 milestones:
 - Completed feasibility, ongoing permitting
 - Company sanctioned; moving to construction phase



Benefits to Interior Alaska residents and business

- Construction = **250-300 new jobs**
- Mine and trucking jobs = **400-600 direct jobs** plus indirect and induced jobs
- Average annual wage estimated at **\$130,000 + benefits**
- Once in production, Manh Choh will be the **second largest private employer** in the Southeast Fairbanks Census Area
- Over 4-5 years the **mine will contribute \$1B plus:**
 - \$425m goods and services + \$75m construction payroll + \$600m operations payroll
- The Native Village of Tetlin will earn **royalties**
- **Much needed rural infrastructure** and long-term benefits to village and area
 - Elder's home for the region
- Will contribute several million dollars to local communities: training, education, scholarships, and sponsorships



What does Manh Choh mean to Fairbanks?

- **Manh Choh direct benefits**

- Local hire and business use; **Fort Knox remains business hub for project**
- \$1B spend over the life of mine, **much of that in interior Alaska**
- 400-600 new well paying jobs; **expecting families to settle between Tok and Fairbanks**
- As more rural families move out of poverty; **even more purchases will be made in Fairbanks**

- **Kinross Alaska combined value to Fairbanks**

- **Protects existing jobs at Fort Knox** securing 725+ direct jobs and 1400 more indirect jobs
- Ensures continued **tax revenue for local municipality** (and state)
- **Significant contributions to non-profits and UAF** remains in place
- **Opportunity for young people** and their families to stay and work; **average income 2.8x higher than FNSB average**; mitigates further risk of out-migration
- **Lower power** for all residential and business GVEA customers
 - The Fort Knox mill lowered GVEA bills by **7%** when initially turned on in 1997
- **Employees purchase/rent locally** and send their kids to local schools
- **Base student allocation remains steady** – many miners and contractors have school aged children



Black Gold Transport

- New arm of Black Gold Express
- Local, family-owned company based in Interior Alaska
 - Locations in Alaska and North Dakota, with 400 employees at peak operations
- Serving Alaska since 1987, impeccable safety record
- Trusted by Alyeska Pipeline, Brice Inc (Bilista), ASRC and many others
- Expects to support nearly 200 jobs for this project
- Contract requires Fairbanks based jobs, comprehensive safety management system, vehicle and driver monitoring, and hiring and training experienced drivers
- Committed to local hire; exceptional benefits/ retirement package. Now hiring: <https://blackgoldalaska.com/careers>
- Together, we are investing \$30M including purchasing 50 new purpose-built trucks designed for safety, efficiency, and low emissions



Transport route



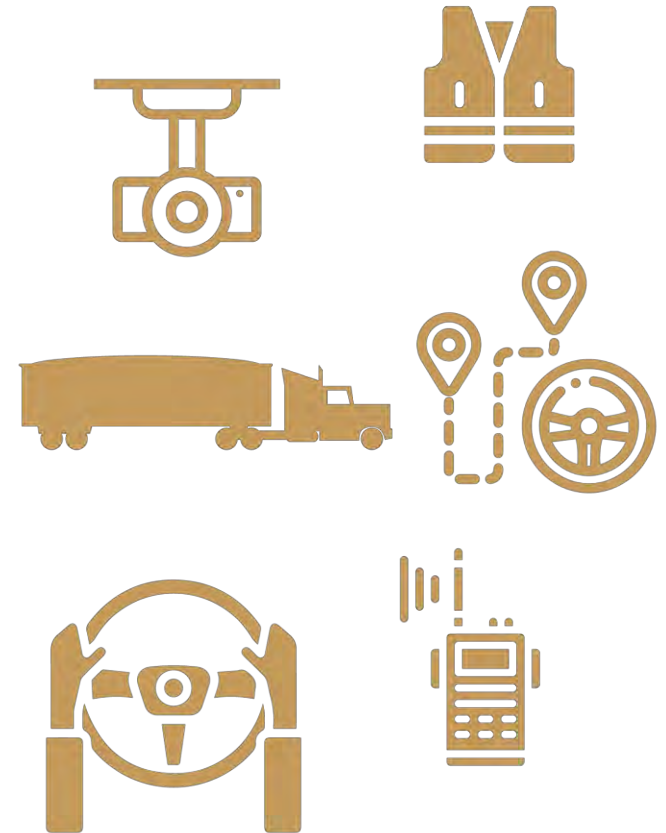
Image of similar highway truck used every day along Alaskan highways



Best-in-class safety management plan

Kinross and BGT are committed to implementing a best-class safety program including:

1. Hire and **train experienced drivers**
2. Insist on a strong safety culture through **recruiting, training, ongoing coaching**
3. Meet or do better than all legal/regulatory requirements, including **load and speed limits, driver duty times**
4. Schedule and **plan the route to keep drivers within safe and legal duty limits**
5. Maintain **active communication** between drivers and dispatch to alert road hazards & conditions
6. **Real time vehicle and driver monitoring** that incorporates fatigue management camera systems
7. Use **purpose-built equipment** and diligently maintain it
8. **Cover loads**
9. **Drive to conditions**, including slowing or stopping operations as required
10. **Structure trucking contracts** to ensure safety first



Vehicle type & traffic

Increase to traffic volume will vary by region

- Plan for **average of 60 trips per day**; a truck **either direction every 10-15 minutes**
 - Trailer design is optimized to reduce trips by 10%
- Highway tractors pulling **two covered side-dump trailers**; **purpose-built** to maximize safety and efficiency
- Total **vehicle length 95'** similar to double fuel and cargo trailers used in Alaska today
- Payload of about 50 tons and **total gross vehicle weight of about 80 tons** per vehicle
- Vehicles have **16 axels and more than 50 tires each** to spread load evenly and reduce impact to roads
- Traffic increase < 1% in Fairbanks, and typically 5-20% along the route
 - Truck % increase of about 10% in Fairbanks
 - Higher percent increase in quietest areas between Delta and Tok
- Worked closely with DOT from the beginning to make sure we conform to safe and legal loads
- DOT is planning up to 16 new passing lanes along the transport route

60 trips per day
2.5 trips per hour



>50 tires spread
weight

School bus stops

- Currently working with DOT and school districts; safety of our children is the top priority
 - **Meetings with area school districts continue** (Fairbanks, Delta, and Tok)
 - **Planning a Joint Session** in Spring 2023 with school districts and transport partner/Manh Choh leadership
- **Communication between school bus dispatch and BGT dispatch** will allow truck drivers to notify school bus drivers of road conditions
- Committing to supporting DOT to **add school zone signs where needed**
- Neighborhoods very close to highway and school zones will get special consideration
- We have **dedicated safety staff**, meaning that safety is all this group does



Air quality

- Heard some concerns about air quality and emissions from the trucking fleet particularly PM 2.5
- Independent modelling shows trucking will contribute **less than 0.25% of PM2.5 emissions** in Non-Attainment Area (NAA)¹
- Trucks will use **new, high-efficiency, and low emissions engines**
- Engines will meet latest **EPA 2021** (Tier 4 comparable) **emissions standards**
 - Using engines meeting this standard **reduces PM2.5 emissions by 90%** compared to the prior standard
 - **Loads will be covered** to greatly minimize dust
- Will not impact the path back to PM2.5 attainment based on ADEC's State Implementation Plan (SIP)
- Will provide more **detail to Fairbanks North Star Borough Transportation Planners** to include in emissions modelling
- Considered Compressed Natural Gas (CNG) but found technology not yet ready

<0.25% in PM2.5 in NAA
based on third party air quality modelling



Transportation corridor studies underway

- **DOT & FAST launch independent studies on transport plan**
 - Alaska Department of Transportation and the Fairbanks Area Surface Transportation planning will assess the transport route and impacts to local areas
 - Each group will be comprised of representatives along the route or in the Fairbanks area
 - We welcome the continuing opportunity for community engagement, information sharing and outreach
 - Please direct comments to TetlinFortKnox@PublicInput.com <https://dot.alaska.gov/nreg/tetlintofortknox/engage.shtml>.



Job opportunities

For more information visit ManhChoh.com/Careers

Email: ManhChoh.HR@Kinross.com

Call/ Text: 907-347-7211 Fax 907-313-8654

2022 and 2023 Construction Jobs

Earthworks	Camp Construction	Environment/CR	Services
Equipment Operators	Carpenter	Environmental Technician	Cleaning
- dump truck	Electrician	Wildlife Monitoring	Apartment Rental
- dozer, grader	Plumber	Environmental Specialist	Food services
- water truck	Framer		Fuel supply
- excavator	Laborer		Mechanics
Laborer	Equipment Operators		Survey Services
Survey			Administrative
Heavy Duty Mechanic / Welder			Security
Safety & Supervisors			IT



Thank you

For more information visit ManhChoh.com