

## Ambler VMS Belt – A New Company, New Access, and New Opportunities

Andy West and Dave Szumigala

*Ambler Metals LLC.*

The Upper Kobuk Mineral Projects (UKMP) are advancing under a new company, Ambler Metals LLC. The UKMP consists of two advanced projects, the Arctic Deposit, a high-grade Cu-Zn-Pb-Ag-Au volcanogenic massive sulfide (VMS) deposit, which is advancing towards permitting, and the Bornite Deposit, a high-grade copper carbonate replacement deposit. Ambler Metals also controls the majority (70 km) of the Ambler VMS Belt on State of Alaska land and has exploration and development rights to the Cosmos Hills prospective carbonate belt under an exploration agreement with the NANA Corporation.

Over the last three years (2017 to 2019) exploration on the Bornite Deposit was funded by South32 Limited under an Exploration Agreement to earn an option to acquire a 50% stake in the UKMP. South32 exercised its option on December 19, 2019, and on February 11, 2020 the joint venture formation was completed with Trilogy Metals transferring the UKMP assets and South32 transferring \$145 million into the Ambler Metals LLC, a private company. Ramzi Fawaz, most recently the Senior Vice President of Projects with Newmont Corporation, assumed the CEO position on September 1, 2020. Ambler Metals is an Alaska based company with offices in Anchorage and Fairbanks.

Trilogy Metals completed a Feasibility Study on the Arctic deposit that was announced via press release on August 20, 2020 and the accompanying Technical Report was filed on October 2. Results of this Feasibility Study provides a strong base for Amber Metals Prefeasibility Study, including numerous trade-off studies.

The Record of Decision (ROD) regarding the Right of Way permit for the Ambler Mining District Industrial Access Project (AMDIAP) was signed by the U.S. Bureau of Land Management (BLM) on July 23, 2020. This is the most significant milestone to date in fulfilling the promise in Alaska National Interest Claim Act (ANILCA) to provide access to the Ambler Mining District. Previous to the ROD, Ambler Metals signed a Memorandum of Understanding (MOU) with the Alaska Industrial Development and Export Authority (AIDEA), the project owner, which specifies how AIDEA and Ambler Metals will jointly establish a plan to complete the remaining permitting, feasibility, engineering and design, construction, and operation of the AMDIAP. Ambler Metals will contribute up to \$35 million as a match to AIDEA's contribution for these activities.

Ambler Metals deferred all 2020 field activities due to the uncertainty regarding the Covid 19 pandemic, which raised concerns for the health and safety of employees, local residents, contractors, new travel restrictions and a shortened field season. Exploration work is planned to resume in 2021 at similar levels to previous exploration programs with self-funding. Most of the drilling will focus on the Arctic Deposit to advance the project through the Ambler Metals Prefeasibility study, including collecting additional mineralized material for metallurgical testing, converting the early mine production to a measured resource, and providing additional geotechnical data for pit design. The Regional Exploration program, which re-started in 2019, will accelerate with ground truthing and follow-up work focused on targets identified from the 2019 VTEM and ZTEM airborne geophysical surveys, as well as the scores of previously identified prospects and targets in the 70 km long VMS belt controlled by Ambler Metals. Selected targets will be drill tested in 2021. Exploration work will also continue near Bornite with a large-scale soil sampling program covering the prospective carbonate sequence in the northern Cosmos Hills.