

Date: December 7, 2022
To: Mayor Andrew Cremata
Town of Skagway
From: Chris Stewart, Minto Metals
Cc: File

RE: PORT OF SKAGWAY – MINTO METALS – ORE TERMINAL PROPOSAL

Thank you for meeting with Lorelee and I in Whitehorse during the GeoScience Conference a couple of weeks ago. It was great to meet you in person and discuss everything going on in Skagway and the importance of your Town to Minto Metals. As requested, we have put together an overview of our proposal for the continued use of the Ore Terminal building and ship loadout facilities for 2023. We have also tabled a few ideas on how to continue storing our concentrate and loading ships during and after the construction of your new upgraded dock facilities in the Port. It is our hope that we can arrive a mutually beneficial solution that protects the environment as well as the workers at the ore terminal going forward while providing Minto the opportunity to continue shipping concentrate to Sumitomo.

The Port of Skagway has been an integral part of the operations for the Minto Mine since its inception back in 2007. Continued access to the Skagway Ore Terminal is critical to the long-term economical viability of the mine.

Minto understands that the Port of Skagway upgrades are scheduled to be conducted from November 2023 to potentially the Spring of 2025. Minto Metals is proposing a phased approach to continue using the ore terminal and facilities prior to, during and beyond the proposed upgrades.

Phase #1: Operations in 2023 (estimated until November 15, 2023 – Last Minto barge)

- Continued use of the current ore loader and ore storage facilities with a hard stop of November 15, 2023. At this point the ore loader would be turned over for demolition.
- Opportunity for Minto Metals to join the tender process to take over the lease agreement from AIDEA beyond March 2023.
- Negotiate a mutually agreeable fee structure for the continued use of the Ore Terminal Building and existing ship loader arrangement for 2023.
- Conduct air quality monitoring during each vessel loading period.
- Estimated Shipping Dates for 2023:
 - Export Vessel #1 – February 28
 - Export Vessel #2 – April 10
 - Export Vessel #3 – July 29

- Export Vessel #4 - September 21/22
- Export Vessel #5 - November 15

Phase #2: Operations during Construction period (estimated, 2024-2025 season)

- Minto Metals would like to utilize a mobile ore loader or semi-permanent Containerized Bulk Handling (CBH) system during the construction phase.
- This would require the proposed ore terminal Marine service platform (T-dock) to be constructed through the winter 2023/2024 so that it is ready for the 2024 concentrate shipping season. Knowing when the T-Dock will be completed is the key date we need to work back from to ensure we can deliver the temporary solution.
- If the mobile ore loader method is agreed on, it will connect to the existing conveyor system. The ore loader has a lead time of about 60 weeks, with an anticipated additional 4 weeks of setup.



Figure 1 Potential conveyor ore loader

- If a CBH system is agreed upon, there will be slight modification required to the ore storage building to accommodate the transfer of concentrate to containers and the

movement of containers to the T-Dock using a forklift. This system lead time is still to be determined but a rental of a unit is preferred.

- The CBH system will require an access on the south side of the current ore storage building to maneuver the containers from ore storage to the barge.
- The T-Dock design needs to have adequate load capacity to accommodate the loader and the loaded container safely.



Figure 2 Potential Containerized Bulk Handling system

- The estimated time to load a barge using the mobile ore loader is 18 hours while using a CBH system would be 33 hours.

Phase #3: Operations post-construction period (beyond 2025)

- The ship loading arrangement post-construction period is still being investigated
- Minto Metals would like to permanently use a conveyor ore loader system that is modern and enhanced in technology compared to the current ship loading conveyor while continuing to utilize the existing conveyor system housed inside the ore terminal building.
- Minto Metals would like to be involved in the engineering designs for the T-dock as this is crucial for the design criteria for the ore conveyor ship loader final design.

Access to the port and loading of vessels is seasonal for Minto. Winter operations run from early January through the end of March (on a few occasions it has continued into early April if the weather remains cold enough). The summer operations run from early to mid June until the end of October and 3 export shipments are anticipated during this timeframe.

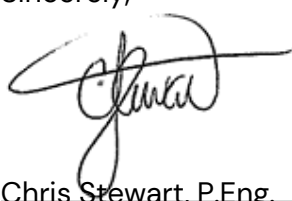
Trucking of concentrate from the mine to the Port of Skagway averages 4 trucks/day hauling 7 days/week. On some days as many as 5 trucks may make the trip. The trucks arrive and leave Skagway within a 3-hour window between 1:00 pm and 4:00 pm.

The trailers carrying the copper concentrate are covered with retractable tarps. The vehicles and trailers are hosed off within the terminal building after off loading and before returning to the public roads back to Whitehorse. Both Minto Metals and Lynden Transport are very cognizant of environmental concerns and take every reasonable precaution to ensure there is no dusting of concentrate while in transit.

Minto Metals has proven to be an environmentally responsible mine operator and would appreciate the opportunity to continue loading its concentrate into ships at the Port of Skagway.

If you would like to arrange a meeting to further discuss this proposal, we would be happy attend. In the meantime, if you have any further questions or comments, please free to contact myself.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Stewart", enclosed in a thin black rectangular border.

Chris Stewart, P.Eng.
President & CEO, Director
Minto Metals Corp.