# Haines Rail Access

| The Route: | The Investment: |
|---|---|
| Haines - Carmacks = 284 miles | $3.6 Billion |
| Carmacks – Delta Jct = 413 miles | $3.1 Billion |
| Total Haines-Delta Jct = 697 miles | $6.7 Billion |
| *(The Alaska Railroad is about 500 miles)* | *(2006 US$)* |

Source: ACRL Work Package B1 (c) - Carmacks, Yukon to Alaska Border
ACRL Work Package B1 (e) - Haines, Alaska to Carmacks, Yukon

The Value Proposition:

1) **Crest Iron Ore Deposit in NE Yukon is one of the largest in the world.** The Alaska Canada Rail Link Feasibility Study – Haines Benchmark Analysis - Determined that investment capital and operating cost for 28 million tonnes/year rail transport to Haines from a pellet plant in Carmacks could be covered by Crest Iron Ore at global prices around $34/tonne in 2006. CURRENT IRON ORE PRICES HAVE QUADRUPLED TO $136/TONNE.

2) **Alberta Oil Sands hold 3rd largest reserves in the world (168 Billion BBLS).** The Alberta Government has funded a $2 Million feasibility study for an Alberta to Alaska Railway - through Yukon - because the Province is export pipeline constrained at 1.9 Million BBLS/Day production now. OIL SANDS PRODUCTION IS PROJECTED AT 5.2 MILLION BBLS/Day BY 2030.

3) **Largest Yukon Mining Projects are near the ACRL route adopted for the Alberta to Alaska Study.** Current Yukon base metal mineral production is approximately 250,000 tonnes/year – transported to tidewater by truck. YUKON BASE METAL MINERAL PRODUCTION IS FORECAST TO QUADRUPLE TO MORE THAN 1 MILLION TONNES/YEAR BY 2025.

4) **White Pass and Yukon Route (ClubLink) control Skagway port and connecting rail facilities.** Skagway is the closest, most developed port for Yukon mineral exports. The port and rail facilities were completely redeveloped to support Cyprus Anvil ore haul (500,000 tonnes/year) starting 1969. Subsequent mine and rail closures forced a refocus on cruise ships and tourist trains. The current low level of concentrate trucking (< 100,000 tonnes/year) does not yet impact port capacity, highway safety or tourist activity. DESPITE PROJECTED 10 FOLD INCREASE TO OVER 1 MILLION TONNES/YEAR CLUB LINK HAS EXHIBITED LITTLE INTEREST IN RENEWED RAIL OR PORT HANDLING OF MINERAL EXPORTS.

5) **Rail Access to a Purpose Built Port at Haines can provide:**
a) ***tidewater access*** for mineral feeder service from an Alberta to Alaska railway junction at Carmacks.
b) ***terminal acreage*** that Skagway does not have to handle Crest Iron Ore(28 million tonnes/yr).
c) ***rail alternative to highway*** trucking that now appears to be precluded at Skagway
d) ***interim truck to rail transfer hub*** at Carmacks for current and future Yukon mines
e) ***interim Inside Passage connection*** to CN Rail for the Alaska Railroad (50% shorter than Gulf transit).

The Business Case: Outbound mineral and inbound mine supply traffic cover capital and operating cost?

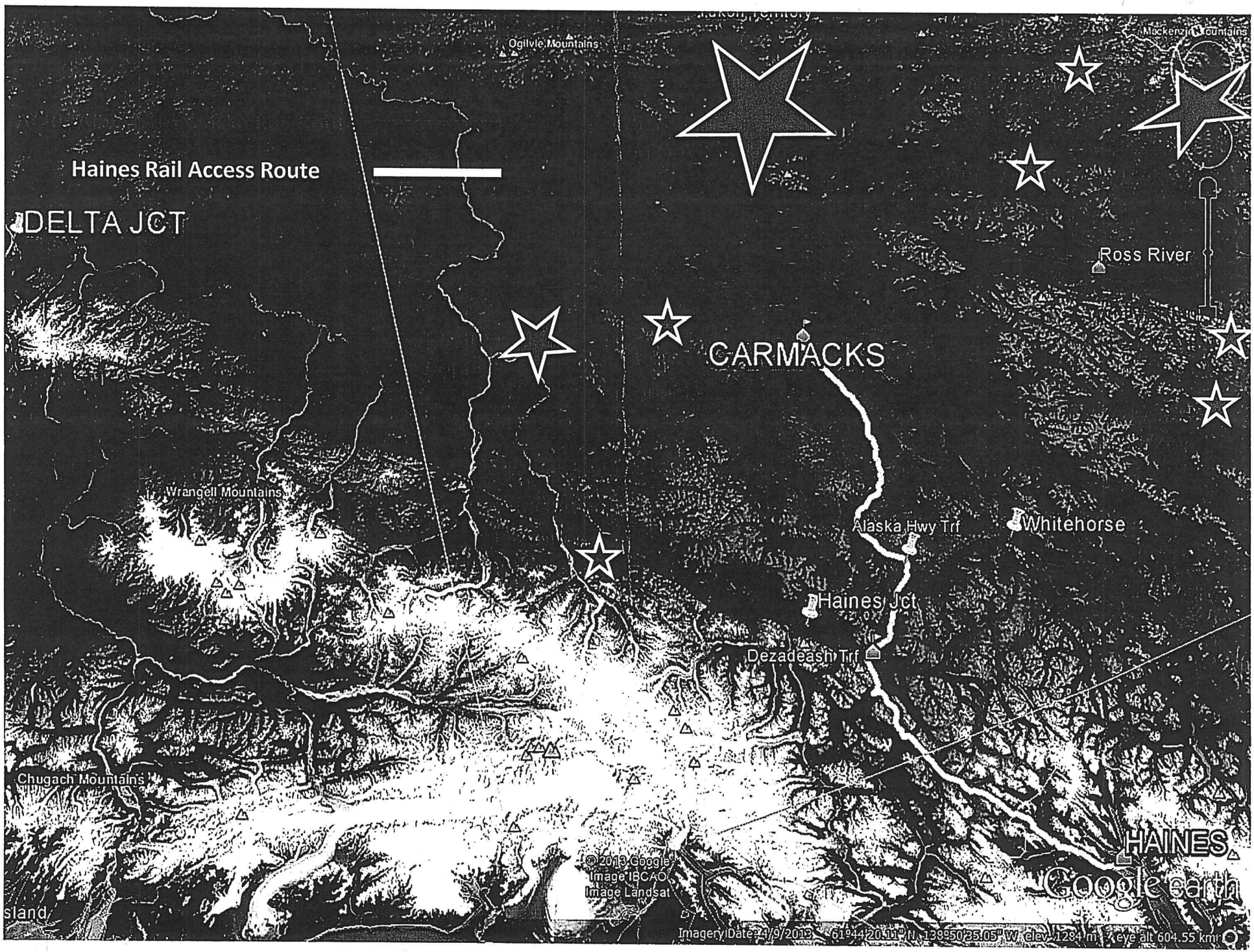
Haines Rail Access Route
DELTA JCT
Ogilvie Mountains
Mackenzie Mountains
Ross River
CARMACKS
Wrangell Mountains
Alaska Hwy Trf
Whitehorse
Haines Jct
Dezadeash Trf
Chugach Mountains
HAINES
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Image IBCAO
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Google earth
Imagery Date: 4/9/2013 61°44'20.11" N 139°50'35.05" W elev 1284 m eye alt 604.55 km