

Prosperity Investments (Alaska) LLC

Suite 214, 200 Carnegie Drive, St. Albert, Alberta T8N 5A7 phone 385 445 3389

To: Municipality of Skagway
700 Spring Street, Skagway, Alaska 99840

February 21, 2023

Re: Dredging Proposal
Ore Terminal Area

Attention: Brad Ryan, Borough Manager

Dear Brad,

Our firm is confidentially in the process of designing and building a new ore concentrate export terminal on an existing deep water permitted location in another community in Alaska.

As we are going to be building several new buildings with concrete floors and walls for these new ore sheds, we are seeking a regional source of fine and course dredged fill materials for the concrete that can be delivered by barge.

Our understanding is that the Municipality of Skagway has an accumulation of silt and sediments in and under the ore terminal that may continue to accumulate effecting the cruise ship berthing and fuel deliveries to the community, plus that the ore handling system is scheduled to be removed in 2023 enabling dredging to finally be possible in said ore handling area and under the ore terminal dock.

Our management team has over 50 years of experience in construction, mining, energy, and remediation projects in the US and Canada. Members of our team have decommissioned large complex contaminated sites including abandoned crude pipelines, gas plants, and oil wells in several jurisdictions on the behalf of government energy and environmental regulators.

Under the State of Alaska DEPARTMENT OF ENVIRONMENTAL CONSERVATION

ADEC Contaminated Sites Program, Dredge Material Guidance 2013:

If the dredge material is proposed to be incorporated into a beneficial re-use project (i.e., roadbed fill), or the disposal is associated with an approved cleanup plan at an existing contaminated site, a Letter of Non-Objection should be obtained from the Solid Waste and CS programs. Solid Waste program authorization other than a disposal permit may be required for beneficial re-use projects utilizing non-exempt dredge material.

Our proposal is as follows:

- 1) Prosperity will as per the guidelines above apply for and obtain a Letter of Non-Objection if required for this dredging project.
- 2) Prosperity Investments (Alaska) will hire qualified approved subcontractors to selective dredge up to 200,000 cubic meters of dredge materials in the areas suggested within the Golder Associates August 14, 2018 Skagway Ore Basin Risk Assessment Report 1657231-006-R-Rev2.
- 3) The dredging will take place during the coming 12-month period upon receiving state authorization.
- 4) Prosperity will pay the Municipality of Skagway \$1.00 for this dredge material from its lands.
- 5) The cost of this dredging shall be paid by Prosperity.

- 6) Work will be completed during an approved mutually agreed to schedule; the timing will reflect other port work authorized by the Municipality, plus upcoming cruise ship and other vessel traffic.
- 7) As stated above, Prosperity will deliver the dredged materials to incorporate into new products at its discretion, including but not limited to the dredge materials use on the new ore terminal site as building materials, specifically concrete flooring and walls of several new structures.
- 8) Prosperity will provide the Municipality of Skagway monthly reports of the tonnage dredged during the prior month.
- 9) Upon completion of this dredging program, Prosperity (at its cost by a qualified third-party contractor) shall commission and provide a new depth map of the area dredged under this project to the Municipality of Skagway and other State/Federal agencies as required by law.

We are willing to attend the March 2, 2023 Municipality of Skagway to answer any questions, as time is of the essence if our project is approved by the Municipality to obtain any and all necessary permits to commence this work during the 2023 dredging season.

Sincerely,

Terry Woodthorpe

Project Manager

Prosperity Investments (Alaska) LLC

CC: Emily Deach, Deputy Borough Manager