

MAHONEY LAKE HYDRO

Contact:

Jason Custer, Chairman

P: 907-225-4166 x 13

E: saxmangrants@kpunet.net

E: jasonryancuster@gmail.com



Mahoney Lake Hydroelectric Development Consortium

“Supporting Industry Growth
and Community Prosperity
with Reasonably Priced
Renewable Energy”



February, 2013

Advanced Development Conditions



Access Roads Complete -- Connected to Ketchikan Road System

FERC License Received. (Project very well understood)

5 Miles From Existing Transmission Lines

Mahoney Lake
9.6 MW,
41.6 GWH
Lake Tap

Proximity to Economic Opportunities (Marine Industry, Potential Ore Processing Sites)

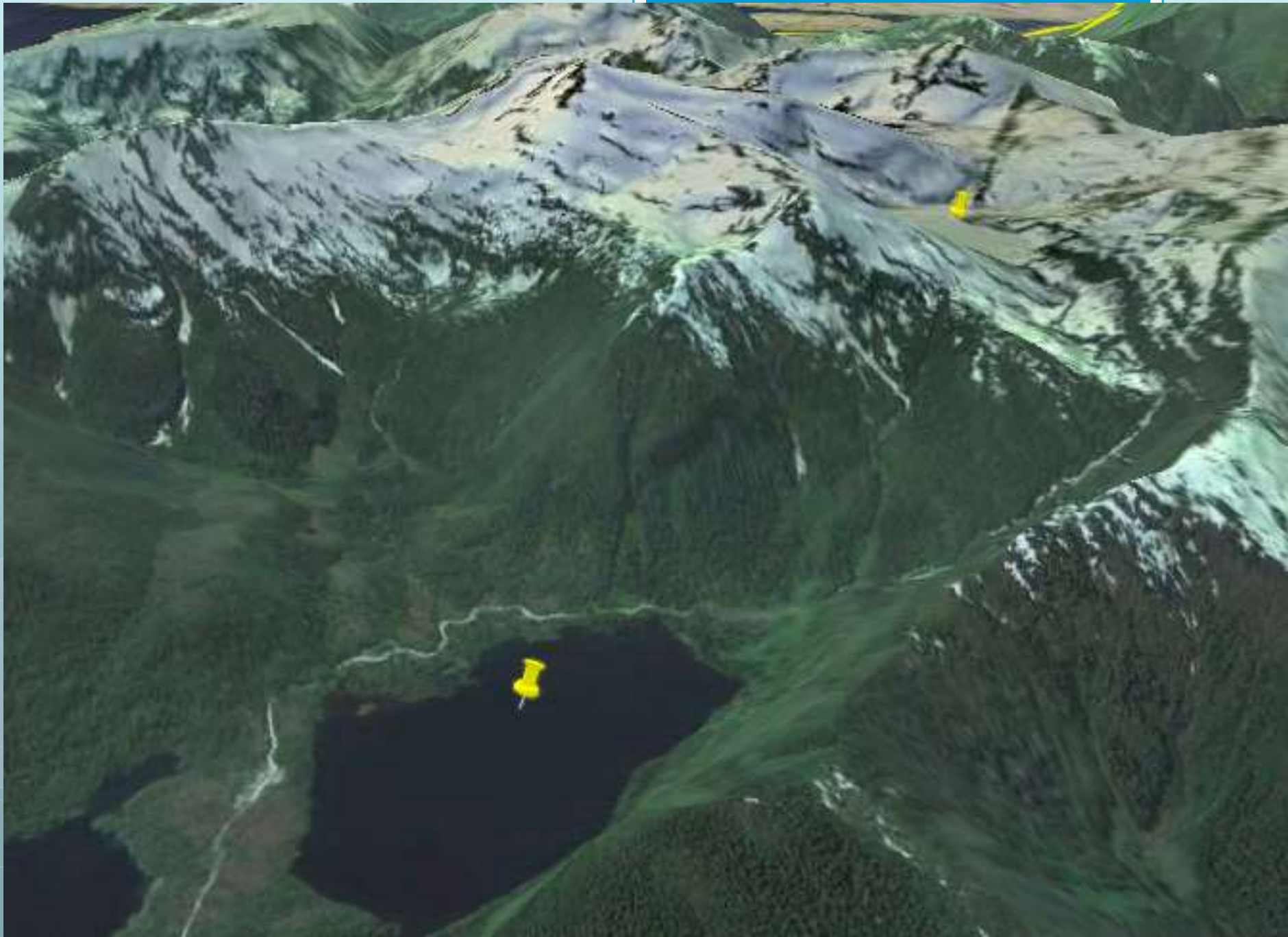
\$4,000,000 Investment to Date (Cape Fox / AP&T)

Estimated Construction Cost of \$46m (+/- 20%)



Mahoney Lake Hydroelectric Development Consortium





Saxman's \$1m Pre-Construction Request for Mahoney Lake:

Responding to your questions, and informing better decision-making by local/regional leadership

“What will it cost to build this project?”

“What Will Power Cost?”

“What will power sales agreements look like?”

\$1 million request will reduce remaining unknowns / margins of uncertainty to provide quality answers.
(CONSISTENT WITH SEIRP INVESTMENT RECOMMENDATIONS)

Saxman's \$1m Pre-Construction Request for Mahoney Lake

Task 1: \$400,000 PERMITTING ACTIVITIES

Examine existing permits and determine whether permits require reissuance or update.

Task 3: \$200,000 COST ESTIMATE UPDATE

Cost estimate will be updated based on outcomes of tasks 1 and 2. Updates will be performed with assistance from experienced construction contractors (NOT just by an engineering firm), to provide the greatest degree of accuracy possible.

Task 2: \$400,000 FERC FINAL DESIGN

A final design was submitted to FERC just prior to a stay being placed on Mahoney Lake's license. The stay went into effect before FERC could complete a review and offer commentary on the design. Saxman will submit a new final design to FERC, which will reflect any new permitting conditions.

Well-Established Regional Support:

#3 SFY2014 Joint Regional Priority

for City of Ketchikan, Saxman, Ketchikan Gateway Borough

Heatherdale Resources (Niblack Mine)

Alaska Ship and Drydock

Ketchikan Chamber of Commerce

Southeast Conference

Alaska Native Brotherhood / Alaska Native Sisterhood

Organized Village of Saxman

Ketchikan Indian Community

Ketchikan Gateway Borough School District



Mahoney Lake Hydroelectric Development Consortium



Proximity to Economic Opportunities



ucore
RARE METALS



Alaska Ship & Drydock

A VIGOR INDUSTRIAL COMPANY

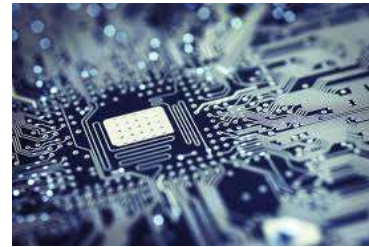
Advanced
Manufacturing



Mining



Mahoney Lake



Data Centers / Tech
Development



Tourism: Cruise
Ship Plug-Ins?

Ward Cove



Support for Offshore Oil / Gas Sector



Support Role for Arctic Development /
National Defense

New Investment
in Saxman /
Ketchikan Area
Ports and
Harbors



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Support for a Growing Community

Community Connections



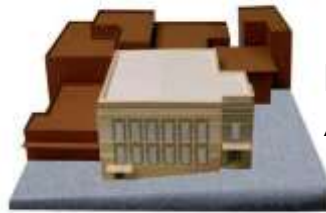
Hospital Expansion



KIC SSEATEC Training Center



Ketchikan Shipyard



Performing Arts Center



Mahoney Lake



Mahoney Lake Hydroelectric Development Consortium

New Library



Ketchikan Aquatic Center



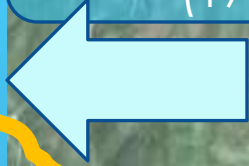
School District



WISH:
New Shelter



Connected to
Ketchikan by Road
(17 Miles)



Ore
Processing
Facility –
ALASKAN
JOBS

Deepwater access,
navigation routes for VLCC-
class Tankers



Cape Fox Property:

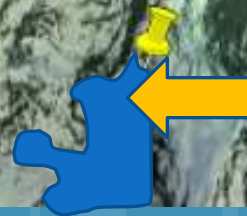
- Viable location alternative for ore processing
- Discrete, privately-owned lands with history of industrial use, and existing permitted waste sites.

Mahoney
Powerhouse

Existing Road / Transmission
Corridor – 2.5 miles from Mahoney
power house to existing
waterfront industrial property.



Upper Mahoney:
Lake Tap @ 1,850 ft.



LET'S PUT OUR RESOURCES TO WORK!

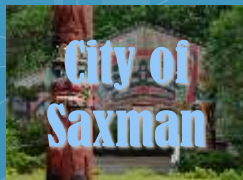
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