ALASKA ENERGY AUTHORITY

RESOLUTION NO. 2026-10

A RESOLUTION OF THE ALASKA ENERGY AUTHORITY REGARDING A LOAN BY THE AUTHORITY TO TUGLIQ RED DOG1 LLC.

WHEREAS, Tugliq Red Dog1 LLC ("Applicant") has applied to the Alaska Energy Authority ("Authority") for a loan in the amount up to $4,999,999, with a term of 19 years, under the Authority's power project fund program (AS 42.45.010), at the statutory prevailing rate of interest per AS 42.45.010(f)(2)(A) as of September 18, 2026 (the "Loan Application"), and the PPF Loan Committee has recommended approval of the loan under such terms;

WHEREAS, the nature, purpose and terms of the Loan Application are described in the PPF Loan Committee Recommendation, attached as Exhibit A;

WHEREAS, the Authority has determined that the Applicant is an eligible borrower as per power project fund statute AS 42.45.010(b)(1);

WHEREAS, the Authority has determined that the Loan Application is for an eligible project, as per power project fund statute AS 42.45.010(b)(1)(B);

WHEREAS, 3 AAC 106.110(d) requires that a loan from the power project fund be approved by the Authority's Board if the subject loan will exceed $2,000,000;

WHEREAS, 3 AAC 106.110(d) requires that the approval or disapproval of a power project fund loan be in the form of a written determination that contains the findings required by 3 AAC 106.110;

WHEREAS, the PPF Loan Committee has recommended findings required by 3 AAC 106.110(d) in the PPF Loan Committee Recommendation, a copy of which is attached as Exhibit A;

WHEREAS, the PPF Loan Committee has recommended that the Authority approve the Loan, as described in the PPF Loan Committee Recommendation and in the Term Sheet, a copy of which is attached as Exhibit B; and

WHEREAS, it is in the best interest of the Authority to approve the Loan.

NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA ENERGY AUTHORITY AS FOLLOWS:

Section 1. The written findings recommended by the PPF Loan Committee, as required by 3 AAC 106.110(d), and contained in the PPF Loan Committee Recommendation, attached as Exhibit A, are adopted and incorporated by reference as part of this Resolution.

Section 2. The Term Sheet attached as Exhibit B, is adopted and incorporated by reference as part of this Resolution.

Section 3. The PPF Loan Committee's recommendation to approve the Loan for the Tugliq Red Dog1 LLC solar and battery energy storage system project, as described in the Term Sheet attached as Exhibit B, is accepted, adopted and approved.

Section 4. This Resolution is the final decision of the Authority regarding the Loan Application for the Tugliq Red Dog1 LLC solar and battery energy storage system project.

Section 5. The Executive Director of the Authority is authorized to take such actions as may be necessary or convenient to consummate the Loan including, without limitation, issuing a commitment with respect to the Loan. The Executive Director is further authorized to approve other such changes in the terms and conditions of the Loan as the Executive Director, in his discretion, determines appropriate, provided that such changes do not create a detrimental material change to the Authority under the terms and conditions of the Loan.

DATED at Anchorage, Alaska on this 5th day of November, 2026.

Clay Koplin, Chair

Curtis W. Thayer, Secretary

Corporate Seal

Tugliq Red Dog Solar Project - PPF #40901161 - Loan Committee

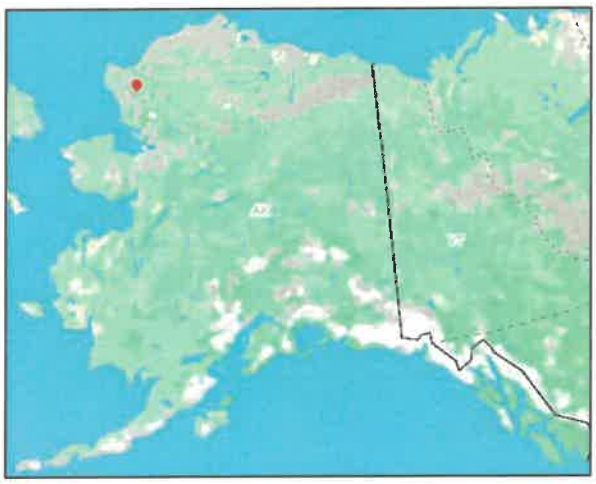
Prepared by Conner Erickson cterickson@akaenergyauthority.org, October 14, 2026

PPF loan request: $4,955,444

Borrower: Tugliq RedDog1 LLC

Purpose: Loan proceeds to be applied for development and construction of a 8.8 megawatt (MW) AC solar photovoltaic (PV) array and battery energy storage system (BESS).

Applicant request: Nineteen (19)-year term; 5.57% interest rate; annual payments.



Summary

Tugliq Red Dog1 LLC (TRD or Borrower) submitted a loan application to the Alaska Energy Authority's (AEA or Authority) Power Project Fund (PPF) loan program on September 18, 2026. The submitted application requested a loan amount of $4,999,995 and subordinate to TRD's senior credit facility. During AEA staff's intake and review, the loan amount was reduced to $4,955,444 owing to TRD's stated desire to limit the cumulative state monetary involvement to less than $5,000,000, an amount which when exceeded requires legislative approval for a PPF loan request under AS 42.45.010(m). The loan proceeds are to be used for the development and construction of an 8.8MW-ac bi-facial PV solar array and 8.8MWac / 15 megawatt-hour (MWh) nameplate capacity BESS (Project) at the Red Dog Mine Operations (RDO) site in the Northwest Arctic Borough, operated and managed by Teck Alaska, Inc (TAK). The Borrower has been selected by TAK to develop, own and operate the Project as an independent power producer (IPP) for its full economic life. All energy generated by the Project will be sold under a Power Purchase Agreement (PPA) between TRD and TAK. The investment decision for the Project as determined by TAK is to *"provid[e] a renewable energy source to supplement the diesel-based powerhouses (6030 and 6022) operated by TAK to support critical mining operations and long term water treatment and site infrastructure. Currently, TAK's power generators must 'load shed' in the summer months to supply power to Mill Operations. This limits power to other areas of the Mine. Additionally, forecasted power demand exceeds TAK's current capabilities.*[1]"

[1] Teck Alaska Inc - *"Plan of Operations Approval (POOA) F20219958POOA Amendment 1 Rev.1 & Reclamation Plan Approval (RPA) F20219958RPA.03 – Amendment Requests"* as submitted to State of Alaska Dept. of Natural Resources – p. 2 - March 18, 2026.

Staff Recommendations to Loan Committee

Staff recommends approval of the terms below:

- Loan amount not to exceed $4,999,999, inclusive of closing costs.
    - Loan Amount: $4,955,444
        - Closing fee (1%) net $5,000 application fee = $44,554
    - Term: 19 years
    - Annual payments
    - *Fixed Line of Credit (FLOC)* maturing 24 months from the execution date of the loan documents or the date the project is complete (e.g. commercial operation date), whichever is sooner, with interest accruing on the balance of loan funds disbursed during the FLOC period.
    - *Term loan* on the total loan proceeds disbursed under FLOC, with principal and interest payments beginning on the first day of that month, being twelve (12) months following the date of project completion. All interest accrued during FLOC period shall be made in the first term payment. Subsequent term loan payments of principal and interest shall be made every twelve (12) months thereafter the date of the first payment. Fixed annual principal payments amortized according to the loan term.
    - Interest Rate: 5.57%:
        - The prevailing PPF statutory interest rate for the week of Sept. 14, 2026 – the week in which the loan application was received.
        - Interest applied on a 365/365 simple interest basis.
    - Security / Collateral:
        - Uniform Commercial Code - 1 (UCC-1) filing, being fully subordinate to the senior loan facilities:
            - All revenues from all of Borrower's Project revenue, such as sales of electricity, including all receipts, revenue, income, rents, royalties, benefits, rates, fees, charges and other monies received or derived from the services, facilities and commodities sold, furnished or supplied through the facilities of the Project;
            - All property, assets, and equipment financed by the loan.
        - Signed guarantee agreement by and between AEA and Borrower's parent entity to the satisfaction of AEA to secure the loan and guarantee repayment to AEA in the event of default.
- *Conditions Precedent to Loan Closing:*
    - Execution of a signed guarantee agreement by and between AEA and Borrower's parent entity to the satisfaction of AEA to secure the loan and guarantee repayment to AEA in the event of default.
    - Written notification from Borrower of:

- the securing of all remaining sources of funds for the Project.
- formal execution of the PPA.

Rationale for Approving Loan Request:

1. Borrower and Project, and proposed use of loan funds are eligible under PPF statute AS 42.45.010.
2. The Authority will require certain conditions precedent, as stated in the staff recommendations above, to be met prior to loan closing in order adequately secure the Authority should an event of default be declared under the loan agreement, a requirement under PPF regulation 3 AAC 106.125(a)(3).
3. The Borrower has secured all necessary permits for development of the Project.
4. Borrower has made evidenced material progress in the development of the Project through providing internal interim financing to conduct requisite physical site work needed to satisfy certain safe harbor provisions to ensure that the Project remains eligible for the maximum amount of Investment Tax Credits (ITC) under section 48E of Internal Revenue Code.
5. Borrower has demonstrated successful and consistent efforts in securing all requisite funding for the Project.
6. The Project will sell all energy produced under a PPA with TAK, the RDO operator, ensuring revenues are secured under contract. AEA staff has reviewed the PPA and has determined that it provides sufficient contractual revenues to cover all Project costs, inclusive of all debt service obligations, for the life of the Project.
7. The Project is not contingent on an MLE of RDO, and is fully supported through mine closure activities, including long-term reclamation.
8. The Project has achieved final issued-for-construction design, with key permits secured or in progress, and project development milestones completed or underway.
9. No substitute/alternative projects which would be anticipated to deliver equivalent firm energy requirements, and which have achieved comparable project maturity concerning engineering design, permitting, or public benefit, exist at this time and could be reasonably anticipated to exist in the short to medium term.
10. Time is of the essence concerning the development timeframe for the project to fully secure all available federal ITCs.
11. The Borrower has entered into contracts with certain technically competent and qualified vendors to provide engineering, procurement, and construction (EPC) services to fully develop and commission the Project and to ensure its timely commissioning.

Background

The Project is designed and planned to provide long-term, reliable, and low-cost renewable power to support TAK's long term RDO. Although the current mine life for RDO is estimated through 2031, TAK continues to advance due diligence efforts to make an informed decision on a potential Mine Life Extension (MLE). An MLE requires defining and fully permitting a new

source of ore. The MLE process involves comprehensive assessments, including environmental impact studies and close engagement with communities and regulatory bodies requisite project phases to inform a formal determination to extend RDO at another deposit. This Project is not contingent nor dependent on an MLE. According to TAK, the Project will *"provide supplemental power during critical summer load-shedding months, reduce operating costs, offset diesel consumption, and support both MLE and [mine] closure scenarios. Key drivers for the Project include (1) lower long-term operating costs; (2) reduced reliance on diesel and associated energy security risks; and (3) support for TAK's decarbonization objectives via greenhouse gas (GHG) reductions.*[2]" The Project will provide TAK with the ability to divert electric load requirements met by energy delivered via the Project to support other RDO and/or MLE efforts. The total Project cost is approximately $35 million (see Attachment [B]) with scheduled completion date of October 2028.

Applicant Eligibility

TRD is an eligible applicant under PPF statute AS 42.45.010(b)(1) as an independent power producer. TRD is a registered corporate entity (ref. entity no. 10368524) in good standing with the State of Alaska Department of Commerce, Community, and Economic Development, and holds an active business license (ref. license no. 2237573).

Project Eligibility

The Project, an 8.8MWac solar PV array and BESS, meets the criteria of an eligible project under PPF statute AS 42.45.010(b)(1)(B), for *"constructing, equipping, modifying, improving, and expanding small-scale power production facilities that are designed to produce less than 10 megawatts of power."*

Authorization to Apply

As submitted with initial loan application, TRD provided a certified copy of its official authorizing resolution (see Attachment [A]) to AEA, satisfying PPF regulatory requirement 3 AAC 106.100(a)(2) authorizing the applicant to legally apply for and incur such indebtedness as stated in the loan application.

Waiver of Sovereign Immunity

PPF regulation 3 AAC 106.100(a)(13) is not applicable to this application.

Technical Feasibility

The Project as designed will utilize commercially proven technology in the development and construction of the solar PV array, BESS, and requisite interconnection with the RDO diesel generation system. The prevailing power capacity requirement for current RDO operations is approximately 24.5 MW, all supplied via on-site diesel generators, with a corresponding daily

[2] See citation #1

burn rate of an estimated 40,000 gallons[3]. AEA staff's review of the Project specifications finds the Project appropriate for its purposes of offsetting a portion of RDO energy requirements and finds the modeled energy production from the solar PV array to be both reasonable, with the seasonality of energy generated by the Project appropriately accounted for. TRD, the selected EPC for the Project, has engaged an array of specialized vendors for both Project development and long-term Project operation, with TRD maintaining full ownership of the Project. AEA staff have reviewed the qualifications and experience of the vendors and find them well-suited to develop and provide for long-term operation of the Project (see Attachment [C]). TRD has secured all necessary Project permits and Issued-for-Construction engineering design documentation with significant civil, site, and electrical work on the Project, having commenced in June 2026. AEA staff, in its review of the Project development schedule, find the Project schedule (see Attachment [D]) reasonable and concur that the Project is progressing on time and on schedule.

AEA staff find the Project to be technically feasible, noting no material risks or concerns for the Project's development or long-term operation.

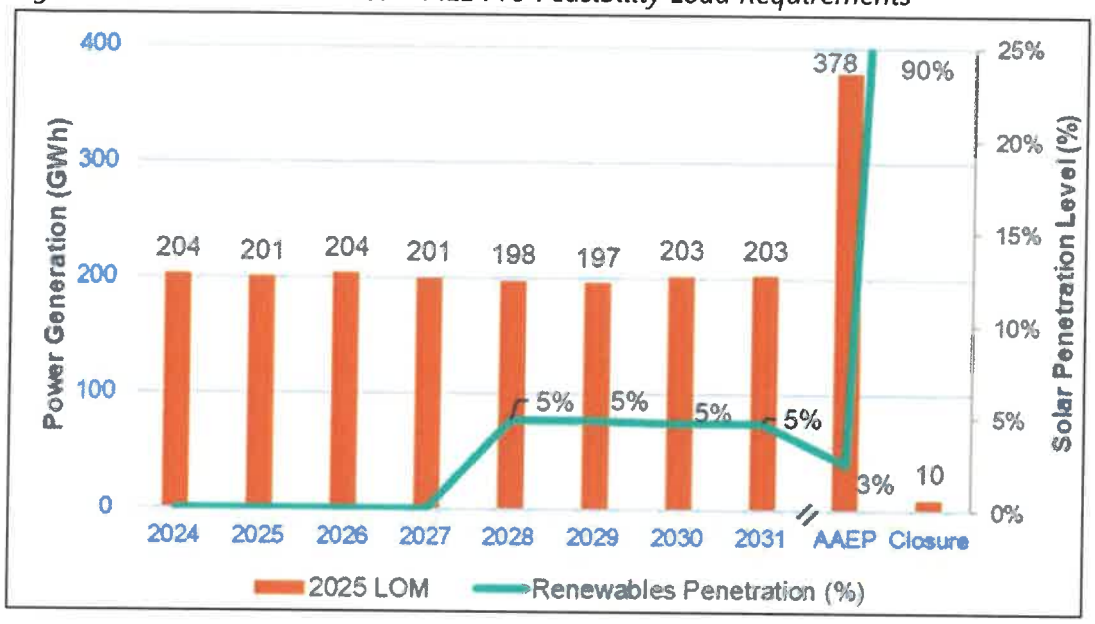
Economic Feasibility

The Project is designed to offset a portion of diesel power generation requirements with reliable long-term, low-cost, and clean energy in support of current RDO and MLE activities, with the Project fully supported under a mine closure scenario. Power to be generated by Project, as a percentage of the future projected needs of prevailing ROM and MLE activities is illustrated in Figure 1 below. The Project's estimated energy generation is projected to account for approximately five percent of the projected power needs of RDO through the current life-of-mine (LOM) scenario, and three percent of the estimated power requirements for MLE activities under the Anarraaq-Aktigiruq Exploration Program (AAEP)[4]. The Project is in no way intended to displace all or a majority of diesel-fired generation needed to meet RDO and/or MLE requirements, however, the Project provides TAK with flexibility to reduce the impact of load-shedding events during its summer operations where power-intensive mill operations require other critical electrical loads supporting RDO to be curtailed. Under a mine closure scenario, the Project is estimated to account for 90% of total annual power requirements.

[3] Graham, Max, "One of Alaska's flagship mines soon could draw energy from the sun", Alaska Beacon / Northern Journal, Mar. 22, 2026.

[4] NANA Regional Corporation, *"Our Path Forward: Aktigiruq and Anarraaq Deposits"*, https://www.nana.com/business/red-dog-mine-future/, site accessed 10/9/2026.

Figure 1: LOM Power Forecast + MLE Pre-Feasibility Load Requirements[5]



The Project's benefits to the public are both direct and indirect through its (i) reduction in operating costs for RDO operations and flexibility for load-shifting to support ongoing MLE activities under the AAEP, and (ii) reduced diesel consumption resulting in lower emissions and reduced exposure to airborne particulate matter for RDO employees, respectively.

The Project in its direct benefit to RDO and MLE activities assist TAK in continuing its operations, serving as the principal economic engine for the Northwest Arctic region. In operation since 1989, RDO serves as the largest regional employer for residents of the Northwest Arctic Borough (NWAB), with approximately 980 residents reported to be employed by TAK, representative of more than $63 million in annual wages in 2023 alone[6]. TAK RDO also comprises over 80% of the NWAB's annual revenue under a Payment-in-Lieu-of-Taxes (PILT) agreement with TECK, an agreement which was recently finalized in late January 2026, and which will pay NWAB *"roughly $120 million to fund public safety, local infrastructure, educational programming, and other critical services for its residents over the coming six years [...] an amount adjusted based on based on a percentage of Red Dog's fixed asset value.*[7]*"* In evidence of TAK's further support for economic advancement in the region, as part of the recent PILT agreement, *"[TAK] has also committed to another $4 million to $8 million in annual payments to the Village Improvement Fund, which covers infrastructure and other needs of the 11 communities in the borough.*[8]*"*

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[5] Teck Alaska Inc - *"Plan of Operations Approval (POOA) F20219958POOA Amendment 1 Rev.1 & Reclamation Plan Approval (RPA) F20219958RPA.03 – Amendment Requests"* as submitted to State of Alaska Dept. of Natural Resources – p. 3 - March 18, 2026.

[6] Teck Resources, Inc., Supporting Leadership Development of Indigenous Employees at Red Dog Operations

[7] Lasley, Shane, "Teck, borough agree to new Red Dog PILT", North of 60 Mining News, Feb 12, 2026.

[8] See citation #7

Upon review of TRD's application, AEA staff find the Project to be economically feasible, noting no material risks or concerns for the Project's development or long-term operation.

Financial Feasibility

Revenues for the Project are to be secured via a PPA executed by and between TRD (seller) and TAK (buyer) for the life of the Project. AEA staff have reviewed a copy of the PPA and finds that the terms and conditions stated therein, including the energy price, provide sufficient protections on the part of the seller to ensure that revenues from the Project are sufficient to cover all operational costs and debt-service payment obligations for the life of the Project.

AEA staff have reviewed the financial models provided by TRD, including those assumptions applied therein and find them to be sound, reasonable, and appropriate. The financial models provided hold TRD's debt service obligations for AEA's loan to the same debt service coverage ratios as required by the terms of the senior loan facilities. Although AEA's loan would be subordinate to the senior loan facilities, AEA staff have not found this to be a material risk concerning loan repayment.

In recognition that AEA's loan would be fully subordinate to the senior loan facilities, AEA requested that TRD provide additional security to guarantee repayment to AEA of all loan proceeds should an event of default occur. TRD positively acknowledged this request and has offered to provide a parent entity guarantee for the loan. AEA has reviewed TRD's parent entity's audited financial statements for the last three fiscal years (see Attachment [E]) and finds that its financials demonstrate sound and reasonable financial management and a financial position, as evidenced by healthy current ratios and estimated debt service coverage ratios, which provides sufficient documented assurance to AEA of the ability for the parent entity to service those debt service obligations under the loan should an event of a default occur during the course of the loan term.

TRD has commenced and completed certain civil and electrical construction activities to satisfy safe harbor provisions under section 48E of Internal Revenue Code to ensure that the Project remains eligible for the maximum amount of Investment Tax Credits (ITC). Such activities have been completed and confirmed by a third-party independent tax consultant for satisfaction of ITC requirements. Such activities are manifest of TRD's financial commitment to the timely and successful commissioning and completion of the Project. Furthermore, the valuation of the ITC for the Project was evaluated on a conservative basis and thus, any additional ITCs would serve as an added boon the Project.

AEA staff find the Project to be financially feasible, noting no material risks or concerns for the Project's development or long-term operation with all Project revenues secured under a PPA and parent-entity guarantee agreement to be required as a condition precedent to loan closing.

Conclusion

AEA staff finds that the Project is technically, economically, and financially feasible. AEA staff recommends that the loan be approved subject to the term and conditions stated herein under the section entitled "*Staff Recommendations to the Loan Committee*" including those conditions precedent stated therein to be fulfilled by the Borrower, to the satisfaction of the Authority, prior to loan closing.

Attachments

- Attachment A: Borrower Authorizing Resolution (CONFIDENTIAL)
- Attachment B: Project Funding Sources (CONFIDENTIAL)
- Attachment C: Project Consultants / Contractors / Vendors (CONFIDENTIAL)
- Attachment D: Project Schedule (CONFIDENTIAL)
- Attachment E: Selected Audited Financials - Borrower's Parent Entity (CONFIDENTIAL)

Exhibit B – Loan Term Sheet

ALASKA ENERGY AUTHORITY

On October 15, 2026, the Alaska Energy Authority's PPF Loan Committee convened to consider the loan application from Tuqliq Red Dog1 LLC (ref. loan #40901161). The Committee voted to approve the loan subject to the following terms:

- *Loan amount* (excl. closing fee): $4,955,444
  - *Closing Fee (1% net application fee of $5,000)*: $44,554 – applied to loan balance, as allowed per 3 AAC 160.150(d).
- *Loan Terms:*
  - *Fixed Line of Credit (FLOC)* maturing 24 months from the execution date of the loan documents or the date the project is complete (e.g. commercial operation date), whichever is sooner, with interest accruing on the balance of loan funds disbursed during the FLOC period.
  - *Term loan* on the total loan proceeds disbursed under FLOC, with principal and interest payments beginning on the first day of that month being twelve (12) months following the date of project completion. All interest accrued during FLOC period shall be made in the first term payment. Subsequent term loan payments of principal and interest shall be made every twelve (12) months thereafter the date of the first payment. Fixed annual principal payments amortized according to the loan term.
  - *Term loan duration:* 19 years.
- *Interest Rate*:
  - 5.57%, prevailing PPF statutory rate as of week of Sept 14, 2026.
  - Interest applied on a 365/365 simple interest basis.
- *Payment Frequency*:
  - Annual payments.
- *Loan Draw/Disbursement Conditions:*
  - Borrower to request and AEA to issue a single draw-down of all loan proceeds upon execution of loan documents by and between Borrower and AEA, subject to fulfillment of those Conditions Precedent as stated below.
- *Source of repayment:*
  - Project revenues received by Borrower under Power Purchase Agreement (PPA) executed by and between the Borrower (Seller) and Teck Alaska Incorporated (Buyer).
- Security / Collateral:
  - Uniform Commercial Code - 1 (UCC-1) filing on, being fully subordinate to the senior loan facilities:

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        - All revenues from all of Borrower's Project revenue, such as sales of electricity, including all receipts, revenue, income, rents, royalties, benefits, rates, fees, charges and other monies received or derived from the services, facilities and commodities sold, furnished or supplied through the facilities of the Project;
        - All property, assets, and equipment financed by the loan.
    - Signed guarantee agreement by and between AEA and Borrower's parent entity to the satisfaction of AEA to secure the loan and guarantee repayment to AEA in the event of default.
- *Conditions Precedent to Loan Closing:*
    - Execution of a signed guarantee agreement by and between AEA and Borrower's parent entity to the satisfaction of AEA to secure the loan and guarantee repayment to AEA in the event of default.
    - Written notification from Borrower of:
        - the securing of all remaining sources of funds for the Project.
        - formal execution of the PPA.

COMMITTEE SIGNATURES SECTION

Curtis Thayer, Executive Director — Date: 10/15/26

Tim Sandstrom, Chief Operating Officer — Date: 10-15-26

Mark Billingsley, General Counsel — Date: 10/15/26