



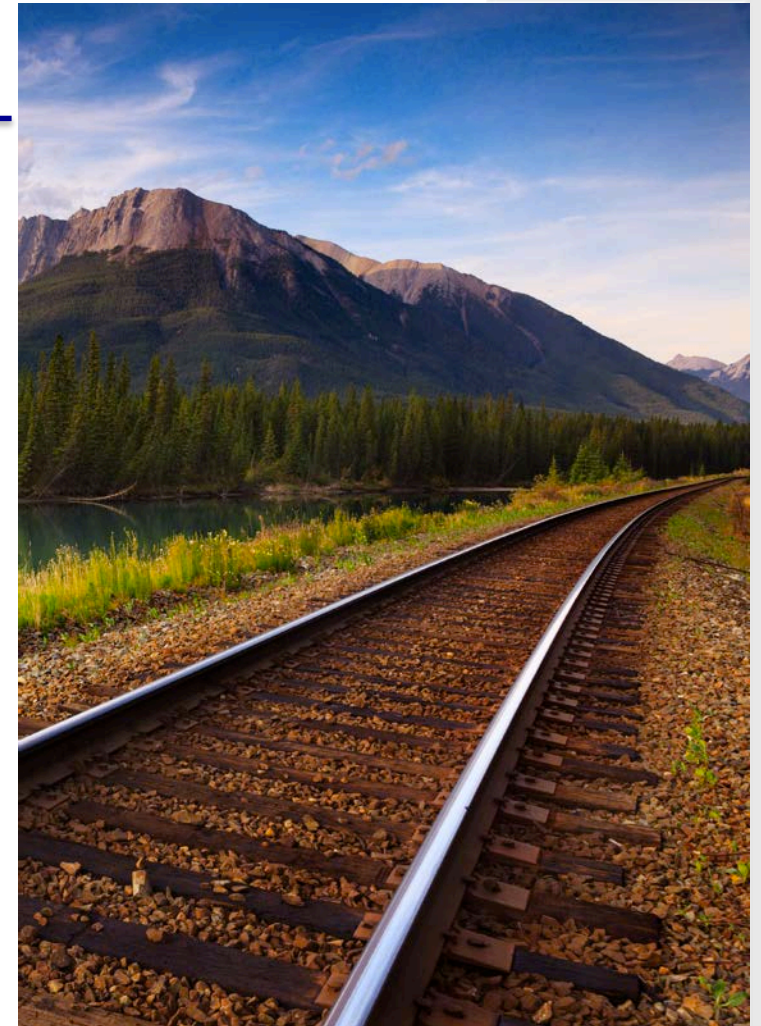
Project Overview
May, 2019

A2A Railway

- **A2A Railway is an infrastructure development company established to build, own, and operate, in partnership with the Alaska Railroad, a spur line to Port Mackenzie, a new rail line to the Yukon border and south to interconnect with the CP and CN railroads.**
- **A2A railway was co-founded by Sean McCoshen and David Sharpe and is wholly owned by Sean McCoshen, a seasoned entrepreneur with experience in infrastructure development. The project is structured to include indigenous Alaska Native Corporations, Alaska tribes, and Canadian First Nations as owners.**

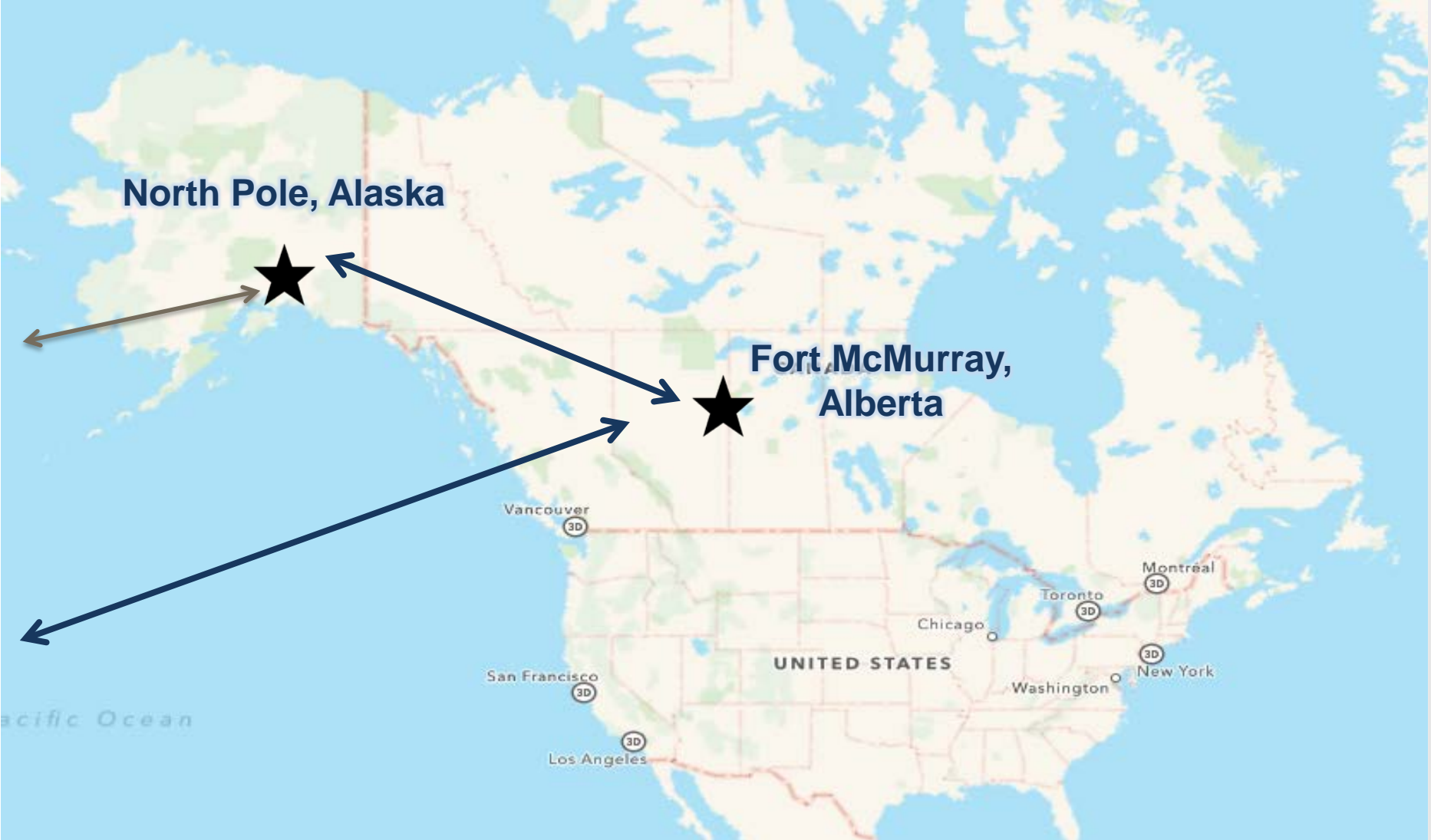
The Project

- **The A2A Rail Development Corp. is developing a new rail corridor across the North connecting Alaska to the North American Railroad system. Key components of the general freight rail include:**
 - **Intersecting with the North American railroad system at Fort Nelson, BC, High Level, Alberta as well as Fort McMurray, Alberta**
 - **Transporting all forms of cargo both inbound and outbound**
 - **A design to handle a host of different resources including Alberta-sourced bitumen**
 - **An ability to add passenger service and local freight service to communities along the corridor**
 - **A connection with the existing Alaska Railroad system to deliver cargo to purpose built terminal facilities at ports located in Alaska, including the existing container Port of Alaska in Anchorage and Port Mackenzie, a bulk cargo port in the Mat-Su Borough.**
- **Builds on the work conducted by Alberta's Van Horne Institute in 2013**
- **Tremendous benefit to the people of the north.**



Alaska ports are 3 - 5 days shorter to Asia than ports farther south

New rail is 2,440 km (1,516 miles)




ALASKA

YUKON

NORTHWEST TERRITORIES

ALBERTA

BRITISH COLUMBIA

 A2A will fund the unfunded portion of Mat-Su Borough's Rail extension project from the ARR to Port MacKenzie. This will include a multi-purpose rail yard to allow for rail shippers to move a variety of types of cargo both inbound and outbound."

Port MacKenzie
Anchorage

Fiber optics are being installed for continuous communication and monitoring of rail integrity on the rail line.

North Pole
Delta Junction

Dual-direction freight to and from North American destinations

The proposed 2,440 km (approximately 1,516 mile) railway would run from Fort McMurray, Alberta, to Delta Junction, Alaska, the currently approved end point of the Alaska Railroad. From there it will travel on the Alaska Railroad to tidewater at Port MacKenzie

Whitehorse

The railway is being designed to increase efficiency, reduce impacts and improve safety with: a grade averaging less than 1%, degree of curvature not exceeding 5% and infrastructure designed to modern standards.

POTENTIAL ALIGNMENT ALTERNATIVE

The railway is proposed to operate 24 hours per day, using industry standards with the latest proven technologies in safety and efficiency.

Potential to connect to existing rail infrastructure in British Columbia

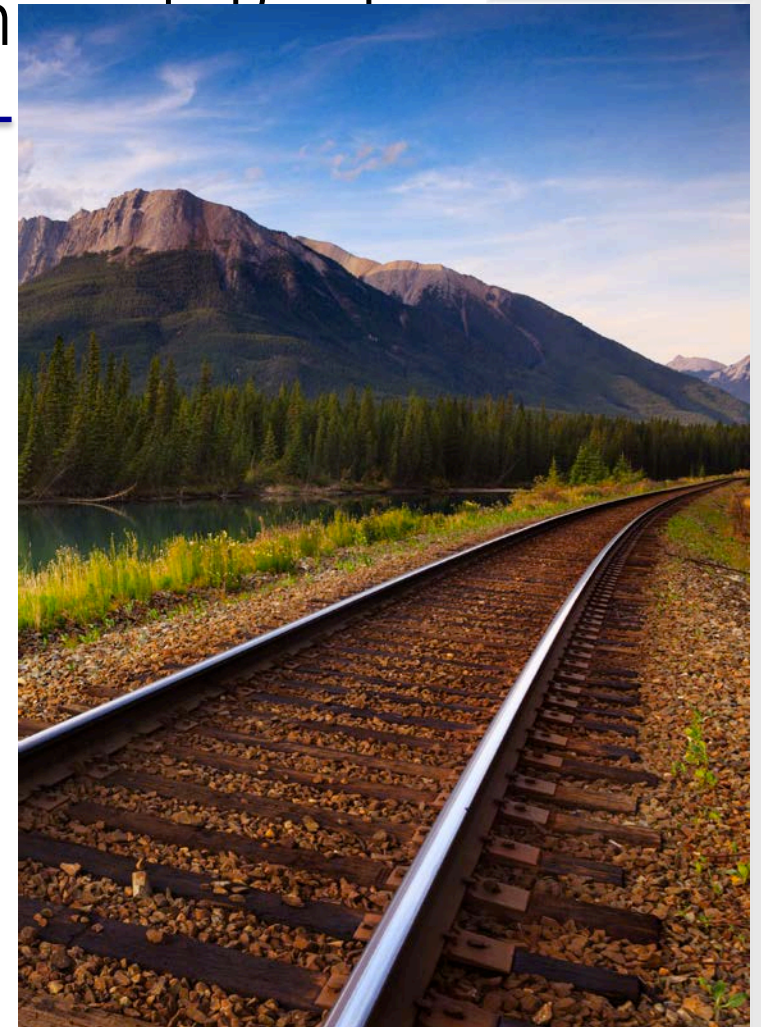
Potential to connect to existing rail infrastructure in Canada and the Lower 48

Fort McMurray

All trains equipped with Positive Train Control (PTC). Heat detectors on every railway to assist with forecasting mechanical issues.

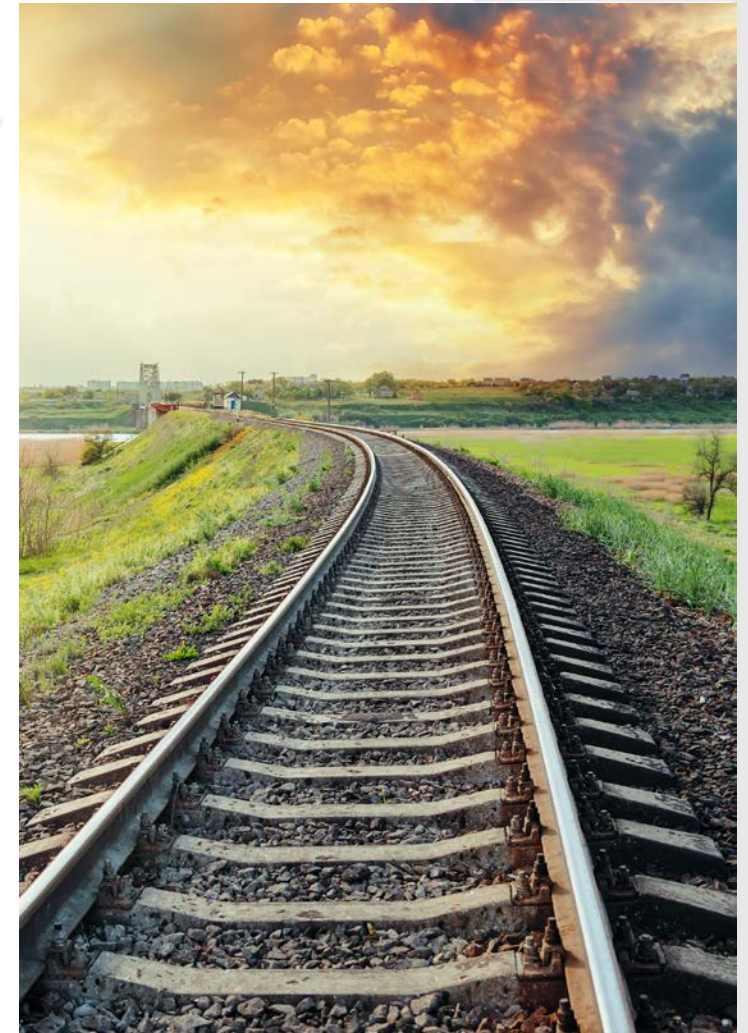
A2A Rail Management Resources and Financial Development

- **The management team has retained advisors in all key aspects of project development**
 - Engineering – HDR
 - Environmental – HDR
 - Financial – Bridging Finance Inc; Robert Dove
 - Indigenous Engagement – Fogler Rubinoff LLP
 - Legal – Holland & Hart
 - Strategic advisors - Jack Ferguson, Mead Treadwell
- **The Principals behind A2A Rail have funded all development costs to date (\$60 million), own 100% of the equity and are prepared to fund construction of the rail spur (\$125 million)**



Background on Sean McCoshen, CEO

- Sean McCoshen is the co-founder of the Alberta – Alaska Railway Development Corporation. He is also the Chairman and Chief Executive Officer of the McCoshen Group, a family office, that owns 14 privately held companies ranging from housing, manufacturing, finance, retail, and rail.
- Established in 2012, The McCoshen Group has secured in excess of 1 billion dollars in transactions in less than 7 years. The McCoshen Group (MG) is a privately held company which has assets of \$740 million. Mr. McCoshen is the sole-shareholder. Alberta – Alaska Railway Development Corporation is TRACE certified.
- Prior to founding the McCoshen Group, Sean worked in private banking in conjunction with a number of large American-based private equity firms until his retirement in 2007.
- Sean grew up in Troy, New York and as a teenager moved to Winnipeg, Manitoba. He earned a Bachelor of Arts degree with a double major in Political Science and Philosophy from McGill University in Montreal and a Bachelor of Laws Degree from the University of Ontario in London, Ontario.
- He currently lives in Winnipeg Manitoba, Vancouver British Columbia and West Hollywood California with his 7-year-old son.



A2A Rail Financial Plan

- **The project cost is estimated to be approximately \$C17 billion, \$US3 billion or more will be spent in Alaska construction. Approximately \$C4 billion in steady-state revenues annually are projected to cover costs of operation and capital.**
- **Private financing, with some support from global sovereign backed infrastructure funding institutions, is expected. Canada is launching an infrastructure bank. Throughput agreements between commodity buyers and sellers will help back construction financing.**

Diversify the Alaskan Economy

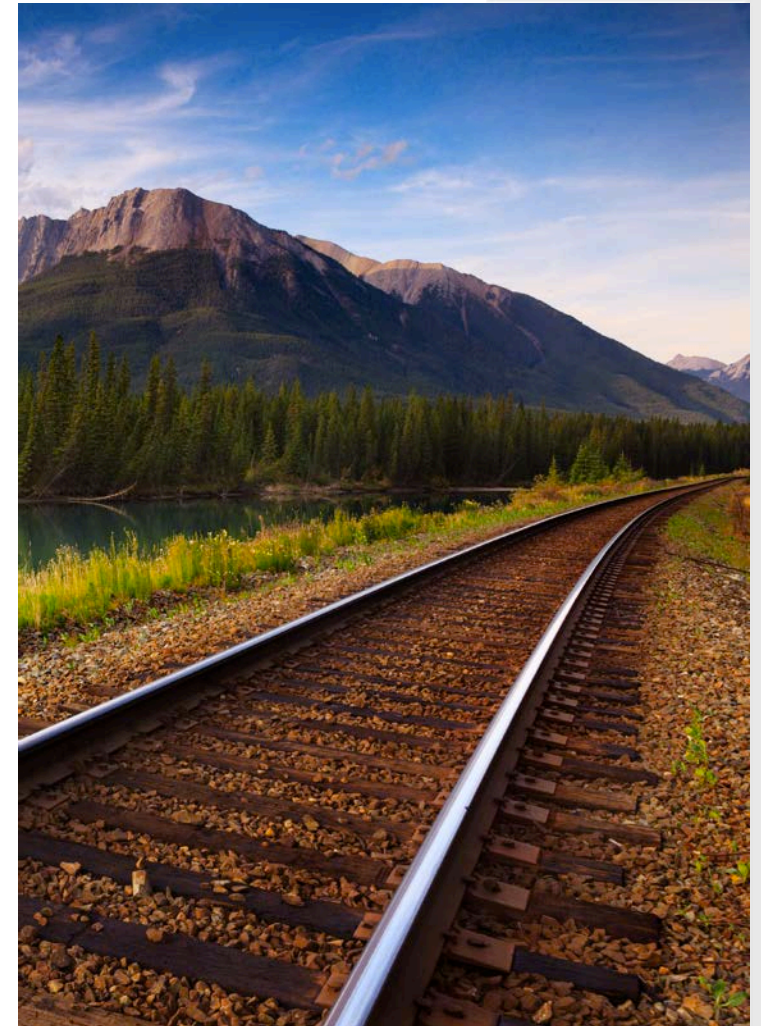
- **An opportune time in transportation industry.**
 - **West Coast Ports and rail lines face capacity issues**
 - **Many inefficiencies exist with populations crowding facilities**
 - **Increasing demand for resources in Asian markets**
- **The biggest challenge to developing the Northern economy is the availability of efficient, cost effective transportation.**
 - **It has been estimated that \$750 billion worth of mineral resources are within 100 miles of the rail corridor**
 - **Transportation alternatives will change the economics of many Alaskan enterprises**

First Nations

- **A2A understands that effective engagement with First Nations communities will improve the likelihood of robust regulatory approvals**
- **A2A has been engaging with Alaskan Native Corporations, Tribes and Canadian First Nations Communities for more than 3 years**
- **A2A has achieved exclusivity and business agreements with most of the strategically located indigenous groups in both Alaska and Canada**
- **A2A has developed a business structure that allows for equity participation for Alaska Native entities and Canadian First Nations along the rail corridor**

Master Agreement- Alaska Railroad

- **A2A is developing a Master Agreement with the Alaska Railroad, key terms include:**
 - **Defining cooperation to achieve permitting, including the ROW and Presidential Permit**
 - **Identifying material lease terms**
 - **Establishing key economic principles that will support financing**
- **Success will drive higher utilization of ARRC facilities and greater revenues**
- **Will allow ARRC to better serve the Alaska's resource industry while maintaining passenger service**



Complete the Port Mackenzie Rail extension

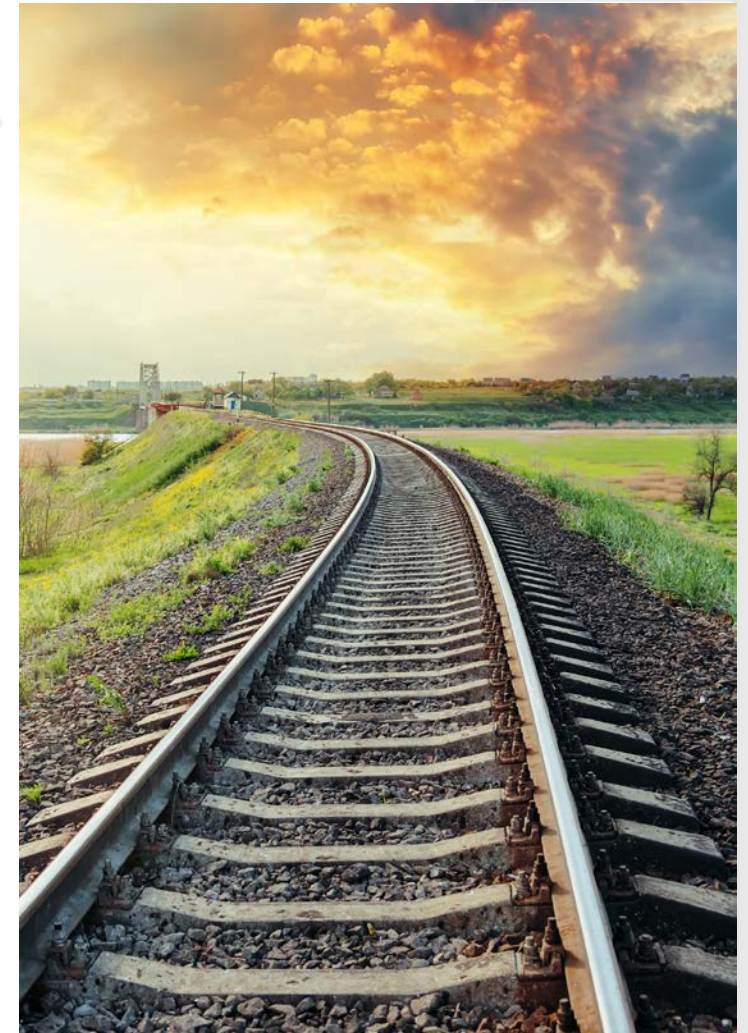
- **A2A will fund the unfunded portion of Mat-Su Borough's Rail extension project**
 - **Once the lease and operating agreement is finalized, construction will commence**
- **A2A will design and develop a multi-purpose rail yard**
 - **The design will allow for rail shippers to move a variety of types of cargo both inbound and outbound**

Trump Executive Order April 10

- **SJR 11, and a letter from Governor Dunleavy, asked President Trump to approve a border crossing as a risk reduction measure for the project.**
- **The White House announced an Executive Order (EO 13867) on April 10, 2019, to streamline the border crossing process and to return decision-making from the State Department to the White House, following Governor Dunleavy's request.**
- **The order clarifies that the president is solely responsible for approving or denying pipelines and other infrastructure that cross international boundaries. The secretary of state had previously played that role.**

Design for Efficiency and Safety

- The project has been designed with an eye to reducing fuel consumption and improving safety
 - The grade will average less than 1%
 - The degree of curvature will not exceed 5%
 - This is considerably better than existing CP or CN lines
 - The project will focus on handling goods that are not hazardous



Fairbanks Daily NewsMiner:

Let's build a rail to Canada: It's a mega project, but Alaskans will reap the benefits for decades

- **A Fairbanks Daily News-Miner editorial April 18, 2019 began with the headline above, said about the proposed rail link:**
- “There’s another of those “big dream” projects that ...could have enormous positive influence on Alaska’s future.
- “That project is a railroad connecting Alaska to Canada and, from there, to the Lower 48.
- “Once again, in the Alaska Legislature there’s a proposed resolution urging the federal government to move ahead with an Alaska-Canada rail project. Senate Joint Resolution 11, put forward by the Transportation Committee in the Republican-controlled Senate, begins by urging the issuance of a presidential permit, which is needed before a rail line can connect a U.S. state with a foreign nation.
- “The resolution goes on to point out several clear reasons for urging construction of the rail extension through the Yukon and into Alberta, Canada, and adds that the Legislature “welcomes the participation of global investors, state residents, Alaska Native corporations, state tribal entities and Indigenous peoples in Canada subject to each investor’s due diligence, to help develop a railroad connecting the state to Canada.”
- “And, of note for Alaska in these tight fiscal times here at home, the resolution points out that “the state would not be required to provide funding for a railroad project connecting Alberta, Canada, to the state. ... ”
- “[Former Governor Frank Murkowski] wrote a column in February 2005 advocating strongly for the railroad and the benefits it could bring to Alaska. “Railroads complement enlightened conservation principles because they accommodate a smaller environmental footprint,” he wrote.
- “He went on to list the benefits of a rail link to Canada and the Lower 48, among them allowing cost-effective transportation of mineral concentrates and containerized freight and “connecting customers, clients and families from Cook Inlet to New York Harbor.”
- “He concluded by writing that “Alaska’s leaders of today have an obligation to be visionary for those who follow.”
- “The former governor was on the mark with those words from 14 years ago. We need visionaries today to bring about the advancement that Alaska needs.

Next Steps

- **A2A is working with the Dunleavy Administration to:**
 - **Finalize the Master Agreement with the ARRC**
 - **Support in the negotiations with the Mat-Su Borough and Assembly**
 - **Support for the Presidential Permit**
 - **Support for the right of way, establishing the rail corridor**
 - **Cooperation to identify opportunities for ANCs and Village Corporations along the alignment**



**END OF PRESENTATION •
THANK YOU**