POA-2019-00081 DATE: June 1, 2026

MEMORANDUM FOR THE RECORD

SUBJECT: Potential for the Proposed Arctic Mine Development Project to Cause Significant Effects on the Human Environment

Introduction

On May 19, 2026, Ambler Metals LLC (AMC) submitted a revised application for a Department of the Army permit for the Arctic Mine Development Project. The U.S. Army Corps of Engineers (USACE) Alaska District is tracking this project as POA-2019-00081. On May 26, 2026, USACE determined that a review of the proposed action under the National Environmental Policy Act (NEPA) would require the preparation of an Environmental Impact Statement (EIS) due to the potential for significant effects on the human environment.

AMC's stated purpose is to construct and operate an open-pit mine to extract copper, zinc, lead, and other critical minerals from the Ambler Mining District (Ambler District). The proposed site is approximately 168 miles east of Kotzebue, 22 miles north of Kobuk, and 162 miles west of the Dalton Highway. Extracted material would be processed into a commercially viable ore concentrate and transported to facilities outside the state for further processing. This transport would utilize the road constructed under the recently issued permit for the Ambler Access Project. Concentrate would be trucked to Fairbanks and transferred to flatbed railcars for delivery to the Port of Alaska in Anchorage. Approximately 0.5 million tons of concentrate would be shipped annually to smelters in North America or elsewhere for conversion into saleable metals.

Mine construction would permanently fill 120.71 acres of wetlands and other waters, such as ponds and streams. Additionally, several thousand feet of streams would be diverted into new channels constructed along the mine's perimeter. The proposed discharge of dredged and fill material into Waters of the U.S. (WOTUS) requires a Department of the Army Permit under Section 404 of the Clean Water Act and a comprehensive review under NEPA, along with other laws designed to protect sensitive resources.

As the federal permitting agency, USACE must determine the appropriate level of analysis required by NEPA. For projects that do not qualify for a Categorical Exclusion, USACE decides whether to prepare an Environmental Assessment (EA) or an EIS. An EIS must be prepared if the proposed action has the potential to significantly affect the quality of the human environment.

The Department of Defense's NEPA Implementing Procedures (33 CFR § 333), issued on June 30, 2025, outline a two-step approach for determining whether a proposed action is likely to have "reasonably foreseeable significant effects." The first factor concerns the geographic scope of potential effects; the "potentially affected

environment” includes national, regional, or local areas and their resources. This analysis does not require consideration of global effects or proximity to communities with environmental justice concerns. The second factor assesses the potential for significant effects by reviewing: i) short- and long-term effects; ii) beneficial and adverse effects; iii) effects on public health and safety; iv) economic effects; and v) effects on the quality of life of the American people. This analysis does not extend to cumulative effects. Furthermore, effects that are remote in time, geographically remote, or the product of a lengthy causal chain should generally be excluded from consideration.

The following discussion, in consideration of 33 CFR § 333, constitutes a preliminary determination of the potential for significant effects. It is performed solely to decide whether to prepare an EIS for the review of the proposed Arctic Mine Development Project. Any statements made herein are subject to change following a complete analysis under NEPA.

Preliminary Determination of the Potential for Significant Effects

The proposed mine would be the second large mine in the Northwest Arctic Borough, an area of 40,749 square miles, which is larger than the state of Maine. With the exception of the Red Dog Mine, located over 160 miles west-northwest of the proposed site, no other large mines or major industrial projects have been initiated in the region, and the land is predominantly undeveloped.

Given its size and scope, the proposed mine would have a significant impact on the region’s economy and cultural environment. On-site employment would peak during construction, with an estimated 975 workers. The operational workforce would consist of approximately 430 people for the 13-year mine life. According to the 2020 Census, 7,793 people reside in the Northwest Arctic Borough; however, the estimated 2025 population was approximately 7,000. Roughly 40% of the borough's population lives in Kotzebue, located over 150 miles west of the proposed mine. No roads connect the communities near the proposed mine to Kotzebue or other population centers, and the Ambler Access Project would not extend far enough west to create such a connection. Over 82% of the borough's population is Alaska Native and American Indian, and approximately 40% of residents speak Iñupiaq or another Eskimo-Aleut language.

Based on concerns expressed during the review of the Ambler Access Project, it is reasonable to assume there is widespread and deep concern that the proposed mine would greatly alter the ability of local Alaska Natives to practice subsistence living and sustain their cultural heritage. For many residents in the villages of Kobuk, Shungnak, and Ambler, subsistence is essential for providing a sufficient food supply due to the high cost of imported goods and limited income potential in the region. Furthermore, subsistence activities are vital for maintaining spiritual connections to the landscape and strengthening family and community bonds. The proposed mine infrastructure and the associated increase in human activity would likely lead to a decline in wildlife populations and reduce access to, and the productivity of, traditional hunting and gathering grounds. Traffic is projected to include approximately 46 trucks per day

transporting concentrate containers, at least four tanker trucks per day hauling fuel, and several other vehicles for workers and materials. This concern is compounded by the potential for adverse impacts on fish and wildlife from the influx of non-local mine workers living and recreating in the region.

The mine site itself would occupy approximately 1,727 acres, including the mine pit, water treatment facility, and other features. Gravel pads would be constructed for numerous facilities, including a permanent camp, processing plants, utilities, logistics yards, and a waste rock collection pond and dam. One of two access roads would extend from the existing Bornite Camp to the proposed Ambler Access Project, providing road access to the Dahl Creek Airstrip. A second road would connect the Ambler Access Project to the mine facilities. In total, the proposed action would permanently eliminate 120.7 acres of wetlands and other waters. The discharge of fill material in these areas, combined with the diversion of streams around the mine site, would adversely affect landscape functions and could increase erosion and sedimentation in Subarctic Creek and other nearby water bodies. Gravel roads, if poorly designed, constructed, or maintained, may become significant sources of sediment for aquatic areas. Additionally, airborne particles from blasting, mining, and crushing could settle in nearby surface waters. Artificially high sediment loads can smother fish spawning beds, reduce aquatic oxygenation, decrease habitat quality, and lead to increased flooding and erosion.

Although the water treatment plant is expected to treat contact water sufficiently to meet Alaska's water quality standards, there remains a potential for the release of mine effluent and leachates containing toxic compounds into downstream waters. Pollutants expected to require treatment include cadmium, zinc, sulfate, selenium, and total dissolved solids, among other chemicals that can be acutely toxic under certain conditions. Water treatment would need to continue post-closure "in perpetuity," creating a permanent and unpredictable risk that requires indefinite management.

Conclusion

The proposed project could have considerable impacts on local subsistence practices, water quality, and fish and wildlife. The project is dependent on the construction of the Ambler Access Project, which has already generated significant controversy within the region, primarily due to opposition from local tribes and widespread concern among residents. Furthermore, there is insufficient evidence to suggest that the identified concerns can be mitigated to a degree that would allow USACE to render a finding of no significant impact.

Therefore, the proposed action has the potential to significantly affect the quality of the human environment, and an EIS must be prepared for the project review under NEPA.