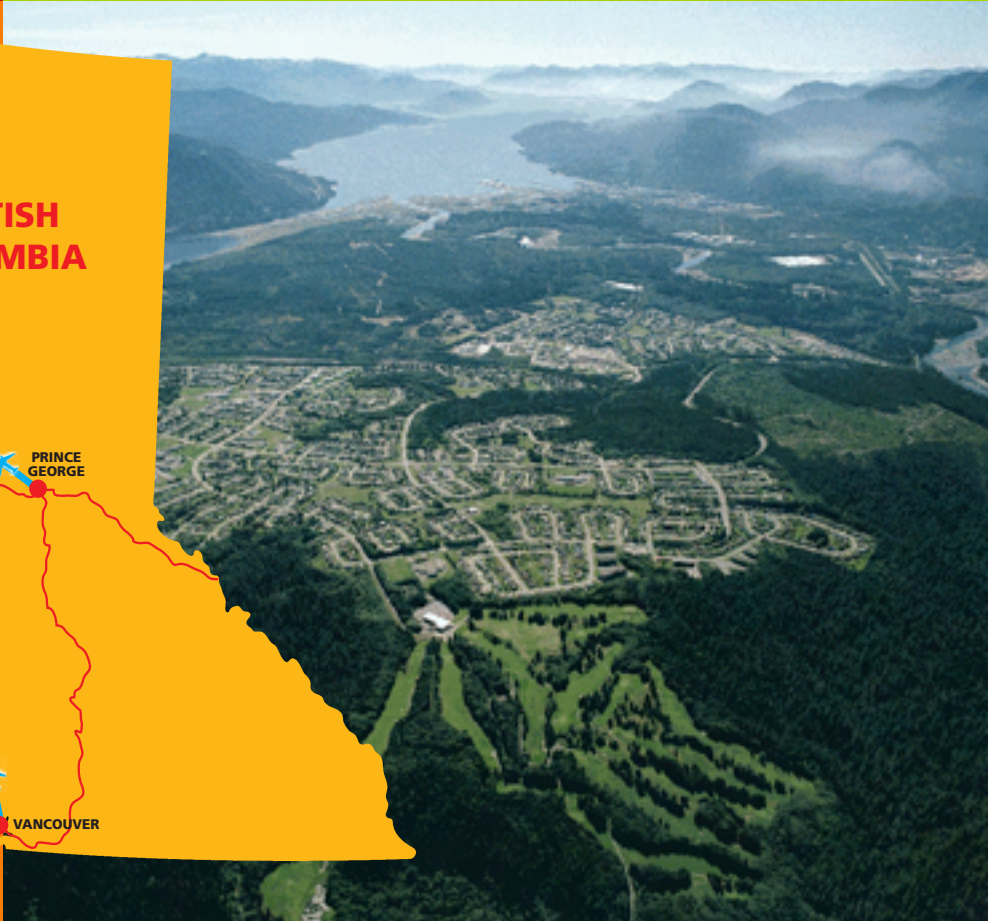


Northwest B.C.

Major Projects

April 2011





Northwest B.C. Major Projects



Project site

The Kitimat LNG facility will be located at Bish Cove near Kitimat, British Columbia, near the community's existing large industrial zone close to an existing pipeline system that provides access to natural gas from the Western Canadian Sedimentary Basin. Kitimat is a natural choice for an LNG facility with a deep, active port and easy access to the West Coast energy corridor and Asia Pacific LNG market.

Kitimat LNG facility partners Apache Canada Ltd. (Apache Canada) and EOG Resources Canada Inc. (EOG Canada) have partnered with Encana Corporation (Encana) plans to build a \$3.5-billion LNG export terminal in Bish Cove near Kitimat.

For information about Apache Canada, Encana Corp. or EOG Resources Canada Inc., visit

www.apachecorp.com/Canada

www.encana.com

www.eogresources.com

Kitimat LNG will include natural gas liquefaction, LNG storage and marine on-loading facilities. The proximity of Kitimat LNG to the existing natural gas transmission infrastructure is one of the advantages of this project and ensures supply is readily accessible to the facility.

Quick facts

- Projected number of shipments: five to seven per month
- Export capacity: initially 5 mmtpa (million metric tons per annum)
- Provincial and federal environmental approvals received
- Projected date of operation: 2015

Project schedule

KBR has been awarded a front-end engineering and design (FEED) contract by KM LNG Operating General Partnership for the Kitimat Liquefied Natural Gas (LNG) Development. KBR will provide FEED services for the development of the Kitimat LNG facility, anticipated to be a fully electric-driven LNG plant.

The LNG processing facility will be located nearly 15 kilometers southeast of Kitimat and will include LNG process facilities, associated infrastructure, administration and marine facilities. Work on the project is to begin immediately. For more information about KBR, visit.

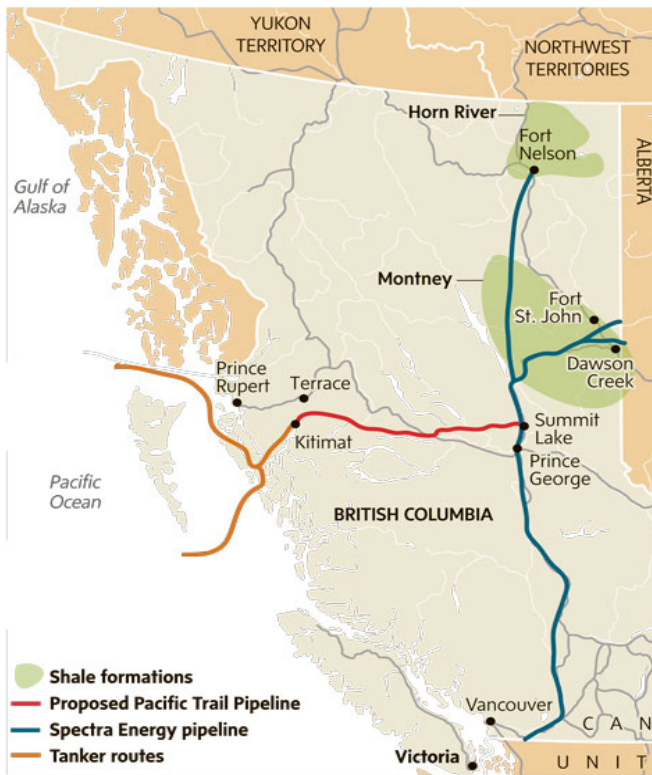
www.kbr.com

Project Cost \$4.1 billion

Construction Employment 2,500



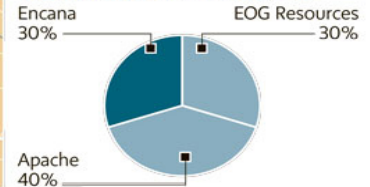
Kitimat LNG's Bish Cove location received overwhelming support in a recent Haisla First Nation vote. The Indian Reserve #6 on Bish Cove has been legally designated as an industrial park by the federal government.



Kitimat LNG Partnership

Kitimat LNG facility partners Apache Canada Ltd. (Apache Canada) and EOG Resources Canada Inc. (EOG Canada) have partnered with Encana Corporation (Encana) to build the planned natural gas liquefaction and export facility on British Columbia's west coast and the associated Pacific Trail Pipelines (PTP). All three companies have extensive experience in British Columbia natural gas plays, which provides additional operating and commercial synergies for development of this vital energy resource.

THE KITIMAT LNG PARTNERSHIP



Pacific Northern Gas Ltd. currently owns and operates a gas transmission and distribution system that delivers natural gas in a westerly direction from the Spectra Energy Transmission (formerly Duke Energy) gas pipeline system near Summit Lake, to Kitimat and Prince Rupert on the west coast of British Columbia.

Apache Canada, EOG Canada and Encana plan to build the 463-kilometre (287-mile), 914-mm (36-inch) diameter underground line from Summit Lake, B.C. to Kitimat. The facility is planned to be built on First Nations land under a unique partnership with the Haisla First Nation. The pipeline will connect the LNG export terminal with Spectra Energy's pipeline system for access to gas in northern B.C. and Alberta.

The initial phase of the facility has a planned capacity of approximately 5 million metric tonnes per annum or the equivalent of nearly 700 million cubic feet per day.

Pacific Northern Gas Ltd. (PNG) will operate and maintain the planned pipeline under a seven-year agreement with Apache Canada, EOG Canada and Encana, with provisions for five-year renewals. Apache Canada, EOG Canada and Encana have also agreed to 20-year transportation service arrangements requiring them to use a portion of PNG's current pipeline capacity.

Construction is expected to begin in 2012, with operations projected to begin in 2015.

Project Status

A BC Environmental Assessment Certificate was issued in June 2008. Federal Environmental approval received March 2009.



Rio Tinto Alcan

Kitimat Modernization Project



Project site

Rio Tinto Alcan Primary Metal British Columbia is located on the Douglas Channel, a year-round ice-free ocean port, located in Kitimat, on the northwest coast of British Columbia. They are ideally situated to meet the ever-growing aluminum market demands of customers located in the Pacific Rim.

Rio Tinto Alcan is investing an additional US\$300 million for further construction in preparation for the US\$2.5 billion modernization of the Kitimat smelter in British Columbia.

AP technology, developed by Rio Tinto Alcan, is designed to improve energy efficiency and reduce costs of aluminum production. AP60 is the latest generation of the bespoke technology and metal output per pot at the plant will be 40 per cent higher than at existing smelters.

The Kitimat modernization project will increase the smelter's current production capacity by more than 48 per cent to approximately 420,000 tonnes per year. The modernized Kitimat smelter will be powered exclusively by hydroelectricity from Rio Tinto Alcan's wholly owned Kenney Dam and Kemano Power Plant.

Jacynthe Côté, Chief Executive, Rio Tinto Alcan, said "The modernization of our Kitimat smelter is truly a transformational project, in line with our strategic objective to grow via

long-life, large-scale, low-cost assets. Once completed, Kitimat will be one of the lowest-cost smelters in the world."

The first phase of the AP60 plant will have 38 pots and an annual production capacity of 60,000 tonnes of aluminum by 2013. This initial step will also include the infrastructure required for the subsequent phases, which would bring the total production capacity to 460,000 tonnes, powered by clean, renewable hydroelectricity.

By the end of 2011, Rio Tinto Alcan is expected to have spent approximately \$660 million on the project. Final approval is expected in 2011.

Rio Tinto Alcan has purchased the former Eurocan Wharf, which is expected to augment Rio Tinto Alcan's wharfing capabilities as the Kitimat Modernization Project ramps up. The purchase secures the space and capacity needed as Kitimat Modernization Project demands increase in the coming three years and beyond. The purchase does not include the mill property. The purchase is

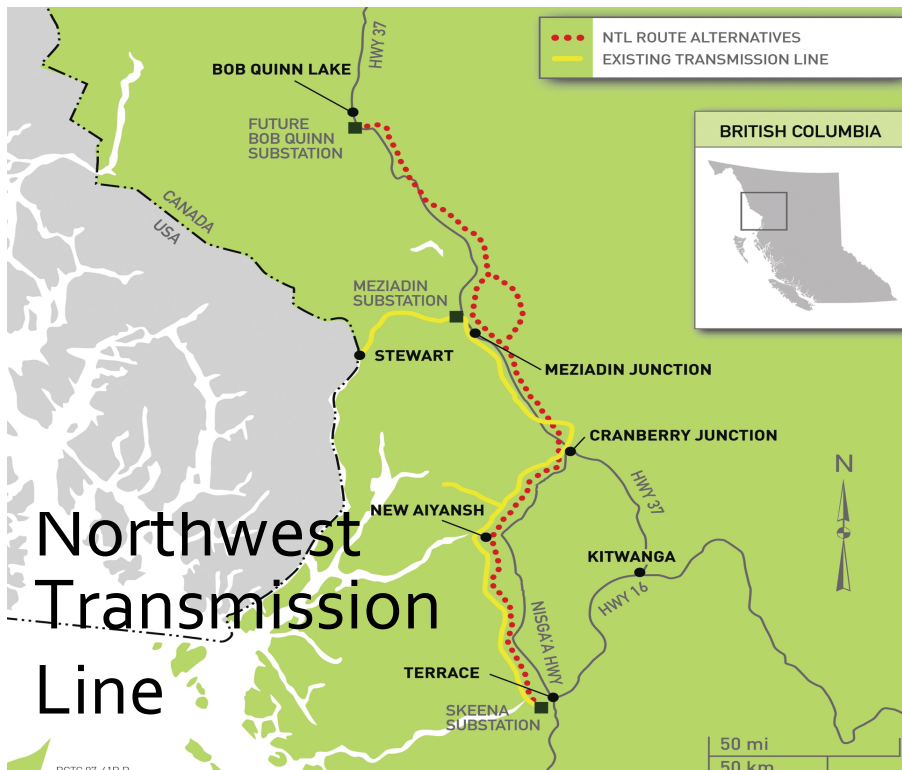
subject to government approvals, which are expected to be finalised by the end of 2011. Financial details of the transaction have not been disclosed.

Project Cost
\$2.7 billion

Construction employment
1,500

Ongoing employment
1,000

Rio Tinto Alcan technological leadership is realized in all aspects of our smelters operations and performance as it sustains industry benchmark in energy efficiency, productivity, high amperage cell technology. It has been the premier feature of many successful financing schemes of smelting technology available today.



Project site

The proposed Northwest Transmission Line (NTL) is an approximately 344 km, 287 kV transmission line between Skeena Substation (near Terrace) and a new substation to be built near Bob Quinn Lake. This new line would provide a reliable supply of clean power to potential industrial developments in the area; provide a secure interconnection point for clean generation projects; and potentially assist certain northwest communities to access the electricity grid, rather than obtaining their power from diesel generators.

The existing electrical transmission system in Northwest B.C. extends only as far north as Meziadin Junction, with a circuit running west to Stewart.

The Northwest Transmission Line (NTL) would extend transmission service in the Northwest region of our province. The 287 kilovolt (kV) circuit would start at Skeena Substation (near Terrace) and run approximately 344 km north to a new substation near Bob Quinn Lake. Additional equipment would need to be added within Skeena Substation to support the new line.

Two current projects that will immediately benefit from the construction of the NTL will be the Forrest Kerr Run of River Project for Alta Gas and the Red Chris Project owned by Imperial Metals.

The “Report on the Electrification of the Highway 37 Corridor” issued in 2008 by the Mining Association of BC MABC and updated in 2009 by the Northwest Powerline Coalition upon analyzing the potential for mine development and power generation in the northwest states, “The transmission line will create substantive employment during the construction phase, support the investment of an estimated \$15 billion in new capital investment, create an estimated 10,000 full time jobs, and generate \$300 million per year in tax revenue, while saving 3.7 million tones of CO2 annually....”

Project Cost
\$400 million



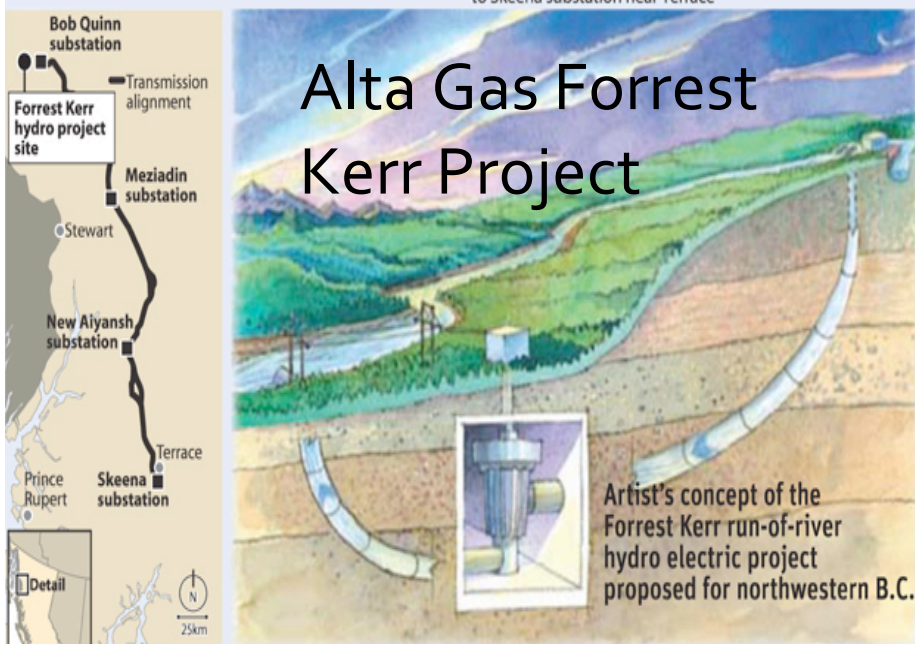
Milestone

Nisga'a Nation, First Nations, public consultation
 Application for an EA Certificate accepted by EAO
 EA Certificate anticipated
 Permits in place
 Noninvasive pre-construction activities
 Design-build contract awarded
 Construction completion
 NTL fully commissioned and in-service
 Restoration and cleanup

Date (subject to change)

March 2011
 April 2010
 March 2011
 Early 2011
 Fall 2010
 April 2011
 Fall 2013
 December 2013
 Spring 2014

Cost: \$700 million Forrest Kerr hydro project: 195 megawatts
Cost: \$404 million Northwest Transmission Line: 335 km from Bob Quinn Lake to Skeena substation near Terrace



Project site

Located in British Columbia, approximately 1000 km northwest of Vancouver, Forrest Kerr is a 195 MW run-of-river hydroelectric project.

The project will capture the immense energy produced by the natural flow and elevation drop of the Iskut River and its tributaries to produce and deliver clean, renewable power to the grid at Bob Quinn Lake via the proposed 287-kV Northwest Transmission Line (NTL) operated by BCTC.

This project will contribute to the Province of British Columbia's goal to achieve energy self sufficiency by 2016, as well as help the Province meet its clean energy needs in an environmentally and socially responsible manner by offsetting the use of electricity generated from fossil fuels.

Locally the project has the ability to act as an energy source for regional development. On a national and global scale, the project will provide a clean, renewable energy source that will help meet Canada's commitment to reduce greenhouse gas emissions.

Project Background

AltaGas acquired Forrest Kerr in 2008. The project is located within the Tahltan First Nation traditional territory. AltaGas has worked, and will continue to work, closely with the Tahltan to advance the project to commercial operation. Forrest Kerr was originally permitted at 112 MW, however a review of the project substantiated an increase in the

output to 195 MW without having to considerably alter the existing footprint previously designed.

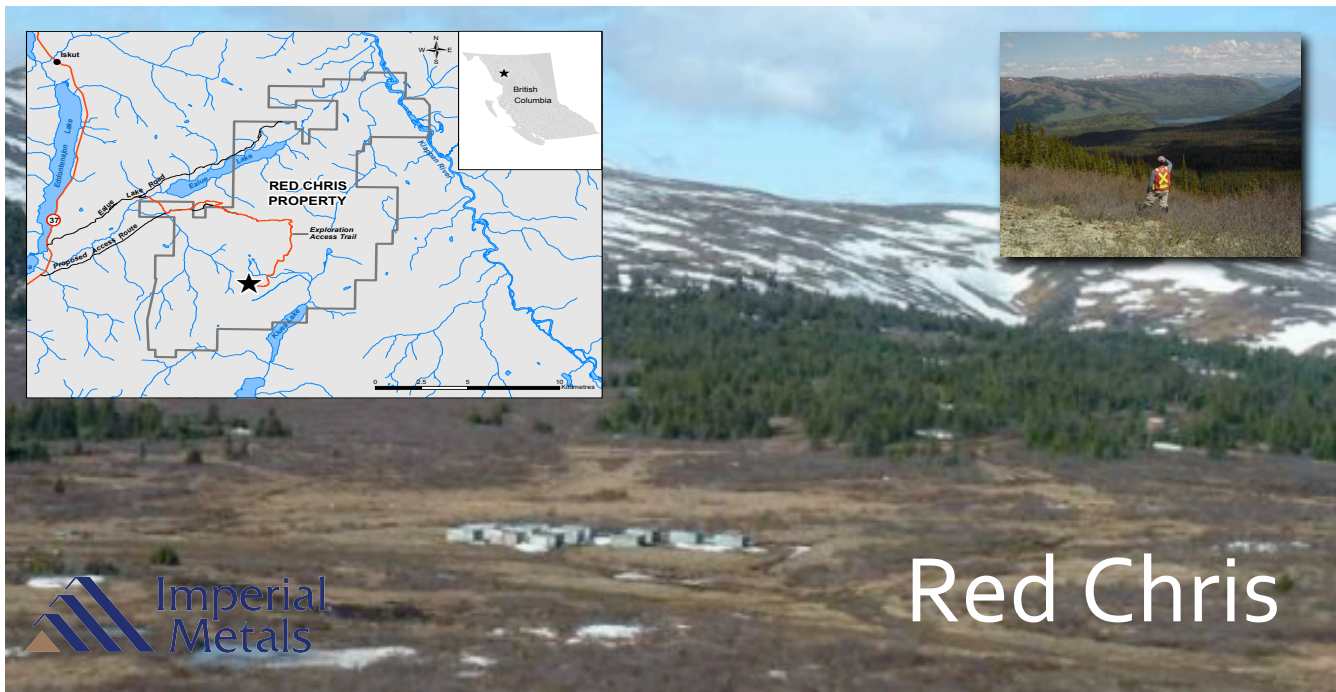
The project will redirect a portion of the flow of the Iskut River through a tunnel to an underground powerhouse containing turbines to generate electricity. The run-of-river nature of this project ensures continual movement of water and materials downstream of the proposed tailrace discharge, minimizing any potential effects on aquatic resources in the area.

Further, because of the underground nature of Forrest Kerr generation site, it has a relatively small surface footprint, that will minimize impacts to terrestrial ecosystems.

AltaGas is committed to coordinating with First Nations, federal, provincial and local agencies and communities to ensure meaningful and open public participation in the planning and construction process.

The communities in the vicinity of Forrest Kerr that stand to benefit from this and other projects include: Iskut, Dease Lake and Telegraph Creek, as well as Smithers and Terrace. **The project has an estimated cost of \$700 million**, making it one of the largest infrastructure developments in northwestern BC. At its peak, the four-year construction project is expected to **create over 400 jobs** and the demand for goods and services is expected to provide significant positive economic stimulus to the region. In addition to providing jobs to local individuals and contractors, the project will create opportunities for local providers of goods and services during construction and ongoing operations. A 400 man camp is now under construction at the Forrest Kerr site. AltaGas estimates that Forrest Kerr will be completed in 2014.

**Project Cost:
\$700 million**



Owned by Imperial Metals, the Red Chris copper/gold property is located 80 km south of Dease Lake in Tahltan traditional territory in northwest British Columbia. Access to the site is 20 km from Highway 37.

Imperial is working towards development of a 30,000 ton per day open pit mine to commence operations upon completion of the Northwest Transmission Line. Red Chris anticipates being able to connect to the Northwest Transmission Line at the Bob Quinn hydro station approx. 120 km from the proposed mill site by early 2014. Provincial and Federal environmental approvals for the project have been received. Mines Act permitting through the Northwest Mine Development Review Committee is underway.

In November 2010 Imperial completed an update of the Red Chris Copper-Gold Project Feasibility Study Report dated March 2005 ("2005 Feasibility"). This report does not take into account the results of recent deep drilling carried out by Imperial.

Highlights of 2010 Updated Feasibility Study Report

- Reserves of over 300 million tonnes grading 0.359% copper and 0.274 g/t gold provide for a 28 year project life at a milling rate of 30,000 tonnes per day.
- Pre production period of only four months during which 1.8 million tonnes of rock and overburden would be relocated. The Red Chris orebody is exposed at surface resulting in a comparatively limited pre production phase.
- Recovered metal in concentrate would total 2.08 billion lbs copper and 1.324 million oz gold.
- After tax IRR of 15.7% at metal prices of US\$2.20/lb copper, US\$900/oz gold, US\$12.00/oz silver, and exchange rate of CDN\$1 to US\$0.90. Project payback is 4.58 years. Life of mine production cost per pound of copper at these prices, taking silver and gold as credit, is US\$1.22. Capital cost is C\$443 million.
- At the October 2010 monthly average metal prices of US\$3.76/lb copper, US\$1342.60/oz gold, US\$23.39/oz

- silver, and an exchange rate of CDN\$1 to US\$0.982, the project IRR after tax is 37.9%. The project payback is 1.87 years. Life of mine production cost per pound of copper at these prices, taking silver and gold as credit, is US\$1.15.
- Mineable Reserves and Mineral Resources: 301,549,000 tones of 0.359% Cu and 0.274 g/t Au

**Project Cost:
\$443 million**

Imperial Metals Corporation is a Canadian mining company based in Vancouver, British Columbia. The Company is active in the acquisition, exploration, development, mining and production of base and precious metals.



The Galore Creek gold project is one of the largest and highest grade undeveloped copper-gold-silver mines located in northwest British Columbia. Situated approximately 70 km west of Highway 37 and 150km northeast of Stewart the mine covers an area of 29,850 ha. It is equally owned by NovaGold and Teck Resources.

TORONTO, April 20/10 (Reuters) - NovaGold (NG.TO) and Teck Resources (TCKb.TO) have begun a pre-feasibility study on their Galore Creek gold-copper joint venture in British Columbia, NovaGold said on Tuesday, signaling that the high-price project is once again moving forward.

Development of the project was put on hold in late 2007, when construction cost estimates more than doubled to about C\$5 billion. The companies -- which each own half of Galore -- have since been looking for ways to cut costs on the project.

In a statement, NovaGold said the study will be released in the first half of 2011, and will include capital cost estimates using updated metals prices and a new construction timeline.

Novagold said changes to the project will include relocation of the milling and tailings facilities -- the initial location of the tailings dam was a major cost of the initial overrun -- and a potential increase of daily through put to 90,000 tonnes a day.

Additionally, the project will use mainly electric power, with a power line built along an access road to tie into a larger transmission line that the British Columbia and Canadian governments have pledged to build.

The company said some components of the revised plan will require new permits or amendments for existing permits.

Galore holds measured and indicated resources of 8.9 billion pounds of copper, 7.3 million ounces of gold and 123 million ounces of silver, according to NovaGold.

Original Project Cost:
\$2.5 billion

SUMMARY

The following is a summary of the projects that because of their advanced stage of development and permitting are most likely to come on stream within the next five years.

Apache, EOG, Encana and Pacific Trails Pipeline	\$4,100 million
Rio Tinto Alcan modernization	\$2,700 million
Northwest Transmission Line	\$ 400 million
Alta Gas Forrest Kerr	\$ 700 million
Red Chris Mine	\$ 443 million
Galore Creek (approx)	\$2,500 million
TOTAL POTENTIAL INVESTMENT	\$10.843 BILLION



For more information, contact

K.T. Industrial
Development Society



Investing in the Valley of Opportunities

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Major Projects