

Gana-a' Yoo, Statewide win USMX catering contract

by *Tundra Times* staff

A joint venture of Gana-a' Yoo Ltd. and Statewide Services has won the catering contract for the USMX gold and silver mine at Illinois Creek.

Gana-a' Yoo is the village corporation consortium for the middle Yukon River communities of Galena, Koyukuk, Nulato and Kaltag created under provisions of the Alaska Native Claims Settlement Act of 1971.

"We are pleased to be able to provide services to USMX Inc.," said Fred Stickman, Jr., chairman of Gana-a' Yoo, speaking at a recent contract-signing ceremony held in Galena. The catering project will hire four people from the area, with a preference given to the corporation's shareholders.

According to Franny Cruger, reporter for *Eye of the Hawk*, published by Galena City Schools, Gana-A' Yoo has had a long-standing partnership with Statewide Services.

"We are a fifty-fifty partner with SWS, so we're probably going to be providing half of the working capital. We'll also take care of logistics, bringing supplies in and out of Galena. We're also talking about helping to finance the building of the camp itself," said Gana-A' Yoo CEO Bruce Kling in an interview with Cruger.

The mine, located about 60 miles downriver from Galena and about 325 miles northwest of Anchorage, is on about 400 acres of land leased from the state. It is expected to provide a substantial boost to the economy of the rural Interior, which has always been characterized by a highly cyclic economy largely controlled

by outside interests, and chronic underemployment.

While the mine is an outside venture, USMX and development contractor, D.H. Blattner and Sons, have made a strong commitment to local hire. A total of about 110 jobs will be created, with wages starting at \$13.50 per hour.

USMX hopes to produce its first gold bars this fall, and predicts a mine life of at least 6-8 years.

Paul Valenti, vice president of operations for USMX, says \$22 million has already been invested in exploration and development at the site. With gold prices hovering around \$400 per ounce, he predicts the project will be profitable.

The Illinois Creek mine will use the cyanide heap leaching method of extracting gold, which involves piling mineral-bearing soil onto a liner and applying a cyanide so-

lution over the top of the soil. A chemical reaction pulls gold particles from the soil, which then flow with the solution to the liner at the bottom of the pile, from where it is extracted for further processing.

While some environmental concerns have been raised about the possibility of the toxic cyanide escaping from broken liners, USMX cites awards for environmental performance it has received for other projects.

"The cyanide leaching operation would involve a double-synthetic lined facility with a leak detection and recovery system. Ground water and surface water monitoring would be conducted during the life of the project and for a specified post-closure period. The project would be reclaimed according to an approved plan," according to the company's consolidated permit application.