

Alaska's Mining Development Critical to Economy

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Mining has been a major influence in both the economy and settlement of Alaska. Alaska became famous during Gold Rush days and it was the mining district boundaries of those days that now make the boundaries of our judicial districts.

Alaska is now known to be a major mineral resource reserve for the United States.

Mineral development will be critical to Alaska because of the large number of jobs which mining provides and the extensive network of transportation and support facilities which must be developed in association with production.

Placer mining in Alaska has traditionally been the realm of the independent, individual miner who often worked his claim with only a partner or his family. That is changing as larger companies are entering the placer mining field with sophisticated equipment which demands more employees, suppliers and support networks.

Major hard-rock mineral development in Alaska isn't far in the future, as shown by information filed with the state of Alaska Division of Minerals and Energy Management.

In Southeast Alaska the Green's Creek silver-lead zinc-copper-cadmium property which will be developed by Noranda Exploration is slated for production in the mid-1980's. The U.S. Borax Quartz Hill molybdenum deposit east of Ketchikan may be producing by 1987. These two properties will account for nearly 1000 new jobs.

Two other areas which appear to have excellent potential are the Grady Glacier nickel-copper-platinum deposit of Newmont Exploration in Glacier Bay National Monument and the Bohemia Basin nickel-copper-platinum deposit of Inspiration Development located on Yakobi Island. These two developments could provide another 500 jobs and greatly reduce America's new reliance on foreign producers for the strategic minerals nickel and platinum.

Other hard-rock deposits in Southeastern include the Pyroa

lead-zinc-barite deposit on Admiralty Island and the Tracy Arm copper-lead-zinc deposit south of Juneau. Development of the Schaft Creek and Galore Creek copper deposits in the Stikine River drainage in neighboring British Columbia could also have a beneficial economic impact on Southeast Alaska.

Two hard-rock gold mines went into production in Interior Alaska in 1980 in the Fairbanks and Chandalar districts. Other future developments in the Ambler District include the Bornite copper-cobalt deposit of Kennicott Copper; Arctic Camp copper-lead zinc-silver deposit and the Sun and Smucker copper-lead-zinc-silver deposit of Anaconda Copper.

In the not too distant future, mining operations may soon develop in the Alaska Range and Clearwater Mountains where major exploration and evaluations are currently underway.

In the Fairbanks district numerous lode gold deposits are under study for future production in addition to the placer mining activity in the area.

In Northwestern Alaska, the Red Dog and Sue lead-zinc-silver deposits of Cominco American and the Lic lead-zinc-silver deposit of GCO Minerals with Houston International Minerals are both expected to be in production before the year 2000.

On the Seward Peninsula prospects for the tin and fluorospar deposits of the Lost River area are promising for future development and elsewhere in northwestern Alaska, mining companies are actively exploring deposits of tin, copper, lead, zinc, silver, uranium and asbestos. The Independence Gold Mine near Palmer, closed since World War II, is expected to begin producing in 1982.

Coal is extremely important in Alaska's future. The Beluga Coal Field will most certainly be developed in the late 1980's and mines planned for the area by lease-holders Bass-Hunt-Wilson and Placer Amex could employ up to 1400 people and produce up to 20 million tons of coal per year.

Near Healy in Interior Alaska,

the Usibelli Mine now produces about 750,000 tons of coal and production is estimated to increase substantially in the near future.

Alaska mining is currently most often characterized as placer gold operations, and that too, will increase in the future, according to DMEC records.

Placer mining in the future is linked somewhat to hard-rock exploration and production since the opening up of larger hard-rock mines allows access and transportation to areas which may become potential placer production deposits.

Two to three hundred small placer gold mines are presently active in Alaska (although platinum, tin and low-grade titanium are also mined in small quantities by placer methods).

Placer mines usually employ up to about 20 people per operation and enjoy the quick startup time and quick profit-taking opportunities not afforded hardrock mine developments.

The long life of placer deposits is best exemplified by the Alaska Gold Company deposit in Nome, the largest placer gold operation in the state. It has been worked for 80 years and is still rich enough to support a huge dredging operation.

Placer deposits are scattered throughout the state, except in Southeast Alaska. In Southcentral Alaska some of the better known areas are Petersville, Nelchina and Valdez Creek.

Other well-known placer gold producing areas throughout the state include Niyac, Ophir and Flat. In Interior Alaska are also the 40-mile River, Koyukuk, Wiseman, Chandalar, Manley Hot Springs, Kantishna and Circle areas. These are by no means all the areas of the state which contain placer gold deposits, but are some of the better known locations.

If claim filings are any indication of interest in the development of mining in the future of Alaska, it is apparent that there will be a tremendous amount of mining activity for many years to come.