

**Tom Irwin**  
Commissioner

550 W. 7th Ave., Ste 1400  
Anchorage, AK 99501  
907-269-8431



**Public Information Center**  
550 W. 7th Ave., Ste. 1260  
Anchorage, AK 99501  
[www.dnr.alaska.gov](http://www.dnr.alaska.gov)  
907-269-8400

## Press Release

COMMISSIONER'S OFFICE

FOR IMMEDIATE RELEASE

Media Contact: David Szumigala, 451-5025  
Richard Hughes, 451-2738

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Division of Geological & Geophysical Surveys (DGGS)

### **Alaska Mining Production Remains Strong Despite Drop In Industry Value**

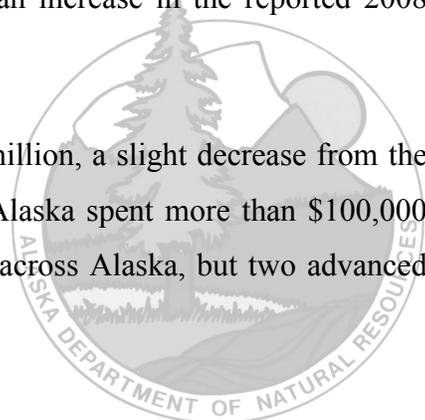
(Anchorage, AK)—Alaska's mineral industry continued a strong showing in 2008, despite a decline in total value from the record level set in 2007, but still greater than 2006 levels. Although mineral production volumes were maintained, development expenditures increased and exploration expenditures remained nearly constant. The overall value of mineral production was lower in 2008 compared to 2007, resulting primarily from the effects of lower metal prices, increased operating costs, and a worldwide economic recession. Nevertheless, exploration activities for a wide variety of commodities continued across all regions of Alaska, and new discoveries were announced.

The total value of Alaska's mineral industry was \$3.117 billion in 2008—\$898 million and 22 percent lower than 2007's record value of \$4.015 billion. This total value figure is a combination of expenses and receipts and is an effective way of tracking the annual strength of the mineral industry.

Total minerals industry employment in 2008 is estimated at 4,334 full-time-equivalent jobs. This is an increase of 776 jobs, or 22 percent, over the estimated 2007 total of 3,558 full-time-equivalent jobs. Mining employment increased over most sectors, almost doubling in the development sector. Gaps in reporting from the industrial minerals sector may be rectified in the final report, which would result in an increase in the reported 2008 employment.

Exploration expenditures in Alaska during 2008 are estimated to be \$328.6 million, a slight decrease from the \$329.1 million spent in 2007. At least 72 exploration projects operating in Alaska spent more than \$100,000 each; 32 of those projects spent more than \$1 million. Exploration occurred across Alaska, but two advanced

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exploration projects in southwestern Alaska, Pebble and Donlin Creek, accounted for more than 60 percent of the exploration expenditures and drill footage, with Pebble being the largest project during 2008.

A preliminary estimate of 2008 development expenditures is approximately \$379.8 million, 19.1 percent more than the 2007 value of approximately \$318.8 million. The increase coincides with the near completion of the Kensington and Rock Creek projects. Significant expenditures were noted at Red Dog Mine, Fort Knox Mine, Pogo Mine, Rock Creek Mine, Greens Creek Mine, and the Kensington project. Total employment dedicated to development amounted to 1,399 full-time-equivalent jobs for the year.

Mineral production in Alaska during 2008 has a preliminary estimated value of \$2.41 billion. The estimate represents an approximately \$959 million decrease in value, or 28.5 percent less than 2007 production values. Metals (gold, silver, copper, lead, and zinc) account for \$2.257 billion, coal and peat for \$53.97 million, and industrial minerals (sand, rock, and gravel) for \$96.71 million. Reported statewide placer gold production to date is somewhat incomplete, amounting to approximately 53,244 ounces from 217 placer mines. Total mine employment dedicated to production is estimated at 2,426 full-time-equivalent jobs for the year.

Information Circular 58, *Alaska's Mineral Industry 2008: A Summary*, is now available from the Department of Natural Resources. This summary and the data contained within it will be superseded by the final report, *Alaska's Mineral Industry 2008* (Special Report 63), to be published later in 2009, following final compilation of information, particularly for placer mining and industrial minerals. The mineral industry summary and other reports can be inspected at and obtained from DGGs, 3354 College Road, Fairbanks, Alaska 99709-3707 (907-451-5020) and beginning June 1, 2009, from the DNR Public Information Center, 550 West 7th Avenue, Suite 1260, Anchorage, Alaska (907-269-8400). Send mail orders to the Fairbanks DGGs office (fax 907-451-5050; mailing address above). The summary is available in Adobe Acrobat PDF format through the DGGs website ([click here](#)).

The products will be available for inspection beginning June 5, 2009, at the Alaska Resources Library and Information Service, 3150 C Street, Suite 100, Anchorage, and at the Historical Collection of the Alaska State Library in the State Office Building in Juneau. The Historical Collection is available 1–5 p.m. Monday through Friday (907-465-2927).



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