



# MEDIA RELEASE

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**DIVISION OF** Geological & Geophysical Surveys

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### **MINERAL INDUSTRY BREAKS RECORD WITH \$4 BILLION VALUE** **Increased production for all commodities but coal and rock; zinc contributes most to total**

Special Report 62, *Alaska's Mineral Industry 2007*, was released today by the Division of Geological & Geophysical Surveys (DGGS) and the Office of Economic Development. The 89-page booklet is an annual report on the state of the minerals industry in Alaska and contains the largest published collection of statistics on Alaska's minerals industry. The highlight of this year's report is that the total value of Alaska's mineral industry in 2007 set a new record of approximately \$4 billion, up 13.3 percent from the 2006 level. The total value combines exploration and development expenditures with production value. Additionally, minerals industry employment increased by 35 jobs to 3,558 full-time-equivalent positions—the highest number of jobs over the past decade. Alaskan metal miners made an average weekly wage of \$1,578 during 2007.

Exploration expenditures in Alaska during 2007 reached \$329.1 million, 84 percent higher than the \$178.9 million spent on exploration in 2006. At least 33 projects had expenditures of \$1 million or more and 85 projects had exploration expenditures in excess of \$100,000. Companies explored for a wide variety of mineral deposits; copper-gold porphyry systems (grouped with polymetallic deposits) were the major exploration target in 2007. The Pebble copper-gold-molybdenum project was the largest exploration project in Alaska during 2007. Barrick Gold had the largest exploration drill program in Alaska with more than 230,000 feet of core drilling on the Donlin Creek gold property.

Mineral development projects were spread across the state, with total development expenditures of \$318.8 million, 35.7 percent less than the record 2006 value of \$495.7 million. Permits were received for the Walter Valley heap leach facility, a major expansion at the Fort Knox gold mine.

The mineral production value of \$3.367 billion eclipsed all previous years on record—metals accounted for 95 percent of that value. Production volumes were up for all commodities except coal and rock. Continued strong metal prices also contributed to record production values for Alaska's minerals.

The State of Alaska and municipalities received a total of \$142.4 million in royalty and tax payments from the mineral industry in 2007. These payments were almost \$30 million less than the 2006 payments, but were still the second highest on record. Mining companies were the largest taxpayers in the City and Borough of Juneau and the Fairbanks North Star, Denali, and Northwest Arctic boroughs, contributing total payments of almost \$16 million. Red Dog Mine paid the Alaska Industrial Development & Export Authority annual user fees of \$17.7 million for use of the State-owned DeLong

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Mountain Regional Transportation System. Teck Cominco Ltd. paid NANA Regional Corp. \$58.1 million in FY07 as a net smelter royalty, nearly double the FY 2006 payment of \$29.7 million.

Alaska's mineral exports topped \$1.3 billion in 2007, a 10 percent increase from 2006 and another new record. Zinc ore was the highest value commodity exported from the state.

Hard-rock (lode) gold production increased from 509,747 ounces in 2006 to 673,084 ounces in 2007. The increase in hard-rock production primarily reflects a higher output from Pogo Mine and some production from Nixon Fork Mine. Placer gold production decreased from 60,382 ounces in 2006 to 53,849 ounces in 2007. Rapidly increasing operating costs have had a negative effect on operations. However, recreational placer mining continues to increase with the improved gold prices, with 1,882 ounces produced in 2007 compared to 1,133 ounces for 2006.

Sales of sand and gravel in 2007 totaled 14.2 million tons, up slightly from 14.0 million tons in 2006. Rock production was 2.2 million tons, down from 2.4 million tons in 2006. Coal production was 1,273,004 tons, down from 1,397,500 tons in 2006.

Geologists from the Alaska Division of Geological & Geophysical Surveys (DGGS) mapped and sampled in the northeastern Fairbanks mining district and along part of the Alaska Highway portion of the proposed gas pipeline corridor between Delta Junction and Dot Lake.

The State of Alaska, through DGGS, also funded and acquired airborne magnetic and electromagnetic geophysical surveys for 180 square miles of the Styx River survey area in the northeastern Lime Hills and northwestern Tyonek quadrangles. DGGS released airborne magnetic and electromagnetic geophysical survey data for 613 square miles of the eastern Bonniel district. DGGS acquired additional airborne magnetic and electromagnetic geophysical data, with funding from the U.S. Bureau of Land Management, for a 250-square-mile area of the western Fortymile mining district.

Sherwood Copper Corp. signed an agreement with Alaska Industrial Development & Export Authority (AIDEA) to use the Skagway ore terminal for copper-gold ore concentrates from its Minto Mine in the Yukon Territory, Canada. The ore terminal began receiving truckloads of high-grade concentrates in July.

Special Report 62, *Alaska's Mineral Industry 2007*, is available in Adobe Acrobat PDF format from the Division of Geological & Geophysical Surveys' website (<http://www.dggs.dnr.state.ak.us>), on mini CD-ROM, or in printed version from DGGS at 3354 College Road, Fairbanks, Alaska 99709-3707 (phone 907-451-5020). The 89-page free booklet is also available from the Department of Natural Resources' Public Information Center, 550 West 7th Avenue, Suite 1260, Anchorage, Alaska (907-269-8400) and from the Department of Commerce, Community & Economic Development's Office of Economic Development in Fairbanks and Anchorage. Mail orders should be sent to the Fairbanks DGGS office (fax 907-451-5050).

The report will be available for inspection beginning November 24, 2008, 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 from 1 to 5 p.m. Monday through Friday (907-465-2927).

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