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GEOLOGICAL SURVEY**

Territory of Alaska  
Department of Mines

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T D M BULLETIN

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MINING ACTIVITIES

FIRST DIVISION - Development of the well-known Klukwan iron ore deposit near Haines is a step nearer as a result of an agreement finally reached between the Klukwan Indian village and the Klukwan Iron Ore Corporation, a subsidiary of Quebec Metallurgical Industries, Ltd., of Toronto. The stumbling block has been a 320-acre administrative site set aside by the Government which the village did not, until recently, wish to lease to the company. Carl Heimiller of Port Chilkoot and Phil Holdsworth, Commissioner of Mines, assisted in the negotiations. The next step is for the interested parties to have the administrative site abolished and added to the Indian village reserve by Congressional action.

The Yakobi Island nickel claims are again involved in a lawsuit in the District court in Juneau. In the first case, S. H. P. Vevelstad, holder of the claims for many years in the past, and E. Miles Flynn, mining engineer from Toronto, contested each other's right to the ground, and the case was decided in favor of Flynn. The San Francisco Appellate Court upheld the decision. Now, Carl Vevelstad, brother of S.H.P., has staked the ground and has filed suit to have Flynn's claims set aside, contending that Flynn's staking in 1952 was improperly done. Suit is also filed to quiet title on claims staked there in 1954 by E. R. Harrigan, an associate of Flynn's.

A few uranium claims have been staked in the vicinity of Skagway. The TDM investigated, but found snow conditions such that no evaluations can be made for at least two more months.

Stockholders of the Alaska Juneau Gold Mining Co. will vote on May 22 on proposals to increase authorized capital stock from 1-1/2 to 10 million shares and change the par value from \$10 to \$1.50. The proposed changes would make 8,500,000 shares available for acquisition of new property.

THIRD DIVISION - The new Slate Creek placer operation mentioned in last month's bulletin is that of Hobb Enterprises, Inc., of Spenard. The equipment taken in to the property consists of 3 D-8's and a dragline in addition to the necessary supplies, etc.

Joe Columbo and Minor Rupp of Anchorage are moving mechanical equipment in on Valdez Creek to start a new operation there.

Reports are that several other new outfits will be trying their hand on placer ventures this year.

### COAL NEWS

Coal contracts for delivery to Fort Richardson and Elmendorf Air Force Base during the year following July 1 have been awarded as follows: Evans Jones Coal Co., 170,700 tons, \$2,150,800; Usibelli Coal Mine, Inc., 45,000 tons, \$295,650; Mrak Coal Co., 30,000 tons, \$301,200; and Suntrana Mining Co., 50,000 tons, \$341,700.

Charles E. Walker of Washington, D.C., has petitioned for a coal prospecting permit covering 2000 acres near Kushtaka Lake in the Bering River Coal Field.

### OIL NEWS

Colorado Oil and Gas Co. of Denver has purchased leases of the Yakutat Development Co. along the Gulf of Alaska coast between Cape Fairweather and Icy Bay. The original leaseholders are citizens of Anchorage, Fairbanks, Juneau, Seattle & Tacoma. An operating agreement with the Department of the Interior is expected to be signed by May 1. The area concerned is just southeast of where Phillips Petroleum is now drilling.

Notice has been received that the Interstate Oil Compact Commission has decided to hold their June 1957 convention at Yellowstone Park, Wyoming, rather than in Alaska as was tentatively planned. It is believed the IOCC felt that too much time was required for the trip to and from the Territory.

### MORE ON AIRBORNE RADIOACTIVE SEARCHING

The March issue of Mining Engineering magazine has an article on airborne radioactive work by T. M. Rizzi, a Homestake geologist, written on his findings after extensive experience. Alaskan pilots and others interested would probably learn a thing or two if they would look up an AIME member and borrow the magazine. At any rate, it is always well for one to refresh his mind once in a while from different points of view.

In his work, Mr. Rizzi used a scintillator with a lead shield around the sensitive part of the instrument to make it directional and eliminate much of the cosmic ray activity. The shield was so arranged that the instrument could be raised or lowered within it in order to limit the detection to a narrow angle or allow it to detect over a wide area. In this manner, the topographic conditions were dealt with as they changed. To be on the safe side, Homestake investigates on the ground all anomalies of at least twice background that can be repeated in the air, but usually only anomalies of four times background prove out to be of real interest.

Mr. Rizzi's article deals with anomalies from various sizes of outcrops at various altitudes, the choice of scales to use, etc. He concludes with a point that the TDM has made or tried to make, several times: "Air-borne prospecting can only be considered in its positive aspect---failure to discover mineralization does not eliminate an area from investigation by other methods."

## PUBLIC LAW 359

It has been called to our attention by the Bureau of Land Management that certain points should be made clear on the new mining law which opens reserved power sites to mineral entry under certain conditions. Public Law 359 did not automatically validate mining claims located on power site lands which had been withdrawn prior to the Act. It is necessary to make new locations in order to validate such claims.

There is a requirement in the Act that mining locations made before the Act on power sites be recorded in the Land Office within one year of the date of the Act--August 11, 1955. This requirement also relates to those locations which were made prior to the time when the lands were withdrawn for power purposes or after they were restored to location subject to Section 24 of the Federal Water Power Act. For claims located after the date of the Act, the recording must be made with the Land Office within 60 days after location. For further information, see the January TDM Bulletin or the nearest Land Office.

## NEW PLACER DRILL IDEA

On page 110 of the April Engineering and Mining Journal is illustrated a scheme for quicker "fishing" of broken churn drill bits. Two flat iron straps, 1/4x1-1/2 inch, are welded across the water course or groove on each side of the bit about 1/3 and 2/3 up the bit from the face. When the bit breaks, hooks on the sand line will engage the straps with comparative ease. The straps will not interfere with the drilling in any way.

## CANADIAN MINING PROSPERITY

Canada is looking forward to her biggest mining year yet in a period that is already one of boom proportions. To quote an editorial from the Western Miner and Oil Review ".....There is every indication that mining activity in 1956 will far surpass the exceptional achievements of last year....From the maritimes to the Pacific Coast and throughout all of the Canadian north, prospecting, developing and production are already at new record levels, and the "season" is just starting.. ..During the past few months the supply of venture capital made available for resource development in Canada, as far as can be determined, has been greater than at any similar period in our history..."

Claim staking in British Columbia alone reached a total of 12,000 claims last year, the highest point since Cariboo gold rush of 1935, and over twice that staked in 1954. Most of the claims have been for copper.

We have noted in one of the newspapers a violent criticism by a private citizen of the section in the proposed State of Alaska Constitution which will allow exclusive prospecting permits to be granted by the Legislature for certain areas under certain conditions. Some of the provinces in Canada have similar arrangements, and this is the type of thing that helps to attract the venture capital that is necessary for mining development. B. C. is one of the provinces in this category, and it can be seen from the above claim staking statistics that the exclusive prospecting feature has not deterred staking of claims by individual prospectors. The provision can only help the Alaskan mining industry. It certainly can't hurt it.

## MISCELLANEOUS

The Aluminum Company of America has announced that they have abandoned plans for the industrial establishment which it announced in 1952 it would build near Skagway. Canadian authorities refused permission to divert the Yukon River water which was to furnish the power, but Alcoa remained hopeful for the project until now.

The Bureau of Land Management and the USGS have embarked on a cooperative project whereby a series of mile-to-the-inch maps covering Alaska will be made which will show patented mining claims and homesteads, withdrawn lands, surveyed lands, and mineral leases. These maps will be made readily available to the public by means of master films from which prints can be quickly made. The first maps should be out by 1958 and 1962 should see the project completed, it is estimated.

A 1048-page encyclopedia "Mineral Facts and Problems" containing a chapter on each of 85 minerals has been published by the U.S. Bureau of Mines. It is a thorough report on mineral resources. Bureau of Mines Bulletin 556, entitled as above, can be obtained only from the Superintendent of Documents, Government Printing Office, Washington 25, D.C. for \$5.75 a copy. Individual chapters are available at prices from 5¢ to 40¢ each.

Hearings are now being held in Congress on a large number of bills which have been introduced to extend the purchasing programs of strategic minerals.

Several identical bills have been introduced in Congress to provide that withdrawals for defense purposes of more than 5,000 acres of public lands would not become effective until approved by an Act of Congress.

### E. AND M. J. METAL MARKET PRICES

	<u>Apr. 26</u> <u>1956</u>	<u>Month</u> <u>Ago.</u>	<u>Year</u> <u>Ago.</u>
Copper, per lb.	45.9¢	46.4¢	35.7¢
Lead, per lb.	16¢	16¢	15¢
Zinc, per lb.	13-1/2¢	13-1/2¢	12¢
Tin, per lb.	98.7¢	\$1.00	91-1/2¢
Quicksilver, per flask	\$268-270	\$258-261	\$315-318
Silver, foreign, New York	90.9¢	91-1/8¢	87¢
Silver, domestic, per oz.	90-1/2¢	90-1/2¢	90-1/2¢
Platinum, per oz.	\$97-110	\$97-111	\$76-79
Nickel, per lb.	64-1/2¢	64-1/2¢	64-1/2¢
Molybdenum, per lb. in conc.	\$1.10	\$1.10	\$1.01
Tungsten ore, per unit	\$63.00	\$63.00	\$63.00
Titanium ore (Ilmenite)			
per ton	\$26.25	\$26.25	\$18-20
*Chrome ore (48%, 3 to 1 ratio)			
per ton	\$115	\$115	\$115
*GSA guaranteed stockpile price. Not quoted by <u>E&amp;MJ</u>			