

Territory of Alaska  
Department of Mines

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TDM BULLETIN

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### MINING ACTIVITIES

FIRST DIVISION - The biggest news in Alaskan mining developments since the Ross-Adams uranium discovery in 1955 is the formal announcement that the same property will now be mined. We quote the press release from the Kendrick Bay Mining Co. under date of March 21, 1957:

"Kendrick Bay Mining Company will sell uranium ore from its deposit on Prince of Wales Island to the Dawn Mining Company at Ford, Washington, it was announced today by Frank Coolbaugh, President of Kendrick Bay. The Company has contracted with Tom Monk of Ketchikan to build a dock and a road to the ore-body near the west arm of Kendrick Bay. The Monk Construction Company will also be the prime contractor for mining ore and loading barges for shipment to the Puget Sound area. Operations are expected to begin by May 1st.

"The Dawn Mining Company, a subsidiary of Newmont Mining Corporation, is completing construction of a uranium mill at Ford, Washington and expects to begin the concentration of uranium ores by mid-summer. Most of the feed for this mill is expected to come from the several uranium deposits recently developed in eastern Washington by Dawn and other mining companies. The Kendrick Bay ore will be shipped by barge to Puget Sound and then hauled by rail and truck to Ford.

"Kendrick Bay Mining Company is owned by the Climax Molybdenum Company and the Ketchikan prospecting group, headed by Don Ross and Kelly Adams, that discovered the first commercial uranium deposit in Alaska early in the summer of 1955."

THIRD DIVISION - The newly-formed So Na Mining Company has purchased the placer mining machinery and supplies of the Collinsville Mine for a reported \$50,000. The Collinsville operation finally ran out of pay on Mills and Twin Creeks in the Talk-eetna area last year. So Na plans to move the dragline, washing plant, etc., to Pass Creek in the same district and be sluicing by mid-June. The new company is formed of Anchorage stockholders. They are reported to hold 18 claims on Pass Creek and 23 on Camp Creek.

FOURTH DIVISION - Ice cutting and other preparations for the season's dredging have once again commenced around the Fairbanks District U.S.S.R. & M. Co. camps. According to news items, Dredges 6 and 10 will be the first to get into operation.

### SPECIAL NOTICES

The Twenty-third Session of the Territorial Legislature is finishing up at the time of this writing. We hoped to give a full report on all completed legislation of interest to prospectors and miners, but several bills are not yet available in their final form and have not yet been signed by the Acting Governor. We plan to write up a special legislative bulletin as soon as all details are available. Look for it in about two weeks.

We wish to remind our readers once again of the U. S. Forest Service hearings at Juneau on April 10 concerning the proposed Tracy Arm-Fords Terror Wilderness Area. See our March Bulletin or write us for further details. Anyone interested in future developments in this area should most certainly appear at the hearing and present their views, or write a letter to be included in the record. Such letters should be addressed to Regional Forester P. D. Hanson, U.S. Forest Service, Juneau, Alaska.

Recently, we sent out form letters to most of the Territory's small mining operators for whom we have winter addresses, asking them to start sending us yearly accident and labor reports, and enclosing the necessary forms. We did not make it clear in our letter that the reporting need only start at the end of the 1957 season, and a number of operators have already answered with information for 1956. This is not necessary. Please hold the forms until the end of the coming season and then send them in to us.

#### OIL NEWS

Colorado Oil and Gas Corporation has landed drilling equipment at Yakutat and is now drilling near the Yakutat airport. A Long Beach, California drilling contractor is doing the work. Plans call for a second well to be started before next winter. Geophysical investigations were started only last year.

West of Yakutat along the Gulf shore, Phillips Petroleum has ceased drilling in the vicinity of Icy Bay. Their third hole has been plugged and abandoned at a depth of 12,054 feet. Phillips started drilling in the area in 1953, and has found numerous shows of oil, but announced that none were commercial. Although they have no further plans for the Icy Bay area, the company will maintain an office in Anchorage.

Richfield Oil Corp. plans to have drilling under way in April in the Swanson River area on the Kenai Peninsula. This operation will be very closely watched by several other companies who hold leases in the same area.

#### LAND MATTERS

The Engle Bill to require Congressional approval of military withdrawals of more than 5,000 acres has been approved by the House Interior Committee. It would also require military personnel to conform to State laws governing hunting and fishing.

Public opinion does help sometimes. In the face of public ire at the Army's request for training grounds along the Chena River road site in the Fourth Division, the Army has now announced that it is "looking over" other areas for its proposed new training grounds.

A press release from the Secretary of the Interior announces release of 4,440 acres in the immediate vicinity of Eielson Air Force Base near Fairbanks. March 23 was the date when applications for entry under public land laws became effective for veterans, and on June 22, nonveterans may apply. The land will be opened to mineral leasing and staking of mining claims at 10:00 A.M. on June 22, 1957. Inquiries should be addressed to the Manager, Land Office, Bureau of Land Management, Fairbanks, Alaska.

## MISCELLANEOUS

The U.S. Bureau of Mines has published a Report of Investigation on metallurgical work done on iron ores from the Kasaan Peninsula, Prince of Wales Island, Ketchikan District. The report indicated that good concentrates suitable for use in steel making can be obtained from the ores, and that although the known reserves of the individual deposits are relatively small, the combined reserves are substantial.

In Congress, the House deleted an appropriation for the continuing purchase of tungsten and the Senate has restored the money. Now the item is subject to a conference between the two houses. So, at the moment, whether or not the Government will continue to purchase tungsten is a good question.

One Congressional bill we are not sure we understand is H.R. 484, which would include under the term "mining" the transportation not in excess of 50 miles of mollusk, clam, or oyster shells from the point of extraction in the water to the dockside plant or sales point. Cordovans please note.

American investment capital in Canada now totals \$11,500,000,000. Of this, \$1,500,000,000 went into Canada in 1956. This is a rate of flow of \$4,100,000 per day of U.S. money into Canadian ventures, mostly mining.

We have a letter from a man in Idaho who wants to know what mining companies in Alaska might be in the market for horses or mules for packing supplies in and ore out from their mines.

Atlas Copco, the company which did a great deal of the pioneering of the light air-leg drifter drills, has now come out with the lightest gasoline jack hammer drill yet made. It weighs 53 pounds and will drill up to 26 feet per hour, according to the company. A newly-designed floatless carburetor will allow drilling in all positions from a straight down to 45 degrees upward. A drill steel sharpener is operated by a flexible shaft from the drill.

Probably the biggest private photogeologic project yet is Operation Overthrust by an undisclosed Canadian group. They will map some 357,000 square miles of the Canadian Shield on mile-to-the-inch photo mosaics. It will cost \$2,000,000 and will take 2-1/2 years. Available geologic information will be compiled and gaps filled in with photogeologic techniques and ground work. Aerial color photos will be taken of mineralized areas to determine if clues can be obtained that may guide the search in new districts.

The latest scheme to get us back to a gold economy is the L. Mills Beam plan. He advocates the mint returning the miner's newly mined gold to him in the form of half or one-ounce "coins" of pure gold and marked only with the gold content. The miner would then be allowed to trade or sell these "coins" on the free market as he sees fit. The Government, at the same time, would be prohibited from selling gold to private industry. It is expected by Mr. Beam that this plan would soon cause the price of gold to increase sharply. There appears to be little difference between the Beam plan and various bills before Congress calling for the free circulation of newly mined gold plus the stoppage of Treasury sales to industry. However, as one author says, "Any bill drafted to put the Beam plan into operation will meet the same resistance and will gather the same dust in the House and Senate Banking

and Currency Committees as all other bills aimed at restoring gold to free circulation, free coinage and free sale are doomed to collect."

TDM COAL REPORT

A brief report on a known coal bed in the Beluga field and some observations on other coal outcrops, both within and without the Cook Inlet Bombing and Gunnery Range west of Anchorage, was recently released by this Department. The title of the report is Beluga River Coal Field by Phil R. Holdsworth, and copies are available for public inspection and study at the following TDM offices: Alaska Office Building, Juneau; 329 Second Avenue, Anchorage; Mines Building, College; and 314 Main Street, Ketchikan.

Some pertinent points from the report are as follows: The coal bed that was examined is traceable for about 3,000 feet and where sampled is 30 feet thick with a dip of 7°. Properly planned strip mining of this bed, taking into consideration the stripping limits for 30 feet of coal and providing proper drainage, indicates 100 acres of strippable coal or approximately 4-1/2 million tons in this block. Drilling may prove up considerably more tonnage. If a coal-burning generating plant in the 100,000 KW class were to be built at the site and transmission lines constructed to Anchorage, it is believed that electrical energy could be furnished to the Anchorage area for seven mills per KWH.

E. AND M. J. METAL MARKET PRICES

	<u>Mar. 21</u> <u>1957</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	31.5¢	32.3¢	46.4¢
Lead, per lb.	16¢	16¢	16¢
Zinc, per lb.	13-1/2¢	13-1/2¢	13-1/2¢
Tin, per lb.	99-3/4¢	99-1/4¢	100¢
Quicksilver, per flask	\$255-257	\$255-257	\$258-261
Silver, foreign, New York	91-3/8¢	91-3/8¢	91-1/8¢
Silver, domestic, per oz.	90-1/2¢	90-1/2¢	90-1/2¢
Nickel, per lb.	74¢	74¢	64-1/2¢
Molybdenum, per lb, in con.	\$1.18	\$1.18	\$1.10
Platinum, per oz.	\$92-95	\$96-101	\$97-111
Tungsten ore, per unit	\$55.00	\$55.00	\$63.00
Titanium ore (Ilmenite) per ton	\$26.25-30.00	\$26.25-30.00	\$26.25
*Chrome ore (48%, 3 to 1 ratio) per ton	\$115.00	\$115.00	\$115.00

\*GSA guaranteed stockpile price. Not quoted by E. & M. J.