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Territory of Alaska
Department of Mines

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TDM BULLETIN

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MINING ACTIVITIES

FIRST DIVISION - W. S. Pekovich of Admiralty Alaska Gold Mining Co. has announced an accelerated exploration program at the Funter Bay nickel-copper lode to be started when new equipment arrives and the required labor is available. Now on order are two battery locomotives, two mucking machines, ten 2-ton cars, compressors, and other necessary items. Negotiations are in progress with two exploration firms to furnish crews for the work. A minimum of 4000 feet of drifting is to be done in extending an existing drift at the 200-foot elevation and driving a new drift at the 1000-foot elevation. Exploration done to date has been at the 1425 and 1700-foot elevations. Both of the proposed openings are expected to intersect the ore body. Mr. Pekovich states that this new program is definitely looking toward actual production. Diamond drilling will continue.

The Alaska Juneau Gold Mining Co. stockholders' fight resulted in electing to the board a majority membership of men who have been critical of the company's apparent lack of aggressiveness. What this new administration will mean to Alaskan activities is not yet known.

SECOND DIVISION - The U.S.S.R. & M. Co. has brought in a construction crew of 70 men from the Yuba Consolidated Co. to rebuild the dredge that capsized in the spring of 1953.

OIL NEWS

Colorado Oil and Gas Co. has moved men and equipment into the area near Yakutat to start large-scale exploration work on the Yakutat Development Co. leases.

More claims have been recently filed for leases in the Kateel River area, bringing the total acreage leased in that area by various concerns to 600,000 acres. The Kateel drains into the lower Koyukuk River from the west.

MORE ON PUBLIC LAW 167

We reported last month on the Arizona Small Mine Operators Association protesting an apparent severe intent of the Forest Service in administering the new law concerning surface rights on mining claims. The FS answered the ASMOA charges with a letter assuring them that the FS will comply with the spirit as well as with the letter of the law in determining the surface rights of mining claimants. To quote a few passages from the FS letter: "In the processing of areas under the new law, the FS will proceed in a cooperative fashion and wholly in line with the intent of the Act."....."The general area being processed will be advertised in newspapers having general circulation in the county wherein the lands are located and, as required by law, persons in actual possession or working the land whose names and addresses can be ascertained will be notified personally or by registered mail. This procedure will afford ample opportunity to all claimants to file verified

statements pertaining to their claims. The status of valid claims will remain unchanged."....."Claims for which the owner's asserted rights have not been found upon hearing pursuant to Section 5 of the Act to be valid and effective, and claims for which the owner has not filed a verified statement pursuant to this section, will become subject to the provisions of Section 4 of the Act. This does not affect mining rights, but permits the land administering agencies to use the surface in accordance with the provisions of Section 4."

In discussing this matter and pending action with the local Bureau of Land Management and FS officials, we learn that they also intend to be cooperative with claim holders, and they have assured the TDM that all claimants will be dealt with fairly. We are glad to learn of this attitude. However, it is a matter that claim holders must watch carefully, particularly those who have claims staked prior to July 23, 1955 in Tongass National Forest.

The first thing that claimants should do for protection of their surface rights on claims staked prior to July 23, 1955 is file in their appropriate recording office their "request for copy of notice." Then the BLM must send notices directly to persons requesting same of determinations to be made of surface rights in his area. Otherwise, the claimant might miss the conventional legal notice in the newspaper and not know of the impending hearing until too late to file the verified statement mentioned in the first paragraph, thereby losing his surface rights without recourse.

The Arizona Small Mine Operators Association prepared an excellent notice to claim holders explaining the actions to be taken under Public Law 167. We have made a few hundred copies of this notice for free distribution to all who are interested. Just ask us for Application of Public Law 167, and it will be sent promptly. In considering the ASMOA statement, the sentence in the center of page two on mailing notices to those requesting them is misleading for Alaska. BLM officials (who are responsible for the sending of notices) have definitely stated to the TDM that requested notices will be sent by registered mail with return receipt requested so that there will be positive evidence that the claimant has or has not received the notice.

CANADA RELAXES AIR-BORNE RESTRICTION

Until lately, Canadian regulations prohibiting use of any type of recording instrument in American-registered aircraft have been strictly enforced. Recent correspondence received by the TDM indicates that these regulations are being changed. The correspondence is a letter granting permission to an Alaskan "to carry and use in your aircraft a scintillation counter or other like equipment in Canada for private purposes." Two specific regulations to be followed were called to the recipient's attention: (1) only Canadian aircraft may operate commercially wholly within Canada, and (2) taking photographs from other than a Canadian plane is prohibited.

QUOTED FROM "NATURAL RESOURCES NOTES"

FROM CLAIM TO MINE - 50 YEARS - Those who believe that mining claims on federal lands should be extinguished if no development has taken place after a short period of years should consider the record of the San Manuel copper mine in Arizona which got into production in January 1956. Some of the original claims in the San Manuel group were located in 1906. At least two exploratory holes were drilled in 1917,

but copper content was not sufficient to encourage further exploration at that time. The U.S. Bureau of Mines, in its search for strategic minerals in 1944, drilled 17 holes for a total of 15,844 ft. The showings were sufficient to encourage Magma Copper Co. to buy the property.

By early 1948 Magma had drilled a total of 205,536 ft. of holes and proved an ore reserve of 479.5 million tons averaging 0.769% copper. Underground exploration and development were started in March 1948 and continuously prosecuted until five shafts had been sunk and 20 miles of underground haulage ways completed. In July 1952 the Reconstruction Finance Corporation authorized a loan of \$94 million for mine development and plant construction. The surface plant, including concentrator, smelter, railroads, and auxiliaries, was started early in 1953 and completed by the end of 1955. Total mine cost is over \$126 million. The mine has a daily capacity of 36,000 tons of ore. The concentrator has a capacity of 30,000 tons a day and produces a 90% molybdenum sulphate concentrate which is sold and a 28% copper concentrate which is smelted into copper blister before shipment to an electrolytic refinery.

The entire operation will add 70,000 tons of metallic copper and 3,000 tons of molybdenum concentrates a year to the nation's supply. The company will employ 2,000 men with an annual payroll of \$11 million.

NEWS FROM AMERICAN MINING CONGRESS BULLETINS

NEW URANIUM MINE PROGRAM - The U.S. Atomic Energy Commission on May 24 announced establishment of a new domestic uranium procurement program for the period from April 1, 1962 (when the current program will expire) through December 31, 1966, and an extension of the initial production bonus for uranium ores from February 28, 1957 to March 31, 1960. The new program provides a guaranteed market for all uranium concentrates produced by domestic mills from domestic ores, subject to a limitation at the Commission's option of 500 tons of U_3O_8 per year for any one mining property or mining operation, and to compliance with AEC specifications. The price will be \$8.00 per pound of U_3O_8 contained in normal mill concentrates or mill precipitates, which is somewhat less than present prices.

Gradual transition from the Government-controlled uranium market to a commercial market is expected to take place as industrial demand for uranium develops, the AEC believes, and under the new program producers will be able to sell to licensed domestic commercial users in addition to AEC. Uranium concentrate producers desiring to sell to AEC will be required, under the new program, to enter into contracts specifying the period of delivery, quantity to be delivered, rate of delivery, place of delivery, and type of packaging, and containing other standard clauses of commercial-type contracts. AEC may limit the purchase of concentrates derived from any one mining property or mining operation to 500 tons of U_3O_8 per year. If additional quantities are purchased, such purchases may be at prices lower than \$8.00 per pound.

The initial production bonus, in effect since 1951, is paid on the first 10,000 pounds of uranium oxide in ore delivered from an eligible mining property to an authorized buying station or mill. The bonus ranges from \$1.50 per contained pound in ore assaying 0.10 percent uranium oxide, to \$3.50 per contained pound in ore assaying 0.20 percent or more uranium oxide. Purpose of the bonus is to encourage prospecting and exploration and to give financial assistance to the prospector and miner during the early stages of development and mining.

NO PISTOLS IN CANADA

A recent news item tells us that the RCMP are refusing to issue permits this year to prospectors, geologists, and mining engineers to carry revolvers when in the bush for protection and survival. Although the permits have been issued in the past, the RCMP is quoted as stating that permits for concealable weapons are covered by the criminal code, which does not cover mining men, and that there may have been "too liberal" interpretation of the code in the past. Well, anyhow, we are glad to know that mining men are not classed with criminals. Also, we invite any Canadian prospectors wishing to carry revolvers to do their prospecting on this side of the line, where permits are not necessary so long as the weapon is carried so that it is not concealed.

E. AND M. J. METAL MARKET PRICES

	<u>June 21</u> <u>1956</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	45.0¢	45.6¢	35.7¢
Lead, per lb.	16¢	16¢	15¢
Zinc, per lb.	13-1/2¢	13-1/2¢	12-1/2¢
Tin, per lb.	94.8¢	97-1/2¢	94-1/2¢
Quicksilver, per flask	\$257-259	\$264-266	\$281-283
Silver, foreign, New York	90.3¢	90.8¢	89-1/4¢
Platinum, per oz.	\$103-110	\$103-110	\$78-80
Nickel, per lb.	64-1/2¢	64-1/2¢	64-1/2¢
Molybdenum, per lb. in conc.	\$1.10	\$1.10	\$1.05
Tungsten ore, per unit	\$63.00	\$63.00	\$63.00
Titanium ore (Ilmenite)			
per ton	\$26.25	\$26.25	\$20
*Chrome ore (48%, 3 to 1 ratio)			
per ton	\$115	\$115	\$115
*GSA guaranteed stockpile price. Not quoted by E & MJ			

MISCELLANEOUS

Once again a bill has been introduced in Congress to change the assessment work date, but as usual, it will not pass. Nearly every year a similar bill is introduced and fails to pass, but it seems to keep a lot of people confused. The end of the assessment work year is still July 1 at noon.

The geophysical claim location bill reported on last month has been rejected by the Public Lands Committee of the American Mining Congress as unworkable. They concede that there is a problem that will grow worse, but they feel that S. 3484 is not the proper solution since it contains many provisions that vary greatly from existing mining law. With objections from a respected body like the AMC, the bill hardly stands a chance.

We have learned only lately that a bill was introduced in Congress some months ago to establish a National Wilderness Preservation System. This would exclude all mining, oil and gas leasing, lumbering, transportation, and other forms of commercial activities from all national parks and monuments, wilderness areas, and roadless areas on Indian reservations. Present status of this bill is unknown.