

Mining Works for Southeast Alaska

Southeast Conference Mid-Session Summit
March 10, 2011



Council of
Alaska Producers

Mining Works for Alaska – 2010

- ▶ Six producing mines
- ▶ 24 exploration projects >\$1 M
- ▶ 3,500 direct mining jobs
- ▶ \$95,000 average annual wage
- ▶ \$13 Million in local government revenue
- ▶ \$58.9 Million in State Government Revenue
- ▶ \$145.9 Million in Alaska Native Corp Payments



Mining Activity in Alaska

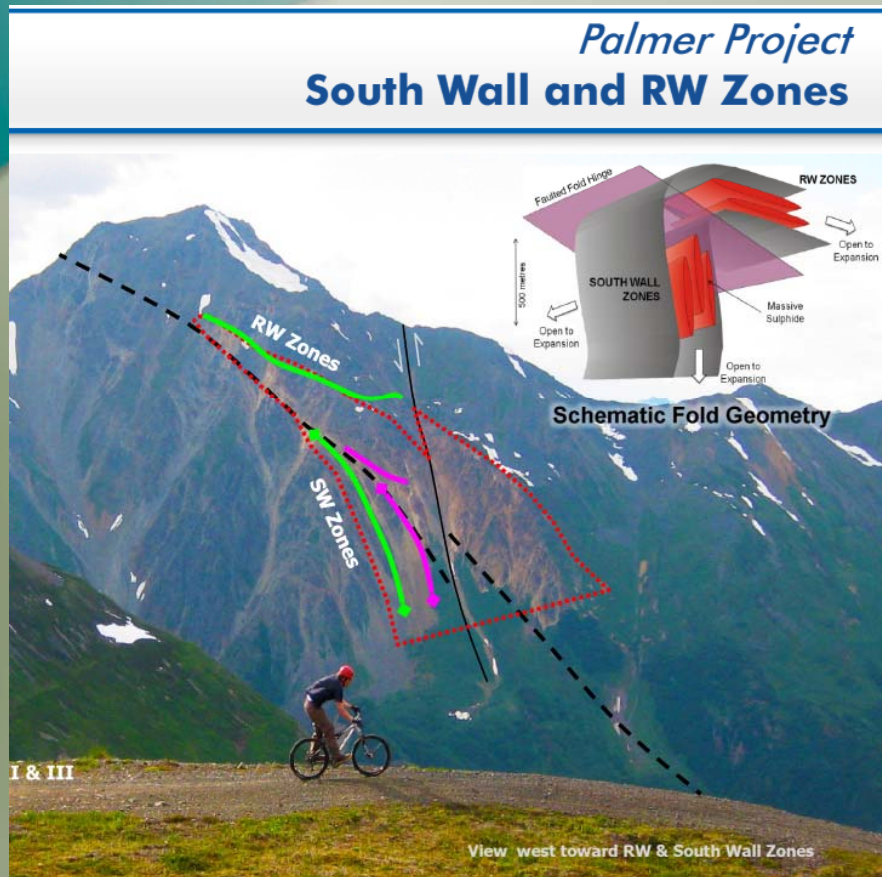


- Community with Mining Industry Employees
- ▲ Producing Mine
- Development Project (not in operation)
- Advanced Exploration Project

 Mining companies employ Alaska residents from more than 120 Alaska communities, and purchase supplies and services from hundreds of Alaska businesses.



Palmer Prospect – Constantine Metals



- Discovered in 1969
- Significant work since 2007
- Polymetallic massive sulfide
- ~12,000' of drilling in 2010
- On-going baseline studies

Bokan Mountain – Ucore Rare Metals



- Site of Ross Adams Mine
 - 1957–1971
 - 1.3M lbs U_3O_8
- Largest rare earth occurrence in United States (USGS, 1989)
- Global strategic importance
- Dysprosium, Terbium, Yttrium

Niblack – Heatherdale Resources



- Copper, gold, zinc, silver
- Significant increase to resources just announced
- 3,300' of UG Development
 - Year-round exploration
- Preliminary economic assessment commencing
- Community engagement



Kensington Gold Mine – Open for Business!



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Kensington Gold Mine Facts



- Started operations July 2010
- Average production 125,000 oz. gold per year
- Ongoing Exploration



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Kensington Economic Impacts

- 200 employees; 170 indirect jobs
- \$25M in direct and indirect annual payroll
- Second largest Juneau employer in terms of payroll
- \$9.3 million annual purchases of local goods and services
- Several million in local tax revenues



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Hecla Greens Creek Mine



- High-grade polymetallic orebody
 - Silver, zinc, lead and gold

- UG mine with surface concentrator
 - (2,250 tpd)

- Producing three concentrates
 - Zinc, lead and bulk

- 20 years of production
 - Current 10 year mine life



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Hecla Greens Creek Mine



- 340 Employees
 - 530 total direct and in-direct jobs
- Largest private employer in Juneau
- >\$42M in pay and benefits
- \$111M spend in 2010
 - operating, capital and exploration
- CBJ Property Taxes of >\$1.4M
- Alaska Mining License Tax of >\$9M



Hecla Greens Creek Mine



- NEPA process initiated to add ~30–50 years of tails storage capacity
- Proposal will expand the site by ~200 acres
- Construction to start in 2012 pending permitting

Mining Works for SE Alaska – 2010

- ▶ Two producing mines
- ▶ 3 exploration projects > \$1 M
- ▶ ~600 direct mining jobs
- ▶ > \$90,000 average annual wage
- ▶ > \$1.7 in local government revenue
- ▶ > \$9 Million in state government revenue
- ▶ > \$20 Million in local goods and services



Looking to the Future

- ▶ SE Alaska offers many challenges
- ▶ SE Alaska has strategic importance in the global economy
- ▶ SE Alaska is a model of responsible resource development



Looking to the Future



- ▶ Mining is an integral part of our economy
- ▶ Mining will continue to work for SE Alaska



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