

Territory of Alaska
Department of Mines

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TDM BULLETIN

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MINING ACTIVITIES

FIRST DIVISION - Surface exploration of the uranium deposits on Prince of Wales Island has been suspended for the winter.

Quebec Metallurgical Industries and Columbia Iron Mining Company operated a small concentrating plant on the Klukwan alluvial iron deposit this past summer and have shipped 1500 tons of concentrates to steel smelters for metallurgical testing. The future of this huge iron deposit depends on action by the Interior Department in (1) approving proposed lease terms on two Indian Allotments; (2) granting the Chilkat Indian Village authority to manage its own land, which would allow leasing of the unused portion of the village reservation; and (3) recommending that Congress add an adjoining Administrative Site to the village reservation for management under the Chilkat Village's charter.

THIRD DIVISION - An early fall of snow and freezing weather prevented Kenai Chrome Company from trucking sufficient ore to their mill site on Jakolof Bay to justify completion and winter operation of their new concentrating plant.

OIL NEWS

Colorado Oil and Gas has completed a 5-month geological mapping program with helicopter support, which included seismic, gravimetric and surface reconnaissance surveys. This aggressive program, using ordinary methods, would normally take five field seasons. Colorado has announced the selection of a drilling site and propose to "spud-in" the new test sometime in February.

Another large group of lease applications covering 599,040 acres of possible oil lands in the Koyukuk Basin, believed to be the largest single filing in Alaska's history, have been placed with the Bureau of Land Management in Fairbanks, accompanied by \$152,570 in fees. This is in addition to nearly one million acres already under lease application in this same area.

TDM ON LAND WITHDRAWALS

In connection with a statement in a local paper that a ".....proposed withdrawal had the concurrence of the Territorial Commissioner of Mines.....", the TDM wishes to again go on record as opposed to the withdrawal of known mineralized areas, whether for military, wilderness, or wildlife conservation purposes, unless a "dual-purpose" use is specifically stated in the withdrawal order; or it can be shown that the exclusion of mineral entry is in the best interest of the Territory economically.

NEWS FROM AMERICAN MINING CONGRESS BULLETIN

The American Mining Congress has notified the Securities and Exchange Commission of its opposition to the proposed revision of Rule 133 under the Securities Act of 1933, which would require any corporation, whether or not listed on a national securities exchange, to file with and obtain SEC approval of a prospectus, prior to soliciting the consent of stockholders to merge, consolidate, reclassify its securities, or transfer its assets; the prospectus would have to accompany the letter of solicitation.

The Mining Congress pointed out that "New discoveries of strategic and critical minerals are more often than not made by small groups of individuals who attempt to develop their discoveries through small, closely held corporations whose securities are unlisted. If the discovery proves to be of consequence, the capital needs of the enterprise are generally greater than the resources of those who made the discovery. Usually, the only way the necessary additional capital can be obtained is through merger, consolidation, or the sale of assets to a larger corporation which has the needed funds. These transactions are carried out upon the basis of arm's-length bargaining, and frequently must be consummated without delay. We think that the impact of the proposed revision of Rule 133 would seriously impede such transactions, and would be harmful to the national interest in the development of our natural resources."

The TDM is in full accord with this opposition to SEC's proposed revision of Rule 133, and wishes to point out how well the above reasoning fits the pattern of actual conditions in Alaska today.

TDM PERSONNEL

It is with deep regret that we announce Art Glover's desire to leave Alaska after seventeen years of continuous service with the Department. Art joined the TDM as Assayer at the College station in 1940 serving effectively at that office until 1950 when he was transferred to Ketchikan. He has been serving with distinction at this station since that time, and has been largely responsible for direction of the successful exploration conducted by local prospectors throughout Southeastern Alaska in recent years. He will be missed by all who know him, and it is with apprehension that we attempt to find someone who can begin to "fill his shoes." Art plans to leave the Territory as soon as he can dispose of his personal property and a replacement for the Ketchikan station is available.

We have been receiving many applications for the position open at our Nome station, and feel confident that our staff will be "rounded out" come spring.

STATUS OF TDM ASSAY OFFICES

This Department presently owns the property and buildings at the Anchorage and Nome stations. The property and building being used at Ketchikan belong to that city, and the City Council proposes to dispose of this facility early in 1957. The College assay office is located in the basement of the old powerhouse building which is to be torn down in the near future.

In the appropriation request submitted to the Budget Director for the 1957-59 biennium, a construction appropriation of \$100,000 was requested to cover

replacement of these two offices. In keeping with the policy of cutting back department requests to previous levels, the Budget Director was compelled to cut this item out of his approved appropriation request for the TDM. If four offices are to be maintained, one in each judicial division as required by Section 47-3-131 of the Alaska Compiled Laws, some provision will have to be made in the 1957-59 appropriations for replacement of these two assay offices at College and Ketchikan.

MISCELLANEOUS

Western Canada Steel, Ltd., which currently produces steel billets from scrap, announces it has purchased a 140-acre site for half a million dollars in preparation for a steel smelter in the Vancouver area of British Columbia. The company will start immediate construction on a steel ingot plant to be followed by a smelter within the next five years. West Coast ores will be utilized and the use of electric smelting is proposed. (Owners of titaniferous iron ore deposits in Southeastern Alaska please note).

Mining claims are being staked in Alaska at the rate of 1800 per year as compared with more than 20,000 for British Columbia. A comparison of the incentives offered to industry in the two areas will explain the difference.

A fifty-one-man Federal survey party completed 28,500 square miles of geological mapping in northern British Columbia this past season. This was accomplished with the use of helicopters, and would have taken twenty years with the old method by horse, canoe and on foot. Preliminary geological maps, showing what minerals most likely will be found in specific sections of the Territory, will be available to prospectors and mining companies in the spring. Why not a program such as this for the mineralized areas of Alaska? The U. S. Geological Survey should be requested to undertake a similar program, and full support should be given a request for the necessary appropriations to be ear-marked for this purpose.

E. AND M. J. METAL MARKET PRICES

	<u>Dec. 20,</u> <u>1956</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	35.7¢	35.7¢	43.1¢
Lead, per lb.	16¢	16¢	15-1/2¢
Zinc, per lb.	13-1/2¢	13-1/2¢	13¢
Tin, per lb.	102-3/4¢	110-3/4¢	110¢
Quicksilver, per flask	\$255-257	\$255-257	\$280-284
Silver, foreign, New York	91-3/8¢	91-3/8¢	91-1/2¢
Silver, domestic, per oz.	90-1/2¢	90-1/2¢	90-1/2¢
Nickel, per lb.	74¢	64-1/2¢	64-1/2¢
Molybdenum, per lb. in con.	\$1.18	\$1.18	\$1.05
Platinum, per oz.	\$103-107	\$103-108	\$97-117
Tungsten ore, per unit	\$55.00	\$55.00	\$63.00
Titanium ore (Ilmenite) per ton	\$26.25-30.00	\$26.25-30.00	\$20.00
*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.			