

Alaska

Economic Issues of the Minerals Industry

Challenges to the Alaska Minerals Industry

- Fluctuations in gold and base metal prices.
- Economic decline; lack of funding.
- Competition with Canadian “flow-through” tax incentives.
- Infrastructure requirements (including power and roads).
- Shortage of skilled personnel.
- Shortage of trained mining engineers for development /operations.
- Shortage of experienced surface and underground miners.
- Negative public perceptions of the mining industry.

The Exploration Stage

Local Wealth Can be Created through:

- ✓ New resources
industry jobs
- ✓ Use of local
contractors
- ✓ Local provision of
lodging and
services
- ✓ Acquisition of local
supplies
- ✓ Tax revenue



Operating Mines

The Impact on Alaska

Red Dog - \$2,445 million in revenues.

Fort Knox - spends \$50 million annually on local goods and services and generates \$3.4 million in revenues to the Borough.

Greens Creek - largest private employer in Juneau with a payroll of \$28 million with 317 employees and a \$5.4 million indirect payroll.

Mining leads the list for the highest paid jobs in the State, averaging ~\$80,000/yr.

The Mining Industry

Being recognized as leaders in working with stakeholders on issues of sustainable development (Cominco, Placer Dome, Coeur Alaska).

Companies take a proactive approach to environmental issues.

Successful companies are developing and utilizing state of the art scientific and practical technologies.



Improving its Legacy!

The Mining Industry

Jobs and wealth to the community

There were 186,000 people employed in the U.S. mining industry in 2008 including coal ; rock, sand, and gravel; and metal mining (3,400 total in Alaska). (USGS, SOA)

Total value of production from coal, metal, and non-metal mines in the U.S. in 2008 - \$71 billion dollars (\$2.43 billion dollars in Alaska –3.4%). (USGS)

Sources:

National Mining Association. www.nma.org/pdf/m_number_operations.pdf

USGS. *USGS Mineral Commodity Summaries 2009* <http://minerals.usgs.gov/minerals/pubs/mcs>

Alaska Comparisons:

Alaska ranked 8th in the U.S. in total non-fuel mineral production value in 2008.

Of \$882 million spent in the U.S. on non-fuel exploration in 2008, \$347 million was spent in Alaska.

Prime for Discovery and Development:

Alaska has:

A healthy mineral
endowment!

A cooperative regulatory
environment!

A State government
supporting responsible mineral
development and providing
assistance through various
departments and incentives!



Used with permission, Courtesy of Alaska
Division of Tourism. Photo by Mark Wayne.

For more information on the Alaska Minerals Industry:

Commerce - OED/OMD

Rich Hughes
907-451-2738
Fairbanks

Lisa Harbo
907-451-2748
Fairbanks

DNR - DGGS

Dave Szumigala -
907-451-5025
Fairbanks

DNR - DMLW

Rick
Fredericksen -
907-269-8621
Anchorage

Alaska Miners Association

Steve Borell -
907-562-9229
Anchorage

<http://www.dggs.dnr.state.ak.us>

<http://www.commerce.state.ak.us/oed/minerals/mining.htm>

www.alaskaminers.org

www.dnr.state.ak.us/mlw/mining/index