Mining in Southeast Alaska

Southeast Conference FY10 Annual Meeting
Haines, Alaska
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- Historic Cu-Au-Ag-Zn property, SE Prince of Wales Island
- 2.5 million tonnes 1.2%Cu, 2.2%Zn, 2.3g/t Au, 33.2g/t Ag
- US$5.35 million exploration budget, ~25k feet of underground drilling
Niblack Project
Bokan Mountain (Ucore Uranium Inc.)
http://www.ucoreuranium.com/bokan.asp

- Includes historic Ross-Adams Mine, only prior U producer in AK
- U-Rare Earth property; USGS estimated +11 million pounds U3O8 in 1989
- Ucore drilled ~46 drill holes in ‘07 & ’08
Poorman (Eagle Industrial Minerals)

- Small, Magnetite (iron ore) open pit (proposed)
- Explored by U.S. Bureau of Mines & Utah Int’l
- Close to tidewater
- Salmon-bearing stream
- Mixed land status – patented, Sealaska-selected
Palmer Prospect (Constantine Metal Resources Ltd.)

- Cu-Zn-Ag-Au  Similar geology to Greens Creek
- Next to Canadian Border near Haines
- South Wall zone with intercepts to 36.3 meters
- http://www.constantinemetals.com/
Kensington (Coeur Alaska)

- Underground gold mine N of Berners Bay
- Supreme Court decision in late June validated permitting of Lower Slate Lake for tails disposal
- ~1250 tons/day, +125,000 oz/yr Au, ~10 yr mine life
- http://www.kensingtongold.com/
Greens Creek (Hecla Mining Co.)
http://www.hecla-mining.com/

- Complex, high grade underground Ag-Zn-Au-Pb mine
- ~2250 tons/day, operating since 1989
- Exploration continues to replace reserves
- Hecla acquired 100% ownership in April ‘08
Federal Regulations

1872 Mining Law Revisions

- H.R. 699 (Rahall) – The Hardrock Mining Law Bill
- S. 796 (Bingaman) – The Hard Rock Mining and Reclamation Act of 2009
- Royalties (gross vs. net; H699 calls for 8% gross), Security of tenure, Unsuitability, Exploration permitting
- Northwest Mining Assoc. (www.nwma.org)

S. 140 Abandoned Mine Reclamation Act of 2009

- Re-definition of “fill” for Clean Water Act Section 404
  - H.R. 1310 – redefines “fill” to exclude “..any pollutant discharged into the water primarily to dispose of waste.”
Canadian Mining Projects

- **Tulsequah Chief** (Redcorp/Redfern)
  - Redevelopment Plans suspended – Redcorp/Redfern in “bankruptcy”

- **Galore Creek** (NovaGold, Teck)
  - Project Construction suspended Nov07 due to estimated ~2X capital costs
  - New designs in consideration (shorter road, longer tunnel, new tails disposal site)

- **Schaft Creek** (Copper Fox)
  - +800 million tonnes, Cu-Au-Ag-Mo, ~100k tonnes/day open pit
  - Copper Fox has new CEO & new major investor (restructuring?)

- **KSM** (Seabridge Gold)
  - BIG project, >1 billion tonnes, Cu-Au+Mo
  - 3 pits (Kerr, Sulphurets, Mitchell)
  - Seabridge seeking to market to Major Mining Co.