Department of Natural Resources Update
Southeast Conference

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Commissioner
Alaska Department of Natural Resources
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Land Base & Ownership

Land Base
- 586,412 sq. miles—more than twice the size of Texas
- Larger than all but 18 sovereign nations
- More than 3 million lakes; half of world’s glaciers
- Approximately 40% of the nation’s freshwater supply

Southeast
- 94% of Southeast lands are Federal, 78% of Southeast is the Tongass National Forest, 16% is Glacier Bay National Park
- 2.5% of Southeast are State Lands including those managed by Mental Health Trust and University of Alaska
- In 1880, Joe Juneau and Richard Harris found large pieces of quartz mixed with gold that became Gold Creek Mine.
Alaska ranked among the top ten mineral provinces in the world

- **Copper**: 4% of the world’s copper;
  - (8<sup>th</sup> most in the world)
- **Lead**: 4% of the world’s lead;
  - (6<sup>th</sup> most in the world)
- **Gold**: 8% of the world’s gold;
  - (5<sup>th</sup> most in the world)
- **Zinc**: 6% of the world’s zinc;
  - (6<sup>th</sup> most in the world)
- **Silver**: 4% of the world’s silver;
  - (9<sup>th</sup> most in the world)

- 475 State Mining Claims in the Southeast
- Alaska ranked 2<sup>nd</sup> for mineral potential
Southeast Mines

**Palmer**
- Resources:
  - 10.1 million Tonnes @ 29.9 grams/T silver
  - 0.29 grams/T gold
  - 1.21% copper
  - 5.21% zinc
  - 22.9% barite

**Kensington Mine 2018 Production:**
- 113,778 oz. gold
- Reserves:
  - 2.42 million Tonnes @ 6.09 grams/T gold

**Greens Creek Mine 2018 Production:**
- 7.953 million oz. silver, 51,493 oz. gold, ~50,000 Tonnes zinc, ~17,000 Tonnes lead
- Reserves:
  - 7.55 million Tonnes @ 8.1% zinc, 3.0% lead, 3.11 grams/T gold, & 370.1 grams/T silver

**Herbert Gold**
- Resources:
  - 1.53 million Tonnes @ 8.92 grams/T gold

**Niblack**
- Resources:
  - 9.03 million Tonnes @ 0.81% copper
  - 1.29% zinc
  - 1.22 grams/T gold
  - 18.44 grams/T silver
- Lode Mineral Occurrences
- Placer gold

**Bokan Mountain**
- Resources:
  - 5.838 million Tonnes @ 0.602% total rare-earth oxides

**Map of Southeast Mines**
- Palmer, Kensington Mine, Greens Creek Mine, Herbert Gold, Niblack, Bokan Mountain, Crest, Zarembo Island, Sitka, Juneau, Ketchikan, Helm Bay, Dawson Mine, Dall Island.
Ucore Rare Earth Elements (REE)

2018 Milestones:

- Ketchikan Borough → New Strategic Metals Complex site
- September 2018 - Ucore entered an Agreement to purchase REE-separation plant’s development site
- Process Bokan & REE ore from deposits worldwide
- Initiated engineering & design of strategic metal complex
- US$145 million proposed AIDEA financing package for Bokan mine & processing facilities
- FY2019 National Defense Authorization Act - U.S. DoD banned from acquiring Rare Earth magnets from China
Division of Forestry activities:

• Offer approximately 33MM board feet this year...utilizing the full allowable cut and all surplus volume to help stabilize the timber industry

• Complete the Roadless Rule making process for the Tongass National Forest;

• Considering two long-term timber sales in Southeast Alaska;

• Review and streamline regulations and statutes;

• Complete and implement new fire prevention regulations.
Tongass National Forest Roadless Rule

- **Petition:** In January of 2018 the State petitioned to USDA to Permanently exempt the Tongass National Forest.

- Commence a revision or amendment of the 2016 Tongass Forest Plan (Plan) to remove provisions of the 2001 Roadless Rule.

- To reconsider the State’s objections that were not addressed in the Plan.

- **MOU:** August 2018 - The State and USDA signed a cooperating MOU.

- **Rulemaking:** August 2018 - USDA Notice of Intent to initiate an environment impact statement and public rulemaking process.

- **Advisory Council:** September 2018 – Alaska Roadless Rule Citizens Advisory Committee formed, drafted initial report describing four options, comments were provided to USDA with the report.

- **Litigation:** Five different Governor’s have challenged the 2001 Roadless Rule in various courts.

- The current case is before the Federal Circuit Court of Appeals in D.C. awaiting oral argument.
MAJOR SE PROJECT SUPPORT

DNR’s Office of Project Management & Permitting supports…

**Mining**

- Represent State as a cooperating agency during the environmental review process for a proposed expansion of the Kensington Gold Mine.
- Coordinate state permits for a proposed underground exploration adit for the Palmer Exploration Project.
- Supporting a timely, transparent process for Bokan Mountain Project permits.

**Forestry**

- **Coordinate** the State of Alaska review and technical comments on the proposed Tongass Roadless Rule and the associated Draft EIS

OPMP helps ensure timelines are met, agencies communicate & the process moves forward
Secure lands and access from Federal Government.

Identify minerals and oil and gas prospectivity via Best Interest Findings.

Lease lands for exploration and development.

Permit programs to ensure conservation of resources and protection of state’s lands and interests.

Approve and monitor reclamation and closure operation.

Manage production units and mines to protect state’s royalty interests.
THANK YOU!