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2020 Nome Offshore Mineral Lease Sale Called a Success

(Anchorage, AK) – The Department of Natural Resources (DNR) today received bids totaling more than $358,000 for leasing rights to 11 offshore tracts near Nome, in the first such lease sale in nearly a decade.

The state received 35 bids for 11 lease tracts in the near-shore state waters at Nome, the site of continued interest by gold miners for more than a century. Staff of the Division of Mining, Land & Water opened the offers in a sealed-bid auction at the Atwood Office Building. Preliminary bid results are available on the division’s website, at [http://dnr.alaska.gov/mlw/mining/nome/](http://dnr.alaska.gov/mlw/mining/nome/).

“This is a very successful outcome for the State of Alaska and for DMLW,” said Commissioner Corri A. Feige. “Today’s sale not only brings funds into the state treasury in the short term, it also has the long-term upside potential to bring royalties to the State, build our gross state product, and provide jobs and opportunities in an important Western Alaska community.”

At the turn of the 20th century, the “Golden Beaches of Nome” compelled the attention and interest of a gold-hungry world, and thousands flocked north to seek their fortunes on the shores of Norton Sound. Even a century later, the gold-rich placer seabed continues to attract both curious observers and prudent investors.

No offshore mineral leases have been offered near Nome since 2011, when about 83 leases were sold totaling over 23,000 acres of the Norton Sound coast. Since then, 11 leases have either been returned, or remained unsold, prompting DNR to offer new leases for sale on approximately 1,060 acres of offshore land. DMLW has been accepting bids, along with deposits representing 5 percent of the bid amounts, for the two months ending February 28.

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“It is exciting to see the level of interest in offshore gold mining near Nome,” said Richard Lessard, geologist and mineral property manager for DMLW’s mining section. “This has been a productive area for gold miners for a century, and advances in technology, along with high gold prices, have made near-shore dredge mining an attractive enterprise for miners and investors.”

After notifying the apparent high bidders, DMLW staff will allow them 10 days to decide whether to seal the deal by paying the rest of their bid, the first year’s annual rent, and a $600 per lease filing fee. Some bidders offered the apparent high bid on more than one tract, and may decide to focus on some tracts and relinquish others, allowing second-highest bidders the chance to take on the lease.

Commissioner Feige expressed satisfaction that the lease sale took place as scheduled, with only minor adjustments to protect the health of the public and DNR staff against possible transmission of coronavirus. The lease sale took place in the Atwood Office Building with limited staff, while the proceedings were streamed online via social media, to make them available and transparent to the public.

“This demonstrates that the Department of Natural Resources remains open for business while practicing social distancing,” she said. “We have a wide range of tools that make it possible for the Alaska public to keep getting the services they need while protecting public health.”

These services include the department webpage, at, http://dnr.alaska.gov/ which includes links to each departmental office and phone numbers for program staff. While encouraging the public to use online and telephone services first, Feige assured the public that DNR staff are still available to serve them face-to-face.

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CUTLINE: Division of Mining, Land & Water staff today conducted the first sale of Nome offshore mineral leases in nearly a decade. Above, geographer Kristen Shake opens bids, while geologist Heather Lescanec hands an opened bid to Richard Lessard geologist and mineral property manager for DMLW’s mining section.

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