

Attracting Venture Capital for Large-Scale Mine Exploration and Development in Alaska

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This presentation analyzes the State of Alaska as a target jurisdiction for mineral investment in a global context and makes four specific recommendations that, if adopted, would result in more exploration spending, more mineral deposit discoveries and more mines in Alaska. With the right choices now Alaska's economy will diversify, grow and thrive in coming generations.

Every large-scale mine has a dramatic, positive, economic impact on Alaska's economy and that of its constituent boroughs, cities and lands. Growth of the mining industry is key to diversification of the state's economic base. Despite a huge land mass, exceptional geological potential, and a long history of small-scale alluvial mining, there are only six large-scale mines in the state. There could be many more, and it is necessary to replace those that will be exhausted in the coming years. Alaska must attract the industry for future economic survival and continued prosperity and to provide the basic materials our country needs.

Finding and developing new mines is extremely expensive and fraught with risk and subject to large cyclical shifts in capital availability. Many millions of dollars must be risked to discover new ore bodies. Exploration and development companies have their choice on where to deploy funds in the world in the search for new mines. Alaska must compete globally to attract those funds from both domestic and foreign sources.

Over the past decade, Alaska has earned a solid reputation as a Tier I jurisdiction for mineral development. There is a set of parameters that decision-makers and financiers often consider when deciding where to deploy funding. These include: 1) Geological Potential, 2) Degree of Previous Exploration, 3) Land Availability, 4) Mineral Tenure System Functionality, 5) Mineral Land Tenure Security, 6) Accessibility and Infrastructure, 7) Taxation, 8) Investment Climate – Political Risk, 9) Cost of Exploration and Development, 10) Public Geological Database, and 11) Regulatory Framework.

While Alaska scores highly on most of these parameters and it is becoming a favored jurisdiction globally, there are four actions that could be taken that would result in far more exploration spending, mineral deposit development spending, and ultimately more mines being put into production. The recommended actions are:

Real-time online claim maps. Alaska Department of Natural Resources Mining Divisions must keep AlaskaMapper – the state website that tracks mining claims – up to date in real time. It is crucial to know what land is available or not at any given moment in time.

On-line claim staking. Modernize the manner in which mineral rights are obtained so that companies can secure mineral rights from wherever they may be headquartered. Real-time on-line computer claim staking will boost exploration spend many-fold.

Exploration data capture. Most modern jurisdictions require explorers to provide a copy of the exploration information they create through their millions of dollars of exploration work on public lands. Alaska should institute a similar “assessment system” that captures this data for the future benefit of the Alaskans.

Advertise! Joint Government – Industry marketing is needed. We must let the world’s mining and mine finance industry know that Alaska appreciates mining investments and that it truly wants the industry to grow. Our neighbor Yukon has made a successful initiative called the Yukon Mining Alliance that attracted many hundreds of millions of investment dollars. It is recommended that Alaska embark on a similar joint industry-government marketing venture. Alaska must consistently let the world know it is open to the mining business!

Prospectors Tent

Tuesday, November 3, 2020 – Varina Zinno, Calista Corp, Chair

The Boulder Prospect, Flat, Alaska

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The prospect is located in Western Alaska in the Iditarod Quadrangle. It is two miles north of the historic mining town of Flat. The target at Boulder is a partially unroofed cupola of a late Cretaceous Monzonite pluton which intrudes Mesozoic sedimentary rocks and Cretaceous volcanic rocks. Gossan and stock-work quartz veins are found in colluvium covering two square kilometers.

The Boulder pluton is on the north end of a 5-mile long belt of Cretaceous plutons, hornfels, and volcanic rock which runs from Chicken Mountain north to the head of Boulder Creek. Over 1.4 million ounces of placer gold production is closely associated with this belt. Two historic (1930's) adits on the prospect have assays up to 1.47 ounces gold and 14.7 ounces of silver.

Elliott Creek Prospect, Wrangell Saint Elias at Elliott Creek Incorporated

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The Property

Wrangell Saint Elias at Elliott Creek Incorporated (WSEECI) holds, in fee, 812 acres of patented federal land inclusive of the mineral and surface estate, extralateral rights, water rights, and timber rights, among others. We are seeking partners that have an interest in creating a development that may include mining, tourism, hydroelectric or other opportunities as will optimally leverage the historic, geologic or other natural aspects of the property.

WSEECI has consolidated the properties within the Elliott Creek valley, bringing together all privately held land under a single entity. Property history is referenced throughout public literature, inventoried by the National Park Service, and supplemented by many additional original documents held by WSEECI.

Assays and Field Work

Preliminary investigation of the WSEECI property was conducted by SRK in 2009, and included field assessment, initial sampling, analysis, and recommendations. As part of its continuing review, WSEECI