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Alaska Journal of Commerce / June-Issue-4 2014

/ Parnell signs bill to boost Bokan, Niblack mine proj...

## Parnell signs bill to boost Bokan, Niblack mine projects

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Alaska Journal of Commerce

Post date: Thu, 06/19/2014 - 7:53am

Two mine projects in Southeast Alaska got a boost after Gov. Sean Parnell gave final approval June 16 to state financial assistance for the projects through the Alaska Industrial Development and Export Authority, or AIDEA.

At a ceremony in Ketchikan, Parnell signed Senate Bill 99 into law. The bill authorizes \$145 million in infrastructure and construction financing for the Bokan-Dotson Ridge rare earths mine and \$125 million in similar funding for the Niblack multi-metals mine. Both are prospective underground mines on Prince of Wales Island near Ketchikan.

Ucore Rare Earth Inc.'s Bokan-Dotson Ridge project contains a significant amount of the heavy rare earth elements dysprosium, terbium and yttrium, Ucore has said. About 40 percent of the rare earth oxides, by weight, that have been identified at the property are heavy rare earths, an unusual concentration for a North American prospect.

The company plans to begin its feasibility study for the mine this fall, which will take nine to 12 months to complete, according to Ucore Chief Operating Officer Ken Collison. The plan is for an underground mine producing 1,500 tons of ore per day.

Ucore also plans to develop on-site ore processing facilities that will produce rare earth compounds at the mine. As many as 16 to 17 products may be produced on site, Collison said.

Bokan-Dotson Ridge is about 37 miles southeast of Ketchikan.

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The Niblack project, being developed by Heatherdale Resources, holds copper, zinc, gold and silver. It is 27 miles southwest of Ketchikan.

If Niblack is developed it would be similar to the Hecla Mining Co. Greens Creek underground mine now operating on Admiralty Island, near Juneau. Greens Creek produces silver, zinc, lead and gold.

Karsten Rodvik, spokesman for the state development authority, said the AIDEA financing options include direct equity investment as well as financing.

“Under this legislation we could own portions of the project, or do direct financing. Before any involvement by the authority the project would go through a rigorous due diligence process, just as with any project that involves AIDEA financing,” Rodvik said in a statement.

Sen. Lesil McGuire, R-Anchorage, said an important part of the Niblack project is the plan to locate the ore processing plant for the mine near Ketchikan. If developed the project would create 200 permanent new jobs for the southern Southeast region, she said at the SB 99 signing ceremony.

On the rare earths project, McGuire said, “The United States used to be almost self-sufficient in rare earth elements, but now we almost completely rely on foreign sources for these important minerals.”

Rare Earth Elements are needed to make a wide variety of things including high-tech military equipment, wind turbines, solar panels, advanced batteries, and high-tech consumer goods like flat-screen TVs, computers, tablets and cell-phones, McGuire said.

“China currently controls 95 percent of the world’s rare earth elements, but reduced the exports of those elements by 54 percent between 2005 and 2010, and again by 50 percent from 2010 to 2011,” she said.

The legislation also approves a loan from the Alaska Energy Authority, another state agency, for the Blue Lake hydro expansion project at Sitka. If the loan is made, the bill approves \$18.6 million in financing from the state power project development fund.

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**Updated:** 11/21/2016 - 3:51pm

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