USGS Statemap Grant to Spur Mineral Investment and Exploration | **FY2019 Request: $600,000** | **Reference No: 60937**

AP/AL: Appropriation
Project Type: Research / Studies / Planning
Category: Natural Resources
Location: Statewide
House District: Statewide (HD 1-40)
Impact House District: Statewide (HD 1-40)
Contact: Fabienne Peter-Contesse
Estimated Project Dates: 07/01/2018 - 06/30/2023
Contact Phone: (907)465-2422

Brief Summary and Statement of Need:
This project leverages federal grant funds, existing airborne geophysical surveys, and on-going U.S. Geological Survey (USGS) and academic geologic research on regional mineral trends to produce a new geologic map, mineral deposit assessments, and geochemical data in the northeastern Tanacross quadrangle, eastern Alaska. These products, along with the resulting enhanced geologic understanding, will spur new mineral exploration and investment expenditures in the area.

Funding:	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Total
1002 Fed Rcpts	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$1,800,000
1003 G/F Match	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$1,800,000
Total:	$600,000	$600,000	$600,000	$600,000	$600,000	$600,000	$3,600,000

☑ State Match Required ☐ One-Time Project ☐ Phased - new ☐ Phased - underway ☑ On-Going
100% = Minimum State Match % Required ☐ Amendment ☐ Mental Health Bill

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Prior Funding History / Additional Information:
Sec1 Ch1 SLA2017 P6 L12 SB23 $2,100,000
Sec1 Ch2 SLA2016 P5 L27 SB138 $200,000
Sec1 Ch38 SLA2015 P5 L21 SB26 $800,000

Prior to FY2016 (SLA2015) STATEMAP grant funds were included in the operating budget.

Project Description/Justification:
Alaska's base-metal and precious-metal resources would place Alaska among the top ten if it was a nation. However, global mining companies rank 31 other jurisdictions' publicly available geologic datasets ahead of Alaska's. Public geophysical and geologic datasets attract global industry investment because it reduces their exploration costs and risk, and speeds up return on investment.

Dataset releases benefit the state immediately via fees paid for new staked claims, and should a discovery be made, the state recoups its costs many times over via rents, royalties, and fees.

The Tanacross quadrangle is an under-explored area with a notable lack of documented mineral localities and tepid historical industry exploration despite regional geologic trends extending from

Yukon, Canada into Alaska that predict mineralization should be present. There are no published geologic maps at a usable scale for this area. Reconnaissance work by DGGS in summer 2017 indicates mineralization is present and that detailed geologic mapping is needed to document geologic and structural controls on igneous rocks and mineralization in order to demonstrate to industry the area has high mineral-resource potential.

USGS STATEMAP grants are an annual grant opportunity requiring a 1:1 state match. Federal funds will be used to cover field logistics (including helicopter time and fuel), travel expenses, and analytical costs, while State matching funds will be used to cover salaries.

This project directly addresses the DGGS statutory mission to: "Determine the potential of Alaskan land for production of metals, minerals, fuels, and geothermal resources,…" (AS § 41.08.020)

Line Item	Amount
71000 - Personal Services (position detail below)	$300,000
72000 – Travel (field work, meetings)	$25,000
73000 – Contractual (helicopter, analyses)	$225,000
74000 - Commodities	$50,000
75000 - Capital Outlay	
77000 – Grants	
Total Request	$600,000

Position Detail: All are existing positions located in Fairbanks, Alaska:
(10-2122) PFT, Geologist IV
(10-2008) PFT, Geologist III
(10-2068) PFT, Geologist III
(10-2229) PFT, Geologist IV
(10-2225) PFT, Geologist IV
(10-2046) PFT, Geological Scientist I
(10N11030) LTNP, Geologist I

Without these funds, the division's ability to provide industry with the basic scientific datasets and geologic maps required for attracting industry investment is reduced. This will reduce Alaska's worldwide competitiveness, and inhibit industry exploration, mineral discovery, and development, thereby reducing future state revenues.

Prior Funding
This covers a new mapping area for FY2019. This mapping project is part of the annual USGS/National Cooperative Geologic Mapping Program's STATEMAP federal-state matching grants program. Each year this program makes a significant contribution towards expanding geologic knowledge in Alaska where current geologic mapping is limited or nonexistent; it facilitates resource development and identification of geologic hazards.

What was accomplished?

Through FY2017, the DGGS has completed new geologic mapping for 14,885 square miles of Alaska as part of the STATEMAP program. DGGS geologic mapping and associated studies have attracted millions of dollars in industry investment.