
Ground
Truth
Trekking

Goodnews Bay Platinum

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PLATINUM — Platinum nugget from Goodnews Bay — Get Photo (/photos/platinum/)

Summary

Placer mining (/Issues/MetalsMining/GoldMiningMethods.html) for platinum has taken place intermittently in the area near Goodnews Bay in southwest Alaska since 1927. Recently, a company called XS Platinum Limited was re-processing the tailings (/Issues/MetalsMining/MineTailings.html) left behind by past operations, using earthmoving equipment and modern separation techniques. The operation “Platinum Creek Mine” produced several thousand ounces of platinum per year in 2011 but ceased operations in 2012. In 2014, the company and a number of their officials were indicted (http://www.scribd.com/doc/247083409/Western-Alaska-mining-company-indicted) for illegal discharges and for submitting false statements. In 2015 the operator of the mine pleaded guilty (http://www.adn.com/article/20151106/former-operator-southwest-alaska-mine-admits-knowingly-polluting-salmon-river) to a felony violation of the Clean Water Act.

History

Platinum was first discovered in the Goodnews Bay area in 1926, and small-scale placer mining (/Issues/MetalsMining/GoldMiningMethods.html) by various operators began soon afterwards. In 1937, a large commercial operation, the Goodnews Bay Mining Company, began operations and continued to mine in the area until 1979. During this time the

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company recovered over 500,000 ounces of platinum along with small amounts of gold. The Goodnews Bay platinum claims were mined intermittently throughout the 1980's by Hanson Industries, and then lay dormant until the current operator, XS Platinum Limited, purchased the property in 2008.

Placer vs Hardrock Mining

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For more information on placer versus hardrock mining, and the relative environmental impacts of each read our article on "Gold Mining Methods" (/Issues/MetalsMining/GoldMiningMethods.html)

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Mine information

Goodnews Bay is located in southwest Alaska, south of Bethel and west of Togiak. The mining claims cover more than 4,000 acres south of the village of Platinum. The claims follow the Salmon River and several tributaries, primarily Squirrel Creek and Platinum Creek.

XS Platinum reprocessed the tailings from historical operations, using a land-based facility to separate the metal from rock. The company hoped (http://www.charpac.com.au/?page_id=539) to expand the number of reprocessing plants to four by 2013.

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Together, the four plants could have produced up to 120,000 ounces of platinum annually. The company had also expressed interest in mining virgin deposits in the area and has done some preliminary explorations. Other planned XS Platinum activities included decommissioning the 1937 dredge located on site, extending the airstrip using tailings as runway material, and updating equipment. In 2010 the company conducted a shallow drilling program consisting of 200 holes aimed at extending the resource.

Other companies, including Calista Corporation (http://www.calistacorp.com/business/lands-resources#.VJSX8cAD0A) and Alaska Earth Sciences (http://www.alaskaearthsciences.com/), have drilled exploration targets upstream of the placer claims in search of the lode (hardrock) source of the platinum and possibly gold. Here is a link to the Calista Lands Department's summary report (617 kb) (http://www.calistacorp.com/sites/default/files/documents/lands/reports/Goodnews_Bay_Technical_Report.pdf) for the Goodnews Bay platinum prospects.

Current Status

The mining operation overseen by XS Platinum ceased operations in 2012 and entered "extended foreclosure" (http://www.adn.com/article/foreclosure-extended-southwest-alaska-platinum-mine). In November 2014, both XS Platinum and five of its employees were indicted (http://www.scribd.com/doc/247083409/Western-Alaska-mining-company-indicted) on several charges of violating the Clean Water Act and submitting

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false statements. More details can be found in this story (http://www.adn.com/article/20151106/former-operator-southwest-alaska-mine-admits-knowingly-polluting-salmon-river) and here (https://www.adn.com/alaska-news/environment/2017/01/04/feds-propose-to-dismiss-pollution-case-against-defunct-mining-company/).

Further Reading

> "Platinum Mining in Alaska: Dredge and Dragline Operations at Goodnews Bay" prepared by the Goodnews Bay Mining Company (1962) (http://www.platinummetalsreview.com/pdf/pmr-v6-i2-068-074.pdf)

> State of Alaska page on Platinum, Alaska (http://www.commerce.state.ak.us/cra/DCRAExternal/community/Details/5f5caa4c-16c5-4214-a132-288746986df0)

> "Platinum Deposits of the Goodnews Bay District, Alaska" prepared by the US Geological Survey (1937) (http://www.dggs.dnr.state.ak.us/webpubs/usgs/b/text/b0910b.PDF)

> Alaska Mineral Industry 2009, prepared by the Division of Geological and Geophysical Surveys (DGGS). (http://www.dggs.dnr.state.ak.us/pubs/id/21881)

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