



## NEWS NUGGETS

Compiled by Shane Lasley



Liz Cornejo, exploration manager, Constantine Metal Resources, hikes in to check on drilling at Cap, a prospect located near the main deposit at the Palmer volcanogenic massive sulfide property in Southeast Alaska.

CONSTANTINE METAL RESOURCES LTD.

### Constantine funds Palmer JV with Ontario gold assets sale

Constantine Metal Resources Ltd. Nov. 7 said it has entered an agreement to sell a portion of its gold properties in Ontario for C\$4.5 million, funds that it can apply to furthering exploration at the Palmer project near Haines, Alaska. "Upon closing the transaction Constantine will have more than \$5 million in cash to co-fund the exploration development of our advanced flagship Palmer copper-zinc-silver-gold project in Southeast Alaska," said Constantine Chairman Wayne Livingstone. Lake Shore Gold Corp., a division of Tahoe Resources Inc., has agreed to buy Horseshoe, Four Corners and the Meunier, mineral claims adjacent to Lake Shore's Fenn-Gib gold project, from Constantine. In addition to receiving C\$4.5 million in cash, Constantine will retain a 1 percent net smelter return royalty on the Horseshoe claims, as well as the right of first refusal on the NSR associated with the underlying property agreement. The agreement does not include Constantine's Munro Croesus, a historical bonanza grade gold property in the area. As part of the agreement, Lake Shore will transfer full ownership of a patented mining claim contiguous to Munro-Croesus to Constantine. Lake Shore will hold a 1.5 percent NSR on this claim. "We continue to control significant landholdings in Timmins, including the past producing Munro Croesus Gold Property, and retain exposure to the Fenn-Gib project through our NSR royalty rights on the properties being sold," Livingstone added. At the onset of 2013, Dowa Metals & Mining Co. Ltd. and Constantine inked a deal that provides the Tokyo-based smelting and mining company with the opportunity to earn a 49 percent stake in the Palmer project by investing US\$22 million over a four-year span. Dowa, which has invested roughly US\$19.5 million of this earn-in requirement, intends to earn its 49 percent stake in the property by the end of 2016. Any unspent funds at that time will be deposited in an account to cover initial joint venture expenditures. Following formation of the JV and use of the carry-over funds, Constantine and Dowa will fund the project in proportion to their ownership interest.

### Redstar completes Unga drilling; readies for bigger 2017 program

Redstar Gold Corp. Nov. 7 reported the completion of a 1,505-meter drill program at its Unga gold project in Southwest Alaska. Spaced over a roughly 750-meter stretch of the 2,000-meter-long Shumagin gold zone, the seven holes drilled during this program targeted the lateral and vertical expansion potential of high-grade gold mineralization at various structural elevations. The first two holes, 16SH019 and 16SH020, tested the

see NEWS NUGGETS page 18



THE ROYAL MINT

After rocketing nearly US\$40 per ounce in overnight trading following Donald Trump's successful bid for the U.S. presidency, gold has settled to pre-election levels.

## MARKETS

# Landslide win for gold

Experts are calling for Trump's win to push gold to nearly US\$1,400/oz

By SHANE LASLEY  
Mining News

In the final stretch of the United States presidential election, it became increasingly apparent that the system was rigged in favor of gold. Hillary Clinton, who was the odds-on favorite to win the White House throughout the general election, carries the baggage of perceived criminal misconduct associated with the Clinton Foundation and her tenure as Secretary of State. Donald Trump, on the other hand, is a political outsider running on a platform of shaking up the status quo in Washington D.C.

Whichever way the election would have gone, a perceived coming instability in the Oval Office was expected by many analysts to favor gold and other safe-haven assets.

"Both major party candidates are likely to hurt confidence in the U.S. economy and solvency; both will be good for gold," Rick Rule, president and CEO, Sprott US Holdings Inc. told Kitco News earlier this year.

"Gold moves on fear, neither candidate inspires confidence," the renowned natural resource investor added.

As it turned out, Trump pulled a stunning upset to become the 45th President of the United States – a win that shook financial markets and pushed gold up sharply in overnight trading.

"Equity markets are down notably in Asian and early European trading. Gold has, by contrast, increased, outperforming other assets, including other safe havens. It is currently trading at over US\$1,300 per ounce compared with US\$1,275/oz before the vote counting began," Juan Carlos Artigas, director of investment research, World Gold Council,

said before markets opened on Nov. 9.

### Brexit 2.0

The price of gold has already benefitted from one safe-haven boost this year when the British passed Brexit, a referendum for Britain to exit the European Union.

Gold had been flirting with US\$1,300/oz price levels in the two months leading up to the Brexit referendum. It wasn't until mid-June, when it became clear that the referendum for Britain to exit the European Union might actually have the votes to pass, that gold took a one-day peek above the US\$1,300 threshold.

As voters went to cast their votes on June 23, markets were unsure which way the Brexit referendum would go and gold had retreated to US\$1,262/oz. By late evening in the United States, however, it became clear that a majority of British voters wanted to leave the European Union and the price of an ounce of gold shot up as much as US\$100 in overnight trading and opened the next morning at US\$1,319/oz.

In the two weeks after Brits cast their votes to leave the European Union, gold prices continued to rise, briefly breaking through US\$1,350 on July 5.

Many pundits draw comparisons between the anti-establishment sentiment that led to Brits' desire to break away from the European bloc and the movement in that led to Trump's successful bid for President of the United States.

While experts will continue to discuss whether the Trump presidency is Brexit 2.0, the initial effect on gold was similar.

As it became increasingly apparent that Trump would win his bid for the White House, gold rose sharply in Asian markets, peaking at US\$1,338/oz overnight in the U.S.

"It's exactly like Brexit," gold analyst and New York Times bestselling author Jim Rickards said in an

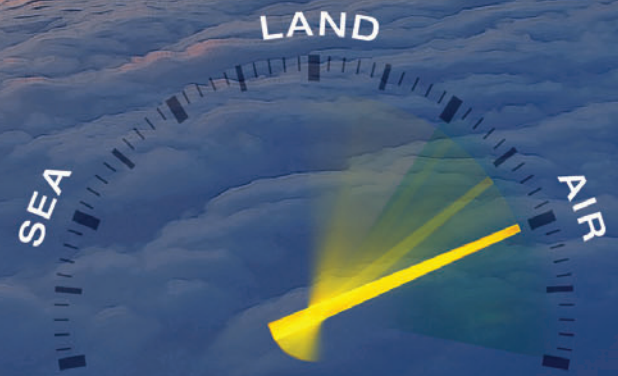
see WIN FOR GOLD page 18



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• EXPLORATION

# Coventry scoping Caribou Dome

Australia-based junior takes first look at viability of developing a mine at this high-grade Southcentral Alaska copper deposit

By SHANE LASLEY  
Mining News

Considering the success it has had confirming and expanding the zones of high-grade copper at Caribou Dome over the past two years, Coventry Resources Inc. has decided to initiate a scoping-level study to investigate the potential of developing this Southcentral Alaska project.

In a Nov. 8 project update, the Australia-based exploration company said the study, similar to a preliminary economic assessment, will assess the potential of developing a low-cost open-pit mine at this road-accessible project just north of the Denali Highway, about mid-way between Paxson and Cantwell.

A positive result from the scoping study would go a long way to achieving the company's top priority for this sediment-hosted copper deposit.

"Our first objective is to demonstrate that an economically viable mining operation can be developed at the project," Coventry President and CEO Mike Haynes told Mining News earlier this year.

## Historical high-grade

The high-grade copper potential of Caribou Dome has been known for some 50 years and been considered a potential high-grade underground copper mine since the late 1960s.

Upon cutting a deal to acquire an 80 percent stake in Caribou Dome early in 2015, Coventry began poring over historical exploration data collected at the project, including results from 95 surface and underground drill holes completed primarily in the 1960s.

Highlights from this historical work include:

- 18.1 meters averaging 9.34 percent copper from a depth of 22.7 meters;
- 18.4 meters averaging 6.25 percent copper from a depth of 31.4 meters;
- 15.4 meters averaging 7.01 percent copper from underground; and
- 11 meters averaging 8.2 percent copper from a depth of 29 meters.

Most of the historical drilling focused on three lenses of high-grade copper – four, five and six – with the idea that they would support a small underground mine.

Based on this drilling, historical reserve of 550,000 short tons averaging 5.84 percent copper was calculated for the Caribou Dome deposit in 1970.

Coventry has been confirming and expanding this outcropping copper deposit, with more than 10,500 meters of drilling completed over the past two years.

Highlights from the 22 holes drilled at and around the Caribou Copper deposit in 2015 include:

- 14.1 meters averaging 9.9 percent copper from 134.6 meters;
- 7 meters averaging 6.8 percent copper from 35.1 meters; and
- 3.5 meters averaging 9.3 percent copper from 72.9 meters.

Last year's program also included ground induced polarization geophysical surveys centered on the known mineralization; and extensive soil sampling program that began to unveil the larger potential of

the property.

## Confirming Caribou Dome

This year, Coventry drilled another 22 holes aimed at increasing the resource base; and improving the understanding of the grade, distribution and thickness of shallow copper mineralization with the idea of developing an open-pit mine at Caribou Dome.

The company recently reported results from five holes targeting shallow mineralization in the heart of the high-grade deposit.

Highlights from this work include:

- 11.4 meters of 6.7 percent copper from a depth of 70.2 meters;
- 5.7 meters of 7.3 percent copper from 92.4 meters;
- 3.5 meters of 1.5 percent copper from 49.2 meters; and
- 4 meters of 6.4 percent copper from 156.1 meters.

Coventry says this drilling provides a clearer understanding of the controls on the distribution of mineralization at the heart of the Caribou Dome deposit, which will facilitate more reliable modelling of a potential open-pit starter mine there.

This year's drilling also extended the deposit more than 120 meters to the north-east.

Significant results from recent drilling in this area include:

- 4.3 meters of 5.2 percent copper from 220.5 meters;
- 1.1 meters of 5.5 percent copper from 532.1 meters; and
- 2.9 meters of 2.4 percent copper from 193.4 meters.

The company was unable to ideally position holes in this area due to difficult access and says the mineralization is closer to the surface than indicated by the drill depths due to the angle of the holes relative to the topography.

Confident in the open-pit mining potential at Caribou Dome, Coventry brought a mining engineer on-site to collect the data needed to calculate the capital and operating costs of such a mine. The results of this work will be included in the scoping study, slated for completion early in 2017.

## Broader potential

In addition to demonstrating the potential viability of developing a low-cost mine at the known Caribou Dome deposit, Coventry is investigating the broader potential it sees at this easily accessible high-grade property.

"(W)e believe there is potential to discover additional mineralization from one end of the project to the other, over 18 kilometers (11 miles) of strike, as well as at depth," explained Haynes. "We need to, and have commenced, systematically exploring the entire project area. We are undertaking this work in the knowledge that analogous sediment-hosted copper deposits around the world can be both very large (from a tonnage perspective) as well as very-high grade."

A soil sampling program aimed at testing this potential revealed an extensive copper-in-soil anomaly over the entire 7,000 meters

see CARIBOU DOME page 18

## NORTHERN NEIGHBORS

Compiled by Shane Lasley



### Dominion decides to move HQ to Calgary

Dominion Diamond Corp. Nov. 7 announced plans to relocate its corporate office from Yellowknife, Northwest Territories to Calgary, Alberta. This relocation will impact roughly 100 of the company's Northwest Territories-based employees. The majority of its workforce, however, will continue to be employed in the Northwest Territories. In addition to its workforce at the Ekati mine site, Dominion will maintain an office in Yellowknife for certain key positions. The company's board of directors and senior management decided to make the move to reduce costs and support the long-term viability of the company. "Although this was not an easy decision, it is necessary to support the long-term strength and viability of our operations. The Ekati mine is a pillar of the NWT economy, and this cost reduction effort will allow us to continue to provide northern employment opportunities and benefits well into the future. I can assure our northern partners that we remain committed to the people and communities of the North and will continue to set industry standards for northern and Aboriginal employment and sustainable development," explained Dominion Diamond CEO Brendan Bell. The move, projected to be completed by mid-2017, is expected to save the company approximately C\$19 million annually.

### Comstock expands VG zone at Yukon project

Comstock Metals Ltd. Nov. 8 reported broad gold intercepts from rotary air blast drilling at its QV property in the White Gold district of the Yukon. The best hole from latest batch of drill results, 16QVRAB017, cut 12.19 meters averaging 5.53 grams per ton gold from a depth of 83.82 meters, within a wider interval of 57.91 meters averaging 1.89 g/t. The broader intercept has slightly higher grades than the inferred resource at the property's VG zone – 4.39 million metric tons averaging 1.65 g/t (230,000 ounces) gold. The company said hole 16QVRAB017 demonstrates that the VG zone is open to the west. Hole 16QVRAB018, drilled to the north from the same location as 16QVRAB017, cut 18.29 meters averaging 1.14 g/t gold. Hole 16QVRAB014, drilled to the east of the VG zone, cut 10.67 meters averaging 1.65 g/t gold starting 16.76 meters below surface, within a wider interval of 64.01 meters averaging 0.52 g/t gold. This large intercept is considered important as it correlates with a resistivity low, demonstrating strong potential for extending the VG deposit to the northeast. Comstock said it has completed 2,300 meters of RAB drilling in 32 holes since late August. The company reported results from the first 12 holes earlier this year and assays from the balance of the program, which includes drilling at two other targets on the QV property, are pending.

### Hope Bay gold mine on track for early '17 start

TMAC Resources Inc. Nov. 3 said its Hope Bay gold mine in Nunavut remains on schedule to begin production early in 2017. "We remain on track and essentially on budget with our progress to advance the Hope Bay Project towards commercial production in early 2017," TMAC CEO Catharine Farrow said. "As of this week, we are approximately 89 percent complete with construction and assembly and have spent 88 percent of the amount estimated in the 'path to pro-

see NORTHERN NEIGHBORS page 18

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continued from page 15

## NEWS NUGGETS

expansion potential of high-grade vein-breccia mineralization below and to the southwest of the main are of the Shumagin zone. Both holes tapped the targeted structure, indicating the expansion potential of the high-grade gold mineralization there. The balance of the holes were drilled along two vertical fans that targeted the down-dip extension of exposed breccia bodies along the Bunker Hill gold zone, where historical drilling has encountered high-grade gold intercepts. Redstar reports that all five holes cut these two breccia veins, indicating the depth expansion potential along Bunker Hill. Assay results from this drilling are expected by December. In the meantime, Redstar is planning for a much bigger drill program at Unga for next spring. This program is expected to continue confirmation and expansion drilling at the Shumagin zone, as well as test other highly prospective exploration targets along the Shumagin trend, a roughly six-mile structural corridor that hosts the Shumagin zone. Apollo-Sitka, a second six-mile structural corridor that is parallel to and about 3,000 meters south of the Shumagin trend, hosts additional targets being considered for drilling next year. Redstar would also like to take a preliminary look at the Centennial gold zone, a prospect on nearby Popof Island, and Zachary Bay, a porphyry copper prospect some 3,500 meters north of the Shumagin trend. After a recent exercise of roughly 35.9 million warrants priced at C10 cents each, Redstar is already well-financed for carrying out its 2017 exploration. Including the C\$3.6 million of new cash from this financing Redstar had roughly C\$7.5 million in the bank at the end of October. The company is now also focused on ensuring a batch of C12 warrants due to expire on Nov. 27 are fully exercised, which would add another C\$3.3 million to the treasury. Other good news for Redstar is its listing on the OTCQB Venture Market in the United States has been upgraded, which should improve the share liquidity and broaden the company's shareholder base and visibility in the U.S.

### Northern Empire prioritizes drill targets at Richardson

Northern Empire Resources Corp. Nov. 7 provided results from the summer exploration program at its Richardson gold project in Interior Alaska. This program included 277 line-kilometers of ground magnetic geophysical surveys and the collection of 1,297 geochemical samples. Northern Empire said the geophysical work confirmed the Richardson lineament, a mineralized structural corridor at Richardson, and identified several north-northeast structures that the company has recently identified as possible controls of high-grade mineralization. Chip sampling along one of these structures returned 32 meters averaging 5.73 grams per metric ton gold. "We look forward to our 2017 program where we intend to follow up on the highest priority targets with drilling," said Northern Empire President and CEO Michael Allen. Roughly 25 miles (40 kilometers) northwest of Delta Junction, Richardson hosts multiple gold targets – Democrat Pit, Shamrock and Northwest Camp. Northern Empire said these prospects just north of the Alaska Highway offer the potential for a multi-million-ounce gold discovery within a "drive-to" proven Alaska gold province.

### Graphite One raises funds; PEA due out by years-end

Graphite One Resources Inc. Nov. 9 announced the completion of a C\$812,000 non-brokered private placement offering that involved the issuance of 10.15 million units at C8 cents per unit. Each unit consists of one common share and one transferable warrant that entitle the holder to purchase one full share for C12 cents. The shares are exercisable for two years but are subject to early expiry if the company's shares trade for C21 cents or more for 10 consecutive days on the TSXV Venture Exchange.

The net proceeds of the offering will be used for exploration and development of the company's Graphite Creek project in Northwest Alaska; finalizing a preliminary economic assessment for the project, slated for completion by years-end; and for general working capital purposes. ●

continued from page 15

## WIN FOR GOLD

interview with Bloomberg Surveillance. "I can't believe it's happening twice in six months or less."

Unlike Brexit, however, the morning following the Trump victory gold gave up much of its gains as investors took profits and shifted money to equities on the U.S. stock exchanges that took big hits in overnight trading.

Rickards and many of his fellow analysts expect gold to reach US\$1,400/oz in the coming weeks.

In a report published last week, Thomson Reuters GFMS, which specializes in metal markets analytics, predicted that gold push to at least \$1,400/oz if the American people voted in Trump.

Others are calling for a more modest

gain for gold, leveling at around US\$1,350/oz as markets digest the idea of business mogul and reality TV star with no prior political office experience assuming the presidency of the United States.

The World Gold Council sees Brexit and Trump's successful bid for the White House as part of a bigger picture that is supportive for gold in the longer term.

"We are seeing increasingly fractious politics across the advanced economies, and this trend, combined with uncertainty over the aftermath of years of unconventional monetary policies measures, will firmly underpin investment demand for gold in the coming years," said World Gold Council Director Artigas.

Whichever way gold moves in the longer term, on Nov. 8 the safe-haven metal seems to have chalked up another landmark win against the status quo. ●

continued from page 17

## NORTHERN NEIGHBORS

duction' plan." By the end of the year, TMAC plans to have 110,700 metric tons of ore containing 52,300 ounces of recoverable gold stockpiled. The company said this stockpile will provide the processing plan with significant feed for start-up and help facilitate a smooth ramp-up to 1,000 metric tons per day of production in 2017. Following the delivery and installation of a second ore grinding circuit to site in 2017, production at Hope Bay is expected to increase to 2,000 metric tons per day in early 2018. As of Sept. 30, TMAC had C\$92 million in cash and cash equivalents. This does not include a C\$10 million minimum cash balance in a segregated account in accordance with loan requirements and C\$19 million invested in guaranteed investment certificates set aside as

collateral for environmental rehabilitation bonding and security for compliance under various agreements with Inuit organizations. The existing cash on hand, together with the US\$20 million remaining to be drawn on a loan, provide TMAC a roughly C\$40 million cushion to achieve commercial production at Hope Bay, slated for the first quarter of 2017.

Additionally, TMAC announced that the Nunavut Water Board has issued an amended water license for an expanded tailings facility for the Doris Mine at Hope Bay to Caroline Bennett, minister for indigenous and northern affairs Canada. The minister has 45 days to review and sign the license but can request a 45-day extension. Upon receipt of the minister's signature, the amended license supports an expanded tailing impoundment area at Doris that will extend the life of the mine from roughly 1.5 years to the current reserve life of six years. ●

continued from page 17

## CARIBOU DOME

of strike tested.

One rock chip sample collected at Kopis, about 1,000 meters northeast of the Caribou Dome deposit, returned 9.1 percent copper.

A follow-up IP geophysical survey refined drill targets at Kopis and Trojan, another anomaly further northeast.

Two holes were drilled at Kopis this year. While neither hole hit the sedimentary sequence targeted, one hole cut a narrow interval of chalcopyrite veins that returned 0.9 percent copper over 0.5 meters. While not the grades or widths sought, Coventry is

encouraged by the presence of chalcopyrite associated with the IP anomaly at this large and prospective target.

The company also collected about 800 soil samples over a more than 5,000-meter-long prospective area on the far northeastern end of the property. These samples returned assays of up to 0.17 percent copper from a prospect known as Senator, which is about 6.8 miles northeast of the Caribou Dome deposit. Select rock chip samples from outcrops in the area have returned up to 12.1 percent copper. Based on the results of this early work, Coventry has staked 26 claims to extend coverage over the new prospective region. Follow-up work is being planned. ●



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