



NEWS NUGGETS

Compiled by Shane Lasley

New explorer seeks gold reserves in prolific Goodpaster District

Gold Reserve Inc. Jan. 13 reported plans to acquire the LMS gold project in the Goodpaster Mining District near the Pogo Mine in Interior Alaska. Gold Reserve Corp., a wholly owned subsidiary of Gold Reserve Inc., has agreed to pay Raven Gold Alaska Inc. US\$350,000 to acquire the LMS gold claims, together with certain personal property. Raven Gold, a wholly-owned subsidiary of Corvus Gold Inc., will retain a three percent net smelter return royalty interest on precious metals produced and recovered from LMS and a one percent NSR on any base metals produced and recovered from the property. Gold Reserve also gained an option, for a period of 20 years, to purchase 1 percent of the precious metals royalty at a price of US\$4 million. "The expansion of the Corvus Gold royalty portfolio is a continuation of the company's strategy of enhancing shareholder exposure to future gold production while minimizing dilution and cost risk associated with its non-core assets," explained Corvus CEO Jeff Pontius. LMS is an early-stage gold exploration property consisting of 36 contiguous state mining claims about 25 miles (40 kilometers) southwest of the Pogo Mine in Interior Alaska. Gold Reserve, based in Spokane, Wash., is an exploration and development company incorporated under the laws of the Yukon Territory and listed on the TSX Venture Exchange. "Like our earlier transactions, the partner is a key aspect of the deal, and with Gold Reserve, an emerging mine developer with a strong financial base, we believe we have the right group to do the right job," Pontius said. Gold Reserve and Corvus expect to close the transaction upon final approval of the TSX Venture Exchange.

Pebble CEO: New watchdog report on EPA is 'embarrassing failure'

U.S. Environmental Protection Agency, Office of Inspector General, Jan. 13 said it could not find any evidence that the EPA was unfair while conducting the Bristol Bay Watershed Assessment, a study of the potential risks large scale mining might pose the abundant fish resources in the Bristol Bay region of Southwest Alaska. "Based on available information, we found the EPA addressed no evidence of bias in how the

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PRODUCTION

Exceeding expectations

Southeast Alaska mines boast increased precious metal output for 2015

By SHANE LASLEY

Mining News

Higher grades, increased milling rates and improved recoveries add up to a banner year for both the Kensington and Greens Creek mines in Southeast Alaska.

Kensington, the youngest of the two mines located near Alaska's capital city of Juneau, got off to a slow start when owner Coeur Mining Inc. was finally able to begin operations in 2010. In recent years, however, the mine has steadily increased its gold output while reducing the costs to mine the precious metal – improvements that are expected to continue in coming years.

Greens Creek, which has established itself as a model of excellence when it comes to being a low-cost and environmentally-sound silver mine, is the cornerstone operation for Hecla Mining Co.

"Greens Creek continues to drive Hecla's strong, consistent production performance," said Hecla President and CEO Phillips Baker, Jr.



PHILLIPS BAKER JR.



MITCHELL KREBS

Raising the bar

Kensington, located some 45 miles north of Juneau, produced 126,266 ounces of gold in 2015, far exceeding the expectations of Chicago-based Coeur Mining.

Going into the year, Coeur anticipated annual gold production at Kensington to total between 110,000 oz. and 115,000 oz. However, as 2015 wore on, it became clear that gold output at the high-grade underground mine was going to top the high end of the forecast, prompting the company to increase its

guidance to 115,000 oz. to 125,000 oz. for the year. When the final tally was taken, the gold recovered from Kensington outweighed even these heightened expectations.

During the fourth quarter, the mine produced 33,714 oz. of gold, a 17 percent increase from the 28,799 ounces produced during the third quarter. This increase is primarily due to an average gold grade of 0.22 oz. per short ton gold grade during the final three months of 2015, which is about 16 percent higher than the 0.19 oz/t grade during the previous quarter.

Coeur is executing a plan to tap into much higher grade ore in the historic Jualin Mine, which is situated about 8,250 feet from the current mining area at Kensington.

"Currently, Jualin is estimated to contain approximately 289,000 tons of inferred resources with an average grade of 0.62 ounces per ton, which is over triple Kensington's average reserve grade," Coeur Mining CEO Mitchel Krebs explained.

Coeur has advanced the decline about 1,500 feet towards this high-grade deposit since underground development work began in August.

"Once we gain better access from underground, we will begin to more efficiently drill Jualin to better define and hopefully expand this new high-grade discovery before mining begins in 2017," Krebs added.

Coeur anticipates this underground infill and expansion drilling to begin in the coming weeks.

The higher grade Jualin resources that are currently anticipated to be mined are expected to boost Kensington's yearly gold production to 149,000 oz. in 2018.

Coeur Mining produced 4 million oz. of silver and 91,551 oz. of gold across all of its operations during the fourth quarter of 2015. For the full year, the company's five operations produced 15.9 million oz. of silver and 327,908 oz. of gold. In 2016, Coeur expects to produce 14.6 million-16 million oz. of silver and 320,000-347,000 oz. of gold.

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www.alaskaminers.org

NORTHERN NEIGHBORS

Compiled by Shane Lasley



20,000 g/t gold drilled in Valley of the Kings

Pretium Resources Inc. Jan. 8 said the fifth set of results from an underground infill drill program at the Valley of the Kings deposit of its Brucejack gold project in northwestern British Columbia continues to confirm the style and grade distribution of the gold mineralization in the area currently being tested. The best intercept from this round came in hole VU-545, which cut 21 meters averaging 494.91 grams of gold per metric ton uncut, including 20,287 g/t gold uncut over 0.5 meters. Other highlights include: hole VU-539 cut 14.22 meters averaging 477.29 g/t gold uncut, including 10,700 g/t gold uncut over 0.50 meters; and hole VU-537 cut 18.99 meter averaging 98.52 g/t gold uncut, including 3,200 g/t gold uncut over 0.50 meters. To date, results from 149 holes (26,833 meters) of the 2015 infill drill program for the Valley of the Kings have been reported with 25 intersections grading greater than 1,000 g/t gold. An additional 26,000 meters of definition drilling from four underground drill stations is in progress and is expected to be completed in the first-quarter of 2016. When completed, roughly 200 vertical meters over a strike length of 250 meters will have been drilled at 7.5- to 10-meter centers.

Pocket of high-grade copper lifts Minto output

Capstone Mining Corp. Jan. 13 said strong performance at its Minto Mine in Yukon Territory and Pinto Valley Mine in Arizona helped the company meet its guidance for 2015 copper production despite setbacks at the Cozamin Mine in Mexico. The three mines produced 26,000 metric tons of copper during the fourth quarter and 92,900 metric tons for the full year. At Minto, a pocket of high-grade underground ore in excess of three percent copper in close proximity to existing development was opportunistically mined and processed. As a result, Minto produced 4,400 metric tons of copper during the final three months of 2015, making it the strongest quarter for the mine. Total 2015 production at Minto was 16,400 metric tons of copper, exceeding the annual guidance of 15,500 metric tons. Stripping of the Minto North pit is proceeding well and the lower-grade ore was reached in December. Pinto Valley produced 60,800 metric tons of copper in 2015 and Cozamin produced 15,700 metric tons of the metal for the year.

Chidliak kimberlite produces large diamonds

Peregrine Diamonds Ltd. Jan. 12 reported that an 814-metric-ton bulk sample from the CH-7 kimberlite pipe at the Chidliak diamond project in Nunavut returned an overall grade of 0.88 carats of diamonds per metric ton. A total of 717.65 carats of commercial-size diamonds were recovered, including 53 diamonds larger than one carat and 183 diamonds over a half carat in size. The largest gem quality diamond recovered was 5.33 carats. Other notable diamonds include: a 5.02 carat off-white transparent octahedron with minor inclusions; a 2.01 carat white-colorless, transparent octahedron with no inclusions; and two yellow transparent octahedra, one at 0.52 carat, the other at one-half carat. Significant diamond breakage was observed, including a gem-quality diamond that may have originally been larger than six carats. A substantial portion of the parcel is gem-quality diamonds and a population of colored stones is present.

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MINE OUTPUT

Between 115,000 and 125,000 ounces of Coeur's 2016 gold is expected to be produced at Kensington.

Record silver

Greens Creek, meanwhile, produced 8.5 million oz. of silver in 2015, the highest annual output since Hecla Mining purchased 100 percent ownership of the mine in 2008.

Greens Creek's robust production helped propel Hecla's companywide silver production to a record 11.6 million oz., well above the 10.5 million to 11 million oz. that the company anticipated.

The silver recovered at Greens Creek in 2015 topped the previous year's production by roughly 600,000 oz. This increased output more than made up for a 211,000 oz. drop in silver production at Hecla's Lucky Friday operation in Idaho. The net gain also set a new annual silver production record for the Idaho-based miner.

"Despite a difficult metals market, Hecla's production continues to grow, setting the second consecutive annual silver production record," CEO Baker said.

This roughly 7.6 percent jump was not simply the result of feeding more ore through the mill. In fact, the tonnage milled in 2015 was down about 11 percent compared to 2014.

The grade of the ore milled in 2015 was 13 percent higher, which accounts for some of the increased silver production. Improved recoveries, however, gets the credit for the bulk of the added silver in 2015.

Improvements to silver recoveries at Greens Creek began late in 2014, when Hecla modified the flotation circuit to scalp more of the lead concentrate. In April, the

company further enhanced efficiencies of the flotation circuit through the use of carbon dioxide to control PH levels in the lead concentrate. All told, these upgrades resulted in an eight percent jump in silver recoveries by the middle of 2015.

"For a mine producing over seven million ounces of silver a year, an eight percent increase in silver recovery is a significant value driver, especially when coupled with the higher grades," Baker said at the time.

Greens Creek also recovered 60,566 oz. of gold in 2015, a 3.1 percent increase over the 58,754 oz. produced the year before. This helped push Hecla's companywide gold production to 189,162 oz. for the year, exceeding the 185,000 oz. the longtime precious metal miner was anticipating.

Casa Berardi, Hecla's only mine that primarily produces gold, reported output of 127,891 oz. of the yellow metal in 2015, a slight drop from the 128,244 oz. that the Quebec operation produced a year earlier. On the bright side, the 42,282 oz. recovered at Casa Berardi during the final three months of 2015 is the highest quarterly production since Hecla acquired the mine in mid-2013.

On Dec. 10, the San Sebastian Mine in Mexico began processing ore and produced 75,552 oz. of silver and 705 oz. of gold before the year came to a close.

With a fourth operating mine in its portfolio, Hecla is looking to have another banner year in 2016.

"All three mines exceeded guidance and San Sebastian has begun production," said Baker. "We are continuing to see results from our strategy of investing in production growth, causing our silver-equivalent production to be the most in our 125-year history. This growth, along with cost controls and focused investment, puts Hecla in a good position now and when metals prices rebound." ●

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EPA conducted guidelines and followed its assessment of the Bristol Bay watershed, or policies and procedures that the EPA predetermined the assessment when conducting the Bristol outcome," the watchdog penned in a summary of the report. This finding is in sharp contrast to

conclusions from previous investigations by former U.S. Secretary of Defense William Cohen and others. "After a very thorough review, I do not believe EPA used the fairest and most appropriate process," wrote Cohen, who was hired by the Pebble Partnership. The contrasting conclusions will likely be considered in a lawsuit in which the Pebble Partnership

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Processing of the bulk sample was performed by the Saskatchewan Research Council. The 717.65-carat parcel is being shipped to Antwerp, Belgium, for an independent diamond valuation by WWW International Diamond Consultants Ltd.

Junior taps more oxide copper at Yukon Territory mine project

Copper North Mining Corp. Jan. 11 said results from a second phase of 2015 drilling at Carmacks continues to demonstrate the potential to significantly expand known oxide mineral resources at this copper-gold-silver project in the Yukon Territory. The company said all 12 holes drilled during the second phase tapped near-surface oxide copper mineralization at the south end of Zone 13 and the north end of Zone 12. Highlights from the drilling include: 23.85 meters of 0.73 percent oxide copper; 0.16 grams per metric ton gold and 2.6 g/t silver from a depth of 44.6 meters in hole CN15-32; 22.34 meters of 0.59 percent oxide copper, 0.13 g/t gold and 2.36 g/t silver from a depth of 42.26 meters in hole CN15-33; and 19.46 meters of 0.54 percent oxide copper, 0.13 g/t gold and 2.02 g/t silver from a depth of 21.34 meters in hole CN15-34. Zone 13 drilling is located roughly 700 meters southeast of a proposed open-pit mine for zones 1, 4, 7 and 7A at Carmacks. Zone 12 is located 200 meters further south. Copper North said it is unclear whether the gap between zones 13 and 12 will connect as a continuous zone. According to a preliminary economic assessment completed in 2014, zones 1, 4, 7 and 7A encompass a measured and indicated resource of 11.98 million metric tons averaging 1.07 percent total copper (0.86 percent acid-soluble copper). A new resource estimate that includes the 2015 drilling in zones 12 and 13; drilling in Zone 2000S; and historical drill holes is in progress. Copper North believes the shallow oxide resource encountered in these zones has the potential to extend the life of the proposed Carmacks mine.

Freeport opts out of Tanzilla copper project in northern BC

Kaizen Discovery Jan. 8 reported that Freeport-McMoRan of Canada Ltd. has terminated an earn-in option on the Tanzilla copper-gold porphyry project in the Golden Triangle area of northwestern British Columbia. The 4,625-hectare Tanzilla property covers a seven-kilometer- (4.4 miles) long alteration zone. Silica Ridge is the primary target along this alteration zone. Induced polarization surveys confirmed the presence of a strong chargeability high to depths of at least 500 meters at Silica Ridge. The 2015 program at Tanzilla included 1,878 meters of drilling in three holes, with two-holes targeting the central Silica Ridge alteration zone and one-hole exploring the Gopher Zone, located about 2,750 meters to the southeast. The property is located 68 kilometers (42 miles) north of Imperial Metals Corp.'s Red Chris copper-gold mine.

Banks Island files for bankruptcy

Banks Island Gold Ltd. Jan. 8 reported that its directors have determined the company needs to file for bankruptcy. D. Manning & Associates Inc. will act as trustee in bankruptcy. Fred Sveinson, Jason Nickel, and John Anderson have since resigned from the Banks Island Gold board of directors. President and CEO Benjamin Mossman is currently the sole director of the company. Since 2010, Banks Island has been working toward reaching commercial production at its Yellow Giant gold-silver property in British Columbia. The company began bulk sampling in 2014 and received permits that year for the construction of a 200-ton-per-day grinding and flotation plant, an underground mine, and associated facilities. By January 2015, the company declared commercial production. However, by late July those operations were suspended.

Fortune produces battery grade cobalt from Nico concentrates

Fortune Minerals Ltd. Jan. 8 reported that battery-

grade cobalt sulfate heptahydrate has been produced from a cobalt sulfate product previously mined in a pilot plant from concentrates originating at its Nico gold-copper project in Northwest Territories. The premium-grade cobalt sulphate heptahydrate sample, produced by SGS Canada Inc., exceeds the specifications of several large lithium-ion battery manufacturers. It was produced to provide a product for testing by a potential off-take customer. The sample also was produced to test minor changes to the process flow sheet for Fortune's proposed refinery in Saskatchewan. Fortune plans to develop Nico as a vertically integrated project comprised of a mine and concentrator in the Northwest Territories and the Saskatchewan refinery, where it plans to process concentrates from the mine to higher value products including gold, cobalt, bismuth and copper. The cobalt market has increased significantly over the past two decades, primarily due to metals used in high performance rechargeable batteries for portable electronic devices, electric vehicles and stationary storage cells.

Junior evaluates developing gold mine at Ulu project, NU

WPC Resources Inc. Jan. 7 reported that it has hired Tetra Tech Inc. to evaluate the potential of developing a mine at the Ulu gold property in Nunavut. In 2015, a measured and indicated resource of 2.5 million metric tons averaging 7.53 grams per metric ton (605,000 ounces) gold was calculated for Ulu. Consideration will be given to utilizing the milling equipment available at the past-producing Lupin Mine, located about 150 kilometers (95 miles) south of Ulu. Recent metallurgical sampling of four 25-kilogram samples collected from a historic test pile at Ulu resulted in gold extraction of 90.4 percent, including roughly 28.4 percent of the gold reporting to a gravity concentrate. WPC said the testing confirms historical results produced by Echo Bay Mines Ltd. in the 1990s. The study also will assess the geological model for Ulu, further investigate metallurgical performances, develop a new processing flow sheet and offer advice on further drilling campaigns. ●

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alleges EPA worked secretly with anti-Pebble groups with the goal of banning or restricting development of Pebble prior to the permitting process. Judge H. Russel Holland, who is presiding over the case, found Pebble's allegations credible enough to issue a preliminary injunction ordering the regulator to halt efforts to use Section 404 (c) of the federal Clean Water Act to pre-emptively block or restrict Pebble permits. "The EPA Inspector General's report is an embarrassing failure on its part to understand what several congressional committees, an independent federal judge in Alaska, and an independent review by a former Senator and cabinet secretary have already found – that EPA acted improperly with regard to Pebble and was biased in its actions," said Pebble Partnership CEO Tom Collier. All parties agree that the activities of Phil North, a former Alaska-based EPA biologist, are suspect. "We did find that an EPA Region 10 employee used personal non-

governmental email to provide comments on a draft Clean Water Act Section 404(c) petition from tribes before the tribes submitted it to the EPA," the EPA Inspector General wrote.

Diamond Gold plans to build mill near Seward

Diamond Gold Corp. Jan. 8 unveiled plans to build and operate a 100 short-ton-per-day hard rock mill in the Seward Mining District. The Alaska-based gold and gem mining company is considering a number of locations for the mill, including: Moose Pass, Crown Point or Seward. Ore to feed the year-round mill will be purchased and mined from small gold-quartz mines operating in Hope, Summit Lake and Crown Point. The company is also considering the potential of shipping ore from the Port Wells district. A 20- to 25-person work force is expected to be needed and salaries are expected to average roughly US\$100,000 per year. Diamond Gold said it prefers to hire a local work force and will provide all required job and safety training. ●



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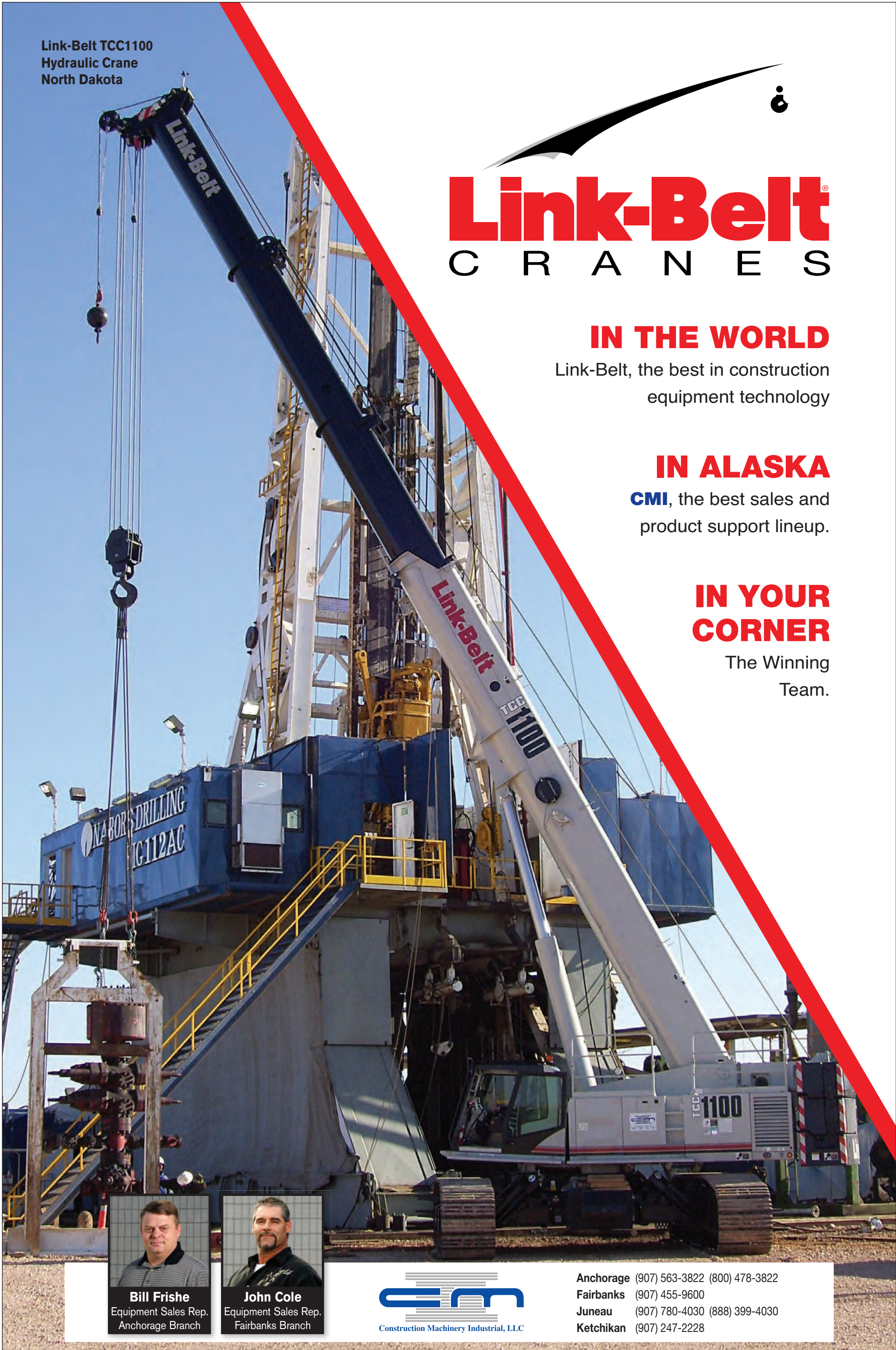


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