



## NORTHERN NEIGHBORS

Compiled by Shane Lasley



### Agnico hits record gold in 2015

Agnico Eagle Mines Ltd. Feb. 11 reported 1,429,288 ounces of payable gold for 2014, marking the fourth straight year of record gold production from the company's nine mines. Agnico attributes its improved gold production, which is 30 percent greater than the 1.1 million oz in output it reported in 2013, to strong operating results from all of its operations. The company's Meadowbank Mine in central Nunavut produced 452,877 oz of gold in 2014. Gold output at this operation is currently forecast to decline during the next three years. A decision to mine the Vault Pit, however, would change the 2016-2018 production profile for Meadowbank. In the longer term, the Amaruq project, located roughly 50 kilometers (31 miles) northwest of Meadowbank, may be developed as a satellite operation. In 2014, a C\$10 million exploration program at Amaruq included 31,598 meters of drilling (144 holes) and collection of environmental baseline data. As a result, Agnico reported a maiden inferred resource for Amaruq of 6.6 million metric tons grading 7.1 grams per metric tons (1.5 million ounces) gold. Roughly 1.4 million ounces of these ounces are contained in the Whale Tail deposit, where the bulk of the 2014 drilling took place. A 50,000-meter drill program, estimated to cost roughly C\$20 million is expected to begin at Amaruq in March and a resource update is expected in the second half of 2015. Permitting and preliminary engineering for the possible construction of an all-weather exploration road linking Meadowbank to Amaruq is ongoing. At the Meliadine project, also in Nunavut, Agnico is anticipating a capital budget for 2015 of roughly C\$64 million. Of this total, about C\$21 million is allocated toward 2,500 meters of underground development that will allow for cost-effective exploration and conversion drilling aimed at optimizing potential mining plans. In January, the federal government accepted the Nunavut Impact Review Board's recommendation to approve Agnico's plan to develop a mine at Meliadine. The Review Board will now convene all of the regulatory agencies for a final workshop, which is expected to lead to issuance of the project certificate within the next two months. This would enable Agnico to apply for the per-



SEAN BOYD

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## PRODUCTION

# AK mines top \$3B

Higher zinc prices, Red Dog output offset lower gold values in 2014

By SHANE LASLEY

Mining News

Galvanized by higher zinc prices and strong production at Teck Resources Ltd.'s Red Dog Mine, the value of Alaska's mineral production topped US\$3 billion for the fifth year running.

Larry Freeman, chief of Minerals Resources at the Alaska Division of Geological & Geophysical Surveys, told an audience at the AME BC Mineral Exploration Roundup that production of zinc, lead and silver – all metals produced at Red Dog – climbed in Alaska during 2014. Gold production, on the other hand, fell slightly last year.

During his Jan. 26 presentation at the Vancouver, B.C. gathering, Freeman said his calculations show that the combined value of the four metals is about US\$3.3 billion, and does not include the values of coal, sand and gravel mined in the state. The figure, however, will likely be refined slightly, once all final production results become available.

Similar to Freeman's appraisal, the U.S. Geological Survey estimates that mineral production in Alaska for 2014 totaled more than US\$3.5 billion, slightly higher than US\$3.4 billion in materials mined in the 49th State during the previous year.

This ranks Alaska as the nation's seventh-largest mineral producing state – behind Arizona, Nevada, Minnesota, Texas, Utah and California.

The USGS published its findings in the "Mineral Commodity Summaries 2015", an annual report that is considered to be the first comprehensive source of 2014 mineral production data for the world.

"Decision-makers and policy-makers in the private and public sectors rely on the mineral commodity summaries and other USGS minerals information publications as unbiased sources of information to make business decisions and national policy," noted USGS National Minerals

Moreover, with existing operations continuing to add reserves, along with new mines on the horizon, the US\$3-billion benchmark may prove to be a stepping stone to even greater production for a growing mining sector in Alaska.

Information Center Director Steven Fortier.

### Zinc reigns

Zinc has reclaimed its reign as the top commodity mined in Alaska.

Roughly 717,000 short tons of zinc was produced in Alaska during 2014. This accounts for roughly US\$1.4 billion, or 42 percent, of Alaska's metal production value for the year.

Red Dog produced 657,000 tons (596,000 metric tons) of zinc during 2014. This is not only the bulk of zinc produced in Alaska, but accounts for more than 70 percent of the zinc mined in the United States and roughly five percent mined globally.

"Domestic zinc mine production increased by five percent in 2014 from that of 2013, owing to increased production at the Red Dog Mine in Alaska; mill throughput at the mine rose significantly as a result of processing softer ores from the Aqqaluk deposit," according to the USGS commodities report.

This assertion of increased throughput at Red Dog is affirmed by the upper management of Teck Resources, which operates the Northwest Alaska mine.

"Our experience with the Aqqaluk is new within the last three years, and there is more barite in the (deposit). The softer grinding ore is an unexpected upside surprise to us. So, that's what accounts for the additional zinc production from Red Dog this year," Teck Senior Vice President of Zinc Rob

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