



NEWS NUGGETS

Compiled by Shane Lasley

High-grade plan for Kensington gold mine

Coeur Mining Inc. April 14 released a new high-grade mine plan for its Kensington gold mine in Southeast Alaska that forecasts higher gold production at lower costs. From 2015 through 2020, the Kensington Mine is anticipated to average 128,000 ounces of gold at average costs applicable to sales of US\$820 per ounce. Production in 2014 was 117,823 ounces of gold at costs of US\$951 per ounce. This new plan reflects the recent discovery of the Jualin zone and indicates higher overall production and cash flows due to the contribution of higher-grade material from three nearby zones. The Jualin zone, located approximately 8,250 feet from current mining activities, averages 0.619 ounces of gold per ton, which is more than three times the average reserve grade at Kensington. Coeur says ongoing drilling continues to expand this deposit. "Our recent success identifying high-grade mineralization near existing Kensington infrastructure has added higher-margin production to our mine plan and significantly improved the expected economics of the mine," said Coeur President and CEO Mitchell Krebs. Expected capital expenditures include roughly US\$3.5 million per year through 2018 for capitalized drilling, primarily to upgrade the inferred mineral resources at Kensington and Jualin. Spending for underground mine development is expected to average US\$16 million per year through 2018 when production from the inferred material is expected to be fully ramped up. Development of a decline to Jualin is planned to begin in July with initial production expected in mid-2017.

Greens Creek delivers 2M oz. silver in Q1

Hecla Mining Co. April 12 reported that its silver production for the first quarter of 2015 was 2.9 million ounces, a 16 percent increase over the same period last year. Some 2.0 million ounces of this silver was recovered from the Greens Creek Mine in Southeast Alaska, a 14 percent increase from the first three months of 2014. "Greens Creek, with higher grades and recoveries, led another strong operating quarter for Hecla – silver production is among the highest in our history," said Hecla President and CEO Phillips S. Baker Jr. The Idaho-based silver miner attributes this increased production primarily to mine sequencing, higher silver grades and higher silver and gold recoveries. The company said changes made to the flotation circuit in the fourth quarter is resulting in higher silver recovery, the value of which is being outweighed a slight loss in zinc recovery. The 15,239 ounces of gold produced at Greens Creek during the first quarter exceeded the same period last year by 2 percent. The Greens Creek mill operated at an average of 2,172 tons per day in the first quarter. Hecla's Lucky Friday Mine in Idaho produced 836,719 ounces of silver during the first quarter of this year, up 20 percent from the same period of 2014. The mill operated at an average of 825 tpd in the first quarter. The company's Casa Berardi Mine in Quebec recovered 25,412 ounces of gold during the first quarter, down 19 percent from the same period last year. Hecla said the mine experienced lower grades as a result of mine sequencing and recoveries were lower due to new metallurgical characteristics of the ore from the 118 Zone requiring adjustments to the plant which are expected to improve recoveries in the second quarter. The mill operated at an average of 2,090 tpd in the first quarter. "In March we celebrated 50 years on the NYSE, and I see our current mix of three operating mines to be the strongest in our his-

The Idaho-based silver miner attributes this increased production primarily to mine sequencing, higher silver grades and higher silver and gold recoveries.

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EXPLORATION



The 65-square-mile Whistler property is known to host at least two porphyry centers, the Whistler deposit which lies under the ridge to the right; and the Island Mountain prospect located in the mountains about 14 miles to the south.

Whistler sale pending

Prospective buyer could advance Southcentral Alaska porphyry project

By **SHANE LASLEY**

Mining News

It has been nearly four years since any significant exploration has been carried out at the Whistler property, but a preliminary deal for Kiska Metals Corp. to sell it could mean a renewed focus on this copper-gold project in Southcentral Alaska.

Under a non-binding agreement reached April 9, Alternative Earth Resources Inc. would acquire full ownership of Whistler in exchange for issuing Kiska 24.5 million of its shares, which would represent half of the company's shares upon completion of the exchange.

This Whistler deal is part of Kiska's ongoing strategy to realize value from its extensive portfolio of exploration properties in Alaska, British Columbia, Ontario, Nevada and Australia.

"This transaction further strengthens Kiska's commitment to the prospect generator business model and greatly increases the company's flexibility," explained Kiska President Grant Ewing. "Kiska will no longer incur any holding or exploration costs, and it retains excellent carried participation in the future upside of the Whistler Project through its large shareholding in AER."

Thermal to mineral

Alternative Earth Resources, which until recently was focused on finding and developing geothermal resources, has been seeking the right project to jump into mineral exploration sector.

"I believe the timing is right relative to possible improvement in gold and metal prices; however, Alternative Earth's available cash is sufficient to sustain the company and the Whistler assets through several years, if necessary," Alternative Earth CEO Brian Fairbank said, upon announcing the proposed acquisition.

At the end of 2014, Vancouver, B.C.-based Alternative Earth had US\$2.18 million in cash and was expecting to recover US\$150,000 from bonds being held to secure reclamation work on geothermal wells in Nevada and California.

Much of the money the company has in the bank is from the sale of its geothermal assets in 2014, funds it plans to put toward "opportunities in the mining sector with projects having indicated resources in safe jurisdictions," according to Alternative Earth's financial filings for the end of 2014.

The company believes the Whistler project fits the bill.

"Alternative Earth is pleased with the potential acquisition of the significant Whistler deposit, the



Drilling at Island Mountain has encountered two distinct zones of mineralization: an upper gold-copper breccia and a deeper pyrrhotite-gold zone.

encompassing porphyry gold-copper district and the physical project assets following an extensive search and due diligence process," said Fairbank.

Whistler deposit

Located in the Alaska Range about 95 miles northwest of Anchorage, the Whistler property is situated in the Kahiltna Terrane, an assemblage highly prospective for world-class porphyry copper-gold and intrusive gold deposits. The massive Pebble copper-gold-molybdenum project – situated about 165 miles southwest of Whistler – is the largest such deposit found there.

"The super-giant Pebble deposit and the Whistler deposit are the only porphyry copper-gold resources currently defined in the Kahiltna assemblage, which speaks to the immature exploration setting of this belt," Kiska said in a 2014 report on Whistler.

The 65-square-mile Whistler property, itself, is known to host at least two porphyry centers and one area prospective for an intrusive-related gold deposit.

The Whistler property is anchored by its namesake deposit, which was discovered by Cominco Alaska in the late 1980s and was further delineated by Kennecott Exploration, Geoinformatics Exploration Inc. and Kiska Metals.

A total of 48 holes drilled into the Whistler deposit through 2011 has outlined an indicated resource of 79.2 million metric tons grading 0.51 grams per metric ton gold, 1.97 g/t silver and 0.17 percent copper (2.25 million gold-equivalent ounces), and an inferred resource of 145.8 million metric tons averaging 0.40 g/t gold, 1.75 g/t silver and 0.15 percent copper (3.35 million gold-equivalent ounces).

In addition to upgrading the substantial open-pit delineated inferred resource at Whistler, infill drilling is expected to expand upon some higher-grade zones

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