



NEWS NUGGETS

Compiled by Shane Lasley

Bokan REE resource gets an upgrade

Ucore Rare Metals Inc. May 11 reported a significant upgrade and expansion of the mineralized resources at the Dotson-Ridge deposit of its Bokan Mountain rare earths project in Southeast Alaska. The deposit now contains an estimated indicated resource of 4.79 million metric tons averaging 0.6 percent (63.54 million pounds) total rare earth oxides, a roughly 63 percent increase over the 2.94 million metric tons of indicated resource included in a 2013 estimate. Additionally, the deposit has 1.05 million metric tons of inferred resource averaging 0.6 percent (13.96 million lbs.) TREO. About 39 percent of the TREO in both categories are the higher valued heavy rare earths. "We're pleased to announce this important resource upgrade as Ucore continues its progress toward production," said Ucore President and CEO Jim McKenzie. "This resource upgrade, together with our recent advances in molecular recognition technology for refining applications, makes for a compelling mine-to-metal story at Bokan."



JIM MCKENZIE

Insiders back US\$1.5M Zazu financing

Zazu Metals Corp. May 8 reported completion of the final tranche of a US\$1,497,800 million non-brokered private placement financing. In a second tranche, Zazu sold more than 3.46 million common shares of the company at US20 cents each for gross proceeds of US\$692,800. Zebra Holdings and Investments S.a.r.l., a company controlled by a trust settled by the late Adolf H. Lundin, purchased more than 2.16 million of these shares. Zebra, which previously owned or controlled 8,860,280 Zazu shares, owns roughly 19.9 percent of the company's issued and outstanding shares upon completion of the offering. Zazu Chairman and CEO Gil Atzmon bought 1 million of the shares offered in the second tranche. Atzmon, which previously owned or controlled 5,789,500 Zazu shares, owns roughly 12.3 percent of the company's issued and outstanding shares upon completion of the offering. Zazu intends to use proceeds from the offering for development expenditures related to its Lik zinc-lead-silver project in Northwest Alaska and general working capital purposes.

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Ruptured line spills tailings at Pogo

Sumitomo Metal Mining Pogo May 7 reported to Alaska Department of Environmental Conservation that a ruptured line spilled roughly 90,000 gallons of paste backfill at the Pogo gold mine in Interior Alaska. The 8-inch line delivers paste backfill, a mixture of tailings and cement, into the underground mine for disposal. Once underground, the concrete created from the tailings fills mined-out areas, providing support for continued mining. The backfill material is reported to contain 1-3 parts-per-million cyanide but is rendered inert by the high pH of the concrete mixture. Once hardened, the spilled tailings are being removed with heavy equipment and hand tools.

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EXPLORATION

Palmer doubles in size

Tough markets fail to slow resource expansion at SE Alaska VMS project

By SHANE LASLEY

Mining News

While many of its peers are struggling to find money to continue exploration at their promising mineral prospects and deposits, Constantine Metal Resources Ltd. has managed to forge ahead with hefty programs at its copper- and zinc-rich Palmer project in Southeast Alaska. This includes C\$7.13 million invested in exploring the volcanogenic massive sulphide deposit in 2014.

Last year's program, funded by Dow Metals & Mining Co. Ltd., along with drilling completed at Palmer in 2010 and 2013, have culminated in a 97 percent expansion of the resource, compared to the last time a calculation was completed for the deposit in 2010.

The results of the resource estimate published by Constantine on May 11 outlines an inferred resource of 8.125 million metric tons averaging 1.41 percent (252.6 million pounds) copper, 5.25 percent (940.4 million lbs.) zinc, 0.32 grams per metric ton (83,600 ounces) gold and 31.7 g/t (8.3 million oz.) silver for Palmer.

"The resource estimate significantly increases the size of the deposit, highlighting the tremendous success of recent drill campaigns and the growing potential of the project," said Constantine President and CEO Garfield MacVeigh. "It is open to expansion in most areas with the thickest part of the deposit located at the current down-dip limit of the South Wall Zone where mineral zoning and geophysics support potential for a high-grade copper core within a more extensive area of zinc-copper-barite mineralization."

Constantine and Dow are continuing to explore this growth potential with a US\$5 million program budgeted for this year.

Good deal

Most of the new resource reported by Constantine has been added since Dow joined as a funding partner at Palmer in 2013.

According to an agreement inked between Dow and Constantine in February of that year, the Tokyo-based smelting and mining company can earn a 49 percent stake in Palmer by investing US\$22 million in the VMS project over a four-year span.

At the time, some analysts felt that Constantine was giving up too large a portion of the Palmer project for the money. Following two years of resource expansion in tough equity markets, however, the deal has worked out well for both parties.

"We felt from the beginning the scale of investment Dow is making to earn 49 percent would give us a good chance to establish a resource at Palmer with potential for mine viability," Constantine Vice President of Exploration Darwin Green told Mining News.

Dow, which got its start from mining Kuroko deposits in northern Japan, has more than 120 years of experience exploring for, mining and smelting ore from VMS deposits like the one at Palmer. This makes the Southeast Alaska project an ideal fit for the Tokyo-based company's expertise.

Additionally, being located only 33 miles from



Drilling at Palmer in 2014 cut copper- and zinc-rich mineralization at a 400-square-meter conductive plate identified with downhole geophysics.

CONSTANTINE METAL RESOURCES LTD.

a Pacific Rim deep-sea port at Haines, a mine at Palmer would be well-situated to provide zinc and copper concentrates to Dow's state-of-the-art smelters in Japan.

For its part, Constantine is benefiting from Dow's vast VMS experience and a partnership deal that is structured in a way that allows it to complete multimillion-dollar exploration programs, while avoiding a significant dilution from selling shares in a market that has been unkind to junior mining companies.

"It has been very refreshing to be able to focus near 100 percent of our efforts at growing and building the asset at Palmer, and avoid the distraction of constantly chasing financings, which in this market has become a Herculean task," Green said.

As part of the agreement, Constantine receives annual cash payments totaling US\$1.25 million over four years. This, along with any other option payments and management fees received, has allowed the company to maintain a healthy bank account.

"We are currently cash-flow positive, which is a bizarre and privileged position to be in," observed Green.

At the end of January, the company had C\$636,135 in cash and its working capital totaled C\$664,811.

Continued expansion

Over the previous two years, Dow has invested roughly US\$10 million in advancing the VMS deposit and has agreed to invest another US\$5 million in 2015.

This work is primarily targeting expansion of Glacier Creek, a region of the project that consists of five inter-related subzones of massive sulfide mineralization – RW East, RW West, and South Wall zones 1, 2 and 3.

The South Wall zones are parallel layers of nearly vertical VMS mineralization. At the upper extent

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