



NORTHERN NEIGHBORS

Compiled by Shane Lasley



Osisko to increase stake in Yellowknife gold

TerraX Minerals Inc. May 13 reported an agreement to sell an additional 1 percent net smelter return royalty on its Yellowknife City Gold project in the Northwest Territories to Osisko Exploration James Bay Inc., a wholly-owned subsidiary of Osisko Gold Royalties Ltd. To purchase this option, Osisko Exploration will pay TerraX C\$1 million in cash. The agreed to option entitles Osisko Exploration to purchase the royalty by paying an additional C\$2 million within three months following the start of production at Yellowknife City Gold. This 1 percent NSR is in addition to the existing Osisko Exploration option to acquire a 2 percent NSR for the project – subject to underlying royalties to certain property vendors, and payment of C\$2 million within three months of the start of production from those properties. Osisko will also invest up to C\$2.5 million into TerraX through the purchase of a non-brokered flow-through private placement of common shares at a premium to market, subject to these conditions, including a concurrent completion of a C\$3.5 million private placement by TerraX. On May 17, TerraX announced plans to complete the financing by selling 7.7 million flow-through units at C55 cents per share. The proceeds of this private placement, along with the C\$2.5 million invested by Osisko, will fund an extensive exploration program at Yellowknife City gold, expected to start in June. Prior to the financing, Osisko Exploration owns 9.24 percent of the common shares of TerraX. Additionally, TerraX reported assay results from the final 15 holes drilled in the 2015 winter drill program at Yellowknife City Gold. Eleven of these holes tested the southern strike extension of gold mineralization intersected at the Barney Zone, as well as the up-dip of the zone to 90 meters vertical depth. TerraX said all these holes hit the mineralized shear where expected. Highlights include: 14.09 meters grading 2.96 grams per metric ton gold in hole TBY15-005; and 15 meters 1.59 g/t gold in hole TBY15-003. The remaining four holes were drilled to test the projected intersection of the Crestaurum Shear and Shear 20 to the west of Barney. TerraX believes that information obtained from this drilling will aid in successfully targeting the Crestaurum-Shear 20 intersection point in the next phase of drilling.

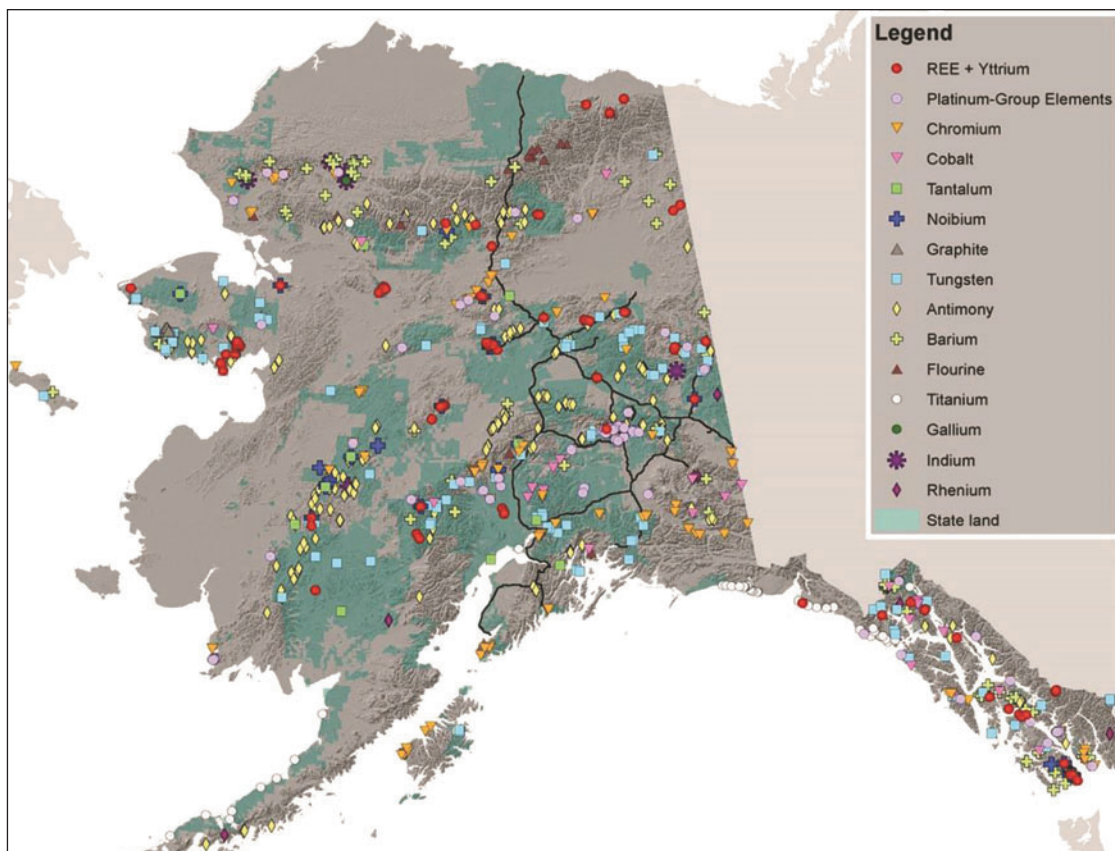


Two diamonds recovered from a 933-kilogram sample collected from the Faraday kimberlite on the Kennady North property that yielded 4.76 carats of diamonds, or about 5.1 carats per metric ton.

More kimberlite cut at Kennady North

Kennady Diamonds Inc. May 13 and May 19 reported additional encouraging results from the current drilling at its Kennady North diamond project in Northwest Territories. The company said drilling at the Faraday 2 kimberlite has now defined the kimberlite over a strike of roughly 200 meters from southeast to northwest. One hole drilled in the northwest lobe of Faraday 2 cut 68 meters of kimberlite. "Exploration drilling at the northwest end of the Faraday 2 kimberlite has yet to confirm the direction in which the pipe-like body is trending, but

see **NORTHERN NEIGHBORS** page 10



ALASKA DIVISION OF GEOLOGICAL & GEOPHYSICAL SURVEYS

PUBLIC POLICY

Securing U.S. mining

Bill targeting modernizing domestic mining policies draws broad support

By SHANE LASLEY
Mining News

The United States is richly endowed with a broad range of metals and minerals critical to national security, green energy and modern technology but is often overly-reliant on foreign sources for these same commodities. This was the resounding message from miners, manufacturers, regulators and analysts who testified on U.S. Senate Bill 883, "The American Mineral Security Act of 2015."

Introduced by Sen. Lisa Murkowski, R-Alaska, S.883 aims to reduce the United States' heavy reliance on mineral imports by addressing key bottlenecks in the domestic supply chain.

"The mineral security of our nation directly affects everything from our economic competitiveness to our national security," Murkowski said during a May 12 hearing before the Senate Committee on Energy and Natural Resources, which she chairs.

Over the past several years, Alaska's senior senator has beat the drum for the need to modernize domestic minerals legislation.

"This is the third consecutive Congress now that I have introduced legislation on this subject. I think this is the best version yet, but I also believe that passage of this legislation is probably more important now than ever," Murkowski said.

America's electrical manufacturing sector, which uses a broad range of minerals and metals in the

products it produces, agrees that modernizing mining policies is needed.

"U.S. dependence on China for rare earths is well documented by the U.S. Geological Survey, but our industries' usage of minerals goes well beyond rare earths," testified Vice Admiral (Ret.) Kevin Cosgriff, president and CEO, National Electrical Manufacturers Association.

He said a ready and reliable source of minerals is an important factor when deciding whether to build manufacturing facilities in the United States or overseas.

"To state the obvious, it is important to note that, just as enterprises do not engage in extraction or processing of mineral resources if they believe there is no market demand, a firm will not design and plan to manufacture a product without some reasonable assurance that the inputs necessary will be available to ensure predictable production at a reasonable cost," he informed the committee.

Vast minerals

In recent decades, American manufacturers have increasingly had to look overseas to find the minerals and metals critical to contemporary living.

"I've said this before, and I will say it again. I think that we have a real problem on our hands, as a result of our nation's borderline-insidious reliance on mineral imports, and it's not just the rare earth elements," Murkowski observed.

According the U. S. Geological Survey, the United States imported at least half of its requirements for 43 minerals in 2014, 19 of which it was 100 percent reliant on foreign sources.

The USGS notes that these figures have risen significantly since it began tracking imports in 1978.

"Our over-reliance on imported minerals, however, is certainly not due to an absence of resource



SEN. LISA MURKOWSKI



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