



NEWS NUGGETS

Compiled by Shane Lasley



BONNIE BROMAN, COURTESY NOVA COPPER INC.

The Arctic deposit at NovaCopper's Upper Kobuk Mineral Projects encompasses 23.85 million metric tons of indicated resource with 1.71 billion pounds copper, 2.34 billion lbs. zinc, 400 million lbs. lead, 550,000 ounces gold and 40.8 million oz. silver.

NovaCopper budgets US\$5.5M to continue Arctic prefeasibility

NovaCopper Inc. Feb. 8 reported that it has budgeted US\$5.5 million for its 2016 program at the Upper Kobuk Mineral Projects in northwestern Alaska. Like the 2015 program, which was similar in size and scope, this year's work will focus primarily on collecting data to inform a prefeasibility study for Arctic, a volcanogenic massive sulfide deposit that is rich in copper, zinc, silver and gold. This year's program is expected to include additional drilling at Arctic; completion of in-pit geotechnical, hydrological and metallurgical studies; continued environmental and engineering studies; and the completion of LiDAR survey started last year but was not finished due to poor weather conditions. Along with its site activities, NovaCopper said it plans to continue community engagement and its efforts on local hiring and education, along with continuing to engage with the State of Alaska on the permitting of the Ambler access road. In 2015, NovaCopper invested US\$5.5 million on the continued advancement of its Upper Kobuk Mineral Projects. This work primarily focused on moving the Arctic deposit towards pre-feasibility with 3,056 meters of drilling completed in the summer. The program included a 12-hole in-fill drill program is to re-classify the inferred resources to the measured and indicated categories for the potential of reporting reserves and resources in a future pre-feasibility study and two holes to collect geotechnical and hydrology information within the proposed Arctic open-pit. The company said all 14 holes encountered significant intervals of high-grade mineralization. NovaCopper also continued with its commitment to local hiring and education with an annual US\$20,000 payment into the NANA-NovaCopper Kuvvangmuit Scholarship Fund which focuses on education for mining-related jobs. NovaCopper worked closely with NANA Regional Corporation during 2015, approving 14 scholarships totaling US\$22,365 for education in business administration, culinary arts, hospitality management, nursing and process technology. During the summer drilling season NovaCopper engaged 75 staff and contractors at the Bornite camp. At the project site, 53 percent of the employees were from Northwest Alaska where the project is located and 56 percent of the employees were NANA shareholders. In October, Alaska Gov. Bill Walker authorized the Alaska Industrial Development Export Authority to begin an environmental impact study on the Ambler Mining District Industrial Access Road. If built, this roughly 200-mile road would link the Upper Kobuk Mineral Projects – Arctic and Bornite – to the Dalton Highway. The submission of the consolidated right-of-way application to start the formal permitting process for the AMDIAR is a significant step forward to bring limited

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SHANE LASLEY

Royal Gold and Contango Ore are seeking Peak-style skarn mineralization similar to the 17.3 meters of 21.78 grams per metric ton gold, 7.4 g/t silver and 0.319 percent copper tapped in this hole drilled in 2012.

EXPLORATION

Early start at Tetlin

Peak Gold launches first-ever winter drilling at gold-copper-silver project

By SHANE LASLEY

Mining News

While many mining companies continue to scale back programs on their promising mineral exploration projects, Royal Gold and Contango Ore are expanding the extent of their work at Tetlin. This year, the partners have launched the first-ever winter drill program at this high-grade gold-copper project located near Tok, an eastern Alaska community at a junction of highways that lead to Fairbanks and Anchorage.

Neither of these companies are your prototypical mineral explorer – Texas-based Contango came to Alaska seeking natural gas and found metals instead, and Toronto-based Royal Gold usually opts to fund exploration through royalty purchases and stays away from becoming directly involved in exploration.

This unlikely duo, however, came together early in 2015 to form Peak Gold, a limited liability joint venture company operated by Royal Gold to follow up on the exploration success that Contango Ore had realized at Tetlin over the previous six years.

Despite (or due to) the uncharacteristic nature of this partnership, Peak Gold is one of the first Alaska mineral explorers out of the gate in 2016 and shows the potential to conduct one of the largest programs in the state this year.

The work will kick off with a US\$4.4 million initial drill program that is about to get underway.

"We are pleased that the joint venture will conduct our first-ever winter drilling program beginning this month," said Contango Ore President and CEO Brad Juneau.

Reaching Peak Gold

Juneau first recognized the minerals potential of lands owned by the Tetlin Village Council, an Alaska Native village corporation in Alaska's Eastern Interior, while carrying out a natural gas assessment on the property in 2008. Over the ensuing five years, Contango Ore, with the help of Fairbanks-based Avalon Development, identified numerous precious and base metal targets across 774,000 acres of Tetlin Village and state of Alaska lands that the Texas-based company has accumulat-

ed over the underexplored area.

Peak zone, the most advanced of these discoveries, hosts the equivalent of 1.2-million ounces of gold, when accounting for the value of the copper and silver present in the deposit, according to a resource estimate calculated in 2013.

Attracted by the growth potential of the high-grade gold-copper-silver deposit identified at Peak and the prospects for discovering other similar deposits across the larger land package, Royal Gold agreed to become an active partner in Tetlin exploration early in 2015.

Under the deal signed in January last year, Royal Gold can earn up to a 40 percent interest in Peak Gold by investing up to US\$30 million by October 2018.

The royalty company got off to a quick start on its earn-in by investing US\$6.8 million on exploration at Tetlin in two phases of exploration carried out in 2015.

This investment resulted in 14,059 meters of drilling that expanded the deposit at Peak and tested new targets surrounding the deposit.

Expanding Peak

Peak is a skarn deposit that was formed when metal-laden magmatic fluids came in contact with carbonate-enriched sandstones, causing the metals to quickly drop out. The process resulted in high-grade concentrations of gold and copper that were suspended in acidic fluids that came in contact with the base rocks.

Much of the drilling carried out under the Peak Gold partnership in 2015 looked to extensions of Peak deposit, both at depth and laterally, as well as other similar nearby skarn deposits.

Two holes drilled show the expansion potential of Peak, especially at depth:

TET15147, which cut multiple zones of mineralization at Peak, including: 41.89 meters averaging 6.07 grams per metric ton gold, 4.6 g/t silver and 0.198 percent copper from 9.39 meters; and 48.42 meters of 4.98 g/t gold, 12 g/t silver and 0.338 percent copper from a depth of 101.7 meters; and, TET15154, another hole targeting Peak Deep,

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