

MINING

NORTH OF 60
news



www.MiningNewsNorth.com

The weekly mining newspaper for Alaska and Canada's North

Week of October 23, 2016

page 10 Baker: Hecla mines on pace to set 125-year silver production record



NEWS NUGGETS

Compiled by Shane Lasley



WESTERN ALASKA COPPER & GOLD

Western Alaska Copper & Gold President Kit Marrs takes notes at RT-13, a hole testing induced polarization resistivity anomalies at the Round Top copper project near the town of Galena in western Alaska.

Promising results at Round Top; drilling taps interesting copper

Western Alaska Copper & Gold Oct. 17 reported results from the 2016 drill program at its Round Top copper-molybdenum project in the Illinois Creek Mining District of western Alaska. The goal of this program, which included the first drilling since Anaconda Minerals Co. tested the property in 1981, was to verify historical holes drilled at the east lobe of the Round Top deposit and then step out to test targets identified by recent soil geochemistry and high resolution aeromagnetic surveys. One such hole, DDH RT-11, cut extensive chalcocite copper enrichment from 102 meters to 302 meters. "The significance of chalcocite mineralization as a primary source of copper at Round Top may be the single most important discovery of the 2016 program," said Western Copper & Gold President Kit Marrs. From a depth of 138 meters, RT-11 cut 39 meters averaging 0.5 percent copper, which was part of a 70-meter intercept averaging 0.31 percent copper. A sample from a depth of 296 meters returned 0.94 percent copper, principally as disseminated chalcocite. This sample from near the bottom of the hole indicates higher grade copper could extend to depth. Additional sampling above and below this sample is pending. "The presence of secondary copper mineralization, primarily in the form of chalcocite, is a critical element of our future value considerations because this form of secondary-enriched copper can be extracted using the SXEW (solution extraction electro-winning) method. This method creates copper at the mine site and avoids shipment of a concentrate by barge downriver and then by ship to smelters in Asia," Marrs explained. DDH RT-13, collared in a previously untested area of induced polarization resistivity anomalies 583 meters north of RT-11, demonstrated the viability of the geophysical anomalies at Round Top. Though RT-13 did not reach the porphyry target, the hole encountered increasingly higher grades of copper towards the bottom of the hole. Western Copper & Gold said the most interesting geophysical anomalies have yet to be tested and are targets for drill programs planned for 2017 and 2018. The total dimensions of the Round Top copper system are still unknown, but mineralization has been traced by drilling for at least 600 meters north-south direction; and copper in the soil geochemistry and the aeromagnetic anomaly suggests the deposit could extend more than 2,000 meters in this direction. At this point, there is no known constraint in the east-west direction. With a budget of US\$500,000, Western Copper & Gold completed 1,461 meters of core drilling in six holes at Round Top this summer. The privately held exploration company said its all-in drilling cost – camp, fuel, helicopter,

see NEWS NUGGETS page 10



COEUR MINING INC.

PWC Canada sees light at the end of the tunnel for junior miners. The financial advisor, however, is reluctant to call the uptrend in 2016 a recovery and cautions juniors to remain vigilant in the strategies that helped them survive the long bear market.

MARKETS

Cautiously optimistic

PWC Canada sees glimmer of light at end of tunnel for junior miners

By SHANE LASLEY

Mining News

While junior miners have not fully healed from the wounds inflicted by the brutal bear market of the recent past, the Canadian branch of PricewaterhouseCoopers sees improved vital signs for the sector.

"It's too early to call it a recovery, but there might be light at the end of the tunnel for the Canadian junior mining sector" PWC wrote in "Signs of Life", its 2016 junior mine report.

One such promising sign is that the market cap of top 100 junior mining companies on the TSX Venture Exchange hit C\$11.4 billion by mid-2016, a 138 percent increase over the C\$4.8 billion a year earlier.

"Significant growth in the space of a year," said Monica Banting, senior manager, PricewaterhouseCoopers, summarizing the results published Oct. 13.

Of the top 100 mining juniors listed on the TSX Ventures exchange, 63 are exploration companies, 25 are in development and 12 have producing mines.

The exploration companies, which were battered the hardest by the bear market, have enjoyed the biggest gains in 2016. Collectively, the market valuation of these 63 companies rose 154 percent, from C\$2.6 billion in mid-2015 to C\$6.6 billion at the end of June.

Gold's rise from below US\$1,100 per ounce at the onset of 2016 to above US\$1,300/oz. by the end of June played a major role in bringing life back to the sector.

"The gold rally in the last six months has definitely changed things for the juniors," Banting said.

This is especially true for companies seeking gold, either as a primary or secondary metal.

Of the top 100 TSX Venture Exchange listed mining companies, PWC Canada identified 72 with at least some gold exposure, compared to only 59 last year.

Energy and specialty minerals companies were also well represented among the top 100. In fact, NexGen Energy Ltd., exploring for uranium in northern Saskatchewan, was the top junior mining company on the list. A number of lithium companies, including Nemaska Lithium Inc. at No. 8 and Lithium X Energy Corp. at 33, also had strong showings. Ucore Rare Metals Inc., which is advancing the Bokan Mountain rare earth element project in Southeast Alaska, is 27 on the list.

The gold run early in 2016 also bolstered investor sentiment and loosened capital available to juniors, many of which were making the most of very limited funds.

The top 100 companies raised a combined C\$1.2 billion through financings in the year ending June 30. Most of those funds, C\$763 million, were raised through equity financings.

In addition to companies with some gold exposure, markets appear to favor juniors with a strong management team that has demonstrated the wherewithal and dexterity to survive the nearly five-year bear market.

"Those junior miners that got creative in the downturn; that really demonstrated resilience, those are the ones that are still with us today," Banting

While this resilience is being rewarded with fresh investments, markets harbor some trepidation about how the influx of money will be absorbed, given the creativity required by many to outlast the prolonged equity drought.

"Many made significant cuts to survive the downturn and the long-term effects of that belt

see MINE REPORT page 11