



NEWS NUGGETS

Compiled by Shane Lasley



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Lying alongside the Elliot Highway about 70 miles north of Fairbanks, the Livengood project hosts a deposit with 15.7 million ounces of gold in 802 million metric tons of measured and indicated resource averaging 0.61 grams per metric ton gold.

Hanneman named Tower Hill CEO; \$6.7M work program for Livengood

International Tower Hill Mines Ltd. Feb. 1 said it has paid the US\$14.7 million payment due on certain claims associated with its Livengood gold project in Interior Alaska. Following the completion of the land payment, Tower Hill had US\$7.5 million in cash, most of which the company will use to carry out a US\$6.3 million work program focused largely on improving the economics of developing a mine at Livengood. In September, Tower Hill released results of an initial phase of optimization work in a pre-feasibility study for Livengood, which is about 70 road miles northwest of Fairbanks, Alaska. The mine contemplated in the PFS involves a 52,600-metric-ton-per-day mill (about half the size envisioned in a feasibility study released in 2013) that would produce 6.8 million ounces of gold over a 23-year mine life, or roughly 294,100 oz annually. This year's work program will focus on improving the mineralization and alteration models used to support the resource block model, evaluating alternative block models for production schedule opportunities, and completion of several phases of metallurgical work to better define and optimize the flowsheet and recovery parameters. The 2017 program has been designed to target those aspects that could deliver the highest increase to the project's net present value for the least expenditure. Work is also planned to advance the environmental baseline efforts needed to support future permitting. Karl Hanneman, who was previously Tower Hill's chief operating officer, has been approved by the company's board of directors to take over the role as CEO. "The board has unanimously backed Karl to be the new leader of the company and think that he is the best candidate to lead this team as ITH embarks on a work program to continue de-risking the project down an eventual permitting path," said Tower Hill Chairman Marcelo Kim. Hanneman, who has more than 35 years of Alaska-based mining industry experience, is well known and respected mining engineer in the state. Prior to joining Tower Hill, he played a key role on the team at Teck that successfully resolved significant permitting issues at the Red Dog zinc mine in Northwest Alaska. As Alaska Regional Manager for Teck, Hanneman also played a key role in the exploration, development and permitting of the Pogo gold mine in Interior Alaska. Hanneman has led or participated in a number of industry and State of Alaska sponsored organizations, including the Alaska Minerals Commission, Council of Alaska Producers,



KARL HANNEMAN

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SHANE LASLEY

The more than 1 million feet of drilling completed since 1988 has outlined a deposit at Pebble that hosts 56.8 billion pounds copper, 70.4 million ounces gold, 3.4 billion lbs molybdenum and 343.6 million oz silver. The Pebble Partnership now hopes to apply for permits to mine this extraordinary deposit.

PEBBLE

Pebble stars align

Trump, expected EPA treaty, improved markets bode well for Alaska project

By SHANE LASLEY
Mining News

After six tumultuous years, 2017 is shaping up to be a turnaround year for the enormous Pebble copper-gold-molybdenum project in Southwest Alaska.

"The stars that were previously askew, they seem to be lining up," Northern Dynasty CEO Ron Thiessen told Mining News.

This star realignment is reflected in a US\$37.4 million financing the Pebble project owner closed on Jan. 26. Underwritten by a trio of renowned financiers, this financing involved the issuance of 20.24 million shares at US\$1.85 per share, not bad for a company whose stock was selling for a mere US27 cents per share this time last year.

Northern Dynasty's share price enjoyed healthy gains throughout 2016, reaching US91 cents per share by early October. The election of Donald Trump, however, helped push the stock to a high of US\$3.45 per share on Jan. 24.

While the election of a U.S. President focused on the economy played a major role in this meteoric rise, an upturn in metals prices and mining markets, a pending resolution of a court battle with the U.S. Environmental Protection Agency over the regulator's efforts to severely restrict the project prior to permitting, renewed interest by several global mining companies and a new strategy for finally advancing the project into permitting is fueling investors' appetite for this company that appears to have made a turn for the better.

Game changer

With roughly 56.8 billion pounds copper, 70.4



RON THIESSEN



TOM COLLIER

million ounces gold, 3.4 billion lbs molybdenum and 343.6 million oz silver in measured and indicated resource, Pebble is an enormous store of metals that could support a world-class mine for more than a century. "This is a mine that has the capacity to operate 150 years," Thiessen explained.

This multi-generation deposit, however, is located in the Bristol Bay region of Alaska, famed for a sockeye salmon fishery that is a cultural and economic asset to the people that live and work in the region.

This proximity to the Bristol Bay watershed garnered staunch opposition from environmental groups, fisherman and many Alaska Natives in the area that are concerned a Pebble mine could harm the fishery.

"Regardless of federal politics, the people of Bristol Bay remain steadfast in our dedication to protecting Bristol Bay and in opposition to mines like Pebble that threaten our traditional way of life," United Tribes of Bristol Bay Executive Director Alannah Hurley said in a Jan. 24 statement.

Under the Obama administration, the opponents of Pebble enjoyed an ally in the EPA, which tested the bounds of its authority by taking regulatory action at the Pebble project before the permitting process began.

After compiling regional data and putting together some hypothetical mining scenarios for Pebble, the environmental agency decided to put strict limitations on the size of a mine that could be permitted for the enormous metals deposit.

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