



NEWS NUGGETS

Compiled by Shane Lasley



JUDY PATRICK PHOTOGRAPHY

A stack of core documents the success Hecla Mining has had in replacing the high-grade silver reserves at its Greens Creek Mine in Southeast Alaska.

Drilling replaced silver, gold mined at Greens Creek in 2016

Hecla Mining Co. Feb. 22 reported that its 2016 exploration program successfully replaced the 11.9 million ounces of silver and 79,150 oz of gold mined at its Greens Creek Mine in Southeast Alaska last year, leaving reserves of both precious metals virtually unchanged. Greens Creek ended 2016 with 7.59 million tons of reserves averaging 11.7 oz/ton (88.87 million oz) silver; 0.09 oz/t (673,000 oz) gold; 7.6 percent (576,130 tons) zinc; and 2.9 percent (217,280 tons) lead. Roughly 8.3 million oz of silver and 46,500 oz of gold were added to reserves in the 9A and NWW zones during 2016. Additionally, Hecla increased measured and indicated resources increased in the 9A, NWW, SW, Gallagher zones, and the newly established Upper Plate zones last year. Definition drilling at Greens Creek continues to refine the resources of the 9A, Southwest Bench, East Ore and NWW zones for expected conversion to reserves. Exploration drilling has concentrated on the Gallagher Zone and Mine Syncline, a new exploration target area where the mine contact has been identified, at the north and southcentral parts of the mine. During the fourth quarter three drills were operating underground. Drilling of the southern extension of NWW continues to define mineralization along the lower fold. Highlighted intercepts include 18.6 feet of 45.4 oz/t silver, 0.20 oz/t gold, 19 percent zinc and 10.3 percent lead; and 10 feet of 51.7 oz/t silver, 0.20 oz/t gold, 11.2 percent zinc and 4.8 percent lead. Drilling also targeted the Upper Southwest (USW) zone around previously mined levels and identified mineralization that extends down to the upper limb of the NWW. Assay results of the USW include 10.2 feet averaging 46.8 oz/t silver, 0.03 oz/t gold, 10.9 percent zinc and 6.1 percent lead. The drilling has also identified shallow mineralization east of the Kahuna Fault and extends 100 feet in length and is open to the north. Recent drilling of the lower 9A zone has generally confirmed and upgraded the resource model particularly along the upper contact. Initial definition drilling of the East Ore zone shows that overall the mineralization is thinner than expected compared to the model, but this drilling is now advancing into the stronger mineralized portions of the resource to the north and south. Exploration drilling of the Gallagher zone at the southwest corner of the mine targeted a new flat-lying area that may define a mine contact that steepens to the east near the Gallagher fault. Deep exploration drilling of the Mine Syncline at the north end of the mine has shown that the mine contact continues steeply down-dip from the NWW zone and could define a broad syncline, or fold in the rock, below the current mine infrastructure that could host mineralization. Hecla said the early stage drilling here has identified some large prospective areas below the current mining that contain mine horizon.

see NEWS NUGGETS page 10



SHANE LASLEY

Ore cars from World War II-era mining at Lucky Shot sit outside the portal of this historic high-grade gold mine perched above Willow Creek in Southcentral Alaska.

DEVELOPMENT

Another Lucky Shot

Miranda, Gold Torrent have funds to open historic, high-grade gold mine

By SHANE LASLEY

Mining News

Miranda Gold Corp. and Gold Torrent Inc. have their sights set on opening a high-grade gold mine at the historic Willow Creek property in the Hatcher Pass region of Southcentral Alaska by the end of 2018.

Only about 75 miles north of Anchorage, this 8,700-acre property blankets a large portion of the Willow Creek mining district, including the pre-World War II Lucky Shot and War Baby mines. It is estimated that from 1918 until being shut down by the federal War Production Board in 1942, these two underground operations produced some 252,000 ounces of gold from ore averaging roughly 2.2 ounces (68 grams) of gold per ton.

All told, the various mines on the Willow Creek property produced roughly 500,000 ounces of gold from ore with an average grade north of 1 oz/t (31 g/t) prior to being closed during World War II.

Miranda, which secured a 20-year lease on the Willow Creek property in 2013, said the high-grade mesothermal gold found at Willow Creek is reminiscent of Mother Lode, a famous California vein system that was traced to depths of more than 1,200 meters and for some 100 miles along strike. Like its California Gold Rush contemporary, Miranda believe the rich gold veins at Willow Creek are likely to continue well beyond the historic workings, making the road accessible property the ideal place for an exploration company to produce an income from a relatively modest investment.

"The Lucky Shot Mine will put Miranda in a unique class of primary explorers with cash flow, while still adhering to its joint venture business model as a prospect generator," explained Miranda CEO Joseph Hebert.

Instead of trying to develop Lucky Shot Mine on

its own, Miranda brought in Gold Torrent, an Idaho-based company formed specifically to mine Lucky Shot and other late staged gold projects in North America that can be advanced into development fairly inexpensively.

Led by Daniel Kunz, a mine engineer that spent 17 years with Morrison Knudsen Mining and nine years as COO of Ivanhoe Mines, Gold Torrent's board and management team is loaded with the expertise needed to develop a high-grade underground gold project.

"Miranda is fortunate to have an experienced team at Gold Torrent, as operator for the Lucky Shot Mine," said Hebert.

To earn a 70 percent joint venture interest in the Willow Creek project, Gold Torrent has agreed to invest the first US\$10 million needed to develop a mine at Luck Shot, according to the terms of the 2014 agreement.

Gold Torrent, which had already invested more than US\$1 million readying Lucky Shot for development, recently raised US\$13.25 million, more than enough for the Idaho-based mining company to earn its 70 percent interest in Willow Creek.

With the funding in place, the partners have established Alaska Gold Torrent, an Alaska limited liability company owned 70 percent by Gold Torrent and 30 percent by Miranda. The excess cash deposited by Gold Torrent will be repaid out of Miranda's share of the cash-flow from the mine.

The funds invested by Gold Torrent so far went towards updating the resource around the historically mined areas at Lucky Shot mine and to investigate the viability of re-establishing a mine there.

Last year, the partners published an updated resource estimate for Lucky Shot that encompasses 206,500 metric tons of measured and indicated resources averaging 18.3 grams per metric ton

see LUCKY SHOT page 10