Millrock explores BC projects

Millrock Resources Inc. Aug. 30 announced the start of the 2017 field program at Willoughby and Oweegee Dome projects in the Golden Triangle region of northwestern British Columbia. This program is being carried out by Millrock and funded by Sojourn Exploration Inc. (formerly Sojourn Ventures Inc.), which has options to acquire full ownership of Willoughby and Oweegee Dome from Millrock. Willoughby has a long exploration history, including two phases of drilling. Stationed out of Millrock’s exploration facility in Stewart, this year’s work at Willoughby is primarily focused on prospecting for newly exposed surface mineralization along the margins of glacier that have retreated significantly since geologists last investigated the property nearly a decade ago. The field crew will search for mineralized zones, collect rock samples and create geological maps. Additionally, structural geological will be mapped to help understand the gold mineralizing controls. Additionally, the paper records from historical drilling at Willoughby will be digitized, databased and put into a three-dimensional. Past data from historical drilling at Willoughby will be digitized, databased and put into a three-dimensional model.

Conrad’s faults yield more gold

ATAC Resources Ltd. Aug. 29 said it continues to find new areas of high-grade gold within fault zones at the Conrad and Osiris zones of its Osiris project at the western end of the company’s vast Rackla Gold property in the Yukon. Hole OS-17-238, drilled within the newly recognized 650 Fault corridor at Conrad, cut 12.5 meters of 20.78 grams per metric ton gold near the top of the hole. Additional intervals of high-grade gold mineralization, including 10.41 meters of 7.15 gram per metric ton gold, were encountered deeper in this hole. “The newly identified gold mineralization intersected in hole OS-17-238 is an exciting development as it confirms our belief that the 650 Fault zone plays an important structural role in the mineralizing system at Conrad,” said ATAC Vice President of Exploration Julia Lane. Hole OS-17-236, drilled across the northwest trending 650 Fault corridor, cut four zones of high-grade gold. The two best intercepts of hole 236 were 27.43 meters of 4.37 gram per metric ton gold and 42.67 meters of 3.78 gram per metric ton gold. ATAC said the four mineralized zones in this hole represent the interplay of the 650 Fault hosted mineralization with the strata controlled replacement-style Conrad Upper Zone mineralization.

Rising metals prices

Healthy price gains for zinc and copper this year, and gold rocketing through the US$1,300-per-ounce threshold on Aug. 28, is good news for Alaska’s mining sector.

Together, zinc and gold account for more than 80 percent of the value of metals mined in Alaska – silver and lead account for most of the balance. Copper, on the other hand, is set to play an important role for the future of mining in the state.

Gold rockets above $1,300

Entering 2017 at US$1,151/oz, gold made steady gains through the first half of the year – hitting US$1,294 in early June. It wasn’t until North Korea took the provocative step of firing a missile over Japan that the precious metal broke through the US$1,300/oz barrier. Gold has approached the US$1,300/oz mark four times this year, but did not crack the barrier until Aug. 28.

While Korean Peninsula unrest helped to push gold through the psychological ceiling, analysts believe that the precious metal’s gains are being driven by more than safe-haven demand and expect the precious metal to climb closer to US$1,400/oz without added geopolitical pressures.

“Gold seems to have benefited from the tensions, currently trading at a nine-month high. However, most of the gains in the precious metal occurred before the missile launch, meaning that there are different factors supporting prices,” FXTM Chief Market Strategist Hussein Sayed penned in a Tuesday morning report.

Before North Korea lobbed a missile over Japan, Sayed predicted, “If gold gathers momentum and manages to close the week above $1,300, I believe we’ll be seeing another leg higher, with a potential to test 2016 highs, around $1,375.”

Sayed and other market analysts say a number of factors – weak US Dollar, indications the Federal Reserve will keep interest rates on hold and a seasonal increase gold buying due to gold-buying holidays in Asia – are fundamental factors that will likely keep gold moving toward the US$1,400/oz mark.

Rising tensions on the Korean Peninsula could push demand for the safe-haven metal even higher.

Currently, about 900,000 oz of gold per year is produced in Alaska. This is expected to more than double if the Donlin Gold project goes into production at the 1.1-million-oz per year levels predicted in a feasibility study for the project.

Permitting for Donlin Gold is expected to be completed early in 2018. Donlin Gold partners – Barrick Gold Corp. and Novagold Resources Inc. – are expected to make a formal decision on developing a mine at this 39-million-oz gold project in Southwest Alaska in the coming months.

Fundamentals push zinc up

While gold has risen a healthy 15 percent in 2017, the upsurge in zinc prices has been even more impressive.

This week, zinc price topped US$1.40 per pound, which is roughly an 18 percent increase over US$1.20 per pound levels going into 2018 and the highest price for the galvanizing metal in a decade.

A rally in zinc prices has been predicted since the closure of two large zinc mines – Century in Australia and Lisheen in Ireland – wiped out more than 600,000 metric tons of the world’s annual supply of the galvanizing metal in 2015.

Lackluster global economic growth, however, dampened the demand side, delaying the rise.

Analysts predict that zinc demand will outweigh supply, pushing prices higher. In its Aug. 22 commodities report, Scotiabank said “zinc likely has more room to run before reaching the peak of its cycle.” The Canadian bank, however, believes that despite the strong fundamentals zinc “prices may temporarily fall back in sympathy with the broader metals market.”

Red Dog, a high-grade mine operated by Teck resources, is expected to significantly increase the supply of zinc in Alaska starting in 2018.