



## NEWS NUGGETS

Compiled by Shane Lasley



A remotely operated semi-autonomous long-haul dump loader operating during shift changes is helping to boost production at Hecla's Greens Creek Mine in Southeast Alaska.

### Greens Creek mill operates at record pace in third quarter

Hecla Mining Company Oct. 12 reported that its Greens Creek Mine produced 2.3 million ounces of silver and 12,563 oz of gold during the third quarter of this year. This Southeast Alaska operation produced 6.2 million oz of silver through the first nine months of 2017, putting it on pace to produce around 8.5 oz for the year. Mill throughput at Greens Creek averaged 2,391 tons per day during the third quarter, the highest since the mine went into operation in 1989. Overall, Hecla's four mines – Greens Creek, San Sebastian (Mexico), Casa Berardi (Quebec) and Lucky Friday (Idaho) – produced 3.3 million oz silver and 63,046 oz gold, along with 14,498 tons of zinc and 5,638 tons of lead, in the third quarter. "Operational performance was exceptional in the third quarter with record throughputs at Greens Creek and in September at Casa Berardi. San Sebastian continues to operate at the upper end of our expectations with the highest quarterly silver production of the year so far. The mines' performance has led to substantial increases in production of all four metals over the second quarter and puts us well on our way to achieving their production guidance and improving per-ounce cost performance," said Hecla President and CEO Phillips Baker, Jr. "With operating performance and substantially higher zinc and lead prices, our cash position is \$7 million greater than at the end of the year."

### Pebble adds Hodgson, Fuego to team ahead of permitting

The Pebble Partnership Oct. 13 announced the appointments of Stephen Hodgson and James Fuego to its technical team. Serving as senior vice president of engineering and project director, Hodgson will be responsible for all aspects of project design, engineering and financial studies, and regulatory compliance. He will be supported by Fuego, who has been appointed as vice president of permitting. In this role, Fuego will be responsible management of environmental and socioeconomic studies, liaison with federal and state agencies and active management of Pebble's forthcoming environmental impact statement process under the National Environmental Policy Act. "I could not be more pleased with the technical leadership we have assembled to finalize our permit applications and lead Pebble into and through the NEPA and EIS permitting process beginning later this year," said Pebble Partnership CEO Tom Collier. Hodgson is a professional engineer with more than 40 years of experience in consulting, project management, feasibility-level design and implementation, and mine operations at some of the most significant mineral development projects in the world – including the Pine Point zinc mine in northern Canada, the Red Dog zinc mine in Alaska, Antamina in Peru, and the

see **NEWS NUGGETS** page 10

COEUR MINING INC.



Coeur plans to invest around US\$30 million on preparing its newly acquired Silvertip Mine for operations early in 2018.

## ACQUISITIONS

# Coeur moves into BC

*Closes acquisition of high-grade Silvertip; company's first Canadian mine*

By SHANE LASLEY

Mining News

Coeur Mining Inc. is now officially the owner of Silvertip, a high-grade silver mine about 10 miles south of the Yukon border in northern British Columbia.

In a deal that closed on Oct. 17, the Chicago-based miner paid US\$200 million to acquire Silvertip and has agreed to pay up to another US\$50 million more if certain permitting and resource expansion milestones are met.

For this investment, Coeur owns a newly built mine with 2.35 million metric tons of indicated resource averaging 352 g/t silver, 9.4 percent zinc and 6.7 percent lead; plus 460,000 metric tons of inferred resource averaging 343 g/t silver, 9.8 percent zinc and 6.2 percent lead.

This is Coeur's first mine in Canada and is expected to become an important asset for the precious metals miner.

"Over the coming weeks and months, we plan to make meaningful investments at Silvertip to position it as a significant and sustainable cornerstone asset within our portfolio of operating mines," said Coeur President and CEO Mitchell Krebs.

### \$250 million deal

JDS Silver Inc., a company formed by JDS Energy & Mining Inc. in 2012, leveraged its engineering and permitting capacity to develop a mine at Silvertip.

Late in 2016, JDS achieved this goal by establishing a seasonal operation at the high-grade silver project.

Now, Coeur will apply its underground mining expertise to advancing Silvertip to a year-round commercial operation.

To gain full ownership of Silvertip, Coeur paid US\$147.5 million in cash and issued US\$37.5 mil-

lion of Coeur common stock to acquire all issued and outstanding common shares of JDS Silver Holdings Ltd.

Coeur also assumed roughly US\$15 million of JDS Silver debt and has agreed to pay the former owners of JDS Silver up to US\$50 million when two milestones are met.

The first such payment would be paid when Coeur receives a permit amendment that allows for year-round operations at Silvertip's full 1,000 metric ton per day capacity.

The second milestone payment is contingent upon the size of the Silvertip minerals resource by the end of 2019. JDS Silver will receive US\$5 million for a total resource of at least 2.5 million metric tons and US\$5 million for every 300,000 metric tons over that. The maximum payment of US\$25 million would be paid if the total resource is at least 3.7 million metric tons.

As part of its deal with JDS Silver, Coeur agreed to invest at least US\$15 million on exploration by the end of 2019.

### Preparing for 2018 start

With the Silvertip acquisition complete, Coeur is getting the high-grade silver mine ready for operations early in 2018.

In September, the company said it plans to spend around US\$30 million on mill optimization, underground development and exploration at its new mine over the next six months.

Once the mill is running at full capacity, Coeur anticipates Silvertip to produce roughly 3 million oz silver, 45-50 million lb zinc, and 40-45 million lb lead annually over an initial 7.5-year initial mine life.

"Once in full production, we expect Silvertip to produce about 10 million silver-equivalent-ounces annually," Krebs said.

The all-in costs to produce an ounce of silver at

see **SILVERTIP** page 10