

NORTH OF 60 MINING NEWS

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Modern day prospector trails source of Klondike's Bonanza Creek gold
- 11 Junior drills in Sunshine zone
New discovery of near-surface mineralization livens up Livengood Project
- 14 Recession spurs mining mergers
From juniors to giants, industry consolidates to survive cash crunch

Fortune Minerals Ltd. is advancing the Nico gold-cobalt-bismuth-copper project in southern Northwest Territories toward production with a series of bold moves aimed at overcoming obstacles to development. After startup, Nico will be the largest independent producer of bismuth in the world and a leading global producer of cobalt. This is an aerial view of the proposed mine site.

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Petroleum
news

• YUKON TERRITORY

Explorer hunts for Bonanza mother lode

Prospector who discovered White Gold may have found source of 6 million ounces of gold produced during the Klondike Gold Rush

By SHANE LASLEY

Mining News

DAWSON CITY, Yukon Territory — Modern-day prospector Shawn Ryan is hot on the trail of what he believes could be the monster lode source of the 6 million ounces of placer gold recovered from historic Bonanza Creek of Klondike Gold Rush fame.

For more than a century, geologists and prospectors have searched for the source rock that dumped a golden treasure into the creek and lured tens of thousands of men into the Yukon at the turn of the 19th century. The lack of an obvious gold-rich outcrop led most to believe that the alluvial gold that littered the creek bottom was all that remained of the elusive beast.

"It's one of these sleeping dragons," Ryan told Mining News in mid-August. "This 100-year-old thing has been going on where people haven't found anything new, so everybody kind of gave up hope."

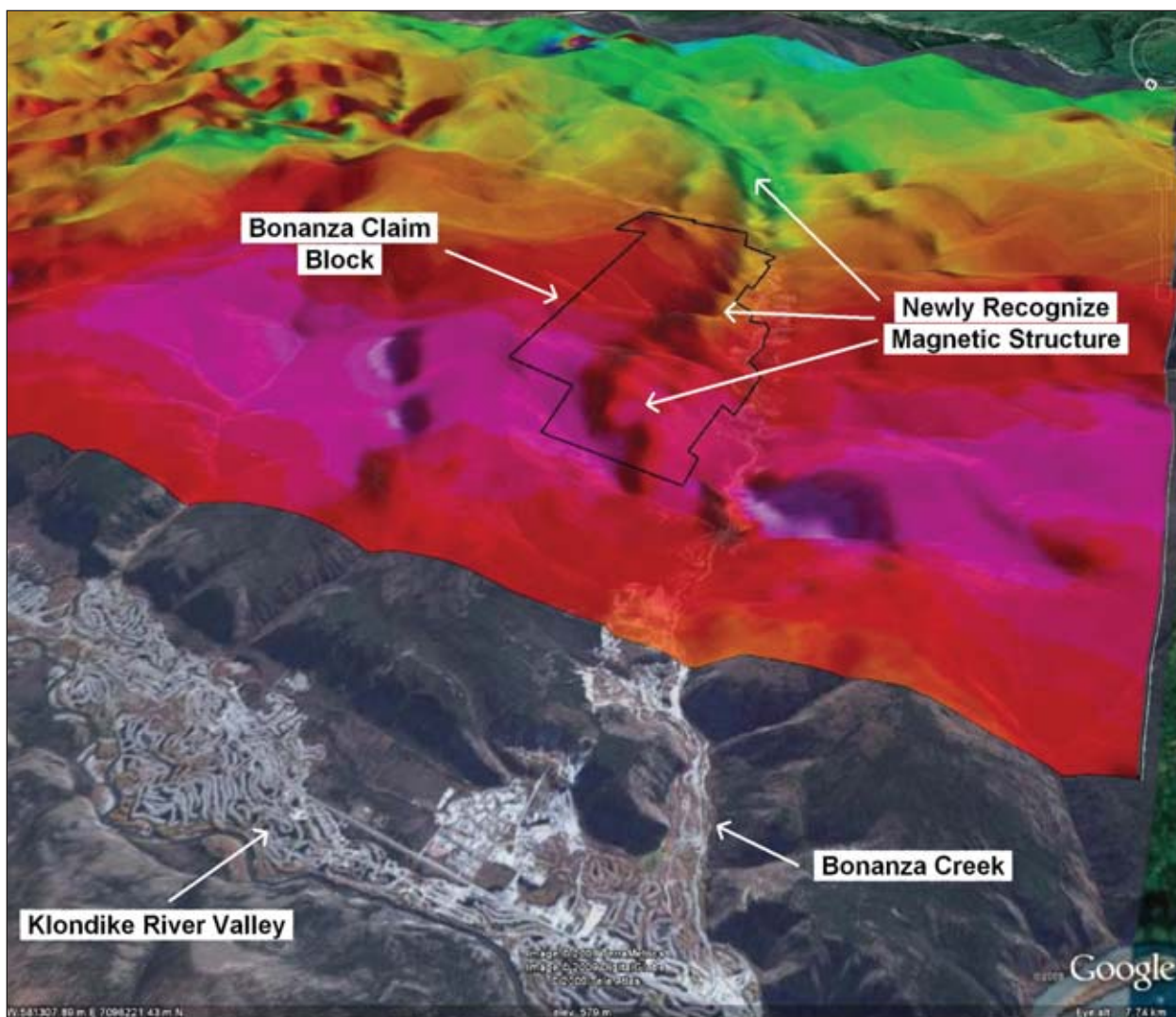
A combination of savvy prospecting, modern geophysics and quality soil sampling may have led Ryan to the discovery of the lode source that has remained hidden for more than a century.

"It's fun; it's a good game," the self-taught prospector said. "What I try to do is use intuition and prove it with science. Your intuition and your research comes through the wintertime, and summer is the time to go out and prove your hypothesis by collecting more soils or trenching, looking for the right clues."

Apparently vertical

About five years ago, while studying geophysical maps produced by government-funded airborne surveys, Ryan spotted a magnetic anomaly paralleling the north-east side of Bonanza Creek. Intrigued, he staked 112

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GSC Helicopter Airborne Magnetic Map

SHAWN RYAN

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Using White Gold as an example, Shawn Ryan explains how geochemical anomalies discovered in soil samples create patterns that can help clue in explorers on where to drill.

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BONANZA

quartz mining claims over more than 6 kilometers of the structure that he says, “stands out like a sore thumb.”

“The main thing (at Bonanza) is the structure that nobody has paid attention to,” Ryan explained. “Now that I have brought this up to quite a few different high-level-type geologists, everybody falls over.”

Mike Burke, a senior geologist for the Yukon Geology Survey, told Mining News that the anomaly “is an obvious magnetic linear trend.”

“It doesn’t deviate too much with the contours of the land, so it has to be pretty close to vertical,” Burke said.

The apparent vertical nature of the structure is what is knocking geologists off their feet.

“What’s perked people’s interest in the Bonanza property is it looks like it is a more vertical structure, Ryan explained. “So, theoretically, if you did lose the top 600 to 800 feet to erosion you could still have good potential at depth on this system.”

Truth machine time

Ryan followed up his discovery with a bonanza of soil samples, finding anomalous gold in the areas where the structure deviates.

“It’s not screaming numbers, but it is good enough,” he said. “All I do is line things up in probabilities. Because (the gold anomaly) was in the deflection zone where the structure started to bend over, that is where you would expect a good gold target, because that is where it started to dump out. For me as a prospector, that increases my probability. That is getting better and better as an exploration target.”

Burke said now that the structure has been identified and soil samples have turned up results, “it’s time to get a truth machine out there.”

Ryanwood Explorations Inc. – the prospecting firm owned by Ryan and his business savvy wife, Cathy Wood, – has optioned the property to an unnamed junior explorer. Ryan anticipates the company will have a drill (another name for a

truth machine) on the property next spring.

“The next phase for that property is a major drilling campaign. We will probably do a little ground geophysics and maybe some trenching, but I think these guys are going to turn it into a good drilling campaign,” Ryan said.

In addition to optioning the Bonanza Creek claims, the yet-unnamed junior also optioned a claim block on Hunker Creek (another multimillion-ounce placer gold creek in the Klondike area) from Dawson City-based Ryanwood.

Success at White Gold

Ryan is not a stranger to making discoveries of historic proportions. His discovery of the White Gold property, currently being drilled by Underworld Resources Inc., has launched the prospector to nearly rock star status.

Since he optioned White Gold to Underworld in 2007, that junior has unofficially outlined more than 1 million ounces of gold at the Golden Saddle zone of the property.

Underworld’s success initiated a land rush to this underexplored region of the Dawson Range in western Yukon Territory about 60 miles, or 95 kilometers, south of Dawson City. About 29 exploration companies have descended on the region and more than 8,000 new claims have been staked in 2009, and the numbers are growing.

Ryanwood has optioned 12 claim blocks in the White Gold region to various companies, including Underworld Resources (White Gold, Black Fox and Cathy WS properties); Kaminak Gold Corp. (Coffee, Kirkman and Cream properties); Aldrin Resources (Brew and IND properties); Pacific Ridge Exploration (Polar and Stewart properties); and Stina Resources (Kodiak and Dime properties.)

Soil sample bonanza

Any company wishing to option a property from Ryanwood must agree that the Dawson-based explorer will complete the soil sampling on the property, a stipulation most juniors are happy to accommodate. Ryan has gained a reputation for his quality soil sampling and comprehensive mapping abilities.

Underworld President Adrian Fleming, a geologist with 30 years experience in the mining industry said, “Shawn Ryan is so savvy. Here is a guy (with) no formal technical training. He knows more geolo-

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Contact North of 60 Mining News:

Publisher: Shane Lasley
e-mail: publisher@MiningNewsNorth.com
Phone: 907.229.6289 • Fax: 907.522.9583



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ADDRESS
P.O. Box 231647
Anchorage, AK 99523-1647
NEWS
907.229.6289
publisher@miningnewsnorth.com
CIRCULATION
907.522.9469
circulation@petroleumnews.com
ADVERTISING
Susan Crane • 907.770.5592
scrane@petroleumnews.com
Bonnie Yonker • 425.483.9705
byonker@petroleumnews.com
FAX FOR ALL DEPARTMENTS
907.522.9583
Several of the individuals listed above are independent contractors

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• A L A S K A

Miners explore SW Alaska properties

Full Metal, Kinross acquire gold-silver property near Donlin Creek from Calista Corp.; strategic partners begin drilling prospects

By SHANE LASLEY
Mining News

Full Metal Minerals Ltd. and Kinross Gold Corp. struck a deal with Calista Corp., an Alaska Native regional corporation, to acquire 100 percent of mineral rights to the Russian and Horn Mountain complexes in the Kuskokwim region of Southwest Alaska.

The Russian and Horn Mountain gold-silver targets are located about 25 miles, or 40 kilometers, southwest of the 29-million-ounce Donlin Creek gold deposit being developed by joint venture partners Barrick Gold Corp. and NovaGold Resources Inc.

"Full Metal and Kinross have been researching and prospecting the Kuskokwim area for awhile, and the Russian and Horn Mountain complexes jumped out as amongst the most prospective in the area," Full Metal CEO and Vice President of Exploration Rob McLeod told Mining News.

The Russian and Horn Mountain Project was generated through a strategic alliance formed between the junior explorer and gold producer in February 2008. The mutually-beneficial partnership tapped Full Metal's exploration expertise and Kinross' extensive historical database of mineral properties in Alaska and the Yukon Territory.

"Rob (McLeod) has liked these properties for some time. We like dealing with the Native corporations in Alaska. We find it is a partner of choice," Full Metal Minerals President Michael

The Russian and Horn Mountain gold-silver targets are located about 25 miles, or 40 kilometers, southwest of the 29-million-ounce Donlin Creek gold deposit being developed by joint venture partners Barrick Gold Corp. and NovaGold Resources Inc.

Williams told Mining News. "We thought geologically the properties had a lot of merit, and we wanted to put them in the Kinross strategic alliance."

Russian Mountain

The strategic partners recently started a 2,000-meter core drilling program. The 10- to 15-hole drill program will test multiple targets, primarily at Russian Mountain.

"This is the first time that these two areas have been drilled, so it's first-pass-reconnaissance-type-drilling, testing multiple targets on wide drilling centers. We'll look for width and strike potential, as well as gold and silver grades of the mineralized prospects," McLeod explained.

Surface mapping, soil sampling and ground geophysics are also being completed to identify future drill targets.

Mineralization in Russian Mountain consists primarily of several intrusive hosted zones of gold-silver-copper-arsenic. Six prospects are currently recognized on the Russian Mountain project; three historic (Owhat/Louise, Headwall, and Mission Creek) and three recently identified by Full Metal and Kinross (Bits, Half-Day, and Mac).

There is also evidence for additional mineralized zones along the ridges and talus slopes of Russian Mountain that lack significant exposure. Full Metal reports that mineralized zones that measure 1.5 meters to 10 meters wide have been traced for 600 meters along strike before disappearing beneath the talus, and float material from the mineralization can be found in the loose rocks for another 2,000 meters, suggesting that the mineralization continues under cover.

A grab sample collected from a pit at the Headwall prospect ran 9.28 grams per metric ton gold, 428 g/t silver and more than one percent copper.

The Owhat, Bits, Headwall, and Mission Creek prospects all consist of early zones of tourmaline quartz that are cross-cut by pods of massive arsenopyrite and/or chalcopyrite.

Horn Mountain

Horn Mountain is a volcanic-plutonic complex located 14 miles, or 23 kilometers, southwest of the Village of Crooked Creek, with mineralization similar to Russian Mountain.

A previous grab sample taken from the Saddle prospect, a 2-kilometer-long zone of gold-silver-copper-arsenic mineralization at Horn Mountain, returned grades of 27.45 g/t gold, 769 g/t silver and more than one percent copper.

Mineralization at Saddle occurs within multiple northwest trending zones of tourmaline-quartz veining and within breccias of up to 30 meters wide that include weathered sulfides. The junior says cross-cutting relationships among the veins indicate multiple hydrothermal events.

The explorer also has identified a north-south trending zone of anomalous mineralization 2,500 meters south of the Saddle zone, along the eastern ridge of Whitewing valley. Multiple samples grading up to 9.06 g/t gold, up to 769 g/t silver and up to 0.23 percent copper are noted over a 4-square-kilometer, 988-acre, area. Full Metal said combined, the two zones at Horn Mountain create a 5,500-meter-by-2,000-meter north-south trending prospective area.

Strategic alliance

Full Metal and Kinross have revised the terms of their alliance. The new agreement outlines a budget of US\$1.5 million for exploration in Alaska, where Kinross will fund US\$1 million, and Full Metal funds US\$500,000. The junior has issued a promissory note for US\$500,000 due in July 2010 to the gold producer. Full Metal has the option to repay Kinross in cash or issue shares for the full amount.

The Toronto-based major will have a 60 percent interest in the alliance and the Vancouver-based junior will hold the remaining 40 percent interest. The first US\$3.0 million on any given property shall be funded on a 60/40 pro-rata basis. Kinross will have the option to increase its interest to 75 percent following the initial US\$3 million by solely funding the next US\$10 million in exploration expenditure.

"Kinross has established themselves as the premier partner for junior companies exploring for gold, not only with Full Metal, but multiple other excellent junior companies they've partnered with. They have an excellent technical team and knowledge of Alaska gold deposits, and have a very hands-on management team from the top on down," McLeod said.

Calista agreement

Full Metal, on behalf of the strategic alliance, entered into a mining exploration license letter agreement with Calista. The companies have until the end of the year to enter into a comprehensive mining lease agreement.

"The (Calista) Lands and Resource Department has been great to work with," McLeod said. "Their technical and scientific knowledge of the area is excellent. They are very experienced in mineral exploration through the ongoing work at Donlin Creek."

Under the terms of the agreement, Full Metal must incur US\$3.5 million in exploration expenditures over seven years and pay US\$525,000 in advanced royalty payments over seven years. The junior has agreed to spend US\$250,000 on exploration and pay US\$70,000 during the first year.

After the first seven years, Full Metal will pay annual US\$150,000 advanced royalty payments until the start of commercial production. Upon commencement of commercial production, Full Metal will pay a 1.5 percent net smelter returns royalty for precious metals, and a 1 percent NSR for base metals until commercial payback is achieved, or for five years, whichever comes first. Afterward, the company will pay a sliding scale NSR for precious metal ranging from 2 percent if the price of gold is less than US\$600 per ounce, escalating to 4 percent if the price is greater than US\$1,000 per ounce. After payback, a 3 percent NSR will be payable on base metal production. Additionally, the junior will make annual US\$7,500, increasing to US\$10,000, scholarship donations over the life of the lease agreement. ●



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• GUEST COLUMN

Alaska explorers hit potential pay dirt

Miners report encouraging exploration results in their search for a range of commodities, from the expected to the unpronounceable

By CURT FREEMAN
For Mining News

They say when it rains, it pours, and that is just what is happening with news from field programs all over Alaska. Results from summer 2009 programs are pouring in from the Brooks Range to Prince of Wales Island, from Eastern Interior Alaska to Southwestern Alaska. Commodities of interest range from the expected gold, silver, copper, lead and zinc to the nearly unpronounceable, including praseodymium, dysprosium, terbium, thulium, lutetium and yttrium. Go ahead, drop a couple of those babies into a casual conversation and watch your friends back slowly away!

Western Alaska

TECK RESOURCES LTD. announced second-quarter results from its Red Dog Mine near Kotzebue. During the quarter, the mine produced 143,000 metric tons of zinc in concentrate. Zinc ore grade increased to 21 percent, while mill recoveries remained steady at 83.3 percent. The mine also produced 30,900 metric tons of lead in concentrate. Lead ore grade increased to 5.6 percent, while mill recoveries decreased to 67.6 percent. The mine posted a US\$40 million operating profit for the quarter, down significantly from the US\$50 million operating profit in the same period a year ago. Teck blamed the decreased operating income mainly on lower zinc prices. The mine plans to ship 1.025 million metric tons of zinc concentrate and 220,000 metric tons of lead concentrate from the port facility this shipping season. The company hopes to release a Supplemental Environmental Impact Statement for the Aqqaluk deposit this summer and receive approval for its development by year's end.

Nearby, **ZAZU METALS CORP.** announced continuing efforts for its Lik zinc-lead-silver deposit in the DeLong Mountains. Work planned for the remainder of 2009 includes ongoing environmental studies as part of future mine permitting; analysis of the DeLong Mountains port facility to determine expansion and modifications required to ship Lik concentrate; analysis of the approximate costs and requirements of

The author

The author Curt Freeman, CPG #6901, is a well-known geologist who lives in Fairbanks. He prepared this column Aug. 24. Freeman can be reached by mail at P.O. Box 80268, Fairbanks, AK 99708. His work phone number at Avalon Development is (907) 457-5159 and his fax is (907) 455-8069. His email is avalon@alaska.net and his web site is www.avalonalaska.com.



CURT FREEMAN

road corridor routes; incorporation of the data and resource estimates into a preliminary assessment study; conversion of the Lik federal claims package to state claims; initiation of an acid rock drainage study; completion of a preliminary processing flow sheet requiring additional metallurgical testing; and initiation of a concentrate marketing study.

FIRE RIVER GOLD CORP. has exercised its option to acquire the Nixon Fork gold project from **PACIFIC NORTH WEST CAPITAL**. The company indicated that it plans to spend US\$1.25 million during 2009 with the objective of conducting a comprehensive re-evaluation of mine reserves and resources, review metallurgy, complete tailing production reviews, complete a technical report, complete a revised financial analysis, update the mine plan and recommend a program for new exploration. These studies will form the basis for a planned resumption of mining operations.

KISKA METALS CORP., a new company formed by the merger of **RIMFIRE MINERALS** and **GEOINFORMATICS EXPLORATION**, said it began a 2009 work program at the Whistler gold-copper project. The company commenced a regional induced polarization geophysical survey totaling 341-line kilometers. The program involves a combination of two-dimensional and three-dimensional techniques. The survey is designed to refine targets in thin gravel-covered areas for later drilling. As many as five targets may be drilled in a fall program, with additional targets determined after

the junior completes geophysical data gathering, processing and integration. Including drilling planned for this fall, a total of 7,000 meters in at least 20 drill holes is planned for completion by mid-2010.

Alaska newcomer **VICTORY WEST MOLY LTD.** reported that it has executed an agreement to acquire **XS PLATINUM LTD.** and its ownership of the Goodnews Bay placer platinum operation in southwest Alaska. Terms of the deal include issuance of 250 million Victory West shares and 100 million options exercisable at A\$0.25 cents per share for five years. The company also agreed to advance A\$10 million to the platinum mining operation to be used to purchase equipment and conduct trial mining operations at Goodnews Bay. The planned 2009 bulk-sampling program should provide the company with valuable production and geological data and should achieve actual platinum and gold sales by year's end. Welcome to Alaska Victory West Moly!

FULL METAL MINERALS CORP. and strategic partner **KINROSS GOLD CORP.** said they signed an agreement to acquire 100 percent of the mineral rights to the Russian and Horn Mountain complexes from **CALISTA CORP.** Multiple targets on both prospects are currently being explored and diamond drilling has commenced. Mineralization in the Russian Mountain complex consists primarily of several intrusive hosted zones of polymetallic gold-silver-copper-arsenic mineralization. Six prospects are currently recognized on the Russian Mountain project; three historic (Owhat/Louise, Headwall, and Mission Creek) and three recently identified by the alliance (Bits, Half-Day, and Mac). The exposed mineralized zones range from 1.5 to 10 meters wide and have been traced up to 600 meters (Headwall) along strike before disappearing beneath talus. Mineralized float can be traced in the talus for up to 2 kilometers along strike of the Owhat and Mission Creek zones, suggesting that mineralization continues under cover. The Owhat, Bits, Headwall, and Mission Creek prospects all consist of early zones of tourmaline quartz that are cross-cut by pods of massive arsenopyrite and/or chalcopyrite. At the Headwall prospect, seven grab sam-

ples collected over 600 meter assayed up to 9.28 grams per metric ton of gold, 428 g/t silver and greater than 1 percent copper. Six of the samples assayed greater than 1 g/t gold, three samples assayed greater than 100 parts-per-million silver, and four samples assayed greater than 1 percent copper. Mineralized quartz-tourmaline float (up to 0.572 g/t gold) collected along strike suggests the zone may continue up to 1 kilometer to the northwest. At the Owhat prospect, 17 samples were collected from multiple historic prospect pits and adits over 215 meters along a northwest trending zone of mineralization. Widths range from 1.5 to 8.0 meters and samples returned values up to 15.42 g/t gold, 604 parts-per-million silver, and greater than 1 percent copper. Quartz, tourmaline and sulfide float can be traced for up to 200 meters to the northwest and southeast of the prospect. At the Horn Mountain project area, a volcanic-plutonic complex consists of a circular-shaped field of intermediate to felsic volcanic units that flank and overlie a multiphase monzonite to quartz syenite pluton. The volcanic succession is commonly referred to as the Horn Mountain Volcanic Field. Mineralization at Horn Mountain includes the Saddle Prospect, a 2-kilometer-long zone of polymetallic gold-silver-copper-arsenic mineralization. Mineralization occurs within multiple northwest trending zones of tourmaline-quartz veining and within breccias of up to 30 meters wide. Cross-cutting relationships among the veins indicate multiple hydrothermal events. Highlights of previous grab sampling include: 27.45 g/t gold, 769 g/t silver, and greater than 1 percent copper. A priority target is the Saddle prospect-zone in which nine samples assayed over 1.0 g/t gold and where the majority of the samples over a 2,000-meter strike length were anomalous in gold, silver and copper. A second, north-south trending zone of anomalous mineralization also has been identified 2,500 meters south of the Saddle zone. Multiple samples with anomalous gold (up to 9.06 grams of gold per metric ton), silver (up to 769 grams of silver per metric ton), and copper (up to 0.23 percent) are noted over a 4-square-kilo-

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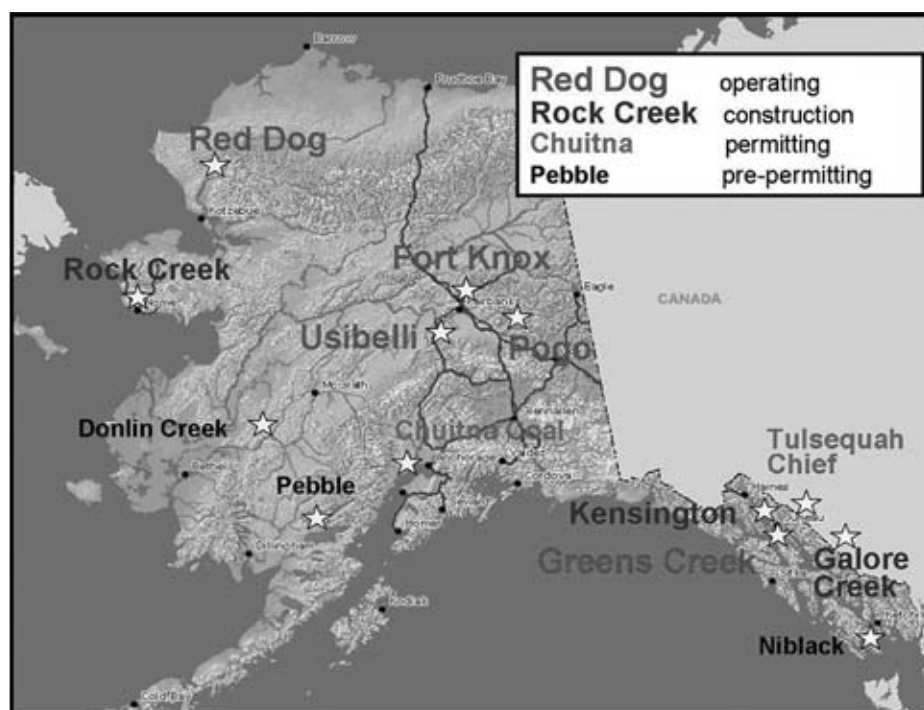
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meter, or 988-acre, area. Under terms of the deal, Full Metal must incur US\$3.5 million in exploration expenditures over seven years, and pay US\$525,000 in advanced royalties. After seven years, Full Metal will pay annual US\$150,000 advanced royalty payments until the production. Additionally, Full Metal will make annual US\$7,500, increasing to US\$10,000, scholarship donations over the life of the agreement. At the start of commercial production, Full Metal will pay a 1.5 percent net smelter returns royalty for precious metals, and a 1 percent net smelter returns royalty for base metals until commercial payback is achieved, or five years, whichever comes first. Afterwards, Full Metal will pay a sliding scale net smelter returns royalty for precious metal ranging from 2 percent, if the price of gold is less than US\$600 per ounce, escalating to 4.0 percent if the price is greater than US\$1,000 per ounce. After payback, a 3 percent net smelter returns royalty will be payable on base metal production.

Eastern Interior

KINROSS GOLD CORP. announced second-quarter results from the Fort Knox mine near Fairbanks. The mine produced 67,391 ounces of gold at a cost of US\$541 per ounce. Production decreased in the second quarter of 2009 when compared to the same period in 2008 (85,609 ounces at US\$454/oz) as a result of mining a lower grade portion of the deposit. During the quarter, the mill processed nearly 3.27 million metric tons of ore grading 0.74 g/t. Gold recovery averaged 82 percent. The company indi-



cated that construction efforts were 86 percent complete on its valley leach project and that loading of completed portions of the pad had commenced. The company is conducting a 29,000-meter drilling program for 2009, which it hopes will expand resources and extend mine life. Some of this drilling is targeted toward a possible phase 8 pit expansion.

TERYL RESOURCES CORP. and partner **KINROSS GOLD CORP.** reported drilling results from the Gil project near Fairbanks. The main focus of the drilling is on the Sourdough Ridge zone, which is similar in geology to the Main Gil zone. Results include 105 feet grading 4 g/t gold from hole GVR-09-540, 75 feet grading 2.5 g/t gold from hole GVR-09-534 and 110 feet grading 1.10 g/t gold from hole GVR-09-523. Additional drilling is being conducted on the \$1.6

million program.

SUMITOMO METAL MINING (85 percent) and **SUMITOMO CORP.** (15 percent) recently said gold production at the Pogo Mine is expected to reach a record 375,000 ounces in 2009. The company also indicated that it expects to surpass the 1 million-ounce production level in October. Sumitomo noted that employee turnover is still an issue but turnover rates have dropped from 33 percent to 24 percent. The producer aims to reduce annual worker turnover to 18 percent by year's end. Alaska residents comprise about 65 percent of the Pogo staff, earning US\$29 million in annual compensation.

ALIX RESOURCES CORP. said it acquired the Money Rock Project in the Goodpaster District from private owners and has begun exploration on the project. Under the terms of the agreement, Alix has an option to earn 100 percent interest in the project by making cash payments totaling US\$210,000 over six years. The option is subject to a 2 percent net smelter return production royalty, which can be reduced to 1 percent by paying the property owners US\$1 million. The company also began a soil sampling program on the project. Results are pending.

INTERNATIONAL TOWER HILL MINES LTD. released results from the newly discovered "Sunshine" zone on its Livengood gold project north of Fairbanks. The new zone is located northeast of current resources, is over 500 meters long north-south and remains open to the north. Mineralization extends from the surface to depths exceeding 250 meters in a zone 100-150 meters wide. Significant results include hole MK-RC-160, which returned 131.1 meters grading 0.88 g/t gold, hole MK-RC-162 which returned 47.3 meters grading 1.20 g/t gold and 45.7 meters grading 1.11 g/t gold, and hole MK-RC-167 which returned 41.2 meters grading 1.22 g/t gold. In addition, grid drilling on the East zone continued to encounter significant gold mineralization, including hole MK-RC-164 which returned 13.7 meters grading 1.33 g/t gold. As with previously discovered mineralization, gold in the Sunshine zone appears to be preferentially hosted in Devonian volcanic rocks with higher grade zones associated with steeply dipping north-northwest trending structures.

Alaska Range

FIRE RIVER GOLD CORP. announced that it has acquired an option on the Golden Zone project from **HIDEFIELD RESOURCES** and **MINES TRUST CO.** The project is an advanced stage gold-copper-silver system with about 20,100 meters of drilling, exten-

sive trenching, soil sampling grids, multiple geophysical surveys, and metallurgical samples collected from core and the underground workings in the main Breccia zone. The property hosts several mineralization styles including an igneous rock-hosted breccia pipe, several replacement zones of mineralization in calcareous rocks, and mineralization hosted in volcanoclastic rocks. Mineral resources on the project include a measured and indicated resource of about 3.09 million metric tons grading 2.81 g/t gold, using a cut-off grade of 1.03 g/t gold for a total of 259,940 ounces of gold, with 7.61 million pounds of copper and 1.39 million ounces of silver. Under terms of the deal, the company will have an option to acquire 100 percent interest in Golden Zone by making cash payments of US\$50,000 within seven days of signing the final agreement and making additional staged cash payments totaling US\$225,000 over three years. The company also must issue to the vendor 500,000 common shares of its stock within seven days of the signing and make additional stock issuances valued at US\$1,300,000 over four years. But wait! There's more! To complete the option, Fire River Gold must expend a cumulative US\$2.5 million in work expenditures by Dec. 31, 2014, with a minimum annual commitment of US\$250,000. Once the company has completed cumulative expenditures of US\$1 million on the project, made cumulative cash payments of US\$200,000, and issued the first 500,000 common shares of the company and \$650,000 worth of shares, Fire River will earn 51 percent interest in the project. Upon completion of all cash and share payments and a cumulative US\$2.5 million of work expenditures, the company will earn a 100 percent interest in the property, subject to a 2 percent net smelter return production royalty with a buy-down provision for US\$1 million.

Fire River Gold Corp. also said it has acquired an option from a private vendor on the Kansas Creek gold project in the Bonfield District. Under terms of the deal, Fire River can acquire a 100 percent interest in the project by paying the vendor an aggregate of US\$40,000 in installments and also issuing an aggregate of 250,000 common shares of Fire River stock.

Northern Alaska

GOLDRICH MINING CO. said an alluvial gold gravity recovery plant capable of processing up to 200 cubic yards of gravel per hour has been constructed and mobilized to its Chandalar property north of Fairbanks. The plant is scheduled to operate at about half capacity during its initial mechanical shakedown period and will process lower grade mineralized material that is readily accessible. Thereafter, it will be on processing higher grade mineralized material from a mining test pit where overburden is currently being stripped. A sample pit was excavated about 20 feet from the collar of a drill hole containing a 20-foot-thick intercept of gold-bearing gravel averaging 0.22 fine ounces per cubic yard of gold. It penetrated this mineralized zone, where a series of 2-foot-long vertical samples, each equivalent to 1 cubic foot of material averaged 0.51 fine oz/cy gold over 12 feet, including 6 feet reporting nearly 1 oz/cy gold. At the same location, an excavator also was used to collect a 1-cubic-yard sample from five vertical feet within the 12-foot zone. A total of 0.86 fine ounces of gold was recovered from this 1-cubic-yard sample,

see FREEMAN page 8

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Self-interest can serve public interest

Economics 101: Opposition to Pebble Project reflects irrational position of activists who are dedicated to destructive objectives

It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest.

—*Adam Smith, 1776*

By J. P. TANGEN
For Mining News

When it comes to comprehending social forces that frame our society, it sometimes occurs that good people take irrational positions for strange reasons, despite unequivocal evidence that it is contrary to their own best interests. This irony contributes to the difficulty in understanding why so-called “public interest” activists, whether litigious or simply vocal participants on the political radar choose to dedicate their time and energy to destructive objectives.

The simplistic observation by Adam Smith about provisioners flies in the face of the on-going controversy relating to the Pebble Project. Modern mining in the United States, in general, and Alaska, in particular, is a heavily regulated, carefully watched industry. It is a safe industry. It is an environmentally sound industry. It provides commodities needed for every aspect of modern life. The Pebble Project not only will produce immense quantities of copper in response to global demand, it also will produce the metal from an isolated location that desperately needs the associat-

Mining & the law



J.P. TANGEN

The author, J.P. Tangen has been practicing mining law in Alaska since 1975. He can be reached at jpt@jptangen.com or visit his Web site at www.jptangen.com. His opinions do not necessarily reflect those of the publishers of Mining News and Petroleum News.

ed, very substantial, economic stimulus.

There is no conceptual risk associated with the Pebble Project to either the Bristol Bay fishery or to the subsistence lifestyle of the people who live in the immediate vicinity. No matter how large a pit the Pebble Project may one day excavate, it will not be visible to more than a very few people, other than project employees, from the ground. The project will be temporary, inasmuch as one day it will be mined out, reclaimed and secured. It is in the self-interest of the people who live in Southwest Alaska to stand shoulder-to-shoulder in support of this project. Failure to do so reflects a total lack of understanding of fundamental economics in the broadest sense.

We know there are NIMBYs in the world – people who don't want a commercial project in their backyard no matter what the justification; and there are

BANANAs – those who advocate Building Absolutely Nothing Anywhere Near Anything; and there are CAVEs – Citizens Against Virtually Everything – but surely even they must perceive themselves as eccentric.

Last summer millions of dollars were misspent on an initiative to try to halt the Pebble Project and cripple the state's mining industry. The people of Alaska were wisely motivated, in the final analysis to reject the ballot measure. This year, the forces of evil have now turned to the courts with a lawsuit that ostensibly targets the Pebble Project but will, once again, wreak havoc on the industry, as a whole.

The pending litigation seeks to enjoin permits being issued to the Pebble Project, and, without a smidgeon of proof of harm to Alaska or Alaskans, castigates the Department of Natural Resources for its oversight practices. It also attacks temporary water use permits, despite the fact that no one in the state can claim to lack access to needed volumes; and it blurs carefully drawn distinctions agreed to by the state's founding fathers with regard to the special needs of the mining industry for self-initiation and security of tenure. In addition, it promises to waste another ton of money.

Alaskans may not be on the same economic cycle as Lower 48ers, but it is still irrational in the current national economic climate to initiate litigation

that will simmer and boil for years before our Supreme Court hands down a split decision destined to generate a new cascade of controversy.

How is the self-interest of the people of Alaska served by this ongoing idiocy?

Adam Smith was not the end of economic introspection, but only an instigator. His insights have been massaged and amended incessantly since their publication. Nonetheless, a central principal shines through. Neither the baker, the butcher nor the brewer operates in the “public interest,” yet the public interest is advanced by them functioning in their own self-interest in the public marketplace.

It goes without saying that government has a role in ensuring that those who seek the public trust must risk sanctions for abuse of that trust - the butcher cannot sell short weights, and the brewer cannot water his wares. And surely, the agents of government must be held wholly accountable at every stage, as well - there can be no tipping allowed. Affected citizens at every level are also well-justified in sounding the alarm when miscreants color outside the lines.

But what if everything is above the board? Suppose the mining project complies with the word and the spirit of the rules. Suppose it does no harm to the environment or to the people. Suppose there is transparency in every step. The

see TANGEN page 8

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FREEMAN

indicating a grade of 0.86 oz/cy gold. Gold fineness is estimated at 870 and is associated with negligible black sand or other heavy minerals.

Southeast Alaska

HECLA MINING announced second-quarter 2009 production from the Greens Creek Mine on Admiralty Island. The cash cost of silver for the quarter was US\$2.14 per ounce. The average grade of ore mined during the quarter was 13.8 ounces of silver per metric ton. During the second quarter, the mine produced 2,115,098 ounces of silver, 15,925 ounces of gold, 5,353 metric tons of lead and 16,874 metric tons of zinc. Total production costs for the quarter averaged US\$8.76 per ounce of silver produced. Tonnage milled rose to 2,254 tons per day, or 32 percent higher than a year ago. Capital expenditures during the second quarter totaled US\$3.3 million. The underground exploration drill program tested the Southwest Ore zone and was designed to in-fill drill the lower contact

of this zone. Results indicate multiple fold and repeated mineral contacts with good intercepted widths that support the view that bulk mining methods may be used in this zone. The surface drill program is targeting the Northeast contact from a location near the 920 Portal. The objective is to extend the previously defined mineralized contact along strike.

COEUR D'ALENE MINES CORP. announced that the U.S. Army Corps of Engineers has issued its final approval on a tailing impoundment permit for the Kensington Mine near Juneau, after reviewing more than 8,500 comments from public interests. Congratulations Coeur ... now get to work!

CONSTANTINE METAL RESOURCES announced the start of a 2009 drill program on its Palmer copper-zinc-gold-silver volcanogenic massive sulfide project near Haines. The current program includes up to 6,500 meters of drilling using two drills. The program is focused on expanding high-grade massive sulfide mineralization in the South Wall and RW zones discovered in 2007 and 2008. Mineralization in these two zones is open for expansion laterally and to depth. Preliminary mineralogical and metallurgi-

cal work planned in conjunction with the drilling in order to complete an initial resource estimate at the end of the program.

CBR GOLD CORP. and its joint venture partner, a private company associated with the **HUNTER DICKINSON GROUP**, announced that it has started a US\$5.35 million exploration program at the Niblack copper-gold-silver-zinc project on Prince of Wales Island. The joint venture has received approval from the State of Alaska to resume underground exploration and has begun to dewater and rehabilitate the exploration decline in preparation for a 7,620-meter underground drilling program scheduled to commence in September. The main objective of the 2009 program will be to expand the current resource in the Lookout Zone through underground drilling. The current geological model for the Lookout Zone suggests the mineralization plunges moderately to the west-southwest and that excellent potential exists to significantly increase the resource base of the project.

UCORE URANIUM INC. said it is separating its Alaska holdings into two independent projects in order to maximize shareholder value. The Ross Adams uranium mine and surrounding claim block will continue to be known as the Bokan Mountain uranium project. The company's claim holdings to the north and east of Bokan Mountain and spatially removed from the Ross Adams mine area will be separated into an independent project to be known as the Dotson Ridge rare earth project. Dotson Ridge will become the primary focus of Rare Earth One, Ucore's wholly owned U.S.-based subsidiary. The company also announced commencement of ground mapping and drilling at its Dotson Ridge project. Drilling is targeted along the Dotson Trend and Sunday Trend and is intended to extend into October. Initial surface samples from the Sunday Trend returned high concentrations of heavy and light rare earth elements. Results included total light rare earth element values ranging up to 7.19 percent and total heavy rare earth values ranging up to 15.17 percent. Efforts to advance the Dotson Ridge project were intensified by a recent Chinese government announcement that it intends to restrict the production and export of all rare earth elements and completely prohibit the export of certain heavy rare earth elements which are particularly enriched at Dotson Ridge.

FULL METAL MINERALS and joint venture partner **MOSAM CAPITAL CORP.** reported that a US\$200,000 exploration program is underway on the Mount Andrew iron-oxide copper-gold project in Southeast Alaska. The 2009 exploration program consists of a review of the geological mapping and sampling, while conducting an induced polarization-resistivity geophysical survey over the prospect area to test for a disseminated sulfide body under the historic mine workings. ●

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TANGEN

public interest is not then advanced by attacks in the media and in the courts.

Proponents of the attacks on the Pebble Project and Alaska's mining industry are not serving the public or the public interest. They are serving mischievous ends for which they should be held to answer.

The jurisdiction of the courts is malleable. Perhaps the time has come to inquire what remedial steps are appropriate if the public interest is being abused. ●

The Mining
Explorers
2009

COMING THIS FALL For more information on this publication contact:
Shane Lasley — publisher@miningnewsnorth.com, 907-522-9469

• GUEST COLUMN

Mongolia: A country of contrasts

AMA members participate in an unprecedented tour of mines in a land rich in the tradition of Genghis Khan but poor in mining law

(Editor's note: John Wood is the infrastructure manager for the Pebble Partnership. He joined 12 others in traveling to Mongolia in July as part of an Alaska Miners Association tour of the country and a number of its mining operations, including a large copper-gold mine often compared to the proposed Pebble copper-gold-molybdenum mine in southwestern Alaska.)

BY JOHN WOOD
For Mining News

No, no....stop, stop, stop” muttered Ken Yockey from the front seat of the land cruiser as we zoomed past a lumbering fully loaded end dump truck on the inside shoulder of the narrow road; while trying to keep up with our companion land cruiser, which was zooming past the same truck on the outside!

Visions of Mad Max and the Blues Brothers flashed through my mind. Charles Howard, wedged inside the front seat of that land cruiser, was thinking he had finally found drivers like those in Johannesburg, South Africa, while Sabre Reid sat in the back seat with her eyes closed, trying her best to be anywhere else. What a fitting end to another adventurous day in Mongolia! And we thought we would never top pelting hailstorms, roadside mare’s milk stands, throat singing and camel riding! And did I mention millions of tons of surface-outcropping, thick seamed, low moisture steam coal just waiting to be mined, or arguably the world’s largest undeveloped copper/gold resource getting mired in bureaucracy after spending US\$1 billion towards production? Welcome to Mongolia!

Mongolia, a country about 1,500 miles wide and 500 miles deep, is entirely landlocked, with Russia to the north and China to the east, west and south. A socialist republic from the early 1930s until 1992, it is now a democratic republic with an elected president and representatives.

Mongolia is known for its friendly people, beautiful horses, undeveloped resources and vast expanses of land.

Mongolia is a land of contrasts. Trucks waiting to be loaded with coal destined for hungry power plants in China are watched by a peasant youth on horseback tending a flock of sheep and goats on a nearby hillside.

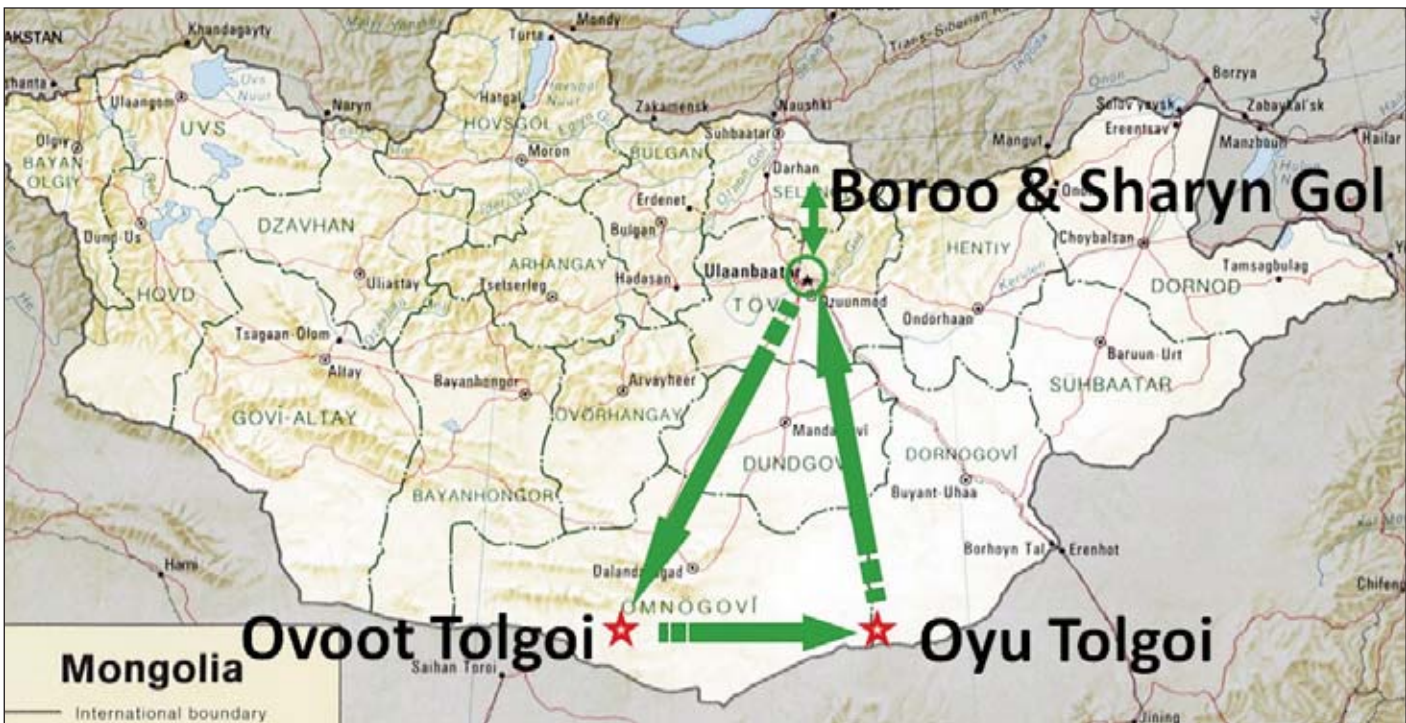
Mongolia has a developing copper mine’s construction thrown into turmoil because the government decided to renegotiate the mine’s mining license with terms more favorable to itself.

Mongolia is a land struggling to develop a mining law that is fair and equitable to both the state and the miners.

Mongolia is a country in desperate need of a revenue source, any revenue source.

Finally, Mongolia is rich in the tradition of Genghis Khan.

In mid-July, members of the Alaska Miners Association received a wide overview of mining in Mongolia in a way that no other tour has been done for the general public. Led by AMA executive director Steve Borell, the group journeyed from Alaska to Mongolia, where it visited two operating coal mines, an operating open-pit lode gold



mine, several operating “mom and pop” placer mines, and the construction – suspended Oyu Tolgoi copper/gold mine. Also included were meetings with operating companies and local service providers, city and museum tours and a wide variety of cultural events.

Above, a map of the Alaska group’s travels. At left, John Wood and GenghisKhan survey the land.

The first two mines that the group visited are controlled by Ivanhoe Mines Mongolia and were accessed from a base of operations at Ulaanbaatar via a 1 ½-hour charter flight south across the Gobi desert in a Saab 340B turboprop aircraft. The first visit was to Ovoot Tolgoi, an open-pit coal mine that is on target to produce 2 million tons of steam coal this year. The main seam being mined outcrops at the surface, averages 40 meters thick and dips at 45 degrees. The 200-member mine work force, with the exception of 3 expats, is composed entirely of Mongolian citizens. All of this mine production is loaded onto 120-ton Chinese haul trucks and transported along dirt roads 85 kilometers into China, where it is loaded into rail cars and transported to power plant sites.

The next mine visited, after a 70-minute flight over terrain that looked like pictures of Mars, with an occasional road trace and ger (traditional Mongolian dwelling), was Oyu Tolgoi (OT), Ivanhoe’s copper/gold project. A very large project, OT will be a combi-

nation of a large open pit mine and an underground block-cave mine. Associated with the mine will be the construction of an adjacent 300 megawatt coal-fired power plant, transportation system to get thermal coal to the power plant, and possibly a smelter. Oyu Tolgoi has been under care and maintenance since November 2007, waiting favorable outcome of its “mining license” re-negotiations with the Mongolian government.

We were told about US\$1 billion has been spent on the project to date, including the sinking of a 1,300-meter shaft to access the underground deposit. After spending the night at OT – the visit was highlighted by a tour of the underground facilities – followed by the return charter flight to UB.

After another day of cultural events, the group loaded into four land cruisers and headed north to visit hardrock gold, coal and placer mines. For most of the day, we traversed rolling “steppe” ter-

see MONGOLIA page 10



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• ALASKA

Suit worries natural resources industry

Trustees for Alaska sues state, claiming DNR and the Legislature created a scheme to skirt public comment of water use permits

By SHANE LASLEY
Mining News

Alaska's resource development community is responding en masse to a civil suit filed by environmental law firm Trustees for Alaska that contends permits issued by the Alaska Department of Natural Resources for exploration of the Pebble deposit in Southwest Alaska violate the Alaska Constitution.

The lawsuit – filed July 29 in Alaska Superior Court in Anchorage on behalf of Nunamta Aulukestai, Jack Hobson, and former Alaska First Lady Bella Hammond, among others – claims the land and water use permits issued to Pebble's developers by DNR are unconstitutional due to a lack of public notice and analysis of whether the permits are in the public's interest.

Leaders from Alaska's resource development community are concerned that if the environmental law firm is successful in its bid to halt exploration at the massive Pebble copper-gold-molybdenum deposit, the repercussions would be felt across all sectors of the state.

"This is a big deal. It is not just focused on Pebble. When you are throwing in temporary water use permits, you are talking fish processing, the Alaska natural gas pipeline, mining projects and tourism operators. These permits are used all around the state," Resources Development Council Executive Director Jason Brune told Mining News. "Any economic opportunity that is going on in the state is stopped."

Implications beyond Pebble

The lawsuit filed by the Trustees for Alaska asserts that Alaska's miscellaneous land use permits and temporary water use permits for hardrock exploration on state lands are unconstitutional, and because these permits issued for the Pebble project are allegedly causing harm to the people of the region, the currently issued permits should be declared void and of no effect.

"In order for the plaintiffs to succeed in getting an injunction, one of the things they have to establish is that their interests have somehow been injured; therefore, the allegations have to be focused on a specific perceived risk," Alaska-based Mining Attorney JP Tangen said. "They know that if they succeed against Pebble, there is a good chance that the rest of the industry will get sucked into the abyss."

The plaintiffs contend that the Alaska Legislature and DNR have created a scheme that allows the regulatory agency to issue temporary water use permits without public notice and public interest.

"DNR has permitted TWUPs (temporary water use permits) statewide and at the Pebble Project under this scheme," Trustees for Alaska wrote. "There is no rational basis for this non-uniform application of public notice and public interest analysis of water use."

The suit requests that the court prevent "DNR from issuing new land use and temporary water use permits for Pebble until a constitutionally valid permitting process is enacted by the Legislature and adopted by DNR."

This is the portion of the suit that could have wide-ranging effects.

According to Alaska Miners Association Executive Director Steve Borell, nearly 500 temporary water use permits and miscellaneous land use permits are issued annually in the state for projects ranging from drilling domestic water wells to building ice roads on Alaska's North Slope.

"A huge bureaucracy would be required. Far, far more people than what they (DNR) have now would be required to do it," Borell said.

Hearings in September

Preliminary hearings on the case are scheduled for Sept. 9 where the State of Alaska will be expected to respond to 161 allegations brought forward by Trustees on behalf of its clients. A decision on the request to place an injunction on the Pebble Partnership's current exploration permits is expected at that time.

A multitude of resource development groups and companies are planning to intervene on behalf of the state. Brune said the Resource Development Council, Alaska Miners Association, Council of Alaska Producers as well as Millrock Resources Inc. and the Pebble Partnership are currently preparing for the hearings. The oil industry and fishing industry are also watching the case closely and may join in defense of state regulators.

In March, Trustees for Alaska filed an administrative appeal in an attempt to reverse DNR's approval of temporary water use permits and miscellaneous land use permits. The law firm cited similar issues (a lack of proper public notice and a failure by DNR to analyze and verify baseline conditions) as reasons for the appeal. ●

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MONGOLIA

rain, with only an occasional grove of trees on the hilltops. Small flocks of sheep, goats, horses, cattle, and an occasional ger dotted the landscape as far as the eye could see. Very pastoral!

Mid-afternoon found us at the Boroo gold mine, a conventional open-pit gold mine; with gold being recovered by CIL + gravity circuit and heap leach. Run of mine ore averages about 3 grams per metric ton, with a stripping ratio of about 3:1. The mine has been open for 5 years and will operate for several more. Boroo has 600 employees, all but 18 expats being Mongolian citizens.

The evening was spent in traditional Mongolian ger lodging, with the traditional dinner of cut-up boiled whole sheep. Quite tasty!

Our next day's travels began with an hour's drive on a two-lane paved road,

COURTESY JOHN WOOD



The Ovoot Tolgoi mine camp and traditional Mongolian ger housing

then an additional hour over dirt trails across rolling hillside, all driven at the normal Mongolian break-neck speed,

to the Shayrn Gol coal mine. This mine, supplied via railway, was begun by the Russians in 1965 to supply

about a million tons per year of steam coal to power plants located in Russia. Fittingly, no road access to Mongolian towns was ever constructed! The surface coal reserves are now all but played out and the mine managers are attempting to move some of the operations underground.

The mine tours then concluded with visits to two local placer mines. Each appeared as if it employed less than a dozen workers, and each recovered gold with the typical "Russian" layout of a small tromel feeding a small sluice box. There was a fair amount of new equipment in use. After this last tour, the group headed back to UB in the helter-skelter fashion described at the beginning of the article.

Finally, after another two days of meetings with local industry representatives, shopping, sightseeing and culture, our exhausted group boarded a KAL jumbo jet for the long ride back to Seattle. ●

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• A L A S K A

Drills are tapping Sunshine at Livengood

International Tower Hill has discovered a zone of oxidized mineralization that could be larger than the Core zone outlined in 2008

By SHANE LASLEY
Mining News

LIVENGOOD – From the surface, there is nothing outstanding about the low-lying hills that cover International Tower Hill Mines Ltd.'s gold project. The birch and black spruce-covered terrain is typical of the vast expanse of Alaska's Interior. But the Vancouver-based junior has unveiled a multimillion-ounce gold deposit here, lying in the shadows of the appropriately named Money Knob.

The rapidly expanding deposit has, at last official count, 288 million metric tons of ore with an average grade of about 0.827 grams gold per metric ton, or 7.6 million ounces of the precious metal, according to a resource estimate released by the explorer in June. The estimated cost of finding the gold at Livengood is about US\$3 per ounce, according to International Tower Hill.

The junior said it plans to calculate a new resource after this year's aggressive 45,000-meter, US\$14 million exploration program is completed in October. The new resource, scheduled to be completed by the end of the year, is expected to be north of 10 million ounces of gold.

The summer program, designed to expand mineral resource estimates in the East and Northeast zones of the deposit, discovered the Sunshine zone, a new area of mineralization that rivals the property's higher-grade Core zone outlined by the explorer in 2008.

Drilling in the Sunshine

Drilling at Sunshine, which is located about 1 kilometer to the northeast of the Core zone, has intersected virtually continuous mineralization from the surface to depths in excess of 250 meters, in an area that runs 100-150 meters wide by more than 500 meters long and remains open to the north.

Hole MK-RC-0160, drilled in the Sunshine zone, intersected 45.7 meters (starting at the surface) with an average grade of 0.62 grams gold per metric ton. At a depth of 64 meters, the same hole intersected an additional 131.1 meters averaging 0.88 g/t gold. MK-RC-0162 cut 118.9 meters that exceeds 1 g/t gold and another 22.9 meters grading 0.98 g/t gold.

"We have come across the Sunshine zone, and that is going to have a big effect on our pit.

We want to get this new zone in (the preliminary economic assessment) because we have oxidation basically to the bottom of the holes. We have a starter pit in the Core Zone area, but this is going to be another, probably, even larger starter pit area. It is going to have a big impact on the pit design."

—International Tower Hill Mines
President and CEO Jeff Pontius

The discovery of the Sunshine zone has caused the explorer to postpone completion of a preliminary economic assessment of the Livengood Project in order to include Sunshine drill results in the study. International Tower Hill said the long intersects of near-surface, oxidized mineralization make the newly-discovered zone a prime candidate for a starter pit.

"We have come across the Sunshine zone, and that is going to have a big effect on our pit. We want to get this new zone in (the preliminary economic assessment) because we have oxidation basically to the bottom of the holes," International Tower Hill President and CEO Jeff Pontius told Mining News. "We have a starter pit in the Core zone area, but this is going to be another, probably, even larger starter pit area. It is going to have a big impact on the pit design."

Pontius said the economic assessment, which was originally scheduled to be released in July, is not expected to be finished until late September. The Sunshine zone has become a top priority for drill crews and the assay lab until the company has the data it needs to complete the study.

"The guys are working like crazy right now trying to get the lab to push through about 20 more drill holes that



A reverse circulation rig drilling hole MK-RC-0188 into the Sunshine zone at International Tower Hill Mines' Livengood project.

1.02 g/t gold.

While the geology revealed by the core drilling is encouraging to the explorer, the rig has not been able to reach the depths needed to test the Core zone beyond the reach of the reverse circulation rigs. The deepest of the five core holes drilled so far is about 500 meters.

The sixth hole (MK-09-40) had to be cemented twice in the top 300 meters. As of Aug. 21, the hole was down 434 meters of the 600-meter depth that the junior hopes to reach.

The inability to reach desired depths with the core rig is bittersweet for the explorer. While the junior would like to test the mineralization at depth and search for higher grade feeder zones, the altered and fractured rock causing difficulties is the mineralization that the company is seeking.

"The hole we are in now is in great looking rock, which is good and bad," Pontius said.

Scout drill

The company also sent one of its RC rigs out on a scouting mission. Starting about 1,600 meters to the east of the Core zone, crews have drilled a series of exploratory holes trending to the southwest. The scout drill has since moved to investigate an area to the south of the Southwest zone.

"We are really looking to see if our stratigraphy is there, the alteration system is there and hopefully gold is there. That would be a huge step out for us," Pontius said.

The junior explorer hopes the information gained from these exploratory holes will help it plan its winter program, which will primarily be focused on the Southwest Zone, but also will drill other areas that can only be explored in winter.

The company anticipates having all four drills turning during the winter program.

Metallurgical studies under way

The metallurgy of the Livengood deposit will determine the type of recovery system and ultimately the economics of a mine built at the Interior Alaska deposit. Initial metallurgical data indicates the deposit is potentially amenable to some type of combined milling and heap leach system of gold recovery, similar to the Fort Knox gold mine.

In July International Tower Hill hired Kappes, Cassiday and Associates to undertake much more advanced metallurgical studies on the Livengood miner-

see LIVENG00D page 21



Looking at the Livengood gold project from the north, the Sunshine zone lies to the left of Money Knob, and the Core zone is to the right of the property's most prominent point.

we can get into the database. We will have added about 75 holes. That is certainly going to change the shape of the pit, and it will even impact strip ratio," Pontius explained.

Coring the Core zone

The summer program also features a core drill rig, which is targeting mineralization at depths of the Core zone not obtainable by the reverse-circulation rigs that have been the key to the rapid expansion of the Livengood resource to date.

The oriented core, which is produced by marking the orientation of the core with regard to its in-ground position for analysis after it has been removed, has provided the junior's geologists with a first look at the structural controls hidden below the surface.

The first core hole, MK-09-34, was drilled on the west flank of the Core zone. The hole, which was angled under the higher-grade zone, intersected several zones of higher grade mineralization associated with north-northwest trending steeply dipping veins and a high concentration of dikes. The drill cored 22 meters averaging 0.98 g/t gold, 41 meters with 1.17 g/t gold and 48 meters at

• NORTH WEST TERRITORIES

Junior clears obstacles to Nico Project

Fortune opts to move hydrometallurgical process to southern Canada; completes dismantling mine buildings, equipment in Ontario

By ROSE RAGSDALE
For Mining News

Fortune Minerals Ltd. is taking the lemons it has encountered in developing the Nico Project in Northwest Territories and making lemonade.

The London, Ont.-based junior recently reported substantial progress in overcoming major obstacles to building a vertically integrated mining operation at Nico, which is located 160 kilometers, or 99 miles, northwest of Yellowknife.

Fortune Minerals discovered Nico, the largest known IOCG (Olympic Dam-type) deposit in Canada, in 1996. The deposit contains proven and probable mineral reserves of 21.8 million metric tons, containing 760,000 ounces of gold, 61 million pounds of cobalt, and 77 million pounds of bismuth or, an equivalent 3.2 million ounces of gold at the base-case metal price assumptions used in a 2007 Micon feasibility study. The deposit also contains significant amounts of copper and nickel that will be produced processing the cobalt.

Once developed, Nico will be the largest independent producer of bismuth in the world and a leading global producer of cobalt. Both are high-value metals in demand for numerous modern applications, including hybrid-electric cars and medicines.

Fortune wants to produce about 4 million pounds, each of cobalt and bismuth, annually from the deposit as well as 81,000 ounces of gold in each of the first two years of mine life, followed by 27,000 ounces of annual gold production in subsequent years. The project also will produce minor amounts of copper and nickel byproducts.

The company wants to open the mine by 2012, assuming it obtains necessary regulatory approvals. Nico's reserves will support a minimum 15-year mine life at the planned ore production rate of 4,000 metric tons per day (1.5 million metric tons per year).

Ore processing in southern Canada

To simplify the project for permitting and to overcome numerous social, environmental and economic obstacles, Fortune said in late July that it will build the hydrometallurgical part of the processing plant to treat concentrates produced from Nico on a site in southern Canada.

"This change in the NICO project will have a material positive impact on both capital and operating costs for the development. It also will help mitigate future exposure to increasing energy costs, accelerate the construction schedule, reduce environmental impacts, and help speed the permitting process already in progress,"



Gold- and copper-bearing bismuth and cobalt concentrates will be mined from ores extracted from the Nico deposit by conventional truck and shovel methods. About 30 percent of the mill feed during the first two years of the mine-life will be sourced from the underground part of the mine using open stoping methods, scoop trams, and underground haul trucks.

Fortune said.

The junior said it will construct the mine, mill and flotation concentrator in the Northwest Territories as originally planned. However, the downstream hydrometallurgical part of the process plant, which is comprised of pressure and acid leaching followed by electro-winning to high-value metal products, and the gold leach circuit, will now be constructed at one of four sites in Alberta, Saskatchewan and Manitoba. The company said it has investigated possible sites in southern Canada for six months and will acquire one shortly.

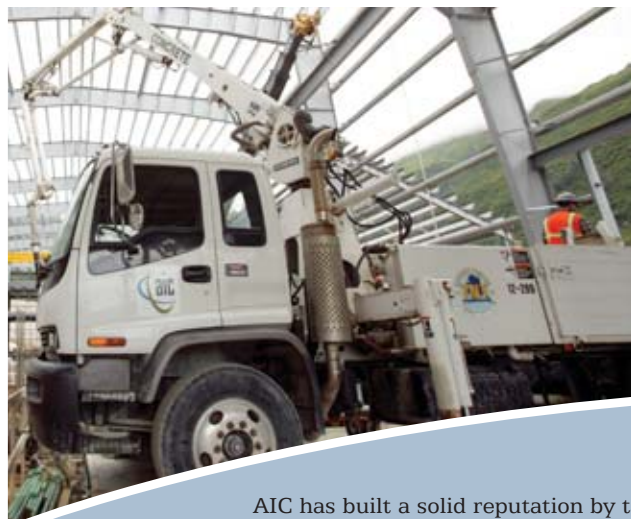
Fortune cited eight benefits of making the move, including:

- Reducing capital costs of the project;
- Cutting power costs during operations (electricity rates in the NWT are projected to be more than 20 cents per kWh as compared to rates as low as 3.7 cents per kWh in some southern provinces);
- Reducing reagent transportation costs, which will offset about half the costs of shipping metal concentrates

from the mine to the hydrometallurgical facility?

- Simplifying permitting for the NICO project by eliminating the need for most of the process chemicals at the NICO site and removing some waste products from processing;
- Accommodating aboriginal concerns for perceived potential water quality impacts;
- Mitigating risk of worker turnover, especially among engineers and chemical plant operators who will now be able to commute daily from their homes in southern Canada;
- Accelerating mine construction because the two parts of the project now can be built concurrently and without weather or seasonal constraint for the southern hydrometallurgical facility; and
- Aligning the company's power requirements with existing and planned hydroelectric generation in the Northwest Territories. Existing and planned hydropower in the Northwest Territory cannot satisfy the increased

see FORTUNE page 22



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• BRITISH COLUMBIA

Seabridge refines vision for KSM Project

Toronto junior lays groundwork for feasibility study, adds 22 adjacent claims to huge copper-gold property northwest of Stewart

By ROSE RAGSDALE
For Mining News

Seabridge Gold Inc. is inching closer to production of one of the world's five-largest undeveloped gold deposits, the KSM Project located in the Iskut-Stikine region about 65 kilometers, or 40 miles, northwest of Stewart, B.C.

The aggressive junior envisions building a huge open-pit copper-gold mine in this highly prolific mountainous terrain, known as the "Golden Triangle" of northern British Columbia.

Toronto-based Seabridge has pursued development of the project, which also boasts significant silver and molybdenum resources, for most of the past decade. Both the Kerr and Sulphurets zones were known when the junior acquired the project in 2000 during an extended period of low gold prices.

The original Kerr-Sulphurets project, which was extensively explored by notable mining companies, including Placer Dome and Noranda Inc. (later Falconbridge and Xstrata plc), was comprised of two contiguous claim blocks.

Seabridge completed three major drill programs since reacquiring 100 percent of the project in April 2006. These programs discovered a new zone, Mitchell, and substantially expanded and upgraded resources for the Kerr, Sulphurets and Mitchell zones.

The project has 34.5 million ounces of gold and 8.5 billion pounds of copper in estimated measured and indicated resources throughout three major ore zones – Kerr, Sulphurets and Mitchell. The deposits also contain an estimated 12.1 million ounces of gold and 2.8 billion pounds of copper in inferred resources.

"The updated PEA confirms that KSM can be a significant gold producer at a total cost per ounce well below the gold industry average with the added benefits of a very long mine life within a stable political environment."

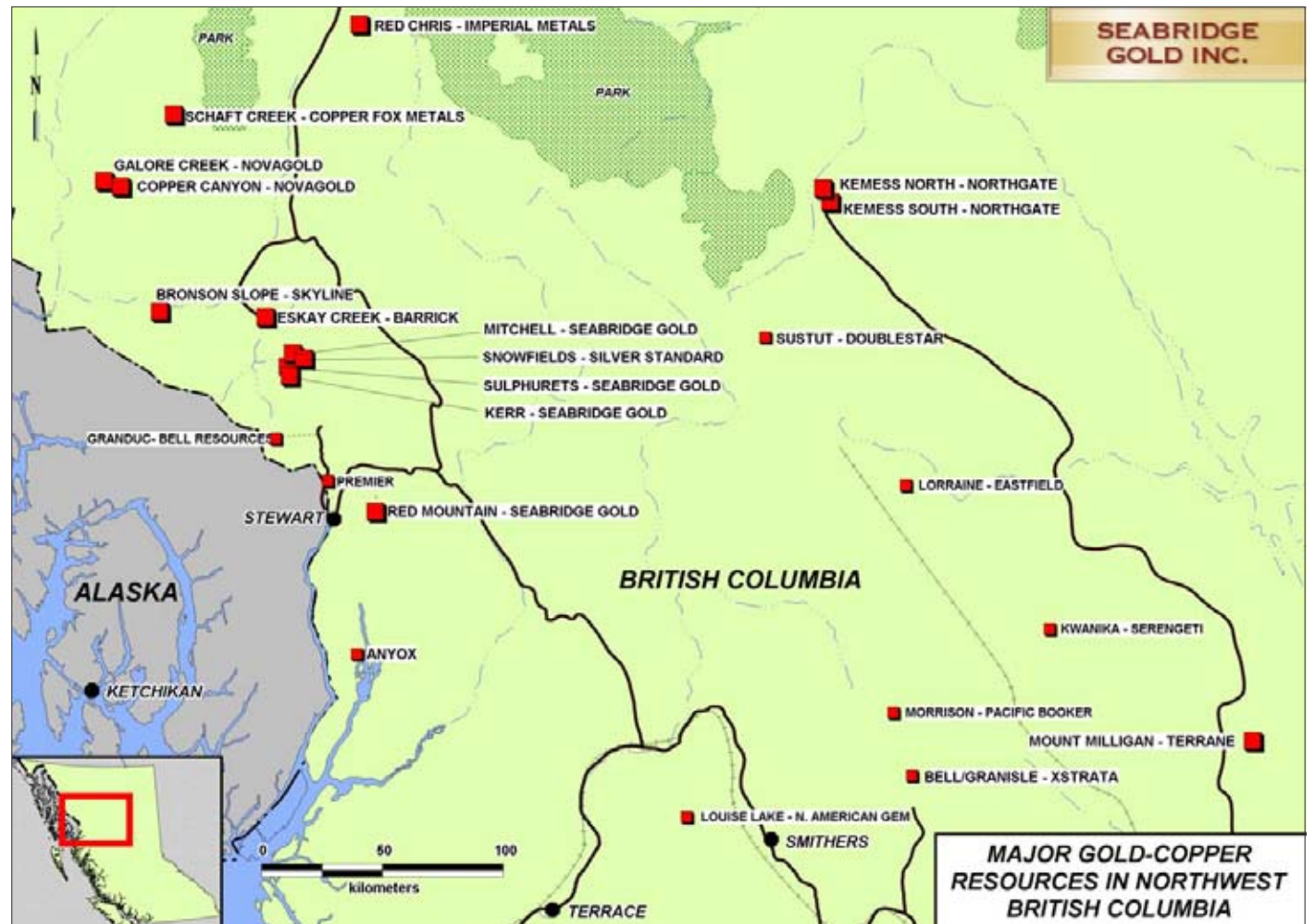
—Seabridge President and CEO Rudi Fronk

Latest PEA improves economics

Seabridge released results of an updated NI 43-101-compliant preliminary economic assessment July 30 for the KSM Project. The updated PEA estimates a 30-year mine life for the project, during which Seabridge would operate a 120,000-metric-ton-per-day mine and mill to recover 19.3 million ounces of gold, 5.3 billion pounds of copper, 2.8 million ounces of silver and 1.9 million pounds of molybdenum.

Base case cash operating costs per ounce of gold were estimated at negative US\$51 after recovery of base metal credits and total costs per ounce of gold were estimated at US\$178, including all capital. Significant capital and operating cost improvements were achieved compared to the 2008 PEA.

But a new pit study completed in June, based on a new resource model, also examined a possible 48-year mine life for KSM, suggesting that the project could have a positive economic impact on the region for an even longer period.



The revised PEA reflected changes in design and a reduction in the strip ratio, materially reducing capital and operating costs compared to results of a similar study completed in December.

"The updated PEA confirms that KSM can be a significant gold producer at a total cost per ounce well below the gold industry average with the added benefits of a very long mine life within a stable political environment," said Seabridge President and CEO Rudi Fronk. "We are now undertaking final in-fill drilling, engineering and environmental programs, which will allow us to complete a preliminary feasibility study in early 2010. At that point, we will have successfully taken the KSM project to reserve status."

Results of a new drill program this summer are expected to generate the remaining data required for completion of a preliminary feasibility study in the first quarter of 2010 converting resources to reserves.

Analysts like KSM

Several mining industry analysts have indicated that Seabridge's efforts at KSM are impressive.

Mike Niehuser, an analyst with Beacon Rock Research in Portland, said KSM Project is shaping up to be one of the world's largest gold-copper porphyry deposits.

"As the project is advanced with additional studies and development work, it should stand out among other projects attractive for construction and operation by a major mining company. With 61 million ounces of gold resources and total diluted shares of 38.8 million shares, Seabridge is highly leveraged to the price of gold," Niehuser wrote in a June 16 report. "We are bullish on both gold and copper prices for the near- to mid-term and consider shares of Seabridge to be significantly undervalued."

Singular Research initiated coverage of Seabridge in July with a "buy" rating and analyst Robert Maltbie noting that it has the most gold per share (1.6 ounces

per share) in the industry, no debt and \$23 million to develop the project. He also praised the company's strategy of focusing on its core assets at KSM and Courageous Lake in Northwest Territories, while pruning its noncore assets.

Deal adds more claims

Seabridge Aug. 12 said it entered into an agreement with Max Minerals Ltd. to purchase its 22 mineral claims totaling

see SEABRIDGE page 15



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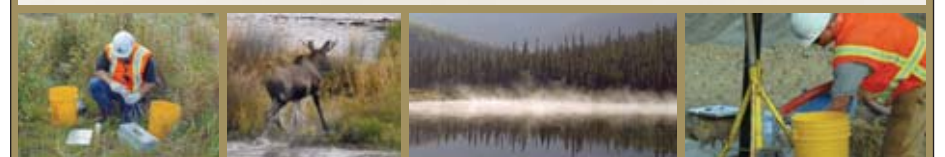
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• NORTH OF 60

Recession drives miners into mergers

Tough economic conditions precipitate flurry of consolidation among majors, juniors that do business in Alaska, Northwest Canada

By ROSE RAGSDALE
For Mining News

The recession is taking its toll among mining companies with properties in Alaska and northwestern Canada as mergers and acquisitions surged in this sector during the second quarter, in step with a global industry trend.

Companies across the exploration and development spectrum from mining giants to the smallest juniors closed on deals with firms that are struggling to survive the recent cash crunch as independent entities.

The Wall Street Journal reported in early August that according to data provider Dealogic, value of proposed takeovers in the mining sector soared to US\$122.1 billion in the second quarter, more than double the next-highest total from recent years, US\$57.2 billion in the first quarter of 2008.

Xstrata Plc's proposed merger of equals in June with Anglo American Plc, one of the 50-50 partners in the proposed Pebble Project in Southwest Alaska, led the surge in activity.

The newspaper said Dealogic values an Xstrata-Anglo combination at US\$48.3 billion.

Xstrata said the new company would generate at least \$1 billion a year in cost savings, have exposure to a greater mix of commodities and be better positioned to compete against larger peers such as BHP Billiton, the Wall Street Journal reported.

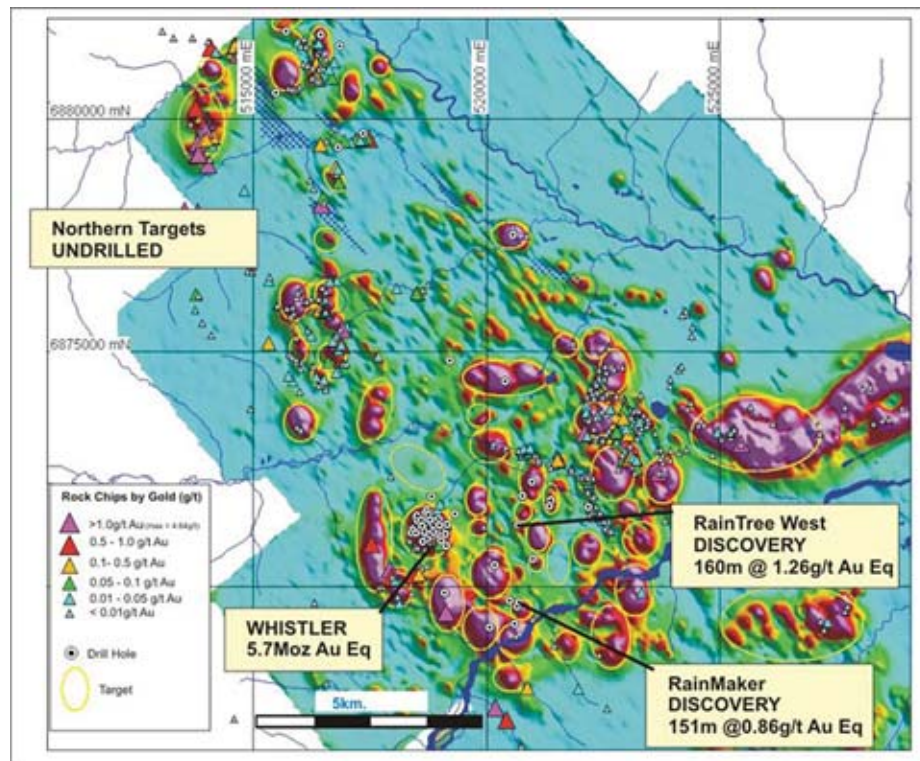
Anglo has resisted the approach as lacking strategic merit, and has called the terms "totally unacceptable."

Smaller offers have met with more success. Deals of US\$100 million or less have rebounded from the first quarter, when activity hit its lowest level since 2006. The Wall Street Journal said these deals are less about size and savings, and more about adding a single resource to a company's portfolio.

Here are some of the deals with an impact on the Far North that juniors announced or completed in the second quarter.

Mergers affect Alaska projects

Rimfire Minerals Corp. and Geoinformatics Exploration Inc. reported completion of their merger Aug. 5. The two juniors combined to form a new entity, Kiska Metals Corp., with an extensive



property portfolio including its flagship Whistler Project located 150 kilometers, or 92 miles, northwest of Anchorage.

Rimfire and Geoinformatics said the merger gives the new company ample funds to consolidate and continue advancing an extensive portfolio with NI 43-101-compliant indicated and inferred

resources of 1.31 and 4.44 million gold equivalent ounces, respectively, while allowing cost savings.

Many of the projects in Kiska's portfolio are part of joint ventures with majors and other juniors, which will enable the junior to participate in upside potential while limiting exploration spending, Rimfire and Geoinformatics said. The new company will be led by the current Rimfire management team, including President and CEO Jason Weber and Mark Baknes, vice president, exploration.

Kiska Metals Aug. 13 reported startup of 2009 exploration at Whistler, a gold-copper project comprising 440 square kilometers, or 170 square miles, of Alaska state claims. The project consists of the Whistler Zone, a gold-copper por-

phy deposit with indicated and inferred resources of 1.31 million ounces and 4.44 million ounces gold-equivalent, respectively, numerous similar targets including the Raintree West and Rainmaker discoveries where gold-copper mineralization with comparable grades to the Whistler Zone was recently discovered and regional targets that may be prospective for different mineralization styles than at the Whistler Zone.

The 2009 program will include collecting 341 line-kilometers of induced polarization geophysics, evaluating regional targets on the property, and launching a 7,000-meter, 20-hole drill program in September due for completion in mid-2010.

The IP and drill program constitute the entire work program required for Rio Tinto Ltd.'s Kennecott Exploration to make a decision regarding its back-in rights on the project. If Kennecott exercises its back-in rights, it must refund two times the aggregate of Geoinformatics and Kiska's exploration expenditures on the property and fund Whistler exploration through a positive pre-feasibility study to achieve a 51 percent interest. Kennecott can elect to fund the project through to a positive development decision to earn a 60 percent interest. In Alaska, Kiska's exploration portfolio also includes the Muddy Creek Project, seven individual high-grade gold-silver and base metals prospects located about 8 kilometers, or 5 miles, southwest of Whistler; the Uncle Sam Gold Project located east of Sumitomo's Pogo Mine in east-central Alaska and the Goodpaster Project, which consists of more than 700 square kilometers of claims surrounding and on trend with Pogo. Rubicon Minerals Corp. has an option to earn an initial 60 percent interest in the properties.

Combination touches B.C., Yukon

In British Columbia, Kiska owns interests in nine properties, including 100 percent of the Williams Project in the north-central region, which has a gold vein and porphyry copper-gold prospects. Fourteen holes drilled at the T-Bill vein prospect within a 300-by-300-meter area have intersected 11 separate intercepts averaging more than 12 grams per metric ton gold. Drilling is targeting a set of parallel vein corridors underlying a 2-by-3-kilometer gold-arsenic soil geochemical anomaly.

In Yukon Territory, Kiska owns the Boulevard Property, a gold target located 35 kilometers, or 23 miles, south of Underworld Resources' recent Golden Saddle gold discovery. Silver Quest Resources Ltd. has optioned Boulevard to earn 100 percent interest of the project. Kiska also holds a 20 percent interest in a joint venture with Frontier Development

see MERGERS page 22

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• A L A S K A

JV partners plan exploration at Niblack

Hunter Dickinson, CBR Gold schedule drilling start in September aimed at tracing high-grade mineralization into Lookout Mountain

By SHANE LASLEY
Mining News

Hunter Dickinson has joined forces with CBR Gold Corp. to resume exploration of the Niblack copper-gold-silver-zinc project on Prince of Wales Island in Southeast Alaska.

Heatherdale Resources Ltd., a privately owned subsidiary of Hunter Dickinson, has agreed to spend US\$15 million over the next three years to advance the Niblack project in exchange for a 51 percent stake in the precious-metals-rich volcanic massive sulfide deposit.

"We are very pleased to be initiating a partnership with CBR Gold to advance exploration of the Niblack copper-gold-silver-zinc deposit," said Hunter Dickinson Chairman Robert A. Dickinson.

The Niblack partners have a US\$5.35 million exploration budget for 2009. Heatherdale, which is financing the endeavor, also will be the operator of the planned 7,260-meter underground diamond drill program.

Drilling preparation under way

To prevent oxidation of the sulfides in the tunnel bored into the side of Lookout Mountain, CBR Gold allowed the exploration decline to fill with water when it placed the project on care-and-maintenance in late 2008.

**"Based on the most recent exploration results from the 2008 drill program, in particular, we believe this property presents potential for delineating significant volumes of high-grade mineralization." —Hunter Dickinson
Chairman Robert A. Dickinson**

The JV partners Aug. 17 said they have received approval from Alaska regulators to dewater the tunnel and resume exploration of the VMS deposit.

CBR Gold spokesman Derek Iwanaka told Mining News Aug. 20 that the dewatering of the adit should be complete by the end of August.

Equipment needed to carry out the exploration program is currently being barged to the project from Ketchikan, which is 27 miles, or 43 kilometers, northeast of the project. The newly-formed partnership expects the 7,260-meter program to begin in early September and to be complete by year's end.

"The objective of the first-phase Niblack drill program is to rapidly identify additional resource tonnage in strategic positions within the deposit," CBR Gold President and CEO John Williamson said.

This year's drill program will follow up on drilling completed by CBR Gold

after acquiring the property in 2008, and will focus on extending the Lookout Zone to depth.

"Based on the most recent exploration results from the 2008 drill program, in particular, we believe this property presents potential for delineating significant volumes of high-grade mineralization," Dickinson said.

Following up on 2008 success

In October after completing a merger with Niblack Mining Corp., CBR Gold embarked on a 19-hole underground exploration program. The 4,507 meters of drilling completed was designed to test the continuity and expand the existing resources within the Lookout Zone delineated by surface drilling, which has traced mineralization from near the apex of Lookout Mountain to a depth of about 600 meters.

"Committee Bay (CBR Gold) is extremely pleased that the initial Niblack underground drill program delivered on all accounts. Mineralization remains open both down-dip and along strike but most importantly, the continuity of the mineralized zones has been successfully demonstrated based on our hit ratio which was largely predicted through geological targeting," Williamson said of the 2008 program.

Though most of the 19 holes drilled struck significant mineralization, CBR Gold was most excited about U028

which intersected 78.66 meters averaging 4.83 grams per metric ton gold, 85.31 g/t silver, 1.89 percent copper and 4.93 percent zinc. U028 extended the mineralization 130 meters beyond the limits of the resource outlined by Niblack Mining Corp.'s surface exploration.

Expanding the resource

In March CBR Gold produced its first resource estimate for the VMS deposit, adding 457,000 metric tons of ore to an estimate that the junior inherited from Niblack Mining.

The updated resource calculation, incorporating the junior's underground program, tallied an indicated resource of 2.272 million metric tons grading 2.42 g/t gold, 34.66 g/t silver, 1.27 percent copper, and 2.36 percent zinc. The deposit has an additional inferred resource of 1.712 million metric tons averaging 2.08 g/t gold, 32.56 g/t silver, 1.55 percent copper and 3.17 percent zinc. The estimate was based on a US\$50 net smelter royalty cutoff.

"Since acquiring the Niblack Project, the CBG team has continued to systematically compile and evaluate the project with the expressed purpose of expanding the mineral resources in order to fast track to a production scenario," Williamson said.

Iwanaka said the JV partners plan to have an updated resource for the Niblack project by January. ●

continued from page 13

SEABRIDGE

8,975 hectares, or about 22,160 acres, immediately adjacent to the KSM Project. On closing of the transaction, which is expected to occur within 30 days, Seabridge said it will pay Max C\$1.0 million in cash, issue 75,000 common shares of Seabridge stock to the junior and grant a 2.5 percent net smelter royalty on the claims being purchased. The purchased claims are also subject to a 2 percent NSR in favor of the original owner of the claims under which Seabridge would be required to pay 10 annual advance royalty payments of C\$100,000 each, ending in 2018, which amounts would be credited against any payments due under the 2 percent NSR. Closing of the transaction is subject to regulatory approval.

Fronk said the added claims significantly increase Seabridge's land position, adding prospective ground for additional exploration, needed room for waste rock storage and project infrastructure as well as securing mineral rights to a part of the proposed tunnel route between the planned mining and milling facilities.

Infrastructure advantages

The project is situated on Crown land and falls within and adjacent to traditional territories of two or more First Nations near a deepwater port in Stewart. KSM is located about 21 kilometers, or 13 miles, southeast of the Eskay Creek Mine site, which is served by a year-round road. An extension of

this road and another short access road will serve the project, along which a power transmission spur line from the BC Hydro grid along Highway 37 from the Meziadin Junction is expected to run 12 kilometers, or about 7.5 miles, long. The estimated power requirement for KSM is 150 megawatts. Seabridge also intends to build a run-of-river hydroelectric plant in a nearby creek to supplement BC Hydro power.

The KSM deposits are adjacent to Silver Standard's Snowfield project, which offers potential infrastructure synergies and savings for developers of the two projects.

The project's immediate access to roads, power and the port in Stewart are significant logistical advantages.

The high sulphide content of naturally exposed bedrock on the property has made nearby water bodies acidic with limited aquatic life, and water treatment facilities at the mine will improve the quality of water leaving the area.

Seabridge also plans to link KSM's mining facilities with its mill via a 1-kilometer-long underground tunnel system aimed at improving safety for workers and minimizing the surface environmental impact of the project.

KSM is currently in the pre-application stage of regulatory permitting, including environmental baseline data collection and engineering studies in consultation with regulators and First Nations groups in the area.

Construction of the mine is expected to take four years once Seabridge secures permits for the project. The project's earliest expected startup date is 2015. ●



Alaska Analytical Laboratory is an environmental lab performing the following services: soil analyses for Gasoline Range Organics (GRO), BTEX (Benzene, Toluene, Ethylbenzene, and Xylene); Diesel Range Organics (DRO) and Residual Range Organics (RRO) following the SW-846 EPA/Alaska Methods.

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LABORATORY

• A L A S K A

Corps gives go-ahead for Kensington Mine

After years of litigation, Coeur Alaska prepares to construct tailings facility; EPA tells state agency it will not oppose permit

By SHANE LASLEY

North of 60 Mining News

The U.S. Army Corps of Engineers Aug. 14 re-issued a long-disputed tailings permit to Coeur Alaska for the Kensington Mine. Modifications to the permit extend its expiration to 2014, offsetting the four years it was tied up in litigation.

A letter from the Region 10 acting deputy regional administrator of the U.S. Environmental Protection Agency in July advising the Corps to “re-evaluate the circumstances and conditions of the permit in view of new information,” raised many questions as to whether a recent U.S. Supreme Court decision upholding the permit’s validity would be the final word in the dispute.

The EPA’s actions also caused some to question whether the federal agency would exercise its right under the Clean Water Act



SEN. MARK BEGICH



SEN. LISA MURKOWSKI

to veto the Corps’ decision to re-issue the tailings permit.

Alaska Department of Environmental Conservation spokeswoman Weld Royal told Mining News Aug. 21 that staff from EPA Administrator Lisa Jackson’s office called DEC Commissioner Larry Hartig and informed him that the “EPA has decided not to veto the Corps decision.”

That decision apparently removes the final obstacle to Coeur Alaska completing

construction of the Southeast Alaska gold mine.

Construction begins

Coeur said it will resume construction immediately at the mine located about 45 miles, or 73 kilometers, northwest of Juneau. The subsidiary of Idaho-based Coeur d’Alene Mines Corp. expects to finish construction of the tailings facility in time to begin production in the third quarter of 2010.

Kensington is expected to produce about 120,000 ounces of gold per year over a 12.5-year mine life, based on current proven and probable mineral reserves. Cash operating costs are projected to average US\$475 per ounce.

Coeur has already spent about US\$300 million developing Kensington, and it estimates remaining construction and mine-related capital costs to bring the mine into production will cost another US\$70 million.

“There is an extensive list of groups and individuals to thank for their efforts and continued support of Kensington. The company looks forward to getting back to accomplishing the main objective, which is to construct and operate a world-class gold mine that all stakeholders will be proud of,” said Coeur d’Alene President and CEO Dennis E. Wheeler.

A joint venture between Alaska-based contractor AIC and Kake Tribal Corp., one of Alaska’s 220 Native village corporations, has been awarded the civil and piping contract for the tailings facility. Electrical work for the project went to Juneau-based

ALCAN Electrical & Engineering Inc.

Coeur said both ALCAN and the AIC-Kake Tribal joint venture are available for immediate mobilization of personnel.

“We are pleased to make this award to these highly skilled Alaska-based union contractors and look forward to bringing Kensington into production next year,” said Kensington General Manager Tom Henderson.

Senators applaud decision

U.S. senators Mark Begich, D-Alaska, and Lisa Murkowski, R-Alaska, who quickly contacted the EPA’s Jackson to get answers regarding the agency’s July letter to the Corps, applauded the Corps’ decision to grant the modified permit.

“I am pleased to hear that, after reviewing the facts and more than 8,500 public comments, the Army Corps of Engineers made the right decision,” Begich said. “The Corps has extended the permit issued in 2005 to Coeur Alaska authorizing the company to construct a mine tailings storage facility in Lower Slate Lake at the Kensington gold mine in Southeast Alaska.”

“This is a decision that’s both good for the environment and Southeast’s struggling economy,” Murkowski said. “Kensington will provide hundreds of badly needed jobs and tax revenue, while having a minimal affect on the environment.”

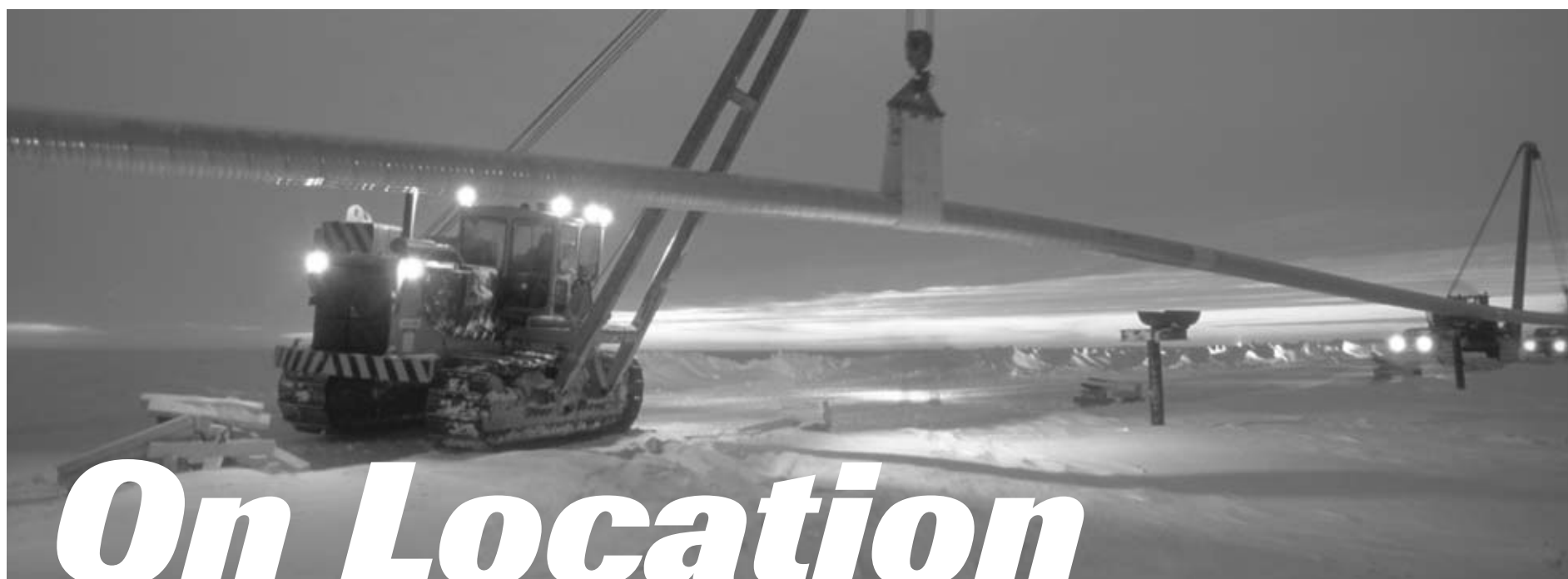
Nearly 300 workers will be needed to complete construction the tailings facility, and once in production, the mine will employ about 200. ●

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• NORTHWEST TERRITORIES

Wanted: More Far North infrastructure

NWT & Nunavut Chamber of Mines map proposal for network of roads, ports, power facilities and railroads to maximize development

By ROSE RAGSDALE

For Mining News

While many business organizations promote infrastructure development in the communities they serve, few of them craft as detailed a visualization of their wish lists as a map created recently by the NWT & Nunavut Chamber of Mines.

Chamber members drew a full-color representation of where they would like to see roads, ports, power plants and railroads built that would maximize economic development in Canada's Far North, including Yukon Territory.

"It's a discussion document," Chamber General Manager Mike Vaydik told Mining News Aug. 19. "We put it out there to stimulate discussion on different options. It's a broad-stroke approach to developing the mineral deposits we know about in the region."

Vaydik said Northwest Territories and Nunavut comprise about one-third of the land mass of Canada, which is the second-largest country in the world. Yet the area has only a few kilometers of roads.

"It is a large area of untapped resources and vast resources mean high costs," he said. One chamber proposal is to build a road through the Slave geological province, which would enable development of about 11 potential mining projects. "It could become a major mining camp, providing jobs and other economic benefits to the region," Vaydik said.

The Far North has no electricity grid. Every community in Nunavut relies on diesel for power, making rising oil and gas costs a major concern. In Northwest Territories, fortunately, some communities get hydropower from a dam built 50 years ago. Nothing has been built

since.

Vaydik says the chamber is inviting discussion of the use of small nuclear reactors like those developed in Japan and the United States.

"We would like to see those studied without the knee-jerk reactions that nuclear power has gotten in the past," he said. "Even the environmental community is beginning to understand that these plants can be properly managed."

The Chamber also envisions deepwater port construction in strategic locations in the North and the Mackenzie River, which flows into the Beaufort Sea, studied as a possible export-import route for goods moving to and from Asia.

Collaboration needed

Vaydik said his group wants to see a major collaborative infrastructure planning effort that brings together all three Canadian territories with aboriginal governments.

"I think we would all benefit from an integrated strategy that we can take to the federal government," he said. "We also have to be able to show that infrastructure development in the North is good for Canada as a whole."

Vaydik said he always shows visitors to mines and infrastructure facilities in Northwest Territories labels on the equipment at these sites to make his point about development in the Far North benefiting the rest of Canada.

"They see 'Made in Quebec' or 'Ontario,' on the equipment and know that development up here benefits Canadian manufacturing," he said.

The Chamber would like to see power and transportation consultants hired to study the Far North's infrastructure needs and provide feedback.

Vaydik said the Chamber is promoting the discussion because government has approached infrastructure development in the region from a service perspective. For example, the government is considering building a road

that follows the Mackenzie River. While it would give people better access, it would have no real economic impact, he said.

The Chamber also intends to step up its involvement in infrastructure talks.

"We have to have some detailed discussions with the governments involved, and we will be presenting the map at three conferences this fall in Northwest Territories," Vaydik said. "The major thing we need to do then is start putting some numbers on the potential projects. We need to make the big case to make an impact."

Territorial status slows development

The Canadian government has oversight of highway development in Northwest Territories and Nunavut. The territorial governments are working with the federal governments but various aboriginal governments also must be consulted in any infrastructure planning.

Bob McLeod, minister of Industry, Tourism and Investment for Northwest Territories, told Mining News Aug. 20 that his government is working closely with all parties involved because the region definitely needs infrastructure development, especially roads and hydropower.

"We look at the broader issue," he said, referring to the chamber of mines' initiative.

McLeod said the federal government has responsibility for roads in the territories, but the territorial government is working with Ottawa on access roads.

"A lot of people feel we need a Mackenzie Highway to go all the way from coast to coast," McLeod said.

He said the stakeholders recently set up a consortium, led by the aboriginal governments, to work on infrastructure development.

"We're one of the most expensive places to live in North America," McLeod said. "With infrastructure development, we would see the cost of living going down." ●

continued from page 3

BONANZA

gy than most of us, (and) he runs map info better than just about anybody I know. He is just the complete package."

The rush to Ryanwood properties this year has resulted in what could be the largest soil sampling bonanza the Yukon Territory has ever seen. As of Aug. 16, Ryanwood crews had collected 20,000 samples this year, and the company is expecting to gather an additional 10,000 samples by October.

In addition to White Gold district properties, Ryanwood has Yukon projects optioned to Strategic Metals Ltd. (PDM Claims and Fairweather properties), BC Gold Corp. (Carmacks project), Full Metal Minerals Corp. (Angie, Cat, Rim, Nadaleen and OG properties), and Golden Predator Royalty and Development (Ant Gold project).

"Under the name of Ryanwood and Shawn Ryan, we hold a little over 9,000 claims for a total 466,000 acres. I believe I am the largest private quartz claim holder in the Yukon. I would say about 2/3 of these claims are now under option," the explorer noted.

Similar circumstances

Like Bonanza Creek, the White Gold property also has ties to the Klondike Gold Rush. Government records from the late 1800s refer to a gold-bearing chunk of rock found near the confluence of the White and Yukon rivers that was sold by one William Ogilvie for C\$20,000.

A magnetic feature on a government



Yukon prospector Shawn Ryan examines rock at the Ryan Showing at Underworld Resources Inc.'s White Gold property near the confluence of the White and Yukon rivers. The Ryan Showing is the probable location where William Ogilvie discovered a gold-bearing chunk of rock that, according to government records from the late 1800s, was sold for C\$20,000.

commissioned airborne geophysical survey is also what caught Ryan's attention at White Gold. Ryanwood blanketed the grassroots discovery with more than 4,000 soil samples.

The young prospector entered the extensive data he collected from the soil sampling into his state-of-the-art mapping program, and came up with a comprehensive picture of the geophysical and geochemical signatures of the property.

The maps and datasets produced by Ryan's comprehensive data-collecting and processing is what attracted Underworld to the White Gold property and led to the junior's rapid success at the grassroots prospect. And yes, Ryan did find the probable source of the historically noted Ogilvie rock.

"Now I'm expecting projects like the Bonanza and some of my other claim blocks to start to get attention because

I've done my homework," Ryan told Mining News. "This is our first evidence, scientific. Now we have a picture. I really think we are going to find two or three of these beasts, because now we know what it looks like and where it hides."

Placers as vectoring tools

Ryan said modern day explorers are going to start paying closer attention to historic placer-bearing streams, using them as "vectoring tools." Taking direction from these gold-producing creeks, explorers can employ modern geophysics and geochemical and mapping techniques to discover the hardrock source of the alluvial gold.

"Before, we always thought about (the source of the placer streams), but nobody ever followed up on it. Now I think we are going to see the follow-up. With these nice placer creeks with chunky gold, well people are going to be looking in the hills behind it," the prospector said. "Underworld has given everybody the confidence (to say) 'we should think about drilling this thing (Bonanza). We are sitting above this 6 million-ounce placer creek; we are on this big structure; the guy has done the soils and the gold is there.'"

Drilling will tell whether the young explorer has discovered the mythical beast that left its golden treasure in the bottom of Bonanza Creek and whether there are additional hordes to be discovered.

For Ryan, the hunt is fun either way.

"You are the first guy to find things sometimes," the explorer said. "It's kind of fun, and that's the point." ●

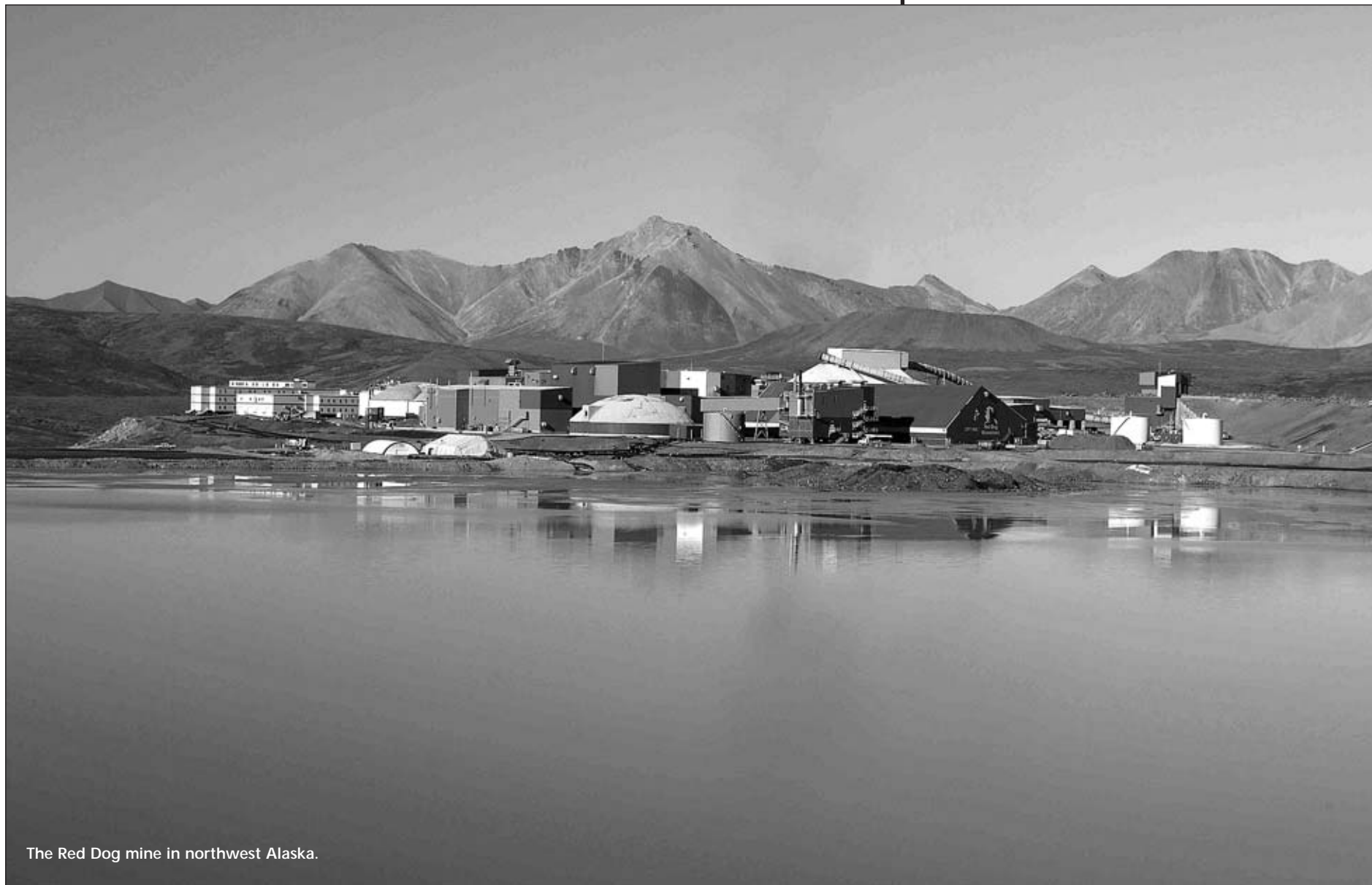
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continued from page 11

LIVENGOOD

alization. The US\$400,000 study will test six metric tons of rock representing 35 different mineralization types within the deposit.

The Reno, Nev.-based laboratory will test the mineralized samples for hardness, the gravity recoverable component and cyanide recovery as well as a whole new swath of tests for the heap leach-ability of the deposit.

Samples from the Sunshine zone were included in the first batch sent to the metallurgical lab, and the junior is sending additional samples of the oxidized material that could be amenable to heap leach.

Moving away from Sunshine

Once drilling is completed at the Sunshine zone, the three rigs currently turning on the priority target will move out to the East zone, which continues to show promise, with significant higher-grade zones of gold mineralization. Drill crews have already punched more than 30 holes into the East zone this summer.

Hole MK-RC-0154, drilled about 250 meters east of the Core zone, intersected 45.7 meters of mineralization, starting at 200 meters. The interval averaged 1.62 g/t gold.

MK-RC-0157, located 75 meters to the north of hole 154, drilled 10.7 meters averaging 1.88 g/t gold starting at a depth of 160 meters; starting at 173.7 meters, the bit cut through another 36.6 meters grading 0.81 g/t gold and a third intersect of 25.9 meters averaging 0.73 g/t gold.

"Before the end of the year, we will finish drilling off the East zone and wrap it basically back up into the Sunshine zone," Pontius said. "We think that when we get that put together, we will have roughly 2.5 kilometers of strike length about 1.5 kilometers wide that will have enough drilling to know about the deposit in that area, and a lot of it will be on the 75-meter centers so we can get indicated ounces out of those."

Pontius said the next focus of the drill program will be to build measured ounces for Livengood. International Tower Hill believes that placing a hole in the center of each square of the 75-meter grid will provide enough density to convert the project's indicated resource to a measured resource. The junior plans to have the infill drilling complete by fall of next year.

The company plans to extend the summer drill program into October. A new gold resource estimate, which is expected to be completed around the end of the year, will be calculated based on the summer program.

Ideal location

In Alaska the infrastructure for a mine does not get much better than that found at Livengood. About an hour and a half drive from Fairbanks, the deposit lies adjacent to the Dalton Highway, the road used to service the trans-Alaska oil pipeline and oil fields on the North Slope. It is also adjacent to the proposed route for trans-Alaska gas pipelines currently being developed.

Natural gas-fired generators using liquefied natural gas trucked down from the North Slope are being considered to power a mine at Livengood, which would allow the project to tap into a gas pipeline when one is built.

The project also has the advantage of being able to use a camp built for the construction and maintenance of the trans-Alaska oil pipeline. International Tower Hill has leased the camp and yard which is no longer being used for work on the oil pipeline.

The camp, located less than five miles



International Tower Hill Mines Vice President of Exploration Russ Meyers examines samples collected from RC drilling in the Sunshine zone.

from the deposit, has kitchen and bath facilities and more than enough room for offices and sleeping quarters for the crews needed to run the exploration program. The large, fenced facility also has several large shops. The junior uses one of these buildings to process samples from the drill program and two others to repair and maintain the exploration equipment. Use of the facility has played a key role in the success of the company's winter drill program.

"The fact that Livengood is so favorably located along a paved highway some 70 miles northwest of Fairbanks is a huge positive for its potential near-term development into a large mining project," company

geologist Heather Kelly told Mining News.

Ties to AngloGold

Pontius and Myers, two of the top brass at International Tower Hill, were members of the AngloGold Ashanti team when the South Africa-based major acquired Livengood in 2003. In 2006 Anglo sold the project, along with seven other Alaska targets, to International Tower Hill in exchange for a 19.99 percent stake in the junior.

Kelly said Pontius was the North American exploration manager for AngloGold, who initiated the Tintina Gold Belt project, as well as leader of the

Alaska exploration effort. Myers, a senior geologist for the major, conducted the technical analysis and targeting work on the Tintina Belt study for AngloGold.

AngloGold drilled 12 RC and core holes defining and confirming a broad, large-tonnage gold system that lies in the center of the Livengood Placer District, which has produced more than 500,000 ounces of gold since 1914 and has an additional 350,000 ounces of drill-defined placer gold.

Major interest

International Tower Hill believes the Livengood deposit will be an attractive target for one of the global giants. When asked, Pontius said major producers have shown interest in the project, but he could not divulge any further information.

While it is unclear whether AngloGold is interested in building a mine at Livengood, the major is maintaining a stake in the junior. The major spent C\$3.265 million to maintain an 13.29 percent interest in International Tower Hill when the major's equity had been diluted as a result of the junior raising C\$23 million in May.

Kinross Gold Corp., which owns the Fort Knox Gold Mine about 60 miles, or 100 kilometers, south of Livengood, has said it is keeping its eye on the expanding gold deposit. Livengood has similar geology and slightly higher grades than the smaller Fort Knox deposit.

Though Kinross has not invested in International Tower Hill, the major is closely watching the project.

Fort Knox former General Manager Larry Radford told the Greater Fairbanks Chamber of Commerce in May that "a future partnership to develop the Livengood property is a possibility."

International Tower Hill Aug. 26 said it has adopted a shareholder rights plan, or poison pill, to protect its shareholders' interests in case a major does make an unsolicited move on the junior.

"I would expect that the Livengood project will grow to a compelling acquisition target for a major gold company in the near term and that the company will then continue on with the exploration and development of its other very attractive exploration assets," Kelly said. "ITH has a very robust pipeline of projects, which will receive greater exploration effort following the monetization of the Livengood project." ●

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FORTUNE

power loads at NICO as a result of recent operational improvements, but could supply the 9 megawatts of electrical demand from the mine and concentrator.

Reactions to new plan

Reactions among Northwest Territories government and mining officials were generally favorable to Fortune's decision to relocate the hydrometallurgical part of the Nico project to southern Canada.

Martin Haeefe, manager of environmental impact assessment for the Mackenzie Valley Environmental Impact Review Board, said the regulatory panel will assess whatever Fortune Minerals proposes but has no opinion on the company's decision to relocate the hydrometallurgical facility to southern Canada.

"But we're glad they made a decision because now the assessment can move forward. Not having that question answered slowed down the process," Haeefe told Mining News. "Hopefully, the issue will be clarified for the board sometime soon."

MVEIRB has been working on an environmental assessment of the Nico Project since early this year and should publish a draft of the project's terms of reference and work plan soon, Haeefe said.

"It's difficult to estimate how long the timeframe will be for completion of the assessment until we have the draft out and have gotten some feedback," he said. "The process had taken eight months to two and one-half years in the past, which is about the same as other jurisdictions in Canada. It's the period after the assessment that can be longer sometimes. Some projects get turned around faster than others."

Mike Vaydik, general manager of the NWT & Nunavut Chamber of Mines, said Fortune's press release announcing its decision to move the hydrometallurgical facility to southern Canada is a classic study of the impediments to mining development in the Northwest Territories.

"It's interesting that this company has



In 2006 and 2008, Fortune purchased all of the buildings, equipment and an inventory of spare parts from the former Golden Giant Mine at Hemlo Ont., intending to relocate it to the Nico Project in Northwest Territories. Here, workers reassemble one of the ball mills at Golden Giant for storage and eventual relocation to the Nico mine site.

been very active in consultations with the aboriginal community and the power company, and it couldn't get people to understand that the mine not only would have an impact on the environment but also the economy," Vaydik told Mining News Aug. 19. "Their original plan was to ship metals from the mine, and now they plan to ship ore and make the metals somewhere down south. That means the jobs will go down south, too."

Though his office works to maximize benefits from every development project in the Northwest Territories, Industry, Tourism and Investment Minister Bob McLeod told Mining News Aug. 20 that Fortune's decision will not be a complete loss.

"Obviously, our preference is to see all the processing done in the Northwest Territories," he said. "From our count, 40 jobs would be lost because of the decision."

By comparison, the mine will generate 600 jobs during its construction and 150 jobs during production, the minister said.

Diesel power for now

While the Nico property is only 22 kilo-

meters, or 14 miles, west of the N.W.T. Power Corp.'s Snare River hydroelectric plant, Fortune is currently planning to build a diesel plant at Nico for both power and heat, since the hydro facility would not supply all of the nine megawatts of power the mine will need. No plan to expand the hydro plant has gelled during the past five years as the company worked to convince locals to do so.

"Selling hydropower to the NICO development presents an attractive long-term, environmentally sustainable business opportunity for the local Tlicho people and NWT government," Fortune said.

McLeod said the problem Fortune has encountered obtaining hydroelectric power is a unique circumstance because the authority for making such a decision actually falls under the authority of the government of the Tlicho First Nation, which indicated that it preferred a regional approach to hydroelectric development when Fortune applied for power two years ago.

The Tlicho are currently holding an election for grand chief. Four people are running in the election, which is scheduled for

Sept. 14.

Fortune, meanwhile, has indicated that after five years, it can no longer rely on the prospect of more local hydropower being available when the mine is ready to start up.

Mine dismantling complete

Also, Fortune Aug. 12 reported that its plan to dismantle and demolish the defunct Golden Giant Mine at Hemlo, Ont., is substantially complete and valuable equipment is being stored at the site under an amended agreement with Newmont Canada Ltd. until Nico's permits are approved. Fortune intends to reassemble the equipment at the Nico site to produce gold doré, bismuth and cobalt cathodes, along with the copper and nickel concentrates.

Fortune acquired some of the Golden Giant Mine buildings, equipment and an inventory of spare parts from Newmont and Mindecom Industrial Constructors Ltd. in 2006 after the mine closed, and the remainder of the buildings from Newmont in 2008. Valuable assets salvaged from the mine for use at Nico include buildings, grinding mills, the crushing plant, flotation cells, compressors, boilers, generator, conveyors, pumps, motors, overhead cranes, transformers, assay laboratory, and electrical switch gear.

Fortune said the amended agreement with Newmont will allow it to maintain the service complex building and store its assets at the Hemlo site until required, but no later than April 1, 2011.

The junior said it generated significant cash proceeds from sale of gold recovered from residues and other materials collected during cleanup of the Ontario mine's assets. It shipped about 135 metric tons of high-grade materials to refineries in Canada and the United States. The company also sold about 8,200 metric tons of recyclable scrap steel, copper and other metals from the mill, head frame and other buildings that were demolished at the Hemlo site. Additional funds were generated from the sale of surplus equipment and buildings, including a jaw crusher, the paste fill plant and building, cold storage buildings, furnaces, office and other small equipment that were not required at Nico. ●

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MERGERS

Group Inc. in a 374-square-kilometer land, or 144.4-square-mile, package prospective for iron oxide copper-gold deposits in Yukon's Wernecke Mountains. Kiska is also exploring numerous other properties in Ontario, Mexico, Nevada and Australia.

Merger to benefit Alaska project

Victory West Moly Ltd. agreed to acquire XS Platinum Ltd. The Western Australia-based explorer said XS Platinum plans to begin producing and selling platinum and gold by the end of 2009.

Victory West, which is exploring for molybdenum in Indonesia, agreed to issue 250 million of its shares and 100

million options exercisable at A25 cents per share for five years to acquire XS Platinum. The company also agreed to advance A\$10 million to the platinum company to be used to purchase equipment and conduct a trial mining operation on placer platinum acreage that covers the historic Platinum Creek Mine in Southwest Alaska.

The acquisition of XS Platinum will better position Victory West to become a multiresource company with assets of strategic significance and economic importance, the junior said.

XS Platinum is an unlisted public company that owns 195 placer and hard-rock mining claims in the Salmon River Valley near the township of Platinum. More than 500,000 ounces of platinum have reportedly been produced since the 1920s on the 3,000-acre, or 1,245-hectare, property.

XS Platinum plans to reprocess dredge

tailings from mining carried out on the property between 1937 and 1976. These tailings are believed to contain significant amounts of fine-grained platinum and gold that the junior hopes to recover using modern gravity separation techniques.

XS Platinum also aims to explore the potential to extract platinum and gold from the virgin gravels on the property that have not been the subject of historical mining activities. Victory West also said Platinum Creek has a number of the mining claims that cover hard-rock prospects that are thought to be the source of the platinum group elements in the overall alluvial deposits.

XS Platinum intended to conduct a small-scale bulk-sample program in August, which should provide the company with valuable production and geological data, and achieve actual platinum and gold sales by year's end. Victory West said

all necessary mining, processing, sales and environmental approvals are in place.

Victory West said XS Platinum acquired the Platinum Creek Mine from Hanson Industries Inc. in November 2007 for US\$50 million to be payable in 10 installments between the purchase date and December 2015 with a simple interest of 7.5 percent annually on the balance owed.

Victory West also said it, along with XS Platinum, will continue with ongoing due diligence on each other and work toward merging the two companies around the end of the year.


B.C. firms to combine

Imperial Metals Corp. and Selkirk Metals Corp. July 27 said they have agreed to combine by way of a plan of arrangement, subject to shareholder and regulatory approval. The business combination will pair Imperial's proven development, operating and financial capability with Selkirk's portfolio of development stage and advanced exploration projects.

The companies said the combined corporation will be virtually debt-free and able to use cash flow from existing operations to further explore and develop an expanded mineral asset base.

Under the terms of the agreement, Selkirk shareholders will receive, at the option of the holder, either C12 cents cash for each of their shares, or one common share of Imperial for every 30 shares of

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MERGERS

Selkirk held, provided that Imperial shall not be required to issue more than 2.2 million shares in the exercising of the share options.

If Selkirk shareholders' elections result in more than 2.2 million Imperial shares being issued, the Imperial shares will be allocated on a pro-rata basis, with the balance being paid in cash.

Imperial is a mine development company that operates the Mount Polley open-pit copper-gold producing mine in central British Columbia, the Huckleberry open-pit copper-molybdenum producing mine in northern British Columbia, the development-stage Red Chris property in north-west British Columbia, and a development stage gold property in Nevada.

Selkirk is a junior with a large portfolio of exploration properties predominantly in British Columbia, including the Ruddock Creek zinc-lead project and the Catface copper project, both of which have a defined resource and development potential. Both Imperial and Selkirk are based in Vancouver, B.C.

Juniors combine forces

Diamondex Resources Ltd. and Triex Minerals Corp. agreed to merge in a transaction that will bring benefits to both companies. Diamondex shareholders will gain access to working capital to advance the projects they owned, while Triex shareholders will get a substantial premium for their shares. The combined company also will boast a more diversified, multicommodity portfolio of established properties located in Ontario, Saskatchewan, Alberta and northern Canada, and identified exploration targets focused on base metals, gold, diamonds and uranium.

The new company also will enjoy significant savings in general and administrative expenses and the benefits of a combined management and board expertise.

Diamondex and Triex have agreed to immediately negotiate a definitive agreement, incorporating terms of the binding letter agreement and other customary terms and conditions of transactions of this nature. The deal is also subject to TSX Venture Exchange and shareholder approval, and is expected to close in mid-October.

Diamondex was founded as an exploration company focused on the discovery of primary diamond deposits in Canada. Through the advancement of original conceptual models and the successful execution of regional exploration plays, the company assembled a property portfolio that, at its peak, exceeded 9 million acres. Among its holdings are seven properties in Northwest Territories and one project in Nunavut.

Triex explores for uranium with the potential for low-cost production, located in areas with established infrastructure, in jurisdictions where permitting is favorable and where government policies are supportive of uranium exploration and development activities. Its current portfolio of eleven main properties includes four properties in Hornby Bay Basin, Nunavut and the Boulder Creek Project in Alaska, and significant projects in the Athabasca Basin of northwestern Saskatchewan, the world's premier exploration district for high-grade uranium deposits.

Opportunities in Nunavut

Triex Minerals Corp. operates five key projects in the Paleoproterozoic Hornby Bay Basin, which straddles the Nunavut-NWT border in northern Canada. Total area of the properties is more than 223,000 hectares. These properties,



A geologist examines rocks at the Boulder Creek uranium project in Northwest Alaska. Boulder Creek was one of 11 mineral projects held by Triex Minerals Corp. when it agreed to merge recently with Diamondex Resources Ltd., another junior with its own substantial portfolio of North of 60 projects.

Mountain Lake, Dismal Lakes, West Dismal, Kendall River and Leith Peninsula, are owned 50-50 with Pitchstone Exploration Ltd. The Mountain Lake uranium deposit, the only defined uranium resource in the basin, anchors the holdings. It is 8.2 million pounds U3O8 (3,700 tonnes U3O8) inferred resource in 1.6 million tonnes, with an average grade of 0.23 percent U3O8 using a cutoff grade of 0.10 percent U3O8 and a minimum thickness of 1.0 meter (CIM guidelines and definitions).

Progress in Northwest Alaska

The Boulder Creek Property is located on the Seward Peninsula in northwestern Alaska. It is about 50 kilometers, or 31 miles, from the coastal village of Elim, and 170 kilometers, or 106 miles, east-northeast of Nome.

The Boulder Creek Project was actively explored for four successive summer field seasons between 2005 and 2008. Work focused on resource delineation drilling at the Boulder Creek uranium deposit, and on reconnaissance exploration for additional deposits in the surrounding region.

Resource delineation drilling at

Boulder Creek is complete. Reconnaissance exploration resulted in the 2007 discovery of a new surface uranium occurrence, named Fireweed, and located some 25 km north along-strike from Boulder Creek. The Fireweed occurrence has yet to be fully explored and evaluated.

Triex has no committed plans for exploration in 2009.

Uranium firms merge

Another combination that affects Far

North properties is the merger of Titan Uranium Inc. and Uranium Power Corp. completed July 31 under a plan of arrangement they entered in May. As a result, Titan has acquired all of the issued and outstanding common shares of Uranium Power.

"The closing of the transaction marks a significant milestone for Titan Uranium," said President and CEO Brian Reilly. "I would like to welcome the new officers and directors of the company and thank the outgoing officers and directors for their contributions. Titan is well-positioned for future growth in the uranium sector."

Titan is driven by advancing exploration projects to discovery in the proven Athabasca and prospective Thelon basins located in Saskatchewan and Nunavut, respectively. The junior said it has gained market recognition for its ability to attract strategic partners to participate in exploration on its properties by virtue of its 1.6 million-acre land position and its technical expertise. Titan's option agreement participants include: Japan Oil, Gas and Metals National Corp., Vale Exploration Canada Inc., and Mega Uranium Ltd. These optionees are expected to contribute C\$4.7 million in exploration programs managed by Titan in 2009.

The merger with Uranium Power adds a number of highly prospective properties, mainly in the Lower 48, to Titan's portfolio.

Prime among these is a 50 percent interest in the Sheep Mountain deposit which has an NI 43-101-compliant Inferred Resource (on a 100 percent basis) of 4.6 million tons, averaging 0.17 percent U3O8, (15.6 million pounds contained U3O8). ●

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