



NORTHERN NEIGHBORS

Compiled by Shane Lasley



ATAC RESOURCES LTD.

At the Nadaleen trend, located about 90 kilometers (55 miles) east of Tiger, Atac Resources Ltd. is carrying out rotary air blast drilling to follow up on the 2015 discovery hole at the Orion target, which returned 3.79 grams per metric ton gold over 47.24 meters. This hole bottomed in gold mineralization with the last interval grading 2.56 g/t gold over 1.52 meters.

Atac finds additional oxide gold mineralization adjacent to Tiger

Atac Resources Ltd. Aug. 10 posted results from exploration of the Rau trend located at the western end of its huge Rackla Gold project in Yukon Territory. Follow-up prospecting, mapping and soil sampling has expanded the Airstrip gold anomaly to 11.5 square kilometers (2,840 acres). Discovered in 2015, about 4,000 meters south of the Tiger gold deposit, Airstrip is the largest gold-in-soil anomaly in the Rau Trend. The initial evaluation program also included seven shallow rotary air blast drill holes at two priority anomalies identified at Airstrip. Near-surface gold mineralization was encountered at both of these targets, including one 13.7-meter intercept of 1.43 grams per metric ton gold in hole ASR-16-006. Atac said the first-pass drill results are very encouraging at Airstrip and warrant further drilling. The company also completed detailed prospecting at a previously underexplored gold-in-soil anomaly situated 125 meters from the southeastern limit of the proposed Tiger deposit pit. Ten out of 21 oxide float composite grab samples collected over a 150-meter-long area upslope of the east end of the Tiger deposit, returned values greater than one g/t gold with the most notable sample returning 18.3 g/t. The company says follow-up trenching and diamond drilling is warranted to determine if this mineralization could complement the current Tiger Deposit oxide mineral resource outlined in a preliminary economic assessment published in May. "The recently identified oxide mineralization is a major development as this new area has potential to add oxide gold ounces directly adjacent to the eastern end of the proposed Tiger Deposit open-pit," said Atac President and CEO Graham Downs. "This in addition to the fact that we were able to encounter gold in three of our very first scout holes drilled at the Airstrip anomaly is very significant and a testament to the extensive mineralizing system that exists within the Rau Trend." The company is also carrying out RAB drilling 90 kilometers (55 miles) east of Tiger, at the Orion Carlin-type gold discovery within the Nadaleen trend of the Rackla property.

A bonanza of gold discoveries at Plateau South, drilling begins

Goldstrike Resources Ltd. Aug. 10 said drilling is underway at its Plateau South gold property in the Yukon Territory. The drilling started in the Goldstack zone, a seven-meter-wide gold-bearing outcrop where drilling in 2015 cut 17.5 meters averaging 13.5 grams per metric ton gold. The zone is part of the Yellow Giant Trend, a 29-kilometer- (18

see NORTHERN NEIGHBORS page 11

METALS MARKETS

Soaring zinc prices?

Shrinking supplies seems to overcome gravity of slowing base metals demand

By SHANE LASLEY

Mining News

Caught between an updraft caused by dwindling supply and the gravity of slowing growth in global demand, zinc prices seem to have reached a cruising altitude above US\$1 per pound.

Recent closures of two large zinc mines – Century in Australia and Lisheen in Ireland – wiped out more than 600,000 metric tons of the world's annual supply of the galvanizing metal.

Analysts expected these looming supply deficits to send zinc prices soaring well above US\$1/lb. in 2015. While the metal did climb to US\$1.10/lb. in May, lackluster global economic growth muting the demand for commodities in general instead dragged the price to seven-year lows.

With zinc prices falling below US70 cents/lb. late in 2015, Glencore PLC slowed its output, removing another 500,000 metric tons from the global supply.

"The main reason for the reduction is to preserve the value of Glencore's reserves in the ground at a time of low zinc and lead prices, which do not correctly value the scarce nature of our resources," the Switzerland-based company explained.

In the July 26 edition of its commodity prices index, Scotiabank said the 8 percent drop in zinc supply resulting from the two large mine closures and Glencore's curtailment sets zinc apart from its contemporaries.

"The base metals narrative remains split between demand-driven stories surrounding beleaguered contenders like copper and the supply-centric focus in outperforming metals like zinc and, more recently, nickel," the Canadian bank penned in the report.

Adding, "Zinc remains the bullish story within the base metals group."

This tale of zinc prices rising 41 percent since the beginning of the year is a good read for Teck Resources Ltd., operator of the Red Dog zinc mine in Northwest Alaska, and Hecla Mining Company, which enjoys considerable by-product credits from zinc recovered at its Greens Creek silver mine on the state's Southeast Panhandle.

Starving market

CRU, a global analyst and consultant focused on mining, metals, fertilizers, believes the supply-side shortage will continue to push zinc prices higher.

In a report published at the end of July, CRU Head of Zinc Research Graham Deller wrote, "With concentrate stocks now almost exhausted, metal inventories will fall sharply soon, and further significant price increases look likely through the course of next year."

The world's best-known stockpile of zinc is already being eroded. Inventories in the London Metal Exchange warehouse have dropped from about 480,000 metric tons in January to below 440,000 metric tons, or about 12 days of global demand.

Most analysts are predicting that more clandestine zinc inventories will find their way to market as prices rise.

"While it is possible that further inventories are delivered to the major exchanges from hitherto less

"The base metals narrative remains split between demand-driven stories surrounding beleaguered contenders like copper and the supply-centric focus in outperforming metals like zinc and, more recently, nickel."
—Scotiabank

visible locations, it is inevitable that we eventually see an impact on refined (zinc) supplies and the current rally is likely the market preemptively getting ahead of this tightness," Scotiabank penned in its July commodities index.

Scotiabank and CRU see the current market imbalance eroding both the known and less visible stockpiles of zinc.

Deller said, "The key question in the zinc market is no longer whether, but is now when will the market run out of metal?"

Scotiabank sees this depletion of stocks happening sooner rather than later.

In its annual Global Outlook report published in early July, the bank forecast zinc prices to average US\$1.25/lb. in 2017.

"Prices are expected to rise over the coming years until sufficient supply can be incentivized back onto a starved market," the bank penned in the comprehensive economic report.

Welcome news

Rising zinc prices is welcome news to Teck Resources and NANA Regional Corp., owners of the Red Dog Mine in Northwest Alaska.

Red Dog is on track to produce about 570,000 metric tons (1.26 million lbs.) of zinc in 2016. Accounting for roughly 5 percent of the world's supply, this arctic operation supplies nearly as much zinc to global markets as did the recently closed Century and Lisheen mines combined.

Teck is the operator at Red Dog and NANA, the Alaska Native regional corporation that owns the land where the zinc-rich mine is located, is 30 percent owner of the operation. NANA's ownership increases by 5 percent every five years and is set to climb again in 2017.

In its second-quarter 2016 report, Teck noted that on top of the deficit brought on by the closure and suspension of several large mines, demand for zinc is expected to grow at about three percent per annum during the next two years.

"While the commodity cycle continues to be challenging, we are starting to see some positive changes in the direction of zinc and steelmaking coal prices," said Teck President and CEO Don Lindsay.

While zinc is the primary metal produced at Red Dog, it also is an important tertiary metal at Hecla's Greens Creek Mine near Juneau.

Thanks to zinc, along with lead and gold, the cost to produce an ounce of silver at this Southeast Alaska operation totaled just US\$4.61 through the first half of 2016. The ongoing upward trend in gold prices and zinc sitting above US\$1/lb. should help drive the already low production costs at Greens Creek even lower. ●

Only pay for the speed you need... Dynamic Routing!SM

At Lynden, we understand that plans change but deadlines don't. That's why we proudly offer our exclusive Dynamic Routing system. Designed to work around your unique requirements, Dynamic Routing allows you to choose the mode of transportation — air, sea or land — to control the speed of your deliveries so they arrive just as they are needed. With Lynden you only pay for the speed you need!

DESTINATION: FAIRBANKS
ETA: 9:30 - 11:30 A.M.

S	M	T	W	T	F	S
31	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	1	2	3	4
5	6	7	8	9	10	11



ALASKA



The new Lynden phone app is now available to download!



LYNDEN
Innovative Transportation Solutions

www.lynden.com 1-888-596-3361

continued from page 9

NORTHERN NEIGHBORS

miles) long gold system where the company continues to find intriguing zones with visible gold. Prospecting and mapping carried out during an initial phase of 2016 exploration identified a number of significant new gold showings, including the new Bonanza Zone located 4,000 meters northwest of Goldstack. The Bonanza discovery contains the most pervasive coarse visible gold seen in bedrock on the Plateau property to date, and has returned grab samples up to 436.4 g/t gold. A second high-grade showing, Bonanza North, has been discovered outcropping 100 meters north of the initial discovery. A third showing was found on trend and 160 meters southeast of Bonanza North. Follow-up exploration to prepare Bonanza for drilling is underway. The phase-1 exploration discovered four other new zones – Goldback, Goldbar, Gold Standard and Goldworks. Follow-up mapping, prospecting and ground geophysics are planned to delineate drill targets at these new zones. “These new discoveries have significantly expanded the known extent of this new district-scale gold system,” said Goldstrike Director Trevor Bremner. “The discovery of extensive high-grade mineralization in the Bonanza area, a sizeable expansion of the Goldbank trend, a new showing on a separate structure southwest of Goldstack, and significant gold assays from fine-grained sedimentary rocks as well as the metavolcanics, demonstrate just how extensive and pervasive the gold mineralization on this property is.”

Drilling Strategic gold properties in the Yukon

Strategic Metals Ltd. Aug. 9 said the second phase of its 2016 exploration, which includes roughly 5,000 meters of drilling at three of its properties in Yukon Territory, is now underway. Drilling at the Hartless Joe property is testing below trenches at the King and Queen showings, where chip samples collected earlier this summer graded 44.3 grams per metric ton gold across 2.1 meters and 462 g/t gold across 0.4 meters, respectively. Strategic also intends to drill at the Hopper and the Mars properties as part of the phase-2 program. The primary target at Hopper, located along the Aishihik road in southwestern Yukon, is a gold-rich skarn horizon that was intercepted in two 2015 drill holes. Located 350 meters apart, these intercepts graded 43.6 g/t gold over one meter and 12.15 g/t gold over 2.65 meters. The skarn horizon is believed to have a shallow dip and the mineralization is open in all directions. Drilling at the Mars property, located 40 kilometers (25 miles) north of Hartless Joe, will test along strike and down-dip of a 2004 drill intercept that averaged 6.44 g/t gold over 4.57 meters. No other holes have been drilled in the area of this discovery.

High-grade gold spurs quicker earn-in at KSP

Colorado Resources Ltd. Aug. 8 reported that it has already completed 5,482 meters of drilling in 40 holes this year at the KSP gold-silver property in northwestern British Columbia and drilling continues. Colorado is working toward earning up to an 80 percent interest in KSP from Seabridge Gold Inc., which recently acquired the property as part of its purchase of SnipGold Corp.

Though Colorado has met its 2016 work commitments, the company is continuing work towards earning an initial 51 percent interest in KSP by the end of this year’s program. Upon satisfying the 51 percent earn-in requirements, Colorado would have the right to earn up to 80 percent interest in the property by investing another C\$4 million there within a year. Colorado has received assay results from 30 of the holes drilled at KSP’s Inel zone. The best intercept cut one meter of 165.5 grams per metric ton gold, 37.1 g/t silver and 2.5 percent zinc inside 25.7-meter section of hole INDDH16-029 that averaged 9.24 g/t gold, 36.6 g/t silver and 3.3 percent zinc. “We are also seeing broader intervals (20 to 99 meters) returning greater than one g/t gold, attesting to the robust nature of the mineralized system,” said Colorado President and CEO Adam Travis. The company has begun drilling at Khyber, a zone situated about 2,000 meters south of Inel. Initial drilling at Khyber will focus on a 500- by 1500-meter gold-in-soil anomaly that coincides with the well-mineralized volcanic-sediment contact that also was noted at Inel. Work also will continue at Inel, targeting extension drilling in areas that are returning high-grade results.



An aerial drop of fuel to a rig targeting the Inel zone at KSP, a gold-silver property in northwestern British Columbia being explored by Colorado Resources Ltd. Encouraged by early performance and results of this drilling, Colorado opted to increase its 2016 program with the goal of earning a 51 percent interest in KSP by the end of the field season.

Klondike Gold doubles its position in historic district

Klondike Gold Corp. Aug. 8 reported an agreement to acquire 223 square kilometers (55,000 acres) of mining claims in the Dawson Mining District of Yukon Territory from Gimlex Enterprises Ltd., a privately owned Dawson-area exploration and mining business that has been placer mining in the area since 1984. Upon completion of this transaction, Klondike Gold will have effectively doubled its land position in Yukon’s historic Klondike gold region with direct ownership of a total of 2,780 quartz claims that form a continuous 50-kilometer- (30 miles) long property

covering a region where 20 million ounces of placer gold has been recovered. “This acquisition consolidates ownership of the Klondike district into one contiguous district-spanning claim group for the first time,” said Klondike Gold President and CEO Peter Tallman. Klondike Gold believes there is significant potential for multiple discoveries, and this consolidation will allow the greatest opportunity for testing the best-possible targets.” In exchange for the property and exploration data accumulated over the past 24 years, Klondike Gold has agreed to pay Gimlex C\$500,000 in cash; issue the family-owned company 3 million Klondike Gold shares; and grant Gimlex a 2 percent net smelter returns royalty on the acquired property, of which Klondike Gold may purchase 1 percent for C\$1.5 million. Gimlex President James Christie said, “This opportunity will allow these quartz properties to be advanced to the next stage.” Former Gimlex President Tara Christie has been appointed to the Klondike Gold board of directors. “The opportunity to draw upon their multi-generational experience in the Klondike district will be a strategic asset to help guide the next phases of exploration,” Tallman commented on having Christie on the board. Klondike Gold said the merging and compilation of exploration data is in progress and a comprehensive work program and budget for district-wide exploration is being planned. The company is currently carrying out drilling on its original claims in the Klondike district.

Christie takes Banyan Gold’s helm

Banyan Gold Corp. Aug. 5 announced the appointment of Tara Christie as its new president and CEO. An accomplished mining executive with more than 20 years of operational experience, Christie has managed a number of mineral resource companies and served as a member of the Yukon Environmental and Socioeconomic Assessment Board. She earned her bachelor’s and master’s degrees in geotechnical engineering and has spent most of her career working in Yukon Territory. “Tara brings with her a unique blend of mining experience spanning from the pit face to the board room,” said Banyan Chairman Mark Ayranto.



TARA CHRISTIE

“As a Yukon resident and longtime director of Banyan, Tara is well-suited to advance Banyan’s Hyland gold project and create real shareholder value.” Banyan also said an updated technical report for the Hyland gold project in southeastern Yukon Territory has been completed. “Banyan’s Hyland gold project represents an exciting opportunity for shareholders, and the company is poised to begin a 2016 field program following recommendations of the first phase of the newly released updated technical report,” said Christie.

Brixton identifies another gold-silver zone at Thorn

Brixton Metals Corp. Aug. 5 posted results from an initial phase of 2016 exploration at its Thorn gold-silver project in Northwest British Columbia. A total of 891 soils and 159 rock samples were collected during this program. Most of these were collected within a previously unexplored area of the property called the Chivas zone. This sampling outlined a roughly 2,500- by 1,900-meter gold-in-soil anomaly that remains open in several directions. The highest gold-in-soil sample obtained from Chivas returned 6.39 grams per metric ton gold. From the 891 soil samples collected, 227 assayed greater than 100 parts per billion gold, 76 assayed greater than 300 ppb gold, 20 assayed greater than 1,000 ppb gold and three assayed greater than 3,000 ppb gold. Additionally, a rock grab sample collected at Chivas returned 2,240 g/t silver, 1.16 g/t gold, 9.4 percent lead and 3.15 percent zinc. Follow-up sampling was also conducted at the Outlaw, Aberlour, Trapper and Amarillo zones. A one-meter rock chip sample collected at Aberlour contained 19.39 g/t gold and 136 g/t silver. Given the success of phase-1 sampling, Brixton Chairman and CEO Gary Thompson said the company is “looking forward to further work at Thorn, including geochemi-

see **NORTHERN NEIGHBORS** page 12

Contact North of 60 Mining News:

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



North of 60 Mining News is a weekly supplement of the weekly newspaper, Petroleum News.

Shane Lasley	PUBLISHER & NEWS EDITOR
Rose Ragsdale	CONTRIBUTING EDITOR
Mary Mack	CEO & GENERAL MANAGER
Susan Crane	ADVERTISING DIRECTOR
Heather Yates	BOOKKEEPER
Marti Reeve	SPECIAL PUBLICATIONS DIRECTOR
Steven Merritt	PRODUCTION DIRECTOR
Curt Freeman	COLUMNIST
J.P. Tangen	COLUMNIST
Judy Patrick Photography	CONTRACT PHOTOGRAPHER
Forrest Crane	CONTRACT PHOTOGRAPHER
Tom Kearney	ADVERTISING DESIGN MANAGER
Renee Garbutt	CIRCULATION MANAGER
Mapmakers Alaska	CARTOGRAPHY

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

FAX FOR ALL DEPARTMENTS
907.522.9583

Several of the individuals listed above are independent contractors

NORTH OF 60 MINING NEWS is a weekly supplement of Petroleum News, a weekly newspaper. To subscribe to North of 60 Mining News, call (907) 522-9469 or sign-up online at www.miningnewsnorth.com.

continued from page 11

NORTHERN NEIGHBORS

cal surveys, geophysical surveys, geological mapping and drilling.”

Silver Range stakes gold claims near Lupin Mine

Silver Range Resources Ltd. Aug. 4 said it has staked and completed an initial examination of the Itchen gold property about 78 kilometers (48 miles) west of the Lupin Mine in Nunavut. Exploration in the Itchen Lake area dates to the early 1960s, when gold was discovered at Contwoyto Lake. The development of the Lupin Mine in the early 1980s spurred a second round of exploration. The Itchen claims cover nine gold targets documented in the NWT Mineral Inventory that are found in several tightly folded iron formation horizons up to 4,000 meters long and up to 20 meters thick. Results from historical work on the property include: grab samples of up to 20.06 grams per metric ton gold; trench samples of up to 2.4 meters averaging 5.8 g/t gold; and a drill intersection of 1.1 meters grading 1.1 g/t gold. Silver Range Resources staked and explored the Itchen property in early July. Confirmatory sampling returned up to 6.64 g/t gold. Recent mapping and sample results are being compiled with historical data to design future work programs and define drill targets.

Copper North plans to explore targets at Thor project in B.C.

Copper North Mining Corp. Aug. 4 reported the start of 2016 exploration at Thor, a northern British Columbia project that provides the company with an opportunity to explore for porphyry copper-gold mineralization in the slopes and valleys adjacent to the shutdown Kemess South mine. Initial exploration will focus on target evaluation in the Thor East area, followed by drilling in both the Thor West and Thor East areas. The company said historical exploration defined porphyry copper-gold mineralization at Thor. Copper North completed additional geophysical surveying in the fall of 2014 that defined targets for reconnaissance drilling in the Moose Valley portion of Thor West, an area hid-

den by overburden. Magnetic data indicate a large anomaly of elevated magnetic susceptibility that hosts a smaller area of reduced magnetism and modest increase in chargeability from the induced polarization survey data. The Thor West IP target covers a roughly 4,000- by 2,000-meter area. The Thor East target is located in the more mountainous area forming the eastern portion of the property. Historical exploration work identified anomalous copper and gold in soil and rock geochemical samples in the steeper terrane that flanks Moose Valley. Six shallow drill holes totaling 692 meters were completed in 1997. One of the holes cut 60 meters grading 0.12 percent copper and 0.04 grams per metric ton gold. Drilling is planned to begin later this month.

Ryan's GroundTruth begins to reveal Ballarat potential

Stakeholder Gold Corp. Aug. 3 reported encouraging results from an initial phase of exploration at its Ballarat gold property in the Yukon Territory. Planned and executed by GroundTruth Exploration Inc., an innovative exploration company founded by Shawn Ryan, the program included soil sampling; GT Probe bedrock interface sampling; ground-based resistivity/induced polarization surveying; and a drone survey to collect detail imagery of the entire property. This work has significantly expanded the Eastern zone target. Before the program, this prospect was defined by six contiguous, gold anomalous ridge and spur soil samples. The 374 soil samples collected there this year has expanded the anomalous area to 600 by 300 meters. Two float rock samples of quartz feldspar biotite gneiss collected from the Eastern zone returned assays of 0.759 grams per metric ton and 0.587 g/t gold. A grab sample of similarly altered gneiss collected from a trench at the Northwest zone ran 1.492 g/t gold. An immediate program of geophysical and GT Probe surveying is planned for the newly expanded Eastern zone anomaly. This will be followed by rotary air blast drilling at both the Northwest and Eastern zones. The Ballarat property is located about 14 kilometers (nine miles) northeast of Goldcorp Inc.'s Coffee Gold project.



Riddled with gold, this large chunk of quartz was chipped off an outcrop in the Main Discovery zone at Golden Predator's 3 Aces project in eastern Yukon Territory. Recent work has focused on Sleeping Giant, another high-grade gold zone about 850 meters northeast of Main.

Increased exploration, bridge, roads in the cards for 3 Aces

Golden Predator Mining Corp. Aug. 3 said it has begun the second phase of 2016 exploration at its 3 Aces project in southeastern Yukon Territory. With a budget of C\$4 million, this program includes detailed soil sampling, structural mapping, geophysical work, road construction, trenching, drilling and bulk sampling. To date, four quartz veins with coarse visible gold have been discovered at surface within a roughly 10-square-kilometer (2,450 acres) central core area of the 225-square-kilometer (55,600 acres) property. The veins with visible gold exposed at surface occur within three of 16 soil anomalies in the core area. Planned phase-2 exploration in the core area includes: 4,800 soil samples; detailed resistivity-induced polarization surveys to identify quartz veins and structural targets; 3,500 meters of reverse circulation drilling to test grade and continuity along strikes to modest depths; and 500 meters of core drilling to augment vein delineation and geologic understanding. Golden Predator said the large diameter drilling will be designed to collect large volume samples to accurately estimate grades in the veins containing coarse visible gold. To lower costs and ease year-round access, the

company is building a bridge over the Little Hyland River and six kilometers (3.7 miles) of road into the core area, which encompasses the Main Discovery and Sleeping Giant veins. Golden Predator said previous stream sampling across the larger 3 Aces property and peripheral to the central core area has identified at least 12 drainages. Wide-spaced grid and contour soil sampling in these outlying drainages is intended to outline additional target areas outside of the central core. The company also plans to carry out property-wide airborne geophysics to assist in determination of regional lithologic and structural controls on gold mineralization. The company said newly generated soil anomalies outside of the core area will be more thoroughly explored in 2017.

Summer drilling taps Faraday kimberlites at Kennady North

Kennady Diamonds Inc. Aug. 2 said summer drilling program at its Kennady North project adjacent to the Gahcho Kué diamond mine in Northwest Territories is underway with two rigs conducting exploration and delineation drilling at the Faraday kimberlite bodies. Kimberlite has been intersected in the first two drill holes at Faraday 3 and the first drill hole on Faraday 2 is currently nearing the target zone. “The focus of our summer program is to define the extension of the Faraday bodies to the northwest as they extend from beneath Faraday Lake toward the shore,” explained Kennady Diamonds President and CEO Rory Moore explained. “We established in the last few drill holes of the winter drilling program that the Faraday 1 and 3 kimberlites merge at depth, and we are excited to determine whether the Faraday bodies have north-limb extensions similar to that defined at Kelvin. The systematic drilling planned for the summer will ultimately determine the size and shape of these bodies.” Processing of a 620-metric tons bulk sample of the Kelvin kimberlite is well underway. About 40 percent of the sample recovered during the 2016 winter program has been processed at the Geoanalytical Laboratories Diamond Services of the Saskatchewan Research Council, with final results expected within the next four to six weeks. Kennady anticipates that more than 1,200 carats of diamonds will be recovered from the sample. Valuation of the parcel, which will be used for revenue modeling of the Kelvin North Lobe, is expected to be completed before the end of the third quarter. ●



Fairbanks, Alaska

kinross.com