

NEWS NUGGETS

Compiled by Shane Lasley



From a vantage above the Peak zones at the Tetlin project in eastern Alaska, Avalon Development President Curt Freeman provides Royal Gold representatives with a geological overview of the gold-rich skarn mineralization found there.

Peak Gold discovers new zone at Tetlin; extends 2017 drilling

Contango ORE Inc. Sep. 8 announced the discovery of West Peak Extension, a new zone of gold mineralization northwest of the Main Peak deposit, during the second phase of 2017 drilling at the Tetlin project near Tok, Alaska. Tetlin is being explored by Peak Gold, a joint venture between Contango ORE and Royal Gold Inc. In June, the Peak Gold partners published an updated global resource for Main and North Peak – measured, indicated and inferred – of 15.65 million metric tons averaging 2.98 g/t (1.5 million oz) gold, 14.68 g/t (7.39 million oz) silver and 0.16 percent (55 million lb) copper. With a substantial resource established, the JV partners turned their summer 2017 exploration efforts to testing six priority prospects over a 2,500-acre-area in the immediate vicinity of the Peak zones. The best results of this exploration drilling came in the 14 holes drilled at West Peak Extension. The best hole drilled at West Peak Extension, 17379, cut 8.1 meters averaging 5.22 g/t gold from 103 meters; and 29 meters of 2.53 g/t gold from 117 meters. The new mineralization tapped in this new zone is open up-dip to the southwest as well as down-dip to the southeast along the undrilled north side of the Main Peak deposit. “We are very pleased to have identified a new mineralized area at West Peak Extension, and we look forward to further delineation of this mineralized area. While the other areas drilled did not return material amounts of gold, we encountered significant thickness of oxidized iron-rich skarn in some surface exposures that may warrant further exploration,” said Contango ORE CEO Brad Juneau.

In addition to exploration drilling, Peak Gold drilled three holes to collect material from Main Peak for metallurgical testing. All three holes cut the high-grades of skarn mineralization that has become expected from this zone. One of these holes cut four mineralized intercepts, including 140.9 meters of 13.27 g/t gold; and another cut three mineralized intercepts, including 65.8 meters of 20.14 g/t gold. While these intercepts do not represent the width of the skarn deposit, these high grades over such long widths are still impressive. Results from the Main Peak metallurgical work is pending, however, 19 composite samples from North Peak averaged 97.5 percent gold recoveries during recent 48-hour cyanide leach bottle roll metallurgical testing.

Peak Gold also carried out reconnaissance work at the Noah block of state mining claims west of the main Tetlin property. Contango Ore reported multiple gold bearing samples from streams draining the Hona prospect, and visible gold was reported in pan concentrate samples from elsewhere on the Noah block. Assays are pending from much of the work carried out in this area and Peak Gold will make decisions about follow-up activities after all the data is

see NEWS NUGGETS page 8

COEUR MINING INC.



After applying its engineering and permitting expertise toward advancing the Silvertip Mine into production, JDS Silver has now cut a deal to sell the high-grade silver mine to Coeur Mining, a company that specializes in high-grade precious metals operations.

ACQUISITIONS

Coeur to buy BC mine

Kensington owner agrees to \$250 million deal for high-grade Silvertip mine

By SHANE LASLEY

Mining News

Coeur Mining Inc. has cut a deal to buy the high-grade Silvertip Mine in northern British Columbia, an acquisition that will add the first Canadian operation to the Chicago-based miner's portfolio of gold and silver mines.

Located about 10 miles south of the Yukon border and roughly 150 miles east of Coeur's Kensington gold mine in Southeast Alaska, Silvertip hosts 2.35 million metric tons of indicated resource averaging 352 g/t silver, 9.4 percent zinc and 6.7 percent lead; and 460,000 metric tons of inferred resource averaging 343 g/t silver, 9.8 percent zinc and 6.2 percent lead.

JDS Silver Inc., a company formed by JDS Energy & Mining Inc. in 2012 to unlock the value of Silvertip, began operations at the high-grade northern B.C. mine late in 2016.

“JDS Silver identifies unique opportunities and deploys its proprietary value proposition to create projects that will generate value where others failed to see it,” according to the company's website.

In the case of Silvertip, JDS applied its renowned engineering and permitting capacity to take a high-grade, near development silver project to production.

With the operation up and running, JDS Silver has agreed to sell Silvertip mine to Coeur, a company that specializes in making the most of high-grade underground mines, for US\$250 million.

“By assuming ownership of the Silvertip Mine at the beginning of its life, we think we really have an unique opportunity to apply our operational expertise and shape this mine into a highly profitable operation and an eventual cornerstone asset within our platform of mines,” Coeur Mining President and CEO Mitchell Krebs said during a



MITCHELL KREBS

Once the deal closes, which is expected to happen before the end of October, Coeur does not plan to waste any time turning Silvertip into the highest grade silver mine in its portfolio.

Sep. 11 conference call.

Coeur plans to have Silvertip running at its full 1,000-metric-ton-per-day capacity when it resumes year-round operations there in 2018.

Near-term, high-grade mine

Located on a road that extends 16 miles (26 kilometers) south from the Alaska Highway, Silvertip is an underground mine with more than 4,000 meters of underground development in place; and a 1,000-metric-ton-per day processing facility that is powered by five on-site liquefied natural gas generators.

The road accessible project also has a newly constructed dry stack tailings facility; 160-person camp; and a workforce already in place to fill the camp.

At 1,166 g/t silver-equivalent – the cumulative value of the silver, zinc and lead in the resources – the value of the metals at Silvertip is on par with Hecla Mining's Greens Creek Mine in Southeast Alaska.

Coeur said these exceptionally high grades at Silvertip will significantly boost the company's silver-grade profile.

For comparison, the high-grade gold reserves at Kensington are about 465 g/t when converted to silver-equivalency. While only about 40 percent of the Silvertip grade, the reserves at Kensington are above average for an underground mining operation.

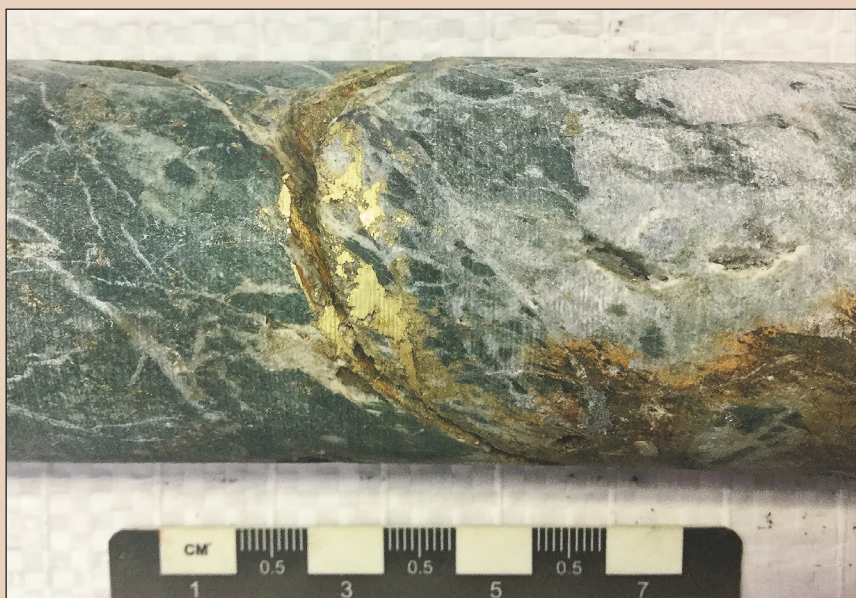
Being a high-grade silver mine in northern B.C., Silvertip checked all the boxes for Coeur.

“It provides near term production and cash-flow from a high-grade, low-cost, high-margin asset

see SILVERTIP SALE page 8

NORTHERN NEIGHBORS

Compiled by Shane Lasley



COLORADO RESOURCES LTD.

Seeing this thick chunk of gold, Colorado Resources had delivered a section of this core to a lab for analysis. A 1.4-meter section of this core 1,670.5 g/t gold, reminiscent of the high-grade gold found at the historic Snip Gold Mine and the new Brucejack Gold Mine, both located near KSP.

Colorado taps bonanza gold at KSP's Inel zone

Colorado Resources Ltd. Sep. 12 announced that its initial phase of 2017 drilling at the KSP property in northwestern British Columbia cut bonanza grade gold. Identifying coarse visible gold in hole INDDH17-081, the company hand delivered five core samples centered on the VG to ALS Global Vancouver Laboratory for a coarse gold analysis. These samples averaged 1,670.5 grams per metric ton gold over 1.4 meters; including 4,470 g/t (130.38 ounces per ton) gold over 0.5 meters. As a result of the coarse visible gold encountered in hole 81, six holes were drilled over a 150-meter along strike to the north. Assays are pending. Colorado completed 8,100 meters of drilling in 40 holes during the initial phase of 2017 exploration focused on the Inel area at KSP. INDDH17-055 – drilled at Inel Ridge to test an area 50 meters below a 2016 intercept that returned 1 meter of 53.1 g/t gold – cut 2.6 meters of 31.59 g/t gold. Another intercept higher up in hole 55 cut 73 meters of 1.71 g/t gold. The first hole drilled at KSP in 2017, INDDH17-054, tested a porphyry target at the eastern edge of the Inel intrusion where an induced polarization anomaly coincides with the contact between volcanic and sedimentary rocks. This hole cut 273.2 meters averaging 0.32 g/t gold and 0.08 percent copper from a depth of 5.8 meters to the bottom of the hole. Colorado has received assay results from half of the holes drilled during the 2017 phase 1 program at KSP. These results have encouraged Colorado to immediately initiate a second phase of drilling that will extend into the fall. "Sound exploration by our team is being rewarded with significant new discoveries and a better understanding of the Inel System with high-grade visible gold discovered; the recognition of new mineralized trends at Inel Ridge associated with the 8-kilometer-long Big Rock Deformation Zone; and the discovery of porphyry style gold-copper mineralization associated with the Inel Intrusion. These discoveries point to the fact that Inel is a large mineralized system with the capability of delivering high grades and large volumes of mineralized rock, said Colorado President and CEO Adam Travis. "With the recent completion of the \$7.3M financing we are well positioned to continue to advance KSP and our other high quality Golden Triangle projects."

see **NORTHERN NEIGHBORS** page 9

continued from page 7

SILVERTIP SALE

located in a mining friendly jurisdiction," said Krebs.

Silver tip of the iceberg

Coeur has agreed to pay up to US\$250 million to acquire this turnkey high-grade silver mine.

The deal includes US\$200 million upfront, which involves paying JDS Silver approximately US\$146.5 million in cash; issuing roughly 4.3 million Coeur shares valued at US\$38.5 million; and assuming responsibility for about US\$15 million in existing JDS Silver debt.

The up to US\$50 million balance is to be paid when two milestones are met.

The first such payment would be paid when Coeur receives a permit amendment that allows for year-round operations at Silvertip at the operation's full 1,000 t/d capacity

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

Coeur believes the current resource may only be the silver tip of the iceberg and plans a robust exploration program aimed at upgrading and expanding the Silvertip resource as soon as it closes the acquisition.

"Based on our work so far, we believe the current Silvertip resource potentially represents the edge of a much larger system," Krebs said.

As part of its deal with JDS Silver, Coeur agreed to invest at least US\$15 million on exploration by the end of 2019 but has indicated an even more robust drill program that initially focuses on expanding the resource in the immediate mining area and then work on expanding the high-grade silver deposit.

Getting ready for 2018

Once the deal closes, which is expected to happen before the end of October, Coeur does not plan to waste any time

turning Silvertip into the highest grade silver mine in its portfolio.

"We plan to spend about US\$25 million to US\$35 million over the next six months or so to optimize and commission the processing facility; improve some the existing surface infrastructure; invest in underground development and drilling; and then to develop an optimized mine-plan," said Krebs.

The company hopes to have this work done and the amended permit in time to begin ramping up production at Silvertip fairly early in 2018.

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

"Once in full production, we expect Silvertip to produce about 10 million silver-equivalent-ounces annually, which would make it our second largest producing mine behind Palmarejo," the Coeur Mining CEO said.

Palmarejo in Mexico, which has about triple the mill capacity as Silvertip, produced 8.9 million silver-equivalent-oz in 2016 and is expected to produce more than 13 million oz this year.

The all-in costs to produce an ounce of silver at Silvertip are expected to be between US\$10 and US\$11.

The ability to churn out high quantities of silver at lower costs in a secure mining jurisdiction is what made Silvertip a compelling acquisition for Coeur.

"With average annual sustaining capital of less than US\$10 million, we expect Silvertip to be a source of significant long-term free cash flow," Krebs said.

This fits well into Coeur's strategy of fostering cash flow from precious metals mines in safe jurisdictions.

"Over the past several years, we have repositioned our existing portfolio of mines, achieved greater geographic and operational balance and generated industry-leading cost reductions and cash flow growth," said Krebs. "The acquisition of Silvertip – one of the highest-grade and newest operations in the sector with a tremendous amount of exploration potential – should serve to further accelerate these positive trends while providing us with an important foundation in British Columbia." ●

continued from page 7

NEWS NUGGETS

received and interpreted. No drilling is planned for the Noah block in 2017. Peak Gold, however, will be carrying out additional drilling around the Peak zones this year. "A phase III drilling program has been approved for the remainder of calendar year 2017, and will begin before the end of September," said Juneau. "This drilling will further explore the West Peak Extension, as well as, drill additional holes on two other prospects." Peak Gold has budgeted

US\$1.5 million for this third phase of 2017 exploration, which will result in roughly US\$11.8 million of exploration at Tetlin this year. By the end of the program, Royal Gold will be very close to investing the US\$30 million required to earn a 40 percent interest in the Peak Gold JV. Once Royal Gold has funded the full US\$30 million, Contango ORE will be required to begin funding its 60 percent share of future capital costs. "The company currently has approximately US\$5 million in cash and no debt, and we are very encouraged by our drilling, metallurgical and recon results," said Juneau. ●

Petroleum
NEWS

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

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.

**SUBSCRIBE
AND SAVE**
PRINT & DIGITAL
MININGNEWSNORTH.COM



continued from page 8

NORTHERN NEIGHBORS

3 Aces bulk sampling yields 744 oz gold bar

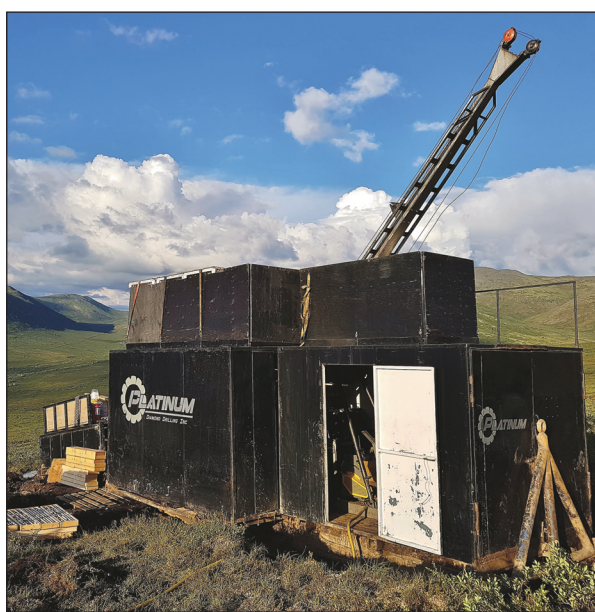
Golden Predator Mining Corp. Sep. 12 reported that it has poured a 744 troy ounce gold doré bar recovered from the its initial 776 metric ton bulk sample at the 3 Aces project in eastern Yukon. A 96.72 oz bar from 2016 bulk sampling contained 85 percent fine gold and 8 percent fine silver. Similar percentages would make this year's bar worth about US\$840,000 at today's gold and silver prices. In addition to the 744 oz bar poured from the No. 1 concentrate table at 3 Aces, Golden Predator has arranged shipment of 86.4 kilograms of No. 2 concentrate and more than 1 metric ton of #3 concentrate for further processing. Golden Predator also reported results of the final 10 holes drilled at the Ace of Spades zone this summer. Highlights from these holes include 19.3 meters averaging 16.15 grams per metric ton gold; 4.2 meters 20.04 g/t gold; and 2.5 meters of 15.51 g/t gold. Drilling began testing the northerly extension of the Hearts zone in August and on the newly discovered gold-in-quartz veins at the Diamonds zone in September.

Fireweed off to a good start at Macmillan Pass

Fireweed Zinc Ltd. Sep. 12 reported results from the first five holes of its 2017 drill program on the Macmillan Pass zinc project in eastern Yukon. The best intercept so far came in hole TS17-03, which cut 24.4 meters averaging 10.2 percent zinc, 6.28 percent lead and 87.7 grams per metric ton silver. Fireweed said this intersection confirms the very high grades near the surface of the Tom West zone. Hole TS17-05, also drilled at Tom West cut 27.7 meters averaging 6.35 percent zinc, 3.15 percent lead and 34.2 g/t silver. "We are excited to see these results not just confirm the historic grades, but also exceed them significantly in places," said Fireweed CEO Brandon Macdonald. "These results also demonstrate the very high-grade nature of near surface areas of the Tom West zone." Results from additional holes drilled at Tom and Jason, the two main deposits at MacMillan Pass, are pending. The results from the 2017 program, along with 11 holes drilled by a former operator in 2011, will be included in an updated mineral resource later this year.

Drills cut shallow gold-silver at Klaza

Rockhaven Resources Ltd. Sep. 12 reported initial assay results from a 15,922-meter drill program at its Klaza gold-silver property in the Dawson Range Gold Belt of southern Yukon. The main objectives of the 2017 program were to better define and expand the near-surface mineral resources through infill and step-out drilling; explore for new gold zones with drilling, trenching and geophysics; and continue to advance the metallurgical and engineering facets of the Klaza project. Most of the 28 holes in this batch of assay results tested the Central Klaza zone. Highlights include: 2.9 meters averaging 7.57 grams per metric ton gold and



Rockhaven Resources completed 15,922 meters of drilling this year aimed at upgrading and expanding the gold-silver resource that served as the basis for a 2016 preliminary economic assessment of its Klaza project in the Yukon.

65.6 g/t silver; 1.93 meters of 14.14 g/t gold and 116 g/t silver; 0.83 meters of 36.9 g/t gold and 1,280 g/t silver; 24.04 meters of 1.25 g/t gold and 8.74 g/t silver; and 2.22 meters of 6.57 g/t gold and 99.0 g/t silver. All of the holes were drilled within or adjacent to a proposed open pit as outlined in a 2016 preliminary economic assessment for Klaza. "Enhancing the economics at Klaza is largely dependent on adding ounces amenable to open pit mining and these first holes help demonstrate the consistent nature and extent of the near surface gold mineralization within and adjacent to the Klaza and BRX zones," said Rockhaven CEO Matt Turner. A total of 96 holes were completed during the 2017 program, assays are pending from 68 holes. Samples collected from the program will be used for pre-concentration metallurgical test work that will begin this fall.

North Arrow targets Q1-4 with 2017 field program

North Arrow Minerals Inc. Sep. 12 announced the completion of the summer drilling and mini-bulk sampling program of the Q1-4 kimberlite at the company's Naujaat diamond project in Nunavut. Q1-4 hosts 48.8 million metric tons of inferred resource averaging 0.54 carats per ton (26.1 million carats) of diamonds from surface to a depth of 2015 meters. The C\$2 million summer program included 3,469 meters of drilling completed in 11 holes and the collection of a 234 metric ton mini-bulk sample targeting an under-tested area of the kimberlite. The drilling yielded 2,440 meters of kimberlite core, which will be used for petrography, indicator and microdiamond analysis and will contribute to a new geological model planned for 2018. The mini-bulk sample will be analyzed for macro-diamonds and will contribute to a better understanding of overall diamond value and the distribution of colored diamonds within the Q1-4 kimberlite. A significant population of rare, potentially high value, fancy intense to vivid orangey yellow diamonds has been identified in Q1-4. North Arrow President and CEO Ken Armstrong said, "All samples have now been shipped

south for processing and we look forward to seeing the impact of these results on our current model as we plan for further drilling and bulk sampling of the kimberlite in 2018." North Arrow said the summer field work represents the first phase of a larger planned program to better define the size, grade and diamond content of the Q1-4 kimberlite in support of an economic assessment.

Faraday drilling done, maiden resource soon

Kennady Diamonds Inc. Sep. 11 reported that its summer drill program on its Kennady North diamond project has extended the Faraday 2 kimberlite and has demonstrated that Faraday 1 and 3 are a single kimberlite body that connects at depth. The program, which began on July 4, included 2,766 meters of drilling in nine HQ diameter drill holes. The latest three holes drilled at Faraday 2 have extended that kimberlite body about 150 meters to the north and Kennady President and CEO Rory Moore said the kimberlite has maintained a relatively constant depth in this direction. "The total strike length of Faraday 2 now stands at approximately 600 meters, and the latest drilling will add significant tonnage to the high-grade resource potential of this kimberlite. The final hole of the program delivered a 64.6-metre kimberlite intercept, one of the longest kimberlite intercepts drilled on Faraday 2 to date," said Moore. Two holes were drilled at the Faraday 1 and 3 kimberlites – one was positioned to collect geotechnical and environmental data, and the second tested a potential connection at depth between the kimberlites. Kimberlite intercepts from both holes have established that the two pipes are joined at the northwestern tip of Faraday 1. As a result, Kennady has renamed the merged kimberlite, "Faraday 1-3". A resource estimate is currently being calculated for the Faraday kimberlites. "On behalf of directors of Kennady, I extend sincere thanks and appreciation to the technical team at Aurora Geosciences Ltd. for delivering yet another highly successful drilling season without any lost time injuries," said Moore. The next step in the evaluation of the Faraday kimberlites will be the announcement of the maiden resource results, which are expected within the next week to ten days."

Victoria drills gold at Olive extension

Victoria Gold Corp. Sep. 11 reported gold intercepts from drilling untested areas south and west of the main Olive-Shamrock zone on its Dublin Gulch property in the Yukon. Highlights from this drilling at Olive include 33.3 meters of 1.54 grams per metric ton gold in hole DG17-849C; 9.1 meters of 3.14 g/t gold in DG17-856C; and 13.9 meters of 1.56 g/t gold in DG17-889C. "These latest assay results highlight the fact that additional, near-Olive gold mineralization exists at Dublin Gulch and further validates the Potato Hills Trend mineralization model which we continue to test even as construction has begun at the Eagle Gold Mine," said Victoria President and CEO John McConnell. "We are greatly encouraged with each of the targets we have tested this season at Dublin Gulch and look forward to the steady receipt of assays from this on-going campaign throughout this fall." ●

Reserve your space today!

The Mining Explorers

Don't miss your opportunity to be included in North of 60 Mining News' 2017 Mining Explorers.

This beautiful annual magazine provides the most comprehensive coverage of the exploration companies seeking to unlock the vast mineral resources of Alaska and Canada's Far North.

The advertising placement deadline is fast approaching - September 22.

To advertise in the 2017 Mining Explorers publication, please contact:

Susan Crane, advertising director
Phone: 907-770-5592
Email: scrane@petroleumnews.com

An annual publication from North of 60 Mining News



HARDEST WORKING. EASIEST CHOICE.

Hitachi ZX470LC Excavator
Valdez, Alaska

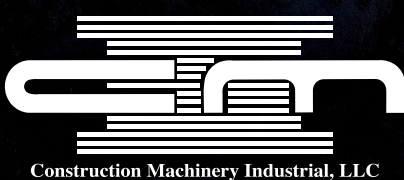


Kirk Currey
Equipment Sales Rep.
Anchorage Branch



Deryl Box
Sales Manager
Fairbanks Branch

When choosing shovels, consider this – Hitachi doesn't build all kinds of equipment. We specialize in shovels. The result? An easier choice – shovels specifically designed to work harder, more efficiently, and deliver more uptime. **THAT'S ALL.**



Anchorage Branch
5400 Homer Dr.
Anchorage, AK 99518
(907) 563-3822
(907) 563-1381 F

Fairbanks Branch
2615 – 20th Ave.
Fairbanks, AK 99709
(907) 455-9600
(907) 455-9700 F

Juneau Branch
5302 Commercial Blvd.
Juneau, AK 99801
(907) 780-4030
(907) 780-4800 F

Ketchikan Branch
PO Box 1434
Ward Cove, AK
(907) 247-2228
(907) 247-2229 F

HITACHI

hitachimining.com