



## NEWS NUGGETS

Compiled by Shane Lasley

### Fish committee moves Bristol Bay bill

The Alaska House Fisheries Committee April 7 passed Bristol Bay Fisheries Act (HB 119). The bill, sponsored by Rep. Andy Josephson, D-Anchorage, would require commissioners of the Natural Resources, Environmental Conservation and Fish and Game departments to determine that it has been proven beyond any reasonable doubt that any large-scale mine permitted for the Bristol Bay region would not constitute a danger to the fisheries. This would add to a ballot measure approved by Alaska voters in 2014 that requires the Alaska Legislature to approve any large-scale metallic sulfide mine in the Bristol Bay Fisheries Reserve. "If a project is sound enough to successfully go through the permitting process, garner legislative approval, and be signed off on by the commissioners of DNR, DEC, and Fish and Game, then it's a good project. If it's not, then it's not something that should be allowed to go forward," Josephson added. HB 119 has been referred to the House Resources and Finance committees for additional consideration.

### Higher grades, more gold at Kensington

Coeur Mining Inc. April 6 reported the Kensington Mine in Southeast produced 33,909 ounces of gold during the first quarter of 2015, a 33 percent increase over the 25,428 oz. recovered during the same period last year. This increase is due to higher grade ore, which more than offset lower mill throughput. Head grades for the first quarter averaged 0.24 oz per ton, up roughly 41 percent from 0.17 oz/t for the first three months of 2014. Coeur anticipates releasing a new mine plan later this month that is expected to reflect higher-grade, higher-margin production over the life of the mine at Kensington. Together, Coeur's six mines produced 3.8 million ounces of silver and 69,734 ounces of gold, or 8.0 million silver-equivalent ounces during the first quarter of 2015.

### Goldrich completes modest financing

Goldrich Mining Co. April 2 reported the completion of a US\$250,000 non-brokered private placement of 5 million units at a price of US5 cents each. Each unit consists of one

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## PRODUCTION

# Fort Knox's new plan

Report: Mine begins winding down in 2017, near prospects may extend life

By SHANE LASLEY

Mining News

For nearly two decades, the Fort Knox Mine in Interior Alaska has been a steady low-cost gold producer for owner, Kinross Gold Corp., and an economic driver for the nearby city of Fairbanks. A new technical report, however, outlines a mine plan that begins winding down operations in 2017. It is an important reminder that this Interior Alaska mine has an expiration date.

Including the 387,285 ounces recovered in 2014, Fort Knox has produced 6.35 million oz of gold since the mine went into operation in 1996. Based on the reserve estimates and production schedule included in the report, the Interior Alaska operation is on pace to top 8 million oz in 2020.

According to the March 2015 technical report for Fort Knox, the mine is expected to churn out an average of 387,000 oz per year through 2017 before gold production drops off due to the phasing out of its mill. Once the mine has crushed its final ore for the mill, the operation is anticipated to continue recovering gold from the Walter Creek heap leach facility for nearly a decade, depending on gold prices versus operating costs as Fort Knox winds down.

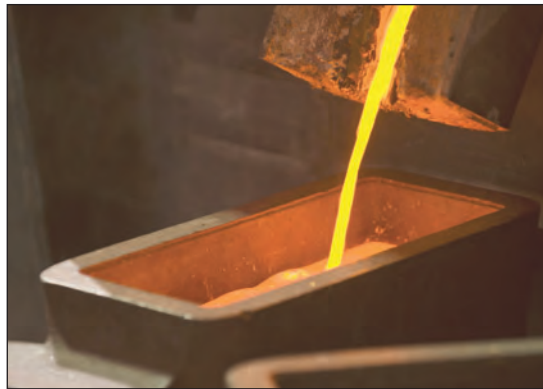
The pending date to shut down the mine, which serves as a cornerstone of Kinross' portfolio, however, is not set in stone.

### Current plan

At the end of 2014, Fort Knox had 263.8 million metric tons of proven and probable reserves, averaging 0.46 grams per metric ton (2.4 million oz) gold. These reserves, calculated at a US\$1,200 per ounce gold price, form the basis for the mine plan outlined



ANNA ATCHISON



KINROSS GOLD CORP.

Kinross Gold Corp.'s Fort Knox Mine in Interior Alaska is on pace to top 8 million ounces of gold production in 2020.

in the technical report.

These reserves are being mined during the phase-8 expansion of the open-pit at Fort Knox.

"In 2015, we plan to initiate stripping of the phase-8 pushback, which is forecast to extend mining through 2018 and beyond," Kinross COO Warwick Morley-Jepson told investors in February.

Fort Knox spokeswoman Anna Atchison said phase-8 ore will begin to produce gold in the latter half of this year.

According to the latest mine plan, some 40.3 million metric tons of the higher grade reserves will be processed through the mill during the next three years. This would mark the first phase of a winding down of more than two decades of gold production at Fort Knox.

Though ore with gold grades sufficient to efficiently feed the mill are slated to run out sometime in 2017, lower grade reserves are scheduled to continue to be stacked on the Walter Creek heap leach pad into 2019.

The ability to economically recover gold from lower grade ore by processing it on the heap leach pad has been a vital component of both the phase-7 and phase-8 expansions at Fort Knox.

Since its start-up in 2009, the heap leach pad has

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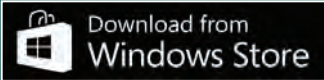
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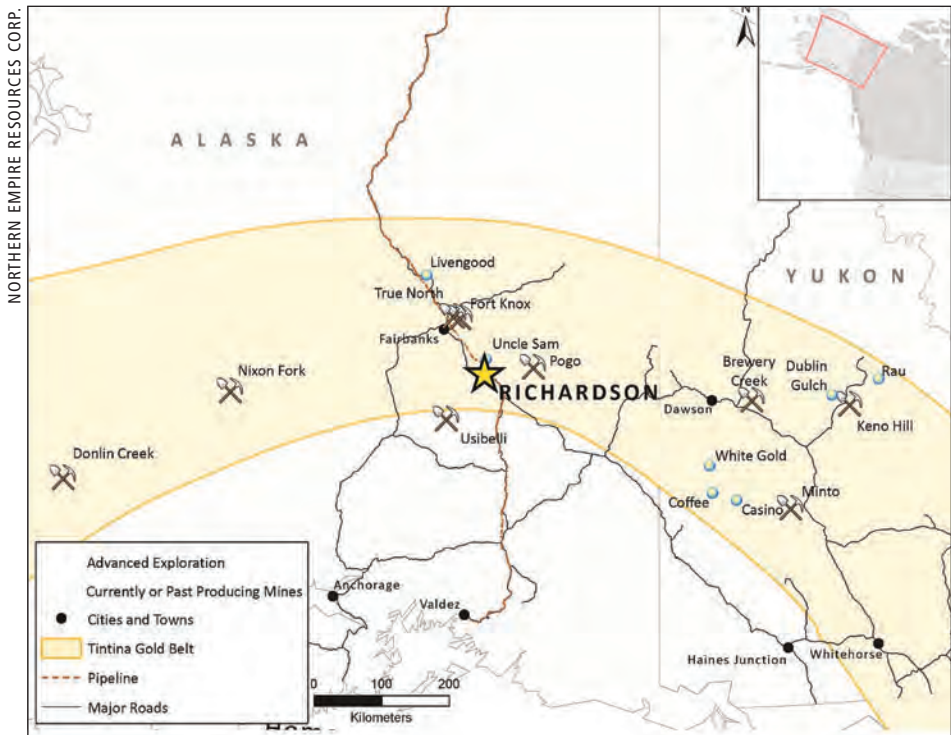


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• EXPLORATION

# Northern Empire lays claim to Richardson

*Led by explorers with big finds in Yukon's White Gold District, prospect generator targets Tintina Gold Belt property in Alaska*

By SHANE LASLEY  
Mining News

Northern Empire Resources Corp. has laid claim to Richardson, a 52,000-acre gold property in Alaska's Interior and has formed an alliance to begin exploring a segment of this vast parcel.

Northern Empire is a prospect generator with early-stage gold properties in Alaska and Nunavut and a silver property in Mexico. The company was formed as part of a restructuring of Prosperity Goldfields Corp., a Nunavut-focused exploration company headed by Adrian Fleming.

As part of a re-organization completed late in 2014, Prosperity cut a deal to acquire Richardson and a gold properties in Nunavut. The junior also consolidated its shares, completed a C\$1 million financing and changed its name to Northern Empire.

Among the renamed company's first moves was cutting a deal with Sonoro Metals Corp. on Hilltop, a prospect at the western end of the Richardson property.

Northern Empire Chairman John Robins said, "The Hilltop Gold project is a very compelling gold project located in the Tintina Gold Belt, one of North America's most prolific gold regions. With the signing of this agreement, Northern Empire is executing on its business strategy to identify high-quality projects and mitigate its risk profile through the joint venture model."

## Big gold footprint

"Big gold footprint, superior location" is how Northern Empire describes its Richardson Gold project in Interior Alaska.

Situated just north of the paved Richardson Highway in the heart of the Tintina Gold Belt, the expansive project fits this description. A network of secondary roads stretching into the property adds to accessibility, a feature that should drive down exploration costs.

Richardson is prospective for intrusive-related gold deposits such as those mined at its gold-producing neighbors, Sumitomo Metal Mining's Pogo gold mine some 45 miles to the east and Kinross Gold's Fort Knox Mine roughly 85 miles to the northwest.

Roughly 118,640 ounces of placer gold

and 2,357 oz of lode gold have been mined in the Richardson District since 1905.

The lode gold was recovered from the Democrat prospect at the southern end of the Richardson property early in the 20th Century. Though a mill was set up at Democrat in 1921, very little gold is believed to have been recovered during this early period. All of the gold attributed to the lode discovery was recovered from bulk sample programs conducted by Tri-Valley, a former explorer of the Richardson property in 1989 and 1998.

Pouring over records of past exploration on the property, Northern Empire's geological team has identified a number of distinct gold targets, including: Hilltop; Shamrock and the Richardson Lineament. The company says each of these prospects have a large footprint and "offer multimillion-ounce discovery potential within a 'drive-to' proven Alaskan gold province."

## The Hilltop option

Hilltop, which was optioned to Sonoro Metals in March, is the westernmost of these targets. Originally a separate 8,000-acre block lying to the west of the remaining Richardson claims, Hilltop was expanded to 31,720 acres through the staking of state mining claims.

"We have effectively quadrupled the size of our land position because of an opportunity identified by our technical team," said Robins. "Hilltop now covers a significant geophysical magnetic and resistivity anomaly generated by a State of Alaska Division of Geological and Geophysical Surveys airborne survey completed in 1994 and also consolidates claims covering prospective structural extensions."

Hilltop now extends to the western border of Northern Empire's 20,000-acre Richardson property.

To exercise its option and earn a 60 percent interest in Hilltop, Sonoro must invest C\$3 million into exploring the gold prospect and issue 1 million of its shares to Northern Empire by the end of 2019. Northern Empire will be the operator of the project during the earn-in period.

Historic sampling of Hilltop has turned up rock samples ranging from 0.1-55.5

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## NORTHERN NEIGHBORS

Compiled by Shane Lasley



### Junior borrows funds to build Gahcho Kué

Mountain Province Diamonds Inc. April 7 reported closing a US\$370 million term loan facility, which finalizes the company's anticipated funding requirements for the construction and commissioning of the Gahcho Kué diamond mine in Northwest Territories. Gahcho Kué, a joint venture between De Beers Canada (51 percent) and Mountain Province Diamonds (49 percent), is anticipated to produce 53.4 million carats of diamonds over a 12-year mine-life, according to an updated feasibility study released in 2014. Mountain Province reports that all deliveries of equipment and supplies planned for the 2015 ice road were completed at the end of March, clearing the way for completion of the mine's major construction activities. First production at Gahcho Kué is expected in the second half of 2016.

### Seabridge raises C\$16.73M for KSM

Seabridge Gold Inc. April 7 reported completion of a C\$16.73 million bought-deal financing. A total of 1.61 million flow-through common shares were sold at a price of C\$10.17 per share. Seabridge will use the proceeds from this financing to fund its 2015 exploration program at the KSM copper-gold project in northwestern British Columbia. "We expect this year's program to once again generate additional gold resources which more than offset the share dilution involved. Growing gold ownership per share continues to be a key objective for Seabridge," said Seabridge Chairman and CEO Rudi Fronk.

### Imperial Metals chalks a loss for 2014

Imperial Metals Corp. March 31 reported a net loss of C\$37.3 million (C50 cents per share) for the year ended Dec. 31, 2014, compared with net income of \$41 million (C55 cents per share) in 2013. This C\$68.3 million swing is due to lower metal production and \$67.4 million in remediation costs related to failure of the tailings dam Aug. 4 at the Mount Polley Mine in central British Columbia. Since the incident, the company's efforts at Mount Polley have been focused largely on rehabilitation and restoration of the breach and surrounding affected areas. As part of the rehabilitation of lower Hazeltine Creek, two sediment ponds were commissioned in the fourth quarter, resulting in a significant reduction in the turbidity of the water entering into Quesnel Lake. Rehabilitation and restoration work is now focusing on the upper reaches of Hazeltine Creek, and its outlet from Polley Lake. The company said repairs to the tailings dam aimed at providing sufficient storage of anticipated spring runoff at the mine are nearly complete. Mount Polley's staff is working with the province and local First Nation communities to develop a plan to re-open the mine. In the restart plan, mining would begin in the Cariboo pit with tailings deposited into the Springer pit. Production in 2015 is dependent upon receiving regulatory permission to restart operations. Imperial Metals' Red Chris gold-copper mine in northwestern B.C. is operating and has shipped its first concentrate to the Port of Stewart. Plant commissioning is ongoing, and operating crews are focused on achieving continuous operations and producing acceptable concentrate grades. As progress is made in these areas, emphasis will move to achieving design metal recoveries and throughput. Red Chris and the Tahltan community leaders are in the final stages of completing an impact and benefits agreement.

### Pretium, Nisga'a ink Brucejack treaty

Pretium Resources Inc. and the Nisga'a Nation April 2 said they have entered a cooperation and benefits agreement related to Pretium's Brucejack gold project in northwestern British Columbia. Under the terms of the agreement, the Nisga'a

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## NEW MINE PLAN

accounted for 601,855 oz of gold produced at Fort Knox; and the facility is anticipated to contribute roughly another 158,000 oz this year.

"From an economic standpoint, it is a very valuable technology to have," Atchison said.

According to the production schedule outlined in the report, the heap leach pad itself would produce roughly 172,000 oz of gold in 2018; climb to 232,000 oz the following year and then taper off as less gold becomes available for the leachate to rinse from the pit-run ore stacked on the pad.

Kinross said it will continue recovering gold through ongoing heap-leach processing as long as the oz recovered covers the cost of operating the pad. It is currently estimated that this balance would be met until about 2027, marking the final phase of operations at Fort Knox.

### Golden prospects

While Fort Knox is no doubt aging, there is still potential to add a few years to the life of this Interior Alaska mine.

"We are currently evaluating whether or not we extend the mill beyond 2017 and are considering several economic scenarios," Atchison told Mining News.

Above and beyond the mineral reserves that support the current mine plan, the area in and immediately surrounding



KINROSS GOLD CORP.

**At the end of 2014, Fort Knox had 263.8 million metric tons of proven and probable reserves averaging 0.46 grams per metric ton, enough gold-rich ore to feed the mill at the mine through 2017 and stack onto its heap leach pad into 2019.**

the open-pit at Fort Knox has 75.9 million metric tons of measured and indicated resources, averaging 0.37 g/t (912,000 oz) gold.

At a roughly 20 percent lower grade than the current reserves, much of this material, if brought into the mine plan, would likely be stacked on the heap-leach pad.

The Gil gold property, located about five miles east of Fort Knox, is another source of potential ore to extend the life of mine.

Gil has been defined by 73,876 meters of drilling in 738 holes, including 11,665 meters of drilling completed by Kinross after buying full ownership of the property in

2011.

Based on this exploration work, Gil has 29.5 million metric tons of measured and indicated resources averaging 0.56 g/t (532,700 oz) gold.

Both the Fort Knox and Gil resources are calculated at a US\$1,400 per ounce gold price.

Kinross did not complete any drilling at the neighboring Gil property in 2014. The company, however, is resuming both meteorological data collection and exploration at Gil this year.

Atchison said 2015 exploration plans for Gil include some drilling.

Gilmore, an area immediately west of the phase-8 expansion, is another prospect that could add to Fort Knox's mine life.

In 2014, the U.S. Bureau of Land Management authorized Kinross to conduct mineral assessment work on federal lands adjacent to the open-pit at Fort Knox that were previously withdrawn for use by the National Oceanic and Atmospheric Administration.

Fairbanks Gold Mining's proposed work on this adjacent property includes soil sampling, geologic mapping, and drilling. This activity would occur on land near the western boundary of the Fort Knox mine.

While Gil, Gilmore and other mineral resources at Fort Knox have the potential to extend the gold mine beyond phase-8, Atchison cautions that it is too early to know the economic viability of bringing these deposits into the mine plan. ●

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## NORTHERN EMPIRE

grams per metric ton gold and geochemistry reminiscent of intrusive-related deposits in the Tintina Gold Belt such as Pogo and Fort Knox.

### Rise of Northern Empire

Northern Empire Chairman Robins

believes that the recent and ongoing tough market for mineral explorers is the perfect time to pick up quality prospects at rock bottom prices.

"Northern Empire's mandate will be the identification and low-cost acquisition of high-value assets," he said in announcing company's formation in November.

In addition to Richardson, the project generator's beginning portfolio includes

three gold properties in Nunavut - Kiyuk Lake, Noomut River and Eric Lake.

Kiyuk Lake, a gold property that was a part of Prosperity's portfolio prior to the re-organization, is located in southern Nunavut.

A 14-hole drill program completed by Prosperity in 2011 discovered strong gold intersections at three separate locations.

Highlights from this drilling include: 32.1 meters grading 2.41 g/t gold at the Cobalt discovery; 63.6 meters averaging 2.8 g/t gold at the Gold point discovery; and 52.4 meters of 3.3 g/t gold at the Rusty discovery.

The mineralization at Rusty, which was hit at five meters below surface, was the primary target of a 12-hole program completed in 2012 expanded the zone, including a 61.5-meter intercept averaging 3.3 g/t gold.

A follow-up program in the spring of 2013 added to the tantalizing evidence of a high quality, near surface gold zone with one hole returning 35.9 meters of 4.95 g/t gold from a depth of 134 meters and another hole tapping 24 meters of 3.4 g/t gold from 34 meters.

The Eric Lake and Noomut River gold

properties also are found in southern Nunavut roughly 300 kilometers (190 miles) northeast of Kiyuk Lake. Historic drilling has intersected significant gold on both properties, including: 29.62 g/t gold over 3.2 meters at Eric; and three meters of 18.3 g/t gold at Noomut.

Northern Empire management has a history of finding and expanding large gold deposits along the Tintina Gold Belt.

"Our team has a solid track record in project generation and wealth creation, thus we believe Northern Empire is very well-positioned to capitalize and reward our shareholders by investing in the sector now," said Robins.

Fleming, who is now the CEO and exploration vice president of Northern Empire, is familiar with seeking gold-rich deposits in the Tintina Belt. Prior to forming Prosperity Goldfields, Fleming was president of Underworld Resources, the company credited with the 2008 discovery of the Golden Saddle deposit at its White Gold Project in the Yukon and sparking the subsequent exploration rush to the region.

Kinross bought out Underworld in 2010 for a cash and stock deal worth C\$139 million.

Robins also knows his way around Yukon's White Gold District. Kaminak Gold Corp., a company Robins also chairs, is currently advancing a feasibility study for the 4.15-million-ounce Coffee gold project.

He also serves as director of Grayd Resources Corp., an exploration company bought by Agnico Eagle Mines Ltd. for C\$275 million in 2011. The La India gold project in Mexico was the primary reason for this purchase. Grayd, which now operates as a subsidiary of Agnico, also holds Delta, a precious metals-enriched volcanogenic massive sulfide project about 110 miles southeast of Richardson. ●

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## NORTHERN NEIGHBORS

Nation will provide ongoing support for the development and operation of Brucejack as a safe, environmentally sound mine with participation in its economic benefits. For its part, Pretium will honor commitments to the Nisga'a Nation regarding jobs and contracting opportunities at Brucejack; education and training; and financial payments. "Nisga'a Nation strives for sustainable prosperity and self-reliance and the benefits from the Brucejack project will

make an important contribution toward our improved quality of life," explained Nisga'a Nation President H. Mitchell Stevens. Pretium hopes to begin construction at Brucejack this summer and commercial production at the high-grade underground gold mine is targeted for 2017. Based on the results of a feasibility study completed in 2014, Brucejack is expected to produce an average of 404,000 ounces of gold a year over an 18-year mine life. The Nisga'a Nation has rights and interests in the Nass area of northwestern B.C. where portions of Brucejack are located. ●



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## NEWS NUGGETS

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