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Welcome to the 2010 Mining Explorers

Building on the success of the inaugural edition of our annual minerals exploration magazine, North of 60 Mining News Editor Rose Ragsdale and I are proud to present the 2010 Mining Explorers.

This second edition of Mining Explores provides a comprehensive overview of the major and junior mining companies investing the capital and time needed to unlock the enormous mineral potential of Alaska, northern British Columbia, Northwest Territories, Nunavut and the Yukon Territory.

Drawing on North of 60 Mining News' unparalleled coverage of Alaska and Northern Canada's mining industry, Rose and I have compiled information on more than 75 companies who worked in 2010 to extract mineral resources from this underexplored northern region.

Rose and I have followed closely the issues, events and projects that shaped mining in Alaska and Northern Canada in 2010 and look forward to continuing to cover mining industry news from this region in 2011.



FORREST CRANE

see **WELCOME** page 8

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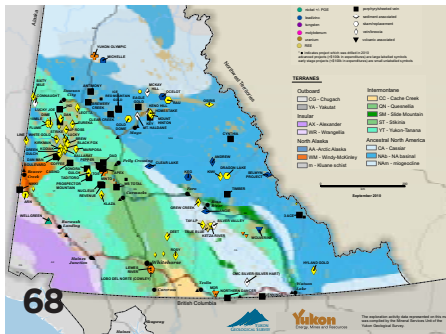
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WELCOME *continued from page 5*

From the informative News Nuggets in its weekly online newsletter to the in-depth analysis provided in the monthly edition, North of 60 Mining News provides the most complete coverage available of the issues and events important to mining in Alaska and Canada's Far North.

If you have comments or suggestions on how we can improve the annual Mining Explorers magazine or any of the North of 60 Mining News publications, feel free to email me at publisher@miningnewsnorth.com

For more information about North of 60 Mining News, visit our Web site at www.miningnewsnorth.com

Thank you and I hope you enjoy Mining Explorers 2010.

*Shane Lasley, publisher
North of 60 Mining News*



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SHANE LASLEY
PUBLISHER & NEWS EDITOR

ROSE RAGSDALE
EDITOR-IN-CHIEF (contractor)

MARY MACK
CHIEF FINANCIAL OFFICER

CLINT LASLEY
GENERAL MANAGER

SUSAN CRANE
ADVERTISING DIRECTOR

BONNIE YONKER
AK/NATL ADVERTISING SPECIALIST

MARTI REEVE
SPECIAL PUBLICATIONS DIRECTOR

STEVEN MERRITT
PRODUCTION DIRECTOR

TOM KEARNEY
ADVERTISING DESIGN

HEATHER YATES
BOOKKEEPER



DEE CASHMAN
CIRCULATION REPRESENTATIVE

MAPMAKERS ALASKA
CARTOGRAPHY

JUDY PATRICK
CONTRACT PHOTOGRAPHER

MAILING ADDRESS:

PO Box 231647
Anchorage, AK 99523-1647
Phone: (907) 522-9469
Fax: (907) 522-9583

E-mail: publisher@miningnewsnorth.com
Web Page: www.miningnewsnorth.com

Cover photos:

- Eagle Plains Resources Ltd.'s Mackenzie Valley zinc project straddling the Yukon-Northwest Territories border (top). Courtesy Eagle Plains Resources Ltd.
- Geologist Dale Patrick examines a hand specimen during Millrock Resources Inc.'s geologic reconnaissance of the Kahiltina Terrane (left). Photo by Phil St. George
- Drilling at Kinross Gold Corp.'s Fort Knox gold mine in Interior Alaska (center). Photo by Judy Patrick
- Gold from an Interior Alaska placer mine (right). Photo by Judy Patrick
- Underground at Heatherdale Resources Ltd. and Niblack Development Inc.'s Niblack deposit in Southeast Alaska (bottom). Photo courtesy of Heatherdale Resources Ltd. and the Niblack Project.

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Mining Explorers

2010

Mineral industry activity rebounds

Kensington Mine startup boosts Alaska's mining operations to six

By STEVE BORELL
Special to Mining News

A highlight for 2010 has been the startup of the Kensington gold mine in June. I

first testified at a hearing on the Kensington project in Haines in 1990. Gold price fluctuations, environmental group attacks, financial markets, etc. all played a role in the saga. Coeur Chairman and CEO Dennis Wheeler

should be commended for his diligence and determination to make Kensington into a mine.

However, I am disappointed about one item at Kensington, and it does not involve the quality of the orebody, the work of the company or the work of the permitting agencies. That disappointment is over the jobs that the mine was not able to create. In an effort to appease environmentalist objections, Coeur at one point agreed to not

use any cyanide at the mine. Cyanide, like many other chemicals, must be stored and managed properly to ensure safety of personnel and the environment. This is currently being done in Alaska and all around the country. What no cyanide use at Kensington means is that there will be no cyanide circuit in the mill; there will be no refinery/gold room (and no construction jobs to build the circuit or refinery); and there will be no need for special security personnel. My estimate is that at least 24 jobs for the entire life of the mine are now located somewhere outside of Alaska. That is "value-added" processing of Alaska's resources that should have occurred here in the state.

What about the environmentalists? They still opposed the project, all the way to the U.S. Supreme Court where they lost.

With the addition of the Kensington Mine, Alaska now has six large mines – one coal mine and five metal mines. Each of these mines is now operating at a steady pace, and I and all Alaskans can be proud of these operations. Each is a credit to its respective company and to the robust permitting and oversight processes that the State of Alaska has developed.

My use of the phrase "large mines" is applicable for Alaska, but it is relative. In August the Alaska Miners Association organized a mining tour of South Africa. While there, we visited mines producing copper, platinum/palladium, gold, dia-



STEVE BORELL



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All eyes look North in 2010

Mining takes center stage with high-profile projects, new mines in Yukon

By THE HON. PATRICK ROUBLE
Special to Mining News

With all eyes pointed north, the mineral industry in Yukon is having a banner year in 2010. A number of regions are continuing to attract high-profile attention. With two new mines starting production and encouraging discoveries throughout the territory, the year has been very exciting.

Exploration

Claim staking in the White Gold area, the Dawson Range and the 60 Mile area has been robust in 2010 with many new companies (more than 20) involved in the staking rush.

Kinross Gold Corp. issued a friendly takeover offer for Underworld Resources, the company that owned and discovered the White Gold deposit located 90 kilometers south of Dawson.

Kinross is a Canada-based gold mining company that operates mines around the world, including the Fort Knox Gold Mine near Fairbanks, Alaska. It was picked as one of the 50 top socially responsible corporations in 2009. The takeover offer by Kinross for



PATRICK ROUBLE

Underworld Resources is an acknowledgement of the quality of the White Gold discovery, the exploration potential for more discoveries on Underworld's extensive claim holdings in the Dawson Range and the attractiveness of Yukon as a competitive mining jurisdiction on the world scale.

Many additional companies have acquired ground in the White Gold area and throughout the Dawson Range Belt and preliminary exploration work in 2009 has resulted in several companies starting extensive drill programs this season.

One of those companies is Kaminak Gold Corp., whose drill holes on the Coffee property in the White Gold District has found impressive results, including 17.07 grams per metric ton gold over 15.5 meters and 21.3 g/t gold over 8 meters. The exploration community will be watching Kaminak and others conducting drilling in the Dawson Range Belt very closely to see if the region can produce another significant discovery.

The Rau property of ATAC Resources is a new discovery that has caught the attention of the exploration world. The property, located to the northeast of Keno City, has been called the "Silent Rush," as the company has been conducting substantial claim staking under the radar and has expanded the property to 6,642 claims, approximately 1,300 square kilometers; larger than Hong

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Back in production in 2010

Nunavut's second decade promises solid pipeline of mine projects

By THE HON. PETER TAPTUNA

Special to Mining News

When I wrote a first editorial for Mining Explorers last year, it was on the occasion of Nunavut celebrating its first 10 years as a separate territory, and so it was fitting to review some of the accomplishments of the decade. Now, as we enter into a second decade, many of the fruits of those labors are coming to bear.

That first decade, 1999-2009, wasn't, of course, without its share of both accomplishments and setbacks. Early in Nunavut's short life around 2002, three long-producing mines closed: the Polaris and Nanisivik lead-zinc mines, and the Lupin gold mine. Little was in the development pipeline at that time. In 2008, the Jericho diamond mine succumbed to poor recovery rates, cost overruns and the beginning of a bearish diamond market. But in the meantime, Nunavut's exploration sector was gaining confidence and expanding rapidly, and exploration spending increased 10-fold in the decade. New discoveries were being made, and known deposits were reaching feasibility. In this second decade, many of these deposits will be into production.



PETER TAPTUNA

That much anticipated event, a major new mine, came about early this year, when Agnico-Eagle Mines Ltd. opened the Meadowbank gold mine near Baker Lake. The Meadowbank mine plan is a three open-pit operation, with the Portage Pit currently being mined, and a total probable reserve of 3.6 million ounces of gold. Meadowbank is expected to produce close to 300,000 ounces this year, with an average annual production of 360,000 ounces thereafter, within a projected nine-year mine life. I had the fortune to visit Meadowbank on a couple of occasions this year, including the official opening in June. Meadowbank already employs 35 percent of its workforce from the neighboring Nunavut communities, and that percentage seems certain to grow.

Agnico-Eagle strengthened its Nunavut holdings this year by purchasing the Meliadine gold project near Rankin Inlet from Comaplex Minerals. Meliadine holds some 3 million ounces of indicated and inferred gold resources at the principal deposit, Tiriganiaq, with another half-million ounces in two smaller area deposits. Agnico-Eagle currently projects a 2015 start-up date for Meliadine. News of a nearby gold mine is being eagerly greeted in Rankin Inlet, a community with a strong mining history. Indeed, the town is founded around the old North Rankin Nickel Mine site, which operated in the 1950s and 1960s.

Gold is — and will remain — a major focus in Nunavut, given just how much of our territory is in favorable Archean and early Proterozoic geology. In western Nunavut, Newmont's Hope Bay gold project is nearing production. Newmont plans to spend nearly C\$140 million in pre-development and exploration activity this year, with underground activity at Doris North (one of the related small Doris deposits) in the fall. The Hope Bay property comprises three developable deposits, Doris and Boston (all high-grade lode deposits), and the high-tonnage, lower grade (4 g/t) Madrid deposit. Newmont anticipates Doris North could be put into production as early as late 2011. A plan to develop the rest of the belt is expected later this year.

The gold pipeline continues to advance with a number of promising grassroots projects. On west-central Baffin Island, Commander Resources and partner AngloGold Ashanti are drilling the Malrok and Kanosak (Hebert) prospects, which are returning high gold intercepts in ironstone-hosted vein systems. Within the Committee Bay Belt, west of Repulse Bay, North Country Gold (formerly CBR Gold) will continue to drill the promising Three Bluffs prospect in an effort to add to the present inferred resource of a half-million ounces of gold. Sabina Gold & Silver has discovered a new gold zone at its Back River properties, which host a resource approaching 2 million ounces of gold.

The large base metal and iron ore projects continue to be active this year, adding or further defining resources: These include Hackett River (silver-zinc-copper); Izok Lake (zinc-copper); High Lake (zinc-copper); and Mary River (iron ore).

When the liquidity crisis and the onset of the recession hit in 2008, nobody was certain how deeply the exploration sector would be affected. In 2009, exploration in Nunavut was cut in half (down to about C\$200 million), just like in the rest of the nation. Early on it looked like exploration in 2010 might recover to about



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Future offers promise for mining

Northwest Territories leaders favor mineral projects with win-win scenarios

By THE HON. BOB MCLEOD
Special to Mining News

The search for furs opened up the Northwest Territories more than 400 years ago, bringing explorers and traders to the North. In today's economy, it's the search for – and the development of – mineral resources that is the one of the main cogs in the NWT economy. It's an industry that contributes more than C\$1 billion annually to our economy and creates more than 2,000 direct jobs.

And while the past two years have been challenging for the mining industry everywhere due to the global economic crisis that has seen exploration companies curb spending, the Government of the Northwest Territories remains optimistic that the mining future in our territory is filled with promise.

That optimism springs from the knowledge that the NWT is endowed with a diversity of mineral resources — diamonds, lead, zinc, copper, tungsten, rare earths, gold, silver, platinum and more. With a land mass of more than 1.14-million square kilometers, and much of it still unexplored, there are large prizes to be won in the NWT.

Through my department — Industry, Tourism and Investment — the GNWT develops and implements strategies to attract mining investment in the NWT. We are also a source of information and expertise about existing and potential mineral resources in our territory.

The NWT has four operating mines; three of them are diamond mines that produce approximately 15 percent of the world's rough diamonds. But there is potential for much more activity than that. In fact, there are at least nine projects that are in various stages of development and could become producing mines within the next decade.

Avalon Ventures' Nechalacho rare earths project, Canadian Zinc's Prairie Creek lead/zinc/silver project and the Gahcho Kué diamond project — a joint venture partnership between Mountain Province

and De Beers — are just some of the NWT's more promising prospects. Each potential mine represents valuable jobs and business opportunities for northerners.

However, that development cannot come at the cost of our environment. One of the goals of our government is to have an environment that will sustain present

and future generations of NWT residents.

That means development must be responsible and it must be sustainable for our land and wildlife. Through our attendance at industry trade shows, and through building relationships with organizations like the NWT & Nunavut Chamber of Mines

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MCLEOD *continued from page 13*

and with the companies operating mines and exploring in our territory, we work with industry to strike that balance between development and environmental protection.

Another one of our government's main goals is to foster a diversified economy that provides all regions and communities with opportunities and choices.

Mining exploration and development assists us in creating that diversity. When a mine opens in our territory, the employment and business opportunities associated can have an effect in each of 33 communities. As a government, we are committed to projects that are win-win scenarios for both the industry and the people of the Northwest Territories.

We're also committed to following through on opportunities from non-renewable resource developments. And we are doing that through negotiating socioeconomic agreements with the companies running our three diamond mines: Ekati, Diavik and Snap Lake.

Socioeconomic agreements reflect commitments and predictions made by mining companies for areas such as employing northerners and Aboriginal people at the mines and purchasing

from northern and Aboriginal-owned companies.

These agreements are working, as evidenced by the fact that since 1996, the NWT's diamond mines have resulted in 15,545 person years of employment for northern and Aboriginal residents and have surpassed more than C\$8 billion (Canadian) in investment with northern and Aboriginal-owned companies.

The NWT does face some challenges as we strive to take full advantage of our mineral potential. Industry has made it clear our regulatory system could be improved, and we lack an adequate amount of infrastructure.

Our government is working on those challenges. We continue to call on the Canadian federal government to provide the resources to our regulatory boards. This will ensure northerners can continue to make decisions on development taking place in their backyards and that industry has certainty on timelines for decisions when they enter the regulatory process.

As for infrastructure, investments that will improve access to our mineral resources and bring down the cost of doing business in the NWT are important in attracting more industry interest in

see MCLEOD page 15

ROUBLE *continued from page 11*

Kong. Recent results from this summer's drilling have been impressive; among them is 51.68 g/t gold over 10.67 meters.

Development

Impressive progress has been made on construction of the Wolverine Mine by Yukon Zinc Corp. During the past year up to 300 people have been working at the site, and the mine is on schedule to achieve production this fall.

In 2008, Yukon Zinc was acquired by the Jinducheng Molybdenum Group and the Northwest Nonferrous International Investment Co. The new owners are proceeding with development of the Wolverine Mine and are currently in construction phase, having spent C\$160 million in 2009 with a total development cost expected to be C\$230 million.

Alexco Resources has made considerable progress on development of the Bellekeno mine, which has included mill and infrastructure construction. The company is now fully permitted and is anticipated to start production in the fall of 2010.

The Capstone Minto Mine has been in commercial production for three years. The Minto Mine is the first hardrock mine to operate in the Yukon in several years.

An amendment to the company's mining license has been approved, which allowed Capstone to increase production to 3,200 metric tons of ore per day. Ongoing exploration adjacent to the main ore body has produced very promising results and may extend the life of the mine well past its projected 7-year life span. Continuing exploratory drilling on the property from 2007 to 2009 has identified promising mineralization at areas adjacent to and near the main production pit.

Yukon Energy's construction of a hydro-transmission line from Carmacks to Pelly Crossing in 2009 has provided economic benefits and has allowed the Minto mine and the community of Pelly Crossing to switch from diesel-generated power to hydroelectricity – reducing greenhouse gas emissions by up to 24,100 tpa. This line is being extended to Stewart Crossing, where it will be connected to the Mayo-Dawson system.

The transmission line will connect Yukon's two established hydro-based transmission systems, the Whitehorse-Aishihik-Faro grid and the Mayo-Dawson system. When complete, renewable

power generated anywhere in the two systems will be able to service loads throughout the integrated Yukon grid.

The interconnection of the grids will encourage further developments along the grid corridors, enhance overall Yukon power system reliability and flexibility and enable Yukon to increase its hydroelectric capacity. Enhancements to the Mayo hydroelectric facility were initiated this summer and will add energy to this growing system. The Mayo B project is expected to be complete in 2012.

Yukon's commitment

The Government of Yukon is committed in these challenging economic times to continue improving the investment climate by providing regulatory certainty.

Royalty regulation amendments recently approved for the Quartz Mining Act provide greater certainty to the mining sector and support direct sharing of mining benefits with local communities.

The regulations offer a modern and clear royalty regime for both government and industry which is comparable to other jurisdictions. The regulation is based on national, profit-based royalty standards, establishing a capped royalty rate at 12 percent of net profit. The regulation gives clear instructions for calculating deductions, depreciation and value of the mineral. It also outlines the format for filing, penalties and other administrative provisions for government.

The place to be

Success has been pervasive in every aspect of Yukon's growing mineral industry, including the operating Minto Mine, the mine development at Wolverine and Bellekeno and the exploration at White Gold, Rau and a host of other Yukon projects. Several other Yukon projects will be continuing their economic and environmental studies, adding to the number of potential near-term mines. 2010 has been an exciting one with mining clearly establishing itself as one of Yukon's main industries for the foreseeable future.

For more information on Yukon's advantage, visit: MiningYukon.com.

The Hon. Patrick Rouble is minister of Energy, Mines and Resources for the Government of Yukon.

Mining aids B.C. recovery

Province breaks new ground by signing revenue-sharing pacts with First Nations

By THE HON. RANDY HAWES
Special to Mining News

British Columbia is home to an incredibly dynamic mining sector which is helping to lead B.C.'s economic recovery. This is due to our abundant natural resources, excellent environmental and safety standards and competitive tax and regulatory systems.

Mining is an estimated \$5.7 billion industry for B.C. based on 2009 production values. It was the sixth highest year for exploration spending at \$154 million and more than 350 exploration projects around the province were active in 2009. British Columbia is ranked among the best in the world for the quality of our geological databases with a growing inventory of more than 12,000 mineral occurrences. These mineral resources are under-explored and new discoveries are made each year.

The province has more than 50 metal, coal and industrial mineral mines in production. B.C. produces and exports a significant amount of copper, gold, silver, lead, zinc, molybdenum, coal and industrial minerals every year. We have new mines that are set to open and mines that are expanding.

We are also breaking new ground in our relationships with First Nations. For the first time in the history of the province, revenue-sharing agreements were signed this August between the Province and the Stk'emlupsemc of the Secwepemc Nation (SSN), and the McLeod Lake Indian Band. These Economic and Community Development Agreements share mineral tax revenues generated by the New Afton copper-gold project outside Kamloops and the Mount Milligan copper-gold project, near Fort St. James in northern B.C., respectively. These agreements place a strong focus on community development to assist First Nations in achieving their social and economic goals.

These are the first agreements in B.C. to share direct revenue generated from mining, and this approach will be used in other areas of B.C. where there is a proposed project resulting in a new stream of direct resource revenue to the province. Future agreements will ensure development of a thriving, competitive,



RANDY HAWES

safe and environmentally responsible mineral resource sector and will increase the contribution to the local and provincial economy.

In May 2010 Mining Week was celebrated with a family day held at the Copper Mountain mine site in Princeton, B.C. This project is expected to provide about 200 jobs during the construction and another 250 when the mine is fully operational.

Overall, B.C.'s mining and minerals sector employs about 28,000 people in more than 50 communities throughout the province, and those numbers are set to grow. The average salary is C\$110,800.

B.C. boasts one of the most competitive tax and regulatory systems in the world. In January 2010, the Flow-Through Share Tax Credit was extended three years to 2013, making the after-tax cost of C\$1,000 of eligible grassroots exploration the second-lowest in Canada. We also have extended the New Mine Allowance until 2016. The allowance effectively provides a deduction of 133.3 percent of capital costs for mines that commence or expand production between now and Jan. 1, 2016.

The Harmonized Sales Tax will save the mining industry about C\$55 million annually and industry has identified additional millions in savings for new mine development and construction. Savings also will come from recovery of indirect sales tax payments, reduced compliance and other administrative costs.

With this growth comes environmental responsibility. We have among the most stringent environmental assessment laws in the world and we are proud of that. We support the responsible development of our valuable mineral resources, but will not approve any activity that poses undue risks to the environment or public health and safety.

Our natural resource potential, technology, infrastructure and competitive business environment, along with our unique position as Canada's gateway to the Asia-Pacific, have made the B.C. mining industry a worldwide leader. We are forging a future of jobs, opportunities and sustainability, which is making B.C. an attractive place to invest, to work and to play.

The Hon. Randy Hawes is British Columbia's Minister of State for Mining.

MCLEOD *continued from page 14*

our resources. Our government recognizes this, and we continue to do all we can to improve our roads and our bridges and enhance our infrastructure to encourage mining development.

But we can't do it alone. That is why we continue to push our federal government to invest in the NWT and its infrastructure and assist us in building roads, bridges and ports as well as advancing hydro development to increase access to our wealth

of mineral resources and improve the investment climate in the NWT. We have the resources. We are ready to capitalize on our potential. With the proper support and investment in our territory, the GNWT believes it can realize that potential. Our government is committed to working with industry to have responsible development that not only benefits our residents but leads to a prosperous industry.

The Hon. Bob McLeod is minister of Industry, Tourism and Investment for the Government of the Northwest Territories.

BORELL *continued from page 10*

monds, and coal. Each of those mines had more than 1,000 employees, which add up to more than all mining and exploration jobs now in Alaska. To continue with the comparison, one day we visited the Tautona deep underground gold mine. Traveling the 165 kilometers, or about 102 miles, back to Johannesburg from Tautona, I counted 17 head frames (the large structure housing the sheaves and hoist for an underground mine with a shaft) of gold mines. On the day we visited the Kleinkopje coal mine, I counted 11 head frames of coal mines and seven large draglines used to remove overburden. On the day we visited the Sasol plant that converts coal into diesel fuel and other products; I counted seven coal-fired power plants, each with six 600-megawatt generators. By comparison, total electricity demand in the Anchorage area is about 300MW. As I said, large is a relative term.

Another Alaska highlight this year was that the Red Dog mine in northwest Alaska received its water discharge permit, which allowed it to continue operating. The uncertainty for Red Dog was settled when the Environmental Protection Agency was able to assure Red Dog that the water discharge permit being issued was legally defensible. Everyone knew it was environmentally sound. However, environmental groups, representing a few disgruntled local residents, had appealed a minor technicality in the EPA permit that the mine had to have. EPA determined that the mine could operate under criteria previously approved by a court decision. Teck then announced that it would begin development of the next mining area, thus preserving approximately 500 jobs in rural Alaska.

This year has again seen numerous small family placer gold mines operating. These mines did not suddenly start up because the price of gold was increasing. Some of these mines have been operating for many years. Others have spent several years explor-

ing, applying for permits, arranging bonding, obtaining financing, etc., and they are now finally able to begin mining. The costs and challenges of this process often keep many very competent potential miners out of the business. In the past many skilled equipment operators were able to begin mining within a few months of making that decision. Those days are gone.

Sand and gravel mines all around the state are operating to support local roads and construction projects. Such projects are often driven by government appropriations, and the outlook for such funds in the future are of concern.

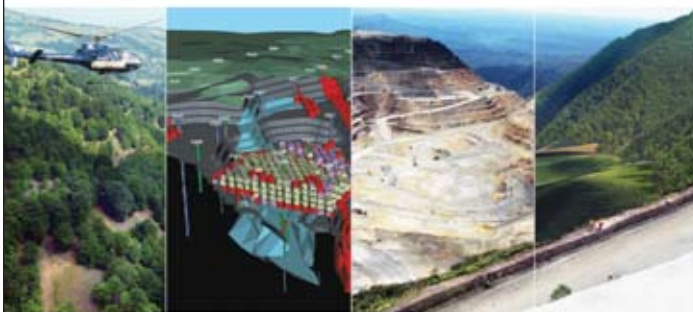
It appears that the amount of mineral exploration in 2010 will return to the levels we saw before the worldwide financial meltdown of 2008-2009. In 2009 a total of 17 exploration projects each spent more than \$1 million. This was down from 29 projects in 2008. All indications are that the level of exploration expenditures this year will return to the previous levels. During 2009 if the exploration companies did not have their financing in place by early spring, many were not able to begin field work until late in the summer, if at all. This year is definitely better.

The outlook for the future, both near term and long term, continues to be excellent. Alaska is known as the home of a long list of world-class ore deposits. Alaska also has excellent geology and when compared with other states and most countries in the world, the state is effectively un-explored. There has been exploration here for more than 100 years but nowhere near the level of exploration seen in other locations. Reasons for this include the state's short exploration season, a tundra mat that hides rock outcrops, snow cover for much of the year, lack of roads, added cost of operation, and serious land tenure uncertainty for several decades following the 1968 discovery of oil at Prudhoe Bay. Finalization of Native and State land transfers greatly reduced the land tenure uncertainty, but the constant pressure from environmental groups to lock up more land remains a concern.

Other positive factors are the State of Alaska's permitting and environmental systems. They are thorough and robust, but they are well defined and not moving targets. The State has competent managers in each of the departments that are involved in project permitting. And they focus on the law and science of their respective jobs without personal agendas as a driving force. This has been the norm for the current administration and for the past several administrations.

Steve Borell is executive director of the Alaska Miners Association, an industry support organization with more than 1,200 members.

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TAPTUNA *continued from page 12*

C\$250 million; but now, with some late-season financings coming online, Nunavut might reach close to C\$300 million for 2010. This is a resiliency few would have predicted.

The word to describe Nunavut's second decade of mining will be productive. Predictions are inherently risky, but certainly five operating mines in Nunavut for the decade is realistic; perhaps as many as eight or 10 could be built. We currently have the world's largest mining company and one of the largest gold producers searching for minerals in the territory. In Nunavut, we see this as an important step in building an industrial and transportation infrastructure for our new territory, and building a skilled and professional domestic workforce.

The Hon. Peter Taptuna is the Government of Nunavut's minister responsible for mines.

Explorers trek to Last Frontier

Geologists seek next world-class deposit in rugged, under-explored state

By SHANE LASLEY
Mining News

The Last Frontier, as Alaska has long been labeled, is as applicable a moniker today as it was to prospectors who ventured to the territory at the end of the 19th century. Alaska is considered one of the most mineralized provinces on Earth, but due to an inter-related combination of Arctic weather, rugged terrain, limited infrastructure and high exploration costs, the state's vast mineral potential remains at the edge of exploratory expansion.

Though the Far North state remains largely unexplored, it has given up several world-class deposits over the past 20 years. Among these recent finds are the Pebble deposit, which is estimated to contain 80.6 billion pounds of copper, 107.4 million ounces of gold and 5.6 billion pounds of molybdenum, and the 40 million-ounce Donlin gold project.

It is commonly believed that such large mineral deposits in Alaska can only be found in remote and logistically challenged regions of the state, but geologists are continuing to make discoveries adjacent to Alaska's relatively few highways and byways. A stone's throw away from the road running north from Fairbanks to the oil fields of Alaska's North Slope, International Tower Hill Mines Ltd.'s nearly 20-million-ounce gold deposit at Livengood is one such discovery.

Geologists familiar with Alaska expect that more outstanding deposits lay hidden just below the surface of the vast and underexplored state.

"The thing about Alaska is there are a lot of low-lying areas out there that are covered with vegetation, glacial gravels and things that haven't been explored thoroughly, or at all," Millrock Resources Ltd. Vice President of Exploration Phil St. George said. "I, and others, think there is a lot of potential to find other Pebbles, other Donlins, other huge gold systems."

Tintina Gold Belt

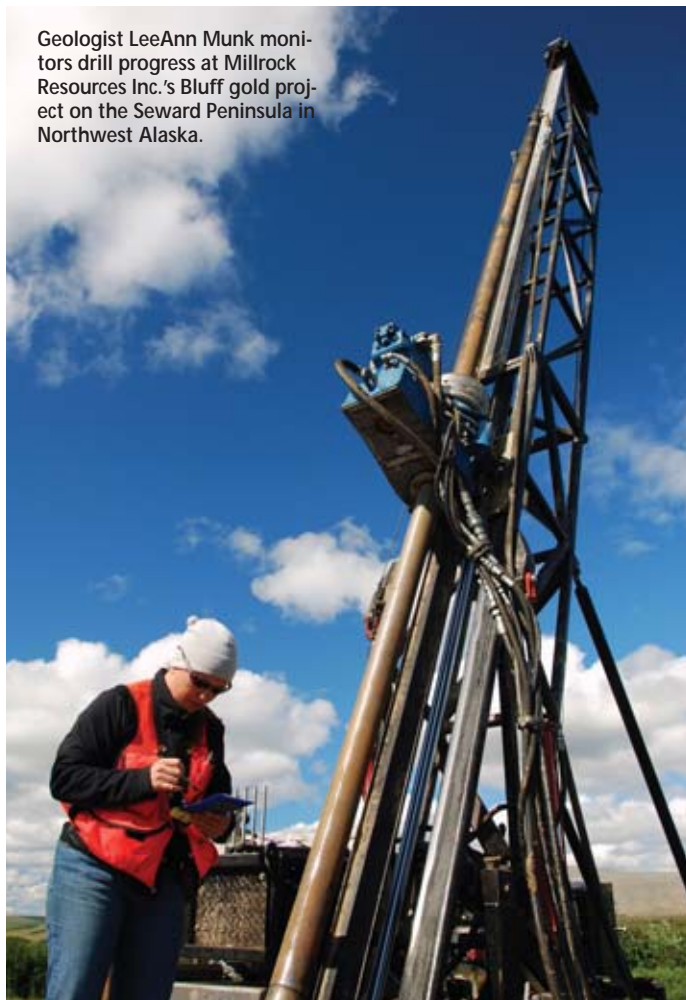
The Tintina Gold Belt – which cuts a swath 850 miles, or 1,350 kilometers, long and more than 200 miles, or 320 kilometers, wide across the middle of Alaska – continues to be a favorite destination for explorers seeking world-class gold deposits.

Two of the three operating gold mines in Alaska (Kinross Gold Corp.'s Fort Knox Mine and Sumitomo Metal Mining's Pogo Mine) as well as Tower Hill's Livengood project are all found in the eastern extent of Alaska's portion of the Golden Arch. Over the past 125 years more than 12 million ounces of alluvial gold have been recovered from this region, but the lode source of many of the historic placer mining districts has yet to be found.

Rolling Thunder, a grassroots exploration program initiated by Full Metal Minerals Ltd., has set out to find the source of more than half a million ounces of alluvial gold recovered from the Fortymile, a placer district that predates the neighboring Klondike by a decade.

"Full Metal and Rolling Thunder is in a unique position for advancing exploration in the area. Our relationship with Underworld Resources has provided the Rolling Thunder technical staff with

Geologist LeeAnn Munk monitors drill progress at Millrock Resources Inc.'s Bluff gold project on the Seward Peninsula in Northwest Alaska.



KYLE NEGRI

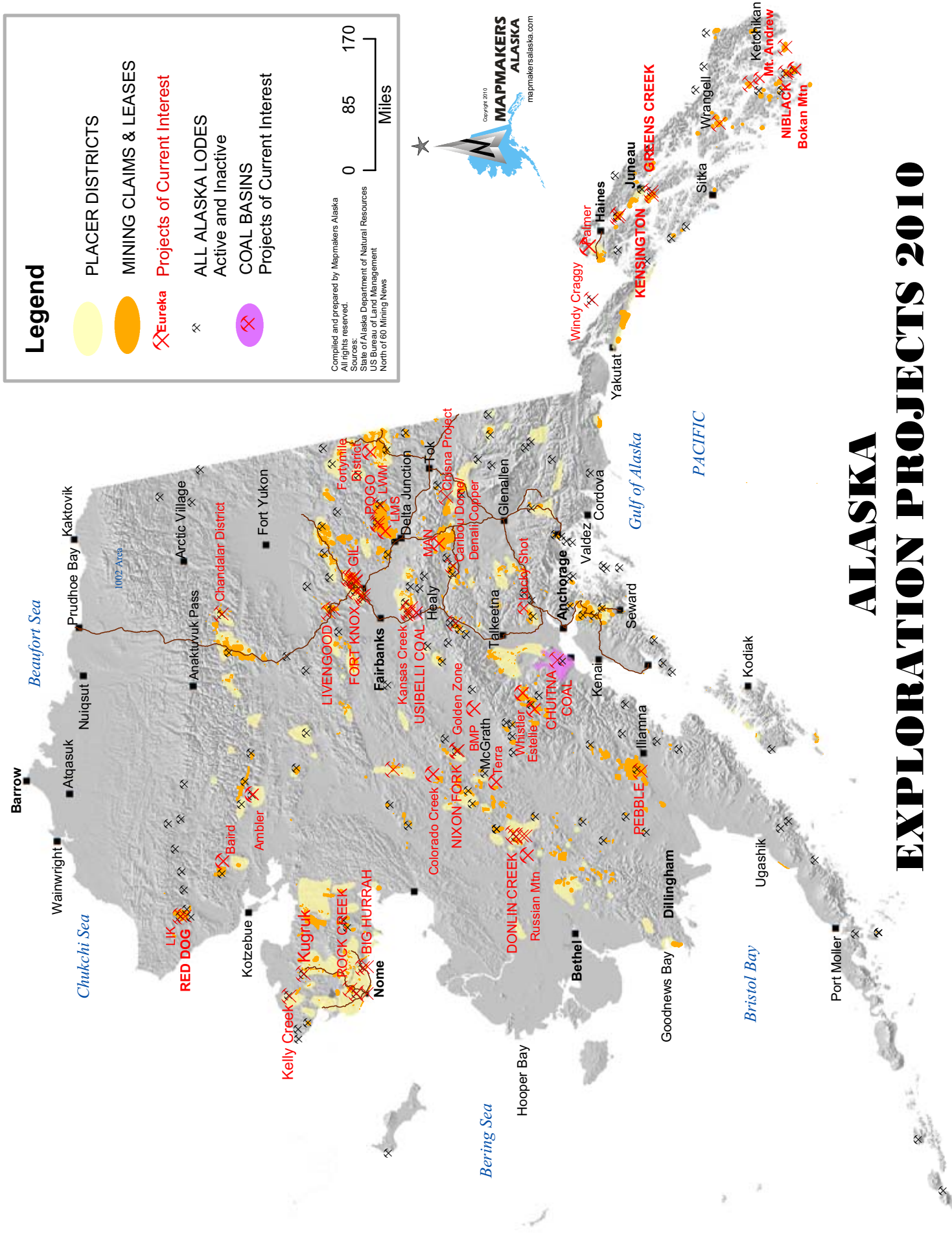
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continued on page 19



exploration techniques that were successfully used on the White Gold property,” Rolling Thunder Project Manager Chris Siron told Mining News.

It has long been believed that Money Knob at Tower Hill’s Livengood gold project is the source of much of the half a million ounces of placer gold mined in the Tolovana-Livengood Mining District north of Fairbanks. Over the past four years, Tower Hill has advanced Money Knob from an intriguing gold prospect to a world-class deposit. With six rigs churning out an expected 60,000 meters of drill core in 2010, the company is continuing to expand and upgrade a nearly 20-million-ounce gold resource at this Interior Alaska project.

Beyond Livengood, the Tintina Gold Belt arcs to the southwest. A 400-mile- or 645-kilometer-long belt of gold-rich terrain known as the Kuskokwim Gold Belt dominates this western extent of the Golden Arch.

Donlin Creek— being developed by Barrick Gold Corp. and NovaGold Resources Inc. — is the crown jewel of the Kuskokwim. Over the past several years, majors and junior explorers alike have scoured the region in search of other large intrusive-related gold deposits, uncovering several promising prospects.

In an alliance that melds the major’s financial and data resources with the junior’s exploration savvy, Kinross and Full Metal are exploring this stretch of the Golden Arch. These strategic partners have yet to unveil what their investigation turned up.

Besides Donlin Creek-style mineralization, the Kuskokwim belt also hosts Nixon Fork, a skarn deposit rich in copper, silver and high-grade gold. In preparation for re-opening the mine, Fire River Gold Inc. has initiated a 28,000-meter drill program to expand known high-grade gold mineralization there.

Seward Peninsula draws gold seekers

Gold deposits in Alaska are not confined to Tintina. In fact, aside from the oil-rich fields of the North Slope, gold has been discovered in every region of the state’s 586,412 square miles or 1,518,800 square kilometers.

The Seward Peninsula in Northwest Alaska has drawn prospectors seeking gold since the first strike was made near Nome in 1898. Though an estimated 10 million ounces of alluvial gold has been recovered on the peninsula, NovaGold Resources Inc.’s Rock Creek Mine, not currently in operation, is the only modern hardrock mine in the area. NovaGold’s three properties on the peninsula — Rock Creek, Nome Gold and Big Hurrah — contain 500,000 ounces of probable reserves and 1.9 million ounces of measured and indicated resources of gold.

Millrock had drills turning on two Seward Peninsula gold properties in 2010. This junior, in partnership with Kinross, completed around 2,500 meters of reverse circulation drilling at the Council project northeast of Nome. Following the drilling at Council, Valdez Gold Corp., a Toronto-based junior, funded a 5,000-meter drill program at the Bluff property east of the famous mining town.

TintinaGold Resources Inc., a company formed as a spin-out vehicle for NovaGold’s exploration properties, completed 1,750 meters of drilling at Kugruk, a property about 70 miles north of Nome that hosts copper-iron skarns, silver-lead-zinc prospects and placer gold rich drainages. This program is the first drilling completed on the project since the late 1970s.

Hole KU10-003 drilled in the Billiken Zone encountered three composite intervals totaling 90.8 meters, grading 0.27 percent copper, 0.07 grams per metric ton gold, 2.8 g/t silver, and 33.1 percent

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Seeking the source of more than half a million ounces of placer gold recovered from the streams of the historical Fortymile placer district in eastern Alaska, Rolling Thunder Project Manager Chris Siron inspects a rock outcrop at one of Full Metal Minerals Ltd.'s gold properties about 60 miles, or 100 kilometers, northwest of Kinross Gold Corp.'s White Gold property in the Yukon Territory.



total iron. Two of the intersections contain significantly better grade copper mineralization associated with strong precious metals, including a 5.7-meter zone with 1.23 percent copper, 0.2 g/t gold and 7 g/t silver.

Small amounts of placer platinum as a byproduct of gold mining also have been recovered from the Seward Peninsula. Linux Gold Corp. reports that soil samples collected near Dime Creek, about 100 miles, or 160 kilometers, northeast of Nome, contained up to 160 parts per billion gold, 174 ppb platinum and 144 ppb palladium.

This region of Northwest Alaska also is prospective for tungsten and rare earth elements.

Porphyry-rich Kahiltna, Wrangellia

South of the Tintina Belt lies another band of mineral-rich terranes, or series of related rock formations, drawing the attention of juniors and majors alike. This arc consists of the Wrangellia and Kahiltna terranes, two interrelated but distinct assemblages.

The Kahiltna assemblage was formed when the Wrangellia island arc thrust up the ocean floor as it collided with Alaska.

Pumped with copper and gold-bearing fluids at least twice, the more than 400-mile-, or 650-kilometer-, long Kahiltna Terrane in Southwest Alaska is home to the Pebble deposit and is highly prospective for other world-class porphyry copper-gold and intrusive gold deposits.

The latest resource estimate released by joint venture partners Anglo American plc and Northern Dynasty Minerals Ltd. estimates the Pebble deposit contains more than 107 million ounces of gold, 80 billion pounds of copper and 5.6 billion pounds of molybde-

num.

The Pebble Partnership, for the first time since 2002, is conducting drilling outside the Pebble deposit. The partners also have an optioned Full Metal's Pebble South project and Liberty Star Uranium & Metal Corp.'s Big Chunk and Bonanza Hills properties. The Pebble owners flew geophysical surveys over these surrounding land packages in 2010.

The center of Kahiltna Terrane exploration in 2010 was in the Rainy Pass region, about 180 miles, or about 290 kilometers, north-east of Pebble. Millrock and Kiska Metals Corp., are seeking copper-gold porphyries and intrusive-related gold on their large land holdings in the area.

Kiska, which recently assumed sole ownership of the 203-square-mile, or 527-square-kilometer, Whistler Project, is focused on expanding the 5.75 gold-equivalent-ounce resource at the property's Whistler Deposit as well as investigating the gold-rich Island Mountain discovery about 14 miles, or 23 kilometers, to the south.

Flanking Whistler to the west is Millrock's Estelle gold project. Using funds invested by Teck Resources Ltd., the junior completed an airborne geophysical survey and surface sampling at prospective areas in the southern portion of the 32,511-acre property. Chip samples taken at one of the prospects averaged 9.1 g/t gold over a 21-meter traverse.

Kiska's Copper Joe porphyry prospect; Millrock's Cristo gold-copper claims; and Corvus's high-grade Terra project are other Kahiltna Terrane projects investigated in 2010.

The Wrangellia Terrane, which stretches from the Kahiltna Terrane east through southern Yukon and along the coast of British Columbia, is prospective for nickel, platinum group elements and

copper-gold porphyries.

Surface showings of up to 15 percent nickel, 7 percent copper and 170 g/t of combined PGE-gold-silver are found at Pure Nickel Inc.'s Man project – located on the southern slopes of the Alaska Range some 250 miles, or 400 kilometers, northeast of Rainy Pass.

Funded by JV partner Itochu Corp., Pure Nickel carried out a US\$7.5 million exploration campaign at Man in 2010. Guided by extensive geophysics, the partners are seeking an ultramafic intrusion believed to be the source of the high-grade surface mineralization.

Chisna – only about 20 miles, or 12 kilometers, east of Man – is a 163,460-acre land package that encompasses multiple copper-gold porphyry prospects. A US\$6 million exploration program funded by Ocean Park Ventures Corp. and operated by Corvus Gold Corp. focused on two porphyry centers at Chisna. In addition to extensive geophysical surveys and around 5,000 meters of drilling, the partners conducted reconnaissance exploration across the large property.

Young porphyries of SW Alaska

Yet another belt of young porphyries runs the length of the nearly 1,000-mile- or 1,600-kilometer-long Alaska Peninsula southwest of the Pebble deposit. The mineralization in this geologically active section of the “Ring of Fire” is much younger than the others, ranging from 10 million years to current.

Full Metal's Pyramid project, on this island arc formed by the Pacific Ocean plate diving under the North American plate, hosts 125 million tons of near-surface copper mineralization grading 0.403 percent copper and 0.025 percent molybdenum. Exploration in the late 1980s identified associated gold values that have greatly improved the potential at the project.

Chile-based copper producer Antofagasta Minerals S.A., has optioned this project from the junior and the partners conducted an initial 2,000-meter drill program in 2010.

Full Metal has agreements in place to explore some 1.4 million acres of Native-owned lands along this Southwest Alaska island arc.

VMS, SEDEX dominate northwest

The Brooks Range, a chain of mountains that spans the more than 600-mile-width of Alaska north of the Arctic Circle, contains both high-grade sedimentary exhalative and precious metals-rich VMS deposits.

High zinc grades being mined by Teck

and NANA Regional Corp. at the Red Dog Mine are indicative of the SEDEX deposits found in the western reaches of the Brooks Range. The Aqqaluk deposit — which the Red Dog partners started mining in 2010 — contains 51.6 million tons of ore with an average zinc content of 16.7 percent along with 4.4 percent lead.

Anarraaq and Lik, located 7 miles, or 9 kilometers, and 14 miles, or 17.5 kilometers, respectively, from Red Dog, are two other known high-grade SEDEX zinc deposits.

Discovered by Teck in 1999, the Anarraaq deposit consists of a nearly 1-billion-ton barite body and a zinc-lead-silver zone with an estimated resource of about 18 million tons at 18 percent zinc, 5.4 percent

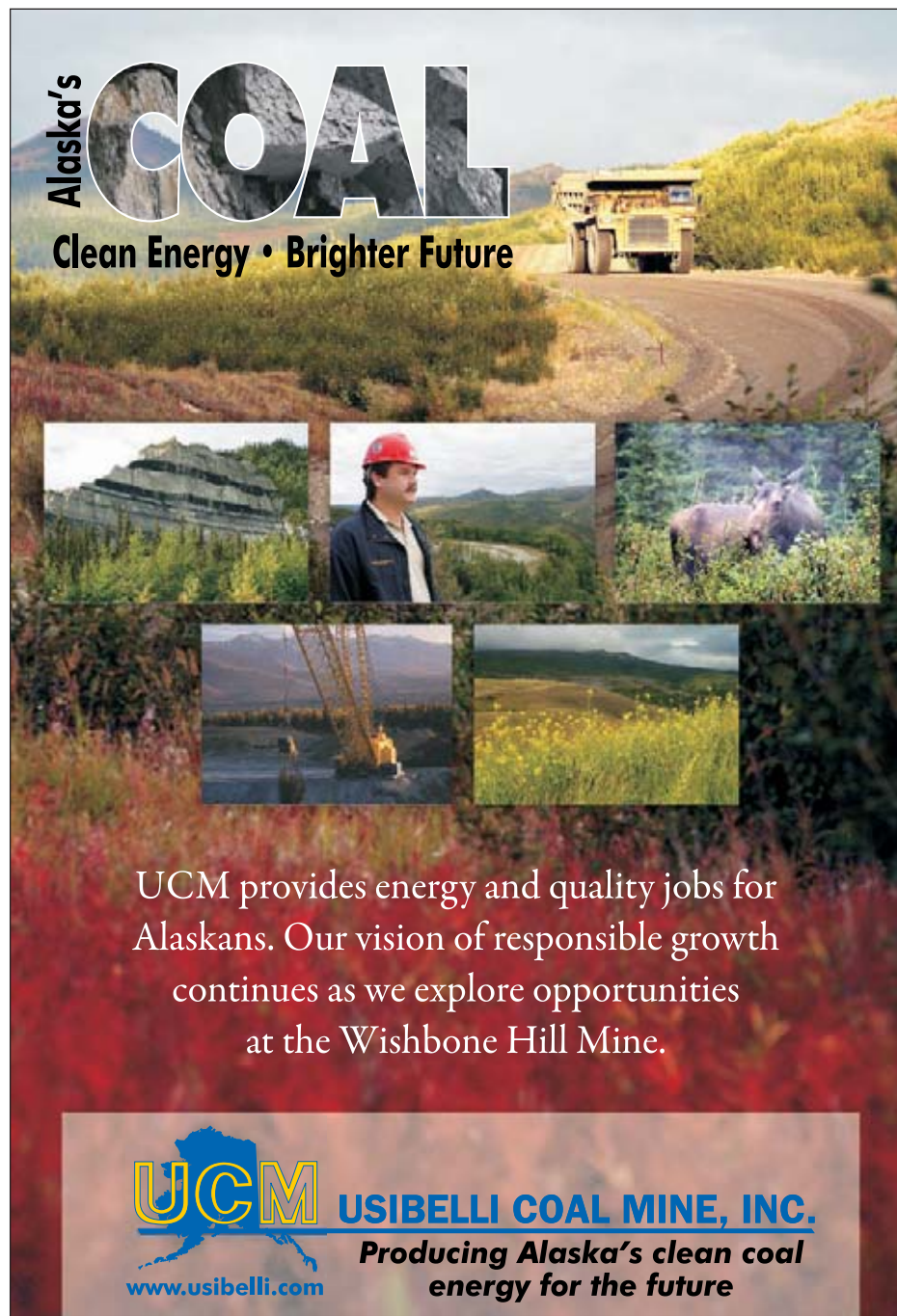
lead, and 85 g/t silver.

Teck also is a 50 percent JV partner with Zazu Metals Corp. at Lik, a deposit estimated to contain about 4.6 billion pounds of zinc, 1.5 billion pounds of lead and 41 million troy ounces of silver. Zazu currently has engineers completing a feasibility study, which is expected by the end of the 2010.

Arctic – located about 180 miles, or 290 kilometers southeast of Red Dog – is one of the richest VMS deposits in the world.

An estimate completed in 2008 outlined an indicated resource at Arctic of 16.8 million metric tons containing 4.1 percent copper, 6.0 percent zinc, 0.83 grams per

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metric ton gold, 59.6 grams per metric ton silver and 0.94 percent lead. The estimate includes an additional inferred resource of 11.9 million metric tons with an average of 3.6 percent copper, 5.0 percent zinc, 0.67 g/t gold, 48.4 g/t silver, and 0.80 percent lead.

NovaGold owns the Ambler District – a 65-mile-, or 110-kilometer-, long belt of VMS deposits and prospects that includes Arctic. The Donlin Creek co-owner has indicated it will spin the Ambler District out into an exploration-focused junior.

Though much of the VMS mineralization discovered in Northwest Alaska is very high grade, explorers have only scratched the

surface due to its remoteness.

VMS deposits span SE panhandle

In the opposite corner of the state, stretching from the Niblack Project in the south to the Palmer Project in the north, a belt of VMS deposits can be found along the entire 450-mile, or 725-kilometer, length of the Southeast Alaska panhandle.

The precious-metal-rich Greens Creek Mine is one such deposit. More than 10 million tons of ore have been mined at Greens Creek, and the mine has about another 8 million tons of reserves that are estimated to average 326 g/t silver, 3.1 g/t gold, 10.5 percent zinc and 3.8 percent lead.

On the north end of the panhandle, Constantine Metal Resources Ltd. drilled 4,000 meters at its Palmer copper-zinc-gold-silver project.

Based on 32 holes drilled at Palmer through 2009, an inferred resource of 4.12 million metric tons grading 2.01 percent copper, 4.79 percent zinc, 0.30 grams per metric ton gold and 31 g/t silver has been calculated for the property.

On Prince of Wales Island at the south end of the panhandle, Heatherdale Resources Ltd. is tracing a zone of precious metals-rich VMS mineralization at the Niblack project.

When the junior took over exploration of Niblack in 2009, the project had an indicated resource of 2.27 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 also had an inferred resource of 1.712 million metric tons grading 2.08 g/t gold, 32.56 g/t silver, 1.55 percent copper and 3.17 percent zinc.

A zone with values nearly three times greater than the Niblack average has been drilled by Heatherdale and the company plans to include this high-grade region in an updated resource and geological model due out by the end of 2010.

Terrane wreck

Geologically, Alaska is a terrane wreck, with multiple tectonic plates dumping their mineral payloads over the landscape. Geologists are still sifting through the wreckage in many places across the state to determine which mineral deposits were dumped by which terranes and when — a task not always easily accomplished as pile-ups have resulted, in many cases, from multiple mineralization events happening in the same geographical regions over time.

“We have got all these mineral deposits and mining districts because the geology of Alaska is composed of rocks of multiple ages, formed by a wide variety of geological processes, arranged in these various terranes that slammed into each other in what is present-day Alaska,” explains Alaska Division of Geological & Geophysical Surveys geologist David Szumigala.

Coal, rare earth elements, tungsten, uranium, niobium and diamonds have been found amongst the gold, zinc, copper and other commodities that have spilled across the Far North landscape.

As economic deposits in other politically-stable parts of the world become harder to come by, more explorers will trek to Alaska to sort through the mineral-rich terrane wreckage that makes up the Last Frontier.



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With two rigs turning, Constantine Metal Resources Ltd. drilled some 7,500 meters through the multiple strata of volcanic massive sulfide mineralization at RW and South Wall zones at its Palmer copper-zinc-gold-silver project in Southeast Alaska.

Southeast Alaska

Junior drills VMS, gold is next

Constantine builds on debut resource at Palmer, readies gold properties for drilling

By SHANE LASLEY
Mining News

Constantine Metal Resources Ltd. kicked off 2010 by presenting a debut resource estimate for its Palmer copper-zinc-gold-silver project in Southeast Alaska.

Based on 32 holes drilled into the RW and South Wall zones of the property's Glacier Creek prospect through 2009, an inferred resource of 4.12 million metric tons grading 2.01 percent copper, 4.79 percent zinc, 0.30 grams per metric ton gold and 31 g/t silver (using an NSR cut-off of US\$75/t) has been calculated for the property.

"Palmer represents an early stage discovery where Constantine has been able to rapidly define a significant resource with relatively few drill holes," said Constantine President and CEO Garfield MacVeigh.

While two rigs drilled some 7,500 meters through the multiple strata of volcanic massive sulfide mineralization at RW and South Wall, geophysical surveys investigated the larger potential of the mineral-rich, mountainous terrain.

As exploration continues to unlock Palmer's potential, the

explorer is stepping up investigations of its gold properties in Ontario and British Columbia.

"Because of the major discovery made at Palmer, Croesus and our other gold projects haven't received the attention they deserved over the past two years, but now with gold up over US\$1,200 an ounce we are gearing up to get more aggressive on these projects," Constantine Vice President of Exploration Darwin Green told Mining News.

Expanding Glacier Creek

There are at least three separate stacked layers of mineralization at Glacier Creek. In the South Wall these parallel zones are steep-dipping. At the upper extent of South Wall a fault cuts and folds the three layers at which point they lay into a more horizontal orientation. South Wall Zone 2 and Zone 3 are of the same age strata as the two zones drilled at RW, the flat lying limb of the mineralization.

"There are five separate zones included in the resource, all of which are open for expansion. Drilling has primarily focused on expanding these zones along strike and to depth. We believe

continued on next page

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John Gingerich, P. Geo

VP ENGINEERING AND TECHNOLOGY:

Florin Gheorghiu, Ph.D.

VICE PRESIDENT, EXPLORATION:

Steve Roebuck

Advanced Explorations Inc. is focused on developing the Roche Bay magnetite project located near the eastern coast of Nunavut. AEI plans to produce iron products initially from the C zone, one of four zones on the 3,730-hectare, or 9,213-acre, property. The C zone has an inferred resource of about 357 million metric tons averaging 28.07 percent iron to 250 meters below surface, using a 25 percent iron cut-off. A preliminary economic assessment for the project indicates a potential US \$2.76 billion net present value, a minimum of 50 years mine life and a return on investment in three to five years. Additional resources exist at zones A, B and D and Advanced Explorations continued work on an environmental impact assessment, desktop metallurgical and engineering studies in 2010, with exploration spending of C\$443,484. In 2009, the junior staked 11 claims on a new iron ore discovery, Tuktu, which covers about 22,000 hectares, or 54,340 acres, of previously unexplored land on the Melville Peninsula in Nunavut. The Tuktu project is located within 60 kilometers, or 37 miles, of the Roche Bay Project area and within 45 kilometers, or 28 miles, of the ocean.

Advanced Explorations also is moving forward with plans for XinXing Pipes Group Co. Ltd. to acquire 19 percent of the junior's issued and outstanding common shares by way of a private placement at a price equal to or greater than 25 cents per share. The initial acquisition, which is subject to regulatory approvals, also would include a seat on the AEI board of directors for the Chinese state-owned mining and manufacturing conglomerate, along with other conditions. Its completion was expected by Oct. 15.

CASH AND SHORT-TERM DEPOSITS:

C\$1.4 million (June 30, 2010)

WORKING CAPITAL:

C\$155,000 deficit (June 30, 2010)

MARKET CAPITALIZATION:

C\$17.55 million (Sept. 1, 2010)

ADVANCED EXPLORATIONS INC.

50 Richmond St. East, Suite 300

Toronto, ON

Canada M5C 1N7

Tel: 416-203-0057

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CONSTANTINE METAL RESOURCES LTD.



Constantine completed 40 line-kilometers of surface-based electromagnetic surveys at Palmer in 2010.

there exists significant potential to find a deeper zone on the upright fold limb below the RW horizon that equates with South Wall Zone 1, and are also trying to direct some of our exploration effort to gain a better understanding of this setting which has seen virtually no drilling to date," Green explained.

Two of the initial holes of the 2010 program, CMR10-33 and CMR10-35, focused on expanding the RW Zone toward to the northwest of hole CMR07-07, which intersects 14 meters of high-grade copper and zinc mineralization.

Hole 35, collared about 45 meters along strike to the west-northwest of CMR07-07, cut 7.1 meters averaging 2.10 percent copper, 1.52 percent zinc, 0.18 grams per metric ton gold and 16.8 g/t silver.

Hole 33, about 60 meters north of hole 7, did not find massive sulfides, but instead broad zones of footwall stringer mineralization containing anomalous zinc were intersected. Similar stringers were cut below the VMS in hole 35 and are helping vector the drilling toward the RW Zone.

Geophysics seek new targets

The geophysical work at Palmer included 40 line-kilometers of surface-based electromagnetic surveys covering areas immediately along trend from the currently defined deposit and several other well mineralized prospects known to occur along a 15-kilometer-, or 9-mile-, long trend on the property.

Constantine drilled one target turned up with the geophysical program.

"The target is about 500 meters north of the Little Jarvis surface showing where chip samples by Kennecott in the mid-1990s returned 4.6 meters grading 13 percent zinc, 7 percent copper and 7 oz/ton silver. Little Jarvis is on the opposite side of the mountain, about 1 kilometer, west of our South Wall drilling," Green said.

Mount Henry Clay, the source of enormous high-grade boulders that occur near the limits of a stranded glacier, is another of the prospective areas Constantine investigated with a geophysical survey this summer.

Constantine Metal Resources Ltd.

CEM: TSX-V

PRESIDENT AND CEO: Garfield MacVeigh

CHAIRMAN: Wayne Livingstone

VICE PRESIDENT, EXPLORATION: Darwin Green

Properties with mineral(s) explored –
Polymetallic – Palmer, Alaska
Gold – Trapper Lake, British Columbia
Gold – Croesus, Ontario

CASH AND SHORT-TERM DEPOSITS:

C\$1.94 million (at July 31, 2010)

WORKING CAPITAL:

C\$1.06 million (at July 31, 2010)

MARKET CAPITALIZATION: C\$10.01 million (at Sept. 30, 2010)



1500-800 West Pender Street
Vancouver, BC V6C 2V6
Tel: 604-629-2348
Fax: 604-608-3878
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"We have got some interesting data that has come out of that as well," Green informed Mining News.

Twenty-six samples of various boulders collected by the U.S. Bureau of Mines at the toe of a small ice sheet near Mount Henry Clay returned an average grade of 19.3 percent zinc, 1 percent copper, 0.4 percent lead, 38.2 g/t silver, 0.22 g/t gold and 20.6 percent barium. The source of these boulders has yet to be discovered.

High-grade Ontario gold

When the exploration season at Palmer comes to a close, Constantine will resume its investigation of its Munro-Croesus gold property, a 1,028-acre land package that covers the legendary Croesus gold mine located 75 kilometers, or 47 miles, east of Timmins, Ontario.

For about four years, starting in 1915, miners extracted extremely high-grade gold from Croesus, the richest of which was shipped directly to the Royal Canadian Mint for processing. In 1919 the Ontario Bureau of Mines reported that "765 pounds of ore taken from a portion of the shaft yielded \$47,000 worth of gold." At the US\$20.67 per troy ounce gold price of the day this would have represented a grade of 203,771 g/t gold.

The Ontario Department of Mines reports that the ore milled at Croesus produced 14,854 ounces gold from 5,333 short tons, for an average grade of 2.78 ounces gold per short ton, or 95.3 grams per metric ton. This does not include the highest grade ore, which was shipped directly to the Royal Canadian Mint.

The historical miners chased the bonanza-grade mineralization to a fault. Recent drilling by Constantine has identified gold-bearing veins on the offset side of the fault and new vein systems at depth below the historic mine workings.

"Garfield has a long family history with the Croesus and has probably done some of the best volcanic stratigraphy mapping of any area in the Abitibi to resolve the structural and stratigraphic setting of the Croesus high-grade, so our target is really well set up," Green said.

The Abitibi gold belt, which has produced some 170 million metric tons of gold since 1901, is one of the most productive greenstone hosted gold districts in the world.

With very few holes ever penetrating deeper than 100 meters on the Munro-Croesus property, the depth potential of the system remains virtually untested. Constantine said these regions will be the focus of a drill program scheduled to

begin in late 2010 or early 2011.

New B.C. gold prospect

In May Constantine picked up Trapper Creek, an early-stage gold prospect in the Atlin Mining District of northwestern British Columbia.

Work at Trapper Creek (previously known as the Inlaw property) in the early 1980s by Chevron Minerals of Canada, outlined a large-scale gold-in-soil geochemical anomaly with initial reconnaissance soil sampling followed by 700 grid-controlled soil samples at the 9,280-acre land package. Within the more than 1,000-meter-long anomaly, 13 individual soil samples yielded gold values greater than 1 g/t gold and two sites yielded values greater than 8 g/t gold. A soil sample program carried out in 2008 by Richfield Ventures Corp. validated the earlier findings.

Constantine is gearing up to drill the B.C. gold prospect in 2011.

"The plan at Trapper Lake is to do some additional prospecting, mapping and soil sampling and tee the project up for drilling in 2011. The work will be focused on a gold-in-soils anomaly that is greater than one kilometer long, averages 100 to 200 meters in width and remains open ended along strike," Green told Mining News.

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Agnico-Eagle Mines Ltd.

AEM: TSX

VICE-CHAIRMAN AND CEO: Sean Boyd, C.A.

PRESIDENT AND COO: Eberhard Scherkus, P. Eng.

SENIOR VICE PRESIDENT, EXPLORATION: Alain Blackburn, P. Eng.

Agnico-Eagle is an international growth company focused on gold exploration and development activities in four countries. Agnico-Eagle's LaRonde Mine in Quebec is Canada's largest operating gold mine in terms of reserves. In March, the 37-year-old company achieved commercial production at its Meadowbank Gold Mine located in the Kivalliq region of Nunavut about 70 kilometers, or 43 miles, north of the community of Baker Lake. During the second quarter, the mine reported an operating profit (before depreciation) of C\$35.2 million compared with C\$2.2 million during the first quarter of 2010. The Meadowbank deposits have probable gold reserves of at least 3.6 million ounces (32.8 million metric tons at 3.5 grams per metric ton) and remain open on strike and at depth. Gold production at Meadowbank in 2010 is expected to be total about 300,000 ounces. Life of mine average annual gold production is expected to be average 350,000 ounces through 2019. During the second quarter of 2010, Meadowbank's mill processed an average of 6,262 t/d, with several days in June exceeding 9,000 t/d. However, since its February startup, Meadowbank's unit costs have been negatively impacted by harder ore, less than optimal fragmentation from the pit and a different particle size gradation from the crusher than expected. To solve these issues Agnico-Eagle said it is installing a permanent secondary crushing unit in the front end of the circuit, similar to a solution adopted at one of the company's other gold mines. However, this has negatively impacted both capital and operating cost estimates for the mine in 2010. This secondary crusher should be installed and be operational in the first half of 2011. In the meantime, a portable crushing unit is being used. Gold production at Meadowbank in 2010 is expected to be about 300,000 ounces. Life of mine average annual gold production is expected to average 350,000 ounces through 2019. A study examining the possibility of increasing the production rate at Meadowbank is partially complete. The study was scheduled to be completed in 2010. However, due to ongoing optimization efforts, the study is being delayed until the mine reaches steady state and further underground drilling is completed. Agnico-Eagle is investigating the possibility of underground operations at Meadowbank.

In July, Agnico-Eagle completed the purchase of Meliadine Holdings Inc. (formerly Comaplex Minerals Corp) which owned the Meliadine gold exploration properties in Nunavut. The advanced stage Meliadine gold project is located about 300 kilometers, or 186 miles, from Meadowbank. First discovered in 1990, Meliadine currently has 3.29 million ounces of measured and indicated gold resources in 12,947,500 metric tons grading 7.9 grams per metric ton and inferred gold resources of 1.73 million ounces in 8,385,600 metric tons grading 6.4 g/t. The deposit remains open for expansion and a large-scale exploration program was approved and is underway. Through early 2013, it is anticipated that about C\$62 million will be spent on drilling about 200,000 meters with the main focus being on converting the resource at the high grade Tiriganiaq zone to reserves. An underground bulk sample also will be completed along with a feasibility study, permitting and road construction. Total expenditures over the period are expected to be about C\$130 million. Agnico-Eagle said it would report initial results from the drilling and those from its other exploration programs in the fall of 2010.

CASH AND SHORT-TERM DEPOSITS: C\$152.8 million (at June 30, 2010)

WORKING CAPITAL: C\$459.2 million (at June 30, 2010)

MARKET CAPITALIZATION: C\$11.6 billion (approx.)

145 King St. East, Suite 400 • Toronto, ON Canada M5C 2Y7

Tel: 416-947-1212 • Fax: 416-367-4681

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SEAN BOYD



EBERHARD SCHERKUS

Corvus hits the ground running

Tower Hill protégé has C\$9M of exploration slated before spin-out finalized

By SHANE LASLEY
Mining News

Corvus Gold Corp., a new junior formed to explore International Tower Hill Mines Ltd.'s non-Livengood assets, hit the ground running with C\$8 million worth of partner-funded exploration on its four Alaska properties and a 10,000-meter drill campaign on its sole-owned gold property in Nevada.

By the time the Corvus' ticker symbol, KOR, lit up on the Toronto and New York Stock exchanges in August the new explorer was well into the summer exploration its promising Alaska projects.

Corvus' portfolio – the Terra, Chisna, LMS and West Pogo projects in Alaska and the North Bullfrog property in Nevada – provides the new junior with an array of gold and copper-gold properties from early stage to near development. This assortment will help the company meet its mandate to become a leading exploration and development company and ultimately developing into a non-operating gold producer with significant carried interest and royalty exposure.

As the Tower Hill protégé advances its current exploration assets it is on the lookout for quality projects to add to the collection.

"The way forward for Corvus is finding good prospects, joint venturing them or discovering them ourselves. And we are very actively evaluating projects in Alaska, Nevada and other places to see if we can find the right upscale potential," Corvus President Russell Myers said.

Near-term royalty

The Terra gold project located in the Kahiltina Terrane of Southwest Alaska has the potential to provide a near-term royalty stream for Corvus. Terra Gold Corp., a subsidiary Terra Mining Corp., has an option to earn up to an 80 percent interest in the high-grade gold property, and is targeting the startup of a small-scale operation there by 2012.

Terra Mining, formed in October as the result of a reverse merger with a privately held company, is a U.S.-listed



RUSSELL MYERS

corporation with 16.5 million shares and US\$1.675 million in cash. Greg Schiffrin, a geologist with 27 years of mineral exploration experience, is Terra's president and CEO and James Baughman, with a quarter century of experience in mineral exploration and mine development experience is the new company's COO.

"We believe that Terra Gold has the technical expertise to successfully take the Terra project to production and to fully realize the value of this high-grade gold-silver asset, which has the potential to provide a significant income stream to Corvus in the near-term," Myers said.

Corvus will collect a sliding-scale net smelter return royalty of between 0.5 percent and 5 percent, depending upon the gold price, on all precious metal production from the property and a 1 percent NSR royalty on all base metal production.

Drilling by Tower Hill in 2006 and 2007 defined an estimated inferred resource of 428,000 metric tons averaging 12.20 g/t gold, or 168,000 contained ounces, and 23.11 g/t silver, or 318,000 contained ounces, at a cutoff of 5.0 g/t gold. In addition to the Ben's Vein, which hosts the resource, drilling at two other vein structures confirm the potential for significant resource additions on the property.

According to Corvus, the gold at Terra occurs as coarse native gold and can be recovered by simple gravity methods, facilitating potentially rapid development of a small mining project.

In 2010 Terra Gold spent US\$200,000 on a geophysical survey and preparatory work for a drilling and a bulk sample mining program.

To continue this work the new company has proposed a US\$4.5 million work program at Terra in 2011.

US\$6M Grubstake at Chisna

Corvus' most extensive exploration program in 2010 was at its 225,850-acre, or 914-square-kilometer, Chisna property, a large copper-gold porphyry project in the Wrangellia Terrane of eastern Interior Alaska. This, the earliest stage project in the company's portfolio, contains a lot of blue sky for the young junior.

To unlock this potential joint venture partner Ocean Park Ventures Corp. spent some US\$6 million in exploration at Chisna in 2010 as part of its option to earn a 51 percent stake in the copper-gold prospect by contributing US\$20 million in exploration expenditures over five years.

Corvus, the operator at Chisna for the first two years, kicked off the 2010 exploration by flying an extensive airborne geo-



CORVUS GOLD

Corvus Gold Inc.

KOR:TSX
PRESIDENT: Russell Myers
CHAIRMAN AND CEO: Jeff Pontius
NEVADA EXPLORATION MANAGER:
Mark Reishman

Properties with mineral(s) explored –
Copper/Gold –
Chisna, Alaska
Gold – Terra, Alaska
Gold – LMS, Alaska
Gold – West Pogo
Gold – North Bullfrog, Nevada



CASH AND SHORT-TERM DEPOSITS: C\$3 million
(at Aug. 26, 2010)
WORKING CAPITAL: C\$3 million (at Aug. 26, 2010)
MARKET CAPITALIZATION: C\$28.6 million (at Sep. 30, 2010)

Suite 1920 - 1188 West Georgia St.
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Tel: 604-638-3246 • Fax: 604-408-7499
www.corvusgold.com

physical survey over the promising prospect. To further narrow down targets for a 5,000-meter drill campaign to follow, a ground-based induced polarization survey was conducted over the most prospective areas.

The Grubstake copper-gold system, located on the southeast end of the Chisna land-package, was the primary target of the 2010 drill program.

Though assay results were still pending, Myers said that the drills cut promising geology at this porphyry copper-gold target.

"I think we have a couple of definite hits

Chisna joint venture partners Corvus Gold Corp. and Ocean Park Ventures Corp. said the 2010 exploration program, which included 2,926 meters of diamond drilling, has successfully identified a large number of copper-gold targets, two of which were drilled in 2010. This work has identified several styles of mineralization within the 914-square-kilometer Chisna land package, including porphyry copper-gold-molybdenum, skarn copper-iron and copper-gold targets as well as structurally controlled gold-copper mineralization.

of what we were looking for at Grubstake," the Corvus president told Mining News. "We are pleased with the confirmation of the conceptual model we had at the beginning of summer."

The surface mapping, geophysics and geochemical surveys completed by the JV partners has extensively expanded the zone of mineralization of Grubstake. Soil samples with values up to 13.6 grams per metric ton gold have been collected here.

Three holes were also drill at Pow, another porphyry center about 25 miles, or 40 kilometers, northwest of Grubstake. POW-10-02, the second hole drilled at Pow, cut 23 meters of 0.38 percent copper, 0.43 g/t gold and 7.5 g/t silver. POW-10-01 cut a 23.8-meter oxidized interval of 0.13 percent copper, 0.16 g/t gold and 2.8 g/t silver. POW-10-03 was lost in a fault zone.

Fault-hosted mineralization at this prospect has returned surface samples with values as high as 13g/t gold and 9.2 percent copper.

A reconnaissance team led by Nadia Caira, Ocean Park's senior technical advisor at Chisna, has turned up a number of other targets across the 40-mile-, or 65-kilometer-,

continued on next page

Alexco Resource Corp.

AXR: TSX/AXU/NYSE-A

PRESIDENT AND CEO: Clynton R. Nauman

CHIEF OPERATING OFFICER: Brad A. Thrall

VICE PRESIDENT, EXPLORATION: Stan Dodd, M.Sc.

Alexco Resource Corp., founded in 2004 in British Columbia, is a precious metals exploration company with a silver focus and a growing environmental services business. After completing an initial public offering in January 2006 on the TSX, Alexco has successfully established itself on two fronts. The company and two subsidiaries, Access Mining Consultants Ltd. and Alexco Resource US Corp., provide mine-related environmental consulting services, reclamation and mine closure services and environmental remediation technologies to both government and industry clients. Alexco also conducts exploration programs at abandoned mine sites and elsewhere. Alexco's primary exploration objective currently is to unlock value in the historic silver-rich Keno Hill district, which covers about 23,350 hectares, or 56,274 acres, in central Yukon Territory. Since beginning construction of the Bellekeno underground mine and flotation mill in November 2009 and through June 30, Alexco has incurred about C\$18.8 million, or 45 percent of the C\$41.5 million in construction and development capital estimated to achieve commercial production.

Exploration activity in the district, initiated in April 2010, is continuing with the staged increase to five drill rigs (four surface and one underground) on site and 6,500 meters of drilling completed by early July. The planned 2010 Keno Hill exploration program includes 25,000 to 30,000 meters of surface and core drilling designed to define and expand silver mineralization and resources at Bellekeno, to confirm and expand historical resources at Silver King, Lucky Queen, Onek and to test other priority targets throughout the district. Initial drilling activity focused on the Silver King deposit where 4,440 meters of drilling has indicated modest extension of silver mineralization down from prior drilling, and the Onek deposit where silver-rich mineralization was encountered in a series of shallow drill holes covering 1,660 meters. At the Flame and Moth deposits, construction work in the vicinity of the new mill uncovered silver mineralization as saying up to 1,428 g/t silver (45.8 oz/t) over 2 meters related to large-scale structures in the area. Drilling has been initiated to test this target. Surface drilling in July and August focused on resource definition at the Lucky Queen deposits, upper-level targets at Bellekeno and multiple targets on Galena Hill, where recent geologic work indicates favorable structural and stratigraphic patterns consistent with previously mined ore shoots in the area.

At Bellekeno, cross-cut development has exposed up to 3.30 meters of 1,386 grams per metric ton (40.4 ounces per ton) silver, 18.1 percent lead and 9.6 percent zinc located about 94 meters southwest along strike from the 7500 No. 1 cross cut where assays up to 57.3 oz/t silver over 66.04 meters were previously reported. Underground drilling at Bellekeno totaled 1,690 meters by July. The drilling focused on the lower Bellekeno East Zone inferred resource where drill hole BKUD10-1184 intersected 3.07 meters grading 27.33 percent zinc, 1.62 g/t gold, 138 g/t (4.0 ounces/t) silver and 0.76 percent lead from 228.05 meters to 231.12 meters. In late August, Alexco received a Type A Water Use License, the final permit required for the Bellekeno mine and mill project, and is expected begin production in October. Once in production, the Bellekeno mine will operate at a rate of 250 t/d, producing up to 12,000 tons of lead-silver concentrate (2.8 million ounces of silver) and 8,400 tons of zinc concentrate annually. Initial silver grades in 2010 and 2011 are expected to average about 1,000 g/t. The mine and mill operations will employ some 120 workers and are expected to directly invest more than C\$25 million annually in Yukon Territory.

CASH AND SHORT-TERM DEPOSITS: C\$30.21 million (at March 31, 2009)

WORKING CAPITAL: C\$21.6 million (at March 31, 2010)

MARKET CAPITALIZATION: C\$229.77 million (Sept. 10, 2010)

200 Granville St. • Suite 1150
Vancouver, BC Canada V6C 1S4
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long belt of gold and copper mineralization at Chisna.

Though the partners have yet to compile all the data collected by the recon team, Myers believes the program will turn up several new drill targets.

High-grade gold near Pogo

West Pogo and LMS, two additional Alaska properties in the Corvus prospectus, are joint ventured to First Star Resources Inc. Both properties lie in the vicinity of Sumitomo Metal Mining Co. Ltd.'s Pogo gold mine, a high-grade underground producer east of Fairbanks (see First Star Resources Inc.).

LMS, located about 25 miles, or 40 kilometers, southwest of Pogo contains narrow high-grade veins containing free gold within lower grade graphitic quartzite breccias.

Based on drilling completed by AngloGold Ashanti, an NI 43-101-compliant inferred resource of 5.86 million metric tons averaging 0.89 g/t gold, or 167,000 ounces, at a cut-off grade of 0.3 g/t gold was calculated for the Camp Zone.

In an effort to expand the existing resource and to identify the extent of the high-grade gold vein zones, First Star targeted the Camp Zone with its 2010 drill program.

First Star's initial holes indicate that a geological model completed by Ed Hunter, a geologist with Fairbanks-based geological consultants Northern Associates Inc., is accurately predicting the location of the high-grade gold-veining.

"Ed had a model, and First Star fired a hole at the feeder vein system and hit it where it is supposed to be," Myers said. "For the first time we have successfully predicted the location of the cross-cutting vein mineralization and hit it."

First Star also completed geological mapping at the West Pogo prospect – which lies about 2 miles, or 3 kilometers, west of Sumitomo's underground mine.

Exploration by Tower Hill has encountered Pogo-style mineralization as well as other high-grade gold that lacks the geochemical signatures of the ore being mined at Pogo.

A fire that rolled through the West Pogo claims in 2007 has exposed the surface geology, which has greatly assisted the surface mapping completed this year by First Star this summer.

"Based on the mapping they did this year, they will put in a geophysical survey and plan on drilling that structure that is now fairly obvious at the surface," Myers told Mining News.

Six of 24 rock samples collected by Tower Hill in this burn area returned greater than 1 g/t gold, the best of which was 118.5 g/t gold.

Nevada for the winter

Corvus intends to hold sole ownership of its North Bullfrog gold project, which is located about 9 miles, or 14 kilometers, north of Barrick Gold Corp.'s multimillion-ounce Bullfrog gold mine in Nevada.

"North Bullfrog is our main focus, since it is our 100 percent project," Myers explained. "We are trying to develop another low-grade, at-surface, heap-leachable resource."

North Bullfrog currently hosts an indicated resource of 2.02Mt grading of 0.88 g/t gold and 0.45 g/t silver and an inferred resource of 0.95 Mt grading 0.78 g/t gold and 0.36 g/t silver, both at a cutoff grade of 0.5 g/t gold.

Generating targets for the winter drill program is expected to be greatly enhanced by geophysical data recently acquired from Barrick.

"Lac Minerals, which was purchased by Barrick, had flown geophysics over the whole North Bullfrog prospect area. We were able to negotiate an agreement with Barrick by which we would get all that data," Myers explained.

Corvus has budgeted C\$1 million to complete a 10,000-meter drill program at North Bullfrog over the winter.

Re-energized miners head north

Power line, discoveries and higher metals prices spur pace of exploration

By ROSE RAGSDALE
For Mining News

Efforts to build an electricity transmission line critical to economic development of northwestern British Columbia moved closer to reality in 2010. Cheered by the prospect of access to cheap power, scores of miners flocked to the region to re-activate dormant projects and scour the mountainous terrain for new discoveries.

The Canadian government allocated C\$130 million in funding for construction of the Northwest Transmission Line in September 2009, providing critical funding for the estimated C\$404 million needed to build the power conduit. The new 287-kilovolt line will cover 335 kilometers, or 208 miles, from Skeena Substation near Terrace to Meziadin Junction and north to a new substation to be built near Bob Quinn Lake. It will provide access to the province's electricity grid, while supporting economic diversification in the area. The line also could advance a potential connection between south-east Alaska and the North American transmission grid via British Columbia. In April, British Columbia Transmission Corp.'s application for an environmental assessment certificate for the Northwest Transmission Line entered the formal 180-day review process with the BC Environmental Assessment Office. The EA certificate is required before construction on the line can begin. The BC Environmental Assessment Office Sept. 2 granted a 31-day temporary suspension of the review process at BC Hydro's request. However, the power provider said its plans for the NTL are still on track and moving forward in a timely manner. Construction was expected to begin this fall.

Industry benefits

The new line is expected to spur development of numerous mine projects, previously considered uneconomic because of high power costs, according to the industry and BC government officials.

Imperial Metals Corp., for example, says development of the Red Chris copper-gold porphyry project located 80 kilometers, or 50 miles, south of Dease Lake and about 20 kilometers, or 12.5 miles, from the power line's proposed route near Highway 37, is contingent on the availability of electric power. The Red Chris deposit contains at least 276 million metric tons of minable reserves at 0.349 percent copper and 0.266 g/t gold (based on a 2005 feasibility study) and considerably more tonnage in measured, indicated and inferred resources. The project's anticipated mine life is 25 years with known reserves and a production rate of 30,000 metric tons per day. Construction of a mine would take about two years and generate 600 jobs. During the mine's life, operations would require 250-300 workers and another 750 indirect jobs.

New thinking

Hard Creek Nickel Corp.'s Turnagain Project, located 70 kilometers, or 44 miles east of Dease Lake, is set to benefit from access to the new power line. An updated preliminary assessment last spring

British Columbia Minister of State for Mining Randy Hawes with Assistant Deputy Minister of the Mining and Minerals Division John Cavanagh and Paul Cocklin, construction manager, overlook the Galore Creek Project during a tour of the mine site Aug. 18.



BC MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

recommended open-pit mining and milling at a rate of 87,000 metric tons per day, along with conventional flotation and chloride leach processing followed by on-site nickel solvent extraction – electrowinning metal refining for the project. The study estimated recovery of 1.88 billion pounds of payable nickel over 24.4 years at an average rate of 35,000 metric tons (77 million pounds) per year and total capital costs of C\$2.92 billion.

In addition to access to the proposed power line, new ideas re-ignited interest in 2010 in at least a half-dozen large mine projects in northern British Columbia, including the Turnagain project and NovaGold Resources Inc. and Teck Resources Ltd.'s Galore Creek Project.

In a letter to shareholders Sept. 14, Hard Creek President Mark Jarvis said the company is eyeing ways to reduce the project's capital cost by as much as C\$800 million through improvements in the concentrate grade of ore from the 33,220-hectare, or 82,085-acre, property. Turnagain is one of a handful of giant undeveloped primary nickel-in-sulphide projects in the world, while global shortages in the metal are forecast as early as 2014. Jarvis also said the deposit remains open to the north and at depth, offering potential for expansion of the resource.

Last spring, Galore Creek Mining Corp., a 50-50 partnership between NovaGold and Teck, identified a preferred design for mining the giant copper-gold-silver deposit located north of Stewart, B.C., and targeted completion of a pre-feasibility study in the first half of 2011. Significant changes to the original mine design include increasing throughput to potentially 90,000 tpd, a 40 percent increase from the original design; realigning a tunnel and access road; relocating a tailings facility to allow for construction of a conventional tailings dam; and relocating processing facilities to allow for

continued on page 31

Operating Mines and Selected Major Exploration Projects in British Columbia 2009

D. Grieve, B. Madu, B. Northcote, P. Wojdak,
J. Fredericks, S. Meredith-Jones, & P. Saunders

Open File 2010-1

Mines and Quarries

- 8 Metal Mine
- 9 Coal Mine
- 36 Industrial Mineral
- 2 Metal Mine Development

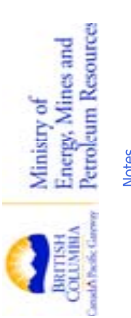
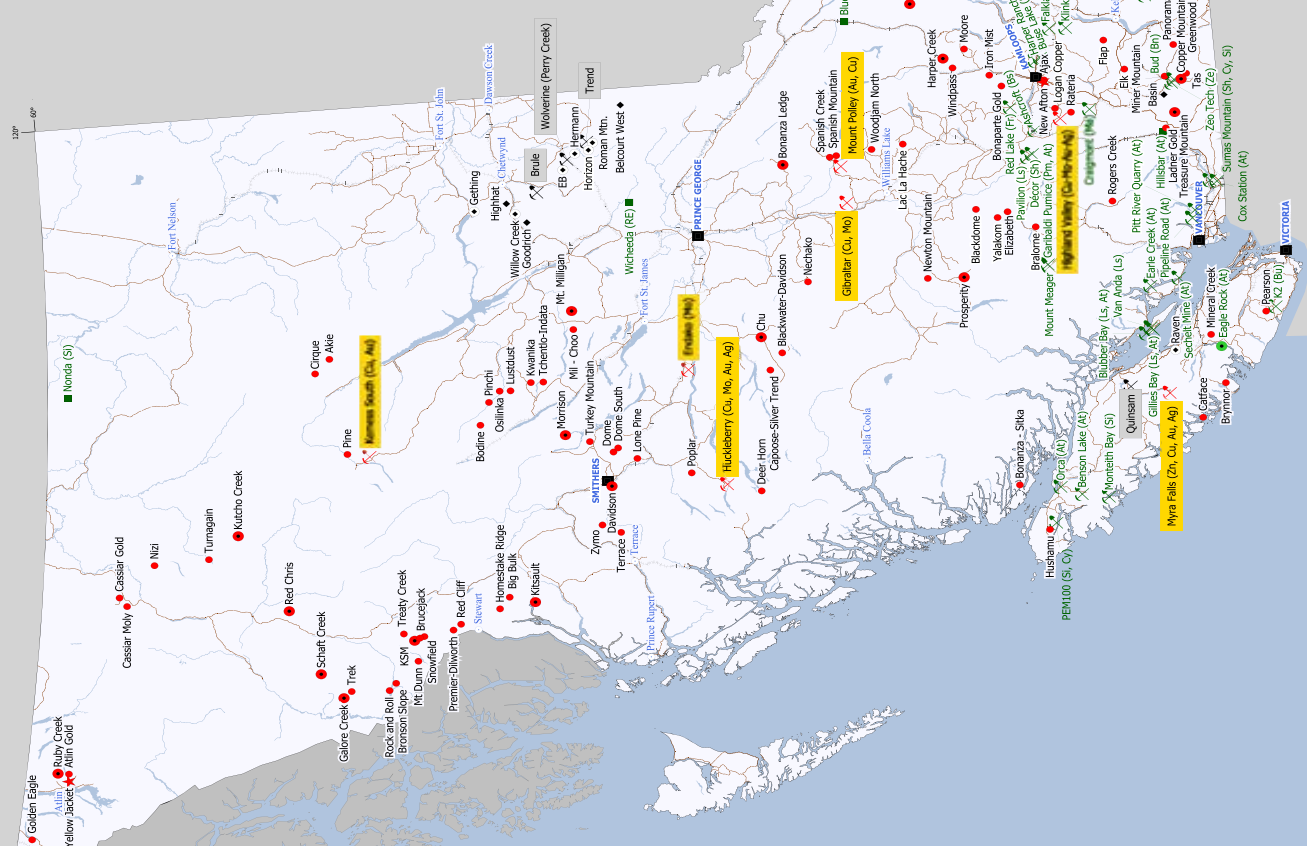
Proposed Mine Developments

- 17 Metal
- 8 Coal
- 1 Industrial Mineral

Selected Major Exploration Projects

- 78 Metal (includes Myra Falls)
- 7 Coal (includes Gething, Mount Michael and Raven)
- 5 Industrial Mineral

Metal Mine commodity codes
 Ag - Silver
 Au - Gold
 Cu - Copper
 Mo - Molybdenum
 Zn - Zinc
 Industrial Mineral commodity code
 As - Arsenic
 Bn - Bentonite
 Bs - Basalt
 Cy - Clay
 D - Dolomite
 Fr - Fuller's earth
 G - Gypsum
 Ls - Limestone
 Mg - Magnesite
 Mt - Mica
 Nb - Niobium
 Op - Opal
 Pm - Pumice
 RE - Rare Earth
 Sh - Shale
 Si - Silica
 Ss - Sand
 Td - Tantalum
 Ze - Zeolite



This map shows the coal, industrial mineral and metal mines, and major exploration projects of British Columbia that were active in 2009. Some sites were active for only part of 2009. Large exporting aggregate producers are shown but not the many aggregate quarries serving local markets around the Province. Not all exploration projects in the Province are shown on this map.

Information provided by the Province's four regional geologists: Dave Grieve, Bruce Madu, Bruce Northcote, and Paul Wojdak. Information compiled by Jay Fredericks of the BC Mineral Development Office and Sarah Meredith-Jones of the British Columbia Geological Survey. Mine development project status is from Jim Lewis of the Policy and Sustainability Branch.

- Northwest Regional Office (Smithers)**
 Mailing: 2nd Floor, 3726 Alfred Avenue
 Address: Smithers, BC V0J 2N0
 Phone: (250) 847-7383
 Regional Geologist: Paul Wojdak
 Phone: (250) 847-7391
 Email: Paul.Wojdak@gov.bc.ca
- South Central Regional Office (Kamloops)**
 Mailing: 162 Oriole Road, Kamloops, BC
 Address: V2C 4K7
 Phone: (250) 371-6069
 Regional Geologist: Bruce Madu
 Phone: (250) 371-6071
 Email: Bruce.Madu@gov.bc.ca
- Northeast/Central Regional Office (Prince George)**
 Mailing: 350-1011 4th Avenue Prince
 Address: George, BC V2L 3H9
 Phone: (250) 565-4240
 Regional Geologist: currently vacant
- Southeast Regional Office (Cariboo)**
 Mailing: 2nd Floor, 42 8th Avenue S.
 Address: Cariboo, BC V1C 2K3
 Phone: (250) 426-1557
 Regional Geologist: Dave Grieve
 Phone: (250) 426-1658
 Email: Dave.Grieve@gov.bc.ca

- Southwest Regional Office (Victoria Headquarter)**
 Mailing: PO Box 9200, St. Paul's Gate 7th
 Address: Victoria, BC V8N 9K3
 Phone: (604) 660-2708
 Contact: Bruce Northcote at the Vancouver Regional Geologist: Bruce Northcote
 Mineral Development Office: (604) 660-2713
 Email: Bruce.Northcote@gov.bc.ca
- Vancouver Mineral Development Office**
 Mailing: 300-865 Hornby Street
 Address: Vancouver, BC V6Z 2C3
 Phone: (604) 660-2708
 Regional Geologist: Bruce Northcote
 Mineral Development Office: (604) 660-2713
 Email: Bruce.Northcote@gov.bc.ca



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future expansion. The pre-feasibility study will provide capital cost estimates, economic analysis using higher copper and gold prices than used in previous studies, as well as permitting, construction and production timelines. The partners expected to spend C\$8 million in 2010 for care and maintenance and optimization studies at the Galore Creek and another C\$12 million for the pre-feasibility study. Under the partnership agreement, Teck is funding these costs.

Development pipeline

Other northern British Columbia mine projects that inched ahead in the development process in 2010 include Canada Zinc Metals Corp.'s Akie zinc-lead project situated within the southernmost part (Kechika Trough) of the regionally extensive Paleozoic Selwyn Basin of Northeast British Columbia. Canada Zinc completed a sale of shares and warrants in July that brings equity held by Chinese state-owned Tongling Nonferrous Metals Group Holdings Co. Ltd. in the junior to 36 percent. Some C\$18 million in proceeds will be used for working capital and to advance the Akie project.

Columbia Yukon Explorations Inc. is working to advance its "Storie" molybdenum deposit located 6 kilometers, or nearly 4 miles, southwest of Cassiar, B.C., to development. The junior reported progress in June toward the Storie Moly Project, as the project entered the B.C. environmental assessment review process.

New discoveries

New discoveries also played a role in 2010 in the revival of mining exploration and development activity in northern British Columbia. In July, Seabridge Gold Corp. confirmed the discovery of "Iron Cap," a new large potentially bulk minable deposit at its giant KSM Project, which could substantially improve the project's economics. The KSM project is one of the largest undeveloped gold projects in the world with proven and probable reserves totaling 30.2 million ounces of gold and 7 billion pounds of copper. Seabridge's drill program objectives in 2010 were to add 2-3 million ounces of gold reserves and explore Iron Cap, which it said had the potential to be KSM's fourth largest deposit. The company reported wide intercepts of gold, copper and silver grades above the KSM average from new and historic drilling and said it would proceed with infill drilling at Iron Cap to establish new proven and probable reserves to be included in mine plans for the project. Seabridge said the new deposit, located immediately adjacent to the Mitchell zone, is at least 900 meters in strike length, 400 meters wide and up to 350 meters thick.

Gold fever

Dozens of smaller explorers also mounted drilling programs across the region in response to promising 2009 gold discoveries, primarily in and around the historic Stewart Gold Camp of northwestern BC. Among the juniors:

Nanika Resources Inc. is exploring several properties near the Silver Coin gold-silver-zinc property where Jayden Resources Inc., formerly Pinnacle Mines Ltd., made a discovery in 2009;

TAD Mineral Exploration is seeking gold and silver on the Hazelton Property located 7 kilometers, or about 4 miles, northeast of Hazelton, B.C., and about 325 kilometers, or 200 miles, due east of Ketchikan, Alaska;

REC Minerals Corp. is pursuing surface exploration on its MC Dalhousie gold-silver-copper-zinc-lead property located a few miles north of Stewart, B.C.;

Bolero Resources Corp. is hunting for signs of copper and gold on the Red Chris "South" prospect adjacent to Imperial's Red Chris

Dozens of smaller explorers also mounted drilling programs across the region in response to promising 2009 gold discoveries, primarily in and around the historic Stewart Gold Camp of northwestern BC.

Project; and

American Creek Resources Ltd. is exploring for gold and silver on the Electrum Property near Stewart.

In the far northwest corner of British Columbia, juniors such as Constantine Metal Resources Ltd. also are exploring for gold. Constantine mounted a promising early-stage soil sampling program that returned encouraging gold and silver values on the 9,280-acre Trapper Lake property in the Atlin Mining Division.

A smaller group of explorers also are tracking the more elusive rare earth elements across northern and central B.C. Paget Minerals Corp., for example, is exploring the Xeno rare earth element property and Bolero Resources is amassing REE-prospective claims in its Carbonatite Syndicate Rare Earth Claim Group located 80 kilometers, or 50 miles, northeast of Prince George, B.C.

Strategic mergers

A number of companies battled restraints imposed by tight financial markets with timely consolidations and acquisitions. Leading this group is Thompson Creek Metals Co. Inc. and Terrane Metals Corp., which signed a definitive agreement in July under which Thompson Creek will acquire 100 percent of the issued and outstanding equity of Terrane in a cash and stock transaction valued at about C\$650 million. Terrane's Mt. Milligan Copper Gold Project, located 155 kilometers, or 96 miles, northwest of Prince George, contains proven and probable reserves of 482.4 million metric tons grading 2 percent copper and about 0.4 grams per metric ton gold for contained metal of 2.1 million pounds copper and 6 million ounces of gold. The project also boasts a large measured, indicated and inferred copper and gold resource. Forecast to average 262,100 ounces gold per year in production at a cash cost, net of a copper credit, of negative US\$8 an ounce, Mt. Milligan is expected to provide about 400 direct permanent jobs and significant long-term economic benefits for the region.

Environmental concerns

The British Columbia Provincial Government granted Taseko Mines Ltd. a long-term, renewable, 25-year mining lease for the Prosperity gold-copper project in June. The mining lease gives Taseko the right to proceed with development of the proposed C\$815-million Prosperity copper-gold mine near Williams Lake, B.C. But a federal review panel ruled July 2 that the mine would have "significant adverse environmental effects" on several factors, including fish, fish habitat, grizzly bears and First Nations' use of the land for traditional purposes. The open-pit mine, which would use a lake to store waste tailings from copper- and gold-processing, has already been approved by the B.C. government. While the B.C. assessment foresaw some harm to the environment, it concluded that it was outweighed by a predicted C\$5-billion economic injection over the 20-year life of the mine and C\$600 million of revenue for various governments. Building the mine would create about 375 construction jobs, and operating it about the same number of high-paying positions. Another estimated 600 indirect jobs would be spun off in the community, according to Taseko. Additional federal review of the project was expected to begin in mid-September.



Geologists Maarten de Moor (left) and David Hedderly Smith (right) investigate Full Metal Minerals Ltd.'s Grizzly-Butte copper-gold project in the Talkeetna Mountains of Southcentral Alaska. A 2,500-meter-by-700-meter copper anomaly was the target of a 1,000-meter drill program that began in August.

FULL METAL MINERALS LTD.

Statewide Alaska

Full Metal re-emerges in Alaska

From Rolling Thunder to Pyramid, junior makes significant finds across state

By SHANE LASLEY
Mining News

From its search for White Gold-style mineralization in the Fortymile placer gold district just across the border from the Klondike in eastern Alaska to exploration of the Pyramid copper-gold project some 900 miles, or 1,450 kilometers, to the southwest, Full Metal Minerals Ltd. returned to the Alaska mining exploration scene in 2010.

The Vancouver B.C.-based junior also worked with fellow junior and senior mining companies on projects across Alaska's vast expanse. Beyond exploration, Full Metal and partner Harmony Gold Corp. are completing underground development in advance of re-opening the historical high-grade gold mine at the Lucky Shot property in Southcentral Alaska.

"It's been a great season so far," Full Metal CEO and Vice President of Exploration Rob McLeod told Mining News.

White Gold in Alaska

Rolling Thunder, an intriguing program launched by Full Metal in 2010, is a staking and exploration initiative targeting the source of more than half a million ounces of placer gold recovered historically from streams draining the rolling hills of the Fortymile Mining District.

"We are finding some really exciting stuff out there," said McLeod.

Recognizing that the belt of Cretaceous-age deposits, prospects, and placer gold mines that hosts the White Gold deposit in the Yukon Territory trends northwest into Alaska – Full Metal geologists surmised that similar mineralization could be the undiscovered lode of the prolific alluvial gold producing streams in the Fortymile district.

Full Metal shared its managers and geologists with Underworld Resources Inc. during that junior's exploration of White Gold. The Rolling Thunder geology team applied this firsthand understanding of the geologic controls, geochemistry and targeting methods that led to discoveries at White Gold to Alaska's Fortymile gold district some 60 miles, or 100 kilometers, to the northwest.

"Full Metal and Rolling Thunder is in a unique position for advancing exploration in the area. Our relationship with Underworld Resources has provided the Rolling Thunder technical staff with exploration techniques that were successfully used on the White Gold property," said Rolling Thunder Project Manager Chris Siron.

Using placer gold producing streams to vector their search, Rolling Thunder geologists traversed the hilltops and ridges of some 145,500 acres of Rolling Thunder claims in search of rock formations similar to those that are found in and around the White Gold mineralization.

Employing sampling techniques successfully used by Dawson City prospector Shawn Ryan at the White Gold property,

Full Metal's Rolling Thunder team collected 428 rock and 1,536 soil samples from 16 target areas.

"Rolling Thunder staff has spoken with Shawn Ryan directly about sampling protocols and methodologies used at White Gold. These methods are being employed at our claims," Siron explained.

This reconnaissance sampling and mapping has identified multiple areas of strong alteration and quartz veining reminiscent of White Gold.

Soil samples collected from the Pika claims ranged from trace to 1090 parts per billion gold, averaging 108 ppb gold. Strong silver values were also returned. Two samples of gossan from this property assayed 0.3 g/t gold with 4,730 g/t silver and 0.96 g/t gold with 788 g/t silver.

Other encouraging results include; a 7.16 g/t gold soil sample from the McElfish claims, up to 3.3 g/t gold and 98 g/t silver soil and chip samples from the Willow property and grab samples up to 5.5 g/t gold from the 20X prospect.

With assays rolling in, Full Metal redeployed the Rolling Thunder geologist in mid-September to conduct additional sampling.

Return to Fortymile zinc

Though Rolling Thunder is a new initiative in the district, its Fortymile zinc-lead-silver property has been the target of nearly 20,000 meters of drilling completed by Full Metal since 2006.

After taking a year hiatus from drilling its Fortymile property, Full Metal returned to the silver-rich zinc-lead-copper project in 2010 with a 6,000-meter program focused on expanding the LWM high-grade carbonate replacement style system.

The drilling at LWM has outlined a zone of continuous zinc-

Full Metal Minerals Ltd.

FMM: TSX-V
PRESIDENT: Michael Williams
CEO AND VICE PRESIDENT, EXPLORATION: Rob McLeod
VICE PRESIDENT, INVESTOR RELATIONS: Jeff Sundar

Properties with mineral(s) explored –

Gold – Rolling Thunder, Alaska
 Gold – Lucky Shot, Alaska
 Gold – Moore Creek, Alaska
 Gold-Silver – Kuskokwim, Alaska
 Gold-Copper-Molybdenum – Pebble South, Alaska
 Gold-Copper-Molybdenum – Pyramid, Alaska
 Copper-Gold-Molybdenum – Tanacross, Alaska
 Uranium – Boulder Creek, Alaska
 Zinc-Lead-Silver – Fortymile, Alaska
 Zinc-Lead-Silver – Angie-Cat, Yukon Territory
 Zinc-Lead-Silver – Nadaleen, Yukon Territory

CASH AND SHORT-TERM DEPOSITS: C\$1.16 million (at May 31, 2010) (financings closed Aug. 18 and Sept. 7 for C\$4.43 million)

WORKING CAPITAL: C\$1.16 million (at May 31, 2010)

MARKET CAPITALIZATION: C\$31.62 million (at Sep. 30, 2010)

1500-409 Granville St. • Vancouver, BC V6C 1T2
 Tel: 1-604-484-7855 • Fax: 1-604-484-7155
 Website: www.fullmetalminerals.com



lead-silver mineralization extending 700 meters along strike and 300 meters down dip.

Previous drill results from LWM include 44.6 meters averaging 15.9 percent zinc, 5.3 percent lead and 76.6 g/t silver, 15.6 meters averaging 21.2 percent zinc, 8.7 percent lead, and 127.0 g/t silver; and 6.48 meters averaging 464.2 g/t silver, 31.6 percent zinc, 11.3 percent lead and 1.41 percent copper.

Silver-rich mineralization was also discovered at the Eva prospect. Assay results from 14 rock samples of CRD style mineralization averaged 957 g/t silver, 23.6 percent zinc, 12.6 percent lead, and 0.9 percent copper. Eva and West Eva were also targets of the 2010 drill campaign.

At the time of this report assay results were still pending from the 2010 program.

Alaska Peninsula copper

At the opposite end of the state, on the Alaska Peninsula, Full Metal and Chile-based copper producer Antofagasta Minerals S.A. mounted a drill campaign at the Pyramid copper-gold-molybdenum porphyry project.

The exploration, funded by Antofagasta as part of its option to earn a 51 percent interest in the property, targeted a deposit outlined by shallow drilling in the 1970s. The 1,695 meters of historical drilling produced a pre-NI 43-101 resource of 125 million tons of grading 0.403 percent copper and 0.025 percent molybdenum in a near-surface zone at the 37,296-hectare, or

92,160-acre, Pyramid project.

Full Metal said the deposit's potassic core, which was not reached with the shallow drilling conducted in the past, was the

continued on next page



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Geologists from Antofagasta Minerals and Full Metal Minerals examine core from PY10-01, the first hole drilled by the joint venture partners at the Pyramid porphyry copper-gold project on the Alaska Peninsula.



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target of this year's 1,670 meters of core drilling

PY10-01, the first hole of the 2010 program, cut copper mineralization from bedrock at 32 meters to the bottom of the hole at 500 meters. This 467.6-meter intercept averaged 0.27 percent copper, 0.02 percent molybdenum, and 0.06 percent gold (0.41 percent copper-equivalent). Within this was a 57.7-meter higher grade interval grading 0.48 percent copper, 0.02 percent molybdenum and 0.11 percent gold (0.65 percent copper-equivalent).

At the time of this report assays are pending on four additional holes.

"We drilled five holes out there and all of them are very well mineralized starting at surface and some seem visually to be better grade than this first hole," said McLeod. "There is significant supergene enrichment, which is pretty rare to get in Alaska, so metallurgically that bodes well."

The 2010 drilling covered a 900-meter-by-750 meter-area within a 2,000-by-1,000-meter zone of surface mineralization.

"It's a big system and only four miles away from the ocean," he said.

Pyramid is but one prospect on 1.4 million acres of prospective Alaska Native-owned lands being explored by Full Metal on the Alaska Peninsula.

Unga-Popov, an epithermal gold project, is another Alaska Peninsula property that show promise for partnership. This property – which lies on an island about 20 miles, or 32 kilometers, south of Pyramid — hosts two historical resources; Apollo with 280,000 metric tons averaging 27.7 g/t gold and 92.6 g/t silver and Centennial, which has about 6 million metric tons at 1.5 g/t, or 290,000 ounces of gold.

Grizzly-Butte porphyry

The Grizzly-Butte property, located in the Talkeetna Mountains of Southcentral Alaska, is another Full Metal project that saw drilling in 2010.

After cutting a deal with Rio Tinto subsidiary Kennecott Exploration Co. in April to acquire 97 State of Alaska mining claims, Full Metal increased its land position at Grizzly-Butte to 12,680 acres by staking an additional 220 state claims over the prospective area.

While geologists conducted an initial mapping and geochemical program, Zonge Engineering flew overhead conducting a resistivity-induced polarization survey.

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AREVA Resources Canada Inc.

PRESIDENT AND CEO: Vincent Martin

VICE PRESIDENT OPERATIONS AND PROJECTS: Jim Corman

Areva Resources Canada Inc. is developing the Kiggavik Project located 80 kilometers, or 50 miles, west of Baker Lake in the Kivalliq Region of Nunavut. The subsidiary of France-based Areva S.A., the world's largest uranium producer with output of 22 million pounds in 2009, owns interests in at least four uranium mines in Saskatchewan. Kiggavik is the largest and most advanced uranium project in Nunavut. Areva Canada owns a 64.8 percent interest in the Kiggavik project, and is its operator. JCU Exploration (Canada) Co. Ltd. owns a 33.5 percent interest and DAEWOO Corp. holds the remaining 1.7 percent. The project covers three property blocks – Kiggavik, Sissons and St. Tropez and has a resource of 52,000 metric tons averaging 0.23 percent U3O8 with a total of 134 million pounds of the mineral. The partners envision producing 114 million pounds of U3O8, and potential also exists for expanding the resource in other targets at the Thelon Basin site. In 2009, drilling focused on testing geotechnical features within the End Grid, Andrew Lake and Main Zone deposits. A detailed airborne gravity survey was completed over the project area. Environmental baseline and engineering studies in support of the feasibility study continued. Areva Canada is currently working on a draft environmental impact statement and initial feasibility study for the project, which it hopes to complete by early 2011. The company hopes to submit a final EIS for the project in 2013 and move forward with developing and submitting licensing applications with an eye toward bringing production online in 2020. It also is focusing on additional exploration in 2010.

817 45th St. West
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Geologists Maarten de Moor (left) and Chris Siron (right) inspect a rock outcrop as part of Full Metal Minerals' Rolling Thunder project in the Fortymile mining district of eastern Alaska.

FULL METAL MINERALS LTD.

This initial field work combined with historical exploration, including reconnaissance soil and rock sampling completed by Kennecott in 1999, outlined a copper anomaly that measures 2,500 meters from east to west and up to 700 meters in north-south dimension.

"It looks like quite a sizeable system; a one-square-mile geochemical anomaly with some good grades on surface," McLeod said.

This horseshoe-shaped prospect was the target of the 1,000-meter drill program that began in August.

Partner advances Lucky Shot

Harmony Gold, Full Metal's joint venture partner at the Lucky Shot

continued on next page



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Ascot Resources Ltd.

AOT: TSX-V

PRESIDENT AND CEO: John A. Toffan

CHIEF FINANCIAL OFFICER: Robert A. Evans

Ascot Resources Ltd., a junior exploration and development company formed in 1986, holds four major properties – the Swamp Point sand and gravel deposit on the Portland Canal in northwestern British Columbia where it suspended the project in 2008 due to a downturn in the aggregate market; the historic Premier Gold Mine and Dilworth contiguous properties located about 25 kilometers, or 16 miles, north of Stewart, B.C., in the Cassiar Mining District, where Ascot holds options to acquire 100 percent interest in both; and the recently acquired Mt. Margaret property, prospective for copper and gold, in Washington state. The Premier and Dilworth claims are prospective for gold and silver.

In 2009 drilling, Ascot confirmed the potential for bulk tonnage and higher grade underground gold targets at Premier that are analogous to the system historically mined with a C\$1.7 million drill program. Premier produced 2.11 million ounces of gold and 44.24 million ounces of silver from 8.64 million metric tons of ore. Due to an unusually low snowpack in northwestern B.C. last spring, Ascot started drilling on the Premier property in early May, several weeks earlier than previously planned, using a portable fly drill it purchased in 2009. In late May, the junior brought in a second rig capable of drilling deeper holes (up to 800 meters of NQ). Ascot purchased the larger rig in March to assist with the aggressive 2010 exploration program it planned for Premier. The junior budgeted C\$4.0 million for a drill campaign of about 100 diamond drill holes covering 20,000-25,000 meters.

CASH AND SHORT-TERM DEPOSITS: C\$8.37 million (at June 31, 2010)

WORKING CAPITAL: C\$3.22 million (at March 31, 2010)

(raised C\$7.5 million in private placement in May 2010)

MARKET CAPITALIZATION: C\$48.05 million (Sept. 17, 2010)

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Tel: 604-684-8950 • Fax: 604-684-9877
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Keeping with its generative strategy Full Metal said it will likely be announcing joint venture deals with juniors on Alaska properties in the near future.

project about 145 kilometers, or 90 miles, north of Anchorage, is targeting re-opening the historic high-grade gold mine in 2011.

Harmony plans to begin mining the Coleman Zone, which has produced the highest grade gold intercepts of the 30,000 meters drilled by Full Metal at Lucky Shot, in 2011.

In order to tighten up the block model at Coleman, Full Metal completed a 26-hole drill program in November of 2009. Highlights from the program include hole C09-171, which cut 7.3 meters averaging 36.38 grams per metric ton gold, including 1.9 meters averaging 125.48 g/t gold. Hole C09-153, completed about 50 meters up-dip of the historic Coleman block workings, intersected 0.9 meters averaging 102 g/t gold.

Once Harmony Gold drifts back to Coleman zone, it plans to extract a 12,000-metric-ton bulk sample, which it will run through an existing gravity recovery circuit at the property.

Pebble South partnership

Full Metal and the Pebble Partnership signed an option agreement for the company co-owned by Northern Dynasty Minerals Ltd. and Anglo American plc to earn a 60 percent interest in the junior's 85,750-acre Pebble South property adjacent to the claims that encompass the enormous Pebble deposit.

Full Metal believes Pebble-style mineralization trends to the southwest from the Pebble Partnership's massive deposit onto its property. Geochemical and geophysical surveys have delineated 11 promising prospects at Pebble South. The Partnership conducted its own airborne geophysical survey of the property in 2010.

In Alaska Full Metal has joint ventures on its Boulder Creek and McCarthy March uranium projects, its Moore Creek gold project and its Kuskokwim (formerly referred to as Russian Mountain) gold project. In the Yukon the junior has the Nadaleen and Angie-Cat zinc-lead-silver projects.

Keeping with its generative strategy Full Metal said it will likely be announcing joint venture deals with juniors on Alaska properties in the near future.



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Crews examine core from underground drilling at the Niblack volcanic massive sulfide project on Prince of Wales Island in Southeast Alaska. U031 – the third hole drilled after Heatherdale Resources Inc. entered into a joint venture with Niblack Mineral Development Inc. at the VMS project – cut 43.9 meters grading 3.01 g/t gold, 76 g/t silver, 2.25 percent copper and 8.66 percent zinc.

Southeast Alaska

Junior taps mine maker at Niblack

Heatherdale traces long trends of high-grade VMS mineralization in SE Alaska

By SHANE LASLEY
Mining News

Heatherdale Resources Ltd., a subsidiary of Hunter Dickinson Inc., (see Hunter Dickinson Inc.) is living up to its pledge to aggressively explore the Niblack copper-gold-silver-zinc project on Prince of Wales Island in Southeast Alaska. Some 23,000 meters of drilling completed by the junior over the past year traced nearly 1,000 meters of precious metal-rich volcanic massive sulfide mineralization under Lookout Mountain.

Heatherdale optioned Niblack from CBR Gold Corp. (see Niblack Mineral Development Inc.) in 2009 in hopes of earning a 51 percent interest in the project by spending US\$15 million by mid-2012.

The junior completed its initial US\$5 million exploration program in June, and is currently on track to complete the earn-in commitment around the beginning of 2011.

"Drilling with two drills, we continue to find more, and in typical Hunter Dickinson fashion, we are going to keep expending the money we need to develop the resources to move this project forward," Lena Brommeland, Heatherdale's executive general manager, told Mining News.

Once Heatherdale completes this initial commitment, it can increase its stake in the project to 60 percent by spending another US\$10 million, and then to 70 percent by completing a positive bankable feasibility for the copper-gold-silver-zinc project.

"We fully intend to continue our investment at Niblack to move the project for-

continued on next page



Heatherdale Resources Ltd.

HTR: TSX-V

CHAIRMAN: Scott Cousens

PRESIDENT AND CEO: Patrick Smith

EXECUTIVE GENERAL MANAGER:
Lena Brommeland

PROPERTIES WITH MINERAL(S) EXPLORED:
Polymetallic VMS – Niblack, Alaska

CASH AND SHORT TERM DEPOSITS: US\$7.5 million (at July 31, 2010)

WORKING CAPITAL: US\$15.3 million US\$6.9 million (at July 31, 2010)

MARKET CAPITALIZATION: C\$52.7 million (at Sept. 30, 2010)

1020 - 800 West Pender St.
Vancouver, BC V6C 2V6

Tel: 604-684-6365

Fax: 604-684-8092

www.heatherdaleresources.com

Atac Resources Ltd.

ATC:TSX-V

PRESIDENT: Robert C. Carne, M.Sc., P.Geo.

CHIEF EXECUTIVE OFFICER: Graham N. Downs

IAN J. TALBOT: Chief Operating Officer

Atac Resources Ltd., organized in 1998 in British Columbia, is a junior exploration company spawned by longtime Yukon mining consultant Archer Cathro Ltd. that is aggressively exploring has more than 16 exploration projects in Yukon Territory, Northwest Territories and British Columbia. Atac is focused on exploring the Rau gold project situated at the northern edge of the Tintina Gold Belt in east-central Yukon. In August, the junior increased its 2010 exploration budget for Rau to C\$15 million to drill 15,000 meters, up from an initial



ROBERT CARNE

drilling program of C\$12.5 million for 12,500 meters. The company had five drills operating in three camps on the 1,300 square-kilometer, or about 502-square-mile, property in early August, with an objective of demonstrating that Rau is a multimillion-ounce property. In addition to work done at the Tiger zone where it discovered gold in 2008, Atac has identified six new surface gold zones by following up high values from grid and widely spaced reconnaissance soil sampling. The best zones are in a 500-meter-wide belt, which lies 2-5 kilometers along strike to the northwest of the Tiger zone, in and adjacent to the northwest-striking structural corridor. The junior Sept. 1 reported a new Carlin-type discovery at the Osiris Target on its Sten claim block, including a 31.3-meter interval averaging 9.26 grams per metric ton gold within a larger interval that averaged 4.65 g/t gold over 65.20 meters. Atac said initial results of the exploration are very encouraging and numerous targets for follow-up work in 2011 have already been identified. The junior also said drilling would continue this fall at the Osiris and Tiger zones and other new targets as long as weather permits."

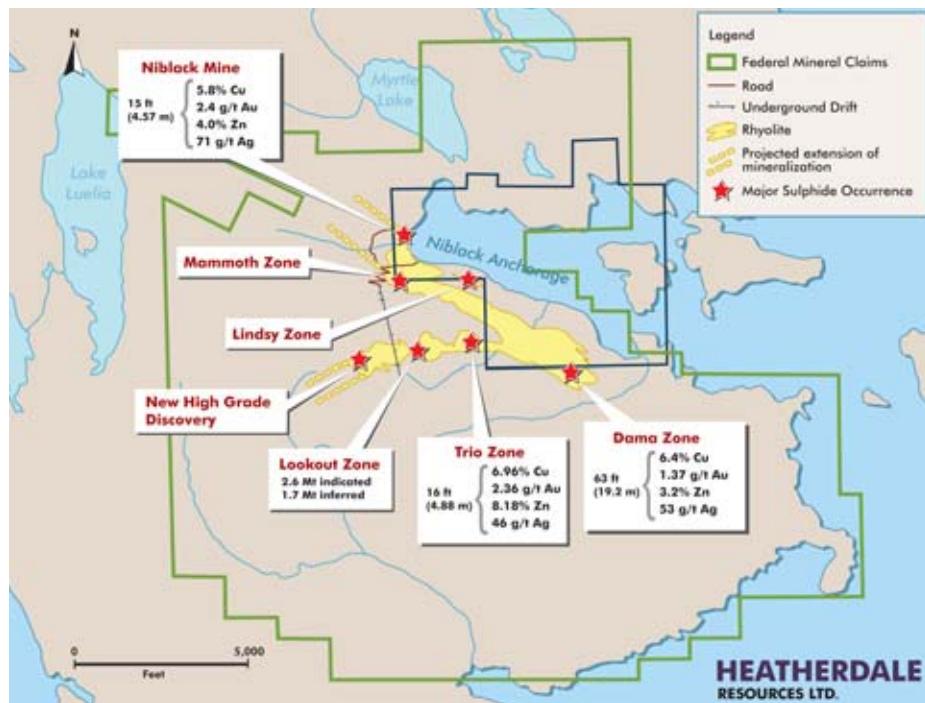


CASH AND SHORT-TERM DEPOSITS: C\$9.06 million (at June 30, 2010)

WORKING CAPITAL: C\$14.0 million (at June 30, 2010) (raised C\$22.07 million in private placements in August 2010)

MARKET CAPITALIZATION: C\$490.7 million

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ward in a timely and efficient way," said former Heatherdale President and CEO Dave Copeland.

Mine maker

When Heatherdale took over exploration of Niblack, the Lookout zone had a previously defined 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 also had an inferred resource of 1.712 million metric tons grading 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.

What piqued Hunter Dickinson's interest in the project was high-grade mineralization struck by CBR Gold in an area to the southwest of the defined resource. Drilled late in 2008, holes U027 and U028 intercepted a previously unknown precious metal-rich zone with values nearly three times greater than the Niblack average.

Brommeland characterized the new discovery as a "mine maker."

"When you can peg into one of the high-grade zones in a deposit and establish substantial tons of that kind of grade, it really doesn't take that many tons in order to make an economic deposit," she said.

Precious metal-rich zone grows

Heatherdale began investigating the higher grade extension of Lookout by fan drilling the target from a 1,000-meter underground exploration drift completed in 2008.

As of mid-July the junior had received assay results from 10,670 meters of drilling. The results from these 23 holes, drilled from six underground drill stations, indicate that the precious metals-enriched system remains open in several directions.

U029, the first hole of Heatherdale's underground program, cut 18.7 meters with an average grade of 2.4 g/t gold, 48 g/t silver, 1.4 percent copper and 2.8 percent zinc. The best intersection of the first three holes was in U031, which cut 43.9 meters grading 3.01 g/t gold, 76 g/t silver, 2.25 percent copper and 8.66 percent zinc.

These precious metal-rich intercepts have continued throughout the exploration of this high-grade extension. U052 cut 9.7 meters averaging 1.49 percent copper, 3.78 percent zinc, 1.86 g/t gold and 85 g/t silver; and included 3.8 meter section grading 1.92 percent copper, 6.95 percent zinc, 3.25 g/t gold and 160 g/t silver.

"The findings validate our geological team's growing knowledge of the precious metals-enriched system we're seeking to delineate, and enhance our confidence that we will define a polymetallic VMS deposit with the grades, volume and other characteristics necessary to support an economically robust underground mining operation

in future," Copeland said.

New geological model

A new resource estimate being completed by Heatherdale will not only outline the high-grade VMS mineralization the explorer has delineated with its aggressive underground drill program, but also will debut a new geological model for the Niblack project.

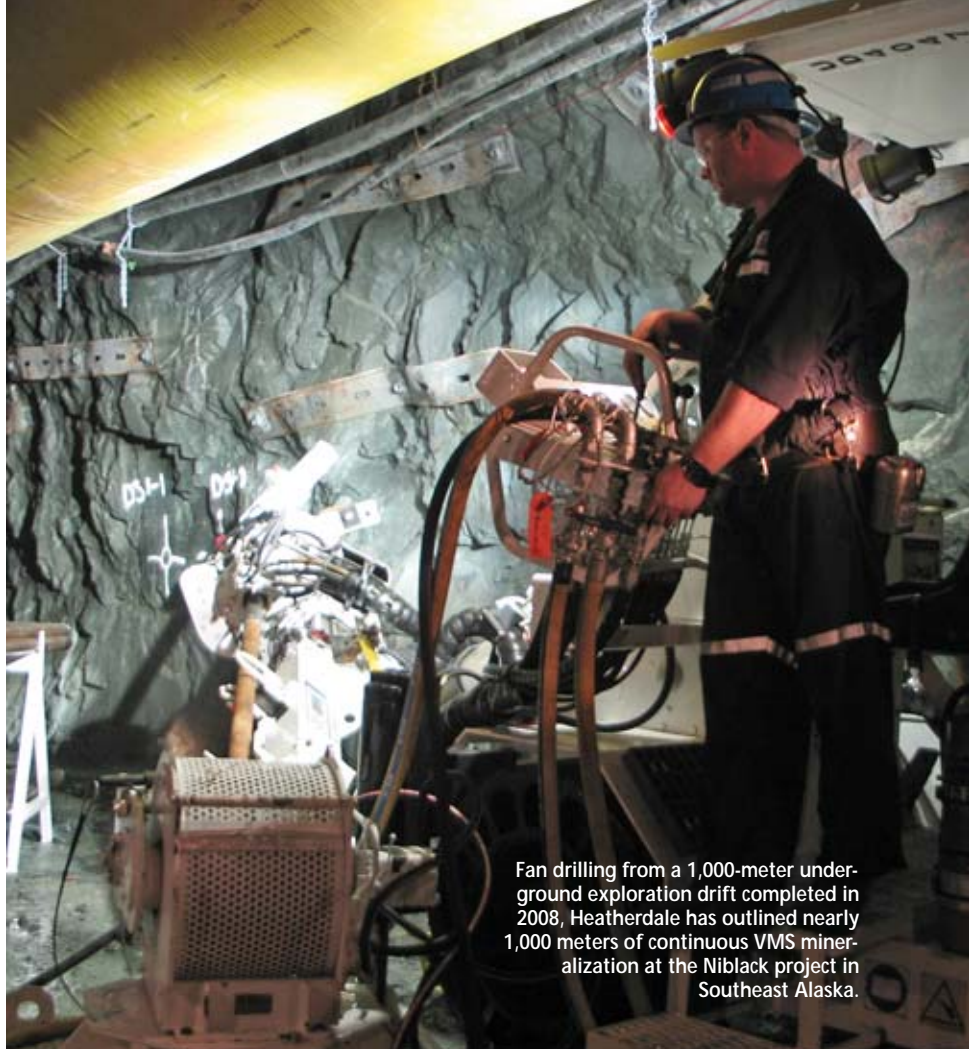
"I'm looking forward to being able to tell the world, when we do our new resource calculations, what we have here," Brommeland said. "We have been pretty much focused on understanding the geology so we can put together the model and then do a block model that is not only the grade-shell; it is a model that incorporates the geological environment," Brommeland explained.

The geology under Lookout Mountain is relatively simple compared to other VMS deposits. The mineralization has not been broken up by extensive localized faulting and folding.

"Historically Niblack was thought to be a very complex structurally modified deposit – a lot of folding, a lot of faulting," Brommeland explained. "We don't see a lot of offsetting, and we don't see a lot of complex folds. That has been a game-changer for the project. That is something we are definitely using to our advantage as we step out from known mineralization, and continue to expand the deposit."

continued on next page

HEATHERDALE RESOURCES INC.



Fan drilling from a 1,000-meter underground exploration drift completed in 2008, Heatherdale has outlined nearly 1,000 meters of continuous VMS mineralization at the Niblack project in Southeast Alaska.

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Photo courtesy of Vertical Magazine

Aura Silver Resources Inc.

AUU: TSX-V

PRESIDENT AND CEO: Rob Boaz Hon. B.A.

CHIEF GEOLOGIST & DIRECTOR: James M. Franklin, Ph.D., P. Geo.

VP, EXPLORATION AND CONSULTING GEOLOGIST: Eric Craigie, B. Sc. (Geo.)

Formed in 2003, Aura Silver's strategy is to act as an exploration arm with other miners that host untested exploration potential on their mining properties in major silver belts. Aura Silver has two active projects in North America, including one located in an under-explored Archean greenstone belt in Nunavut. Aura Silver's Greyhound Lake Property is a high-grade precious and base metal prospect in the Churchill region of Nunavut about 46 kilometers, or 29 miles, south of Agnico-Eagle's Meadowbank Gold Mine. The company has staked nearly 25,333 hectares, or 62,573 acres, giving it a strategic land position.

Aura Silver's 2010 drill program was established primarily to examine a large number of geophysical targets identified in its VTEM (2009) and earlier GEOTEM (2007) and MEGATEM (2006) surveys, using shallow (100-125 meter) drill holes. The junior completed phase 1 of its 2010 exploration program at Greyhound in mid-August, and spent about C\$700,000. Soil sampling was undertaken with the completion of phase 1 drilling. Using a combination of drilling and ongoing prospecting, Aura Silver Aug. 20 said it determined that the area surrounding Aura Lake is highly prospective for gold mineralization. The junior Sept. 7 reported the discovery of a new gold-silver zone on the property, citing assays of soil samples that returned gold grades as high as 28.2 grams per metric ton and silver grades up to 5,380 g/t. Further prospecting determined that this gold-rich zone may extend for 4 kilometers, or 2.5 miles, in a north-east to south-west direction.

Aura Silver CEO Robert Boaz said the results are especially significant given that Greyhound "is hosted by strata that are very similar to those at (Meadowbank). Chief geologist James Franklin said the results caused the junior to re-evaluate its geological model for the Aura Lake area. "The potential for an extensive structurally related gold-silver system is further supported by the presence of the assay data presented herein, quartz-feldspar porphyry dykes, extensively carbonatized ultramafic rocks ("green carbonate") and intensively altered, sulfidic iron formation," Franklin said. "All of these extend continuously from South Aura Lake for at least 3 kilometers to the south. In addition, the newly discovered VMS target approximately 2 kilometers east of Aura Lake requires follow-up geophysical work. The next phase of our program will focus on the 10-square-kilometer area that comprises the western 'core' of our Greyhound property."

IP geophysical surveys were being considered for the two most prospective areas of the property. This work would form the basis for additional drilling either later in the fall (weather depending), or in the spring of 2011. The company expects to report assay results once they are received, likely during early September 2010. Aura Silver also re-evaluated the potential for volcanogenic massive sulfide mineralization north of Aura Lake based on additional mapping and its drill results and concluded that more exploration is needed to follow up on a "high-grade copper-zinc" occurrence in that area. On Sept. 10, Aura Silver also said it added a Canada-only component to a previously announced private placement of its shares to raise an additional C\$1 million specifically to fund IP geophysics and soil surveys this fall and a spring 2011 drilling program at Greyhound.

CASH AND SHORT-TERM DEPOSITS: C\$1.44 million (at June 30, 2010)

WORKING CAPITAL: C\$981,221 (at June 30, 2010)

MARKET CAPITALIZATION: C\$10.05 million (Sept. 13, 2010)

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This lack of complexity, coupled with the fact that both exhalative and replacement style mineralization exist, provide for large continuous sections of thick mineralization.

Exhalative deposits are formed when mineral-rich brine is "exhaled" into the ocean creating layers of sulfide ore. This process continues today in the form of black smokers on the ocean floor. When the brine is trapped in the ocean floor sediments, it is considered replacement-style mineralization.

"It's complicated in terms of being predictive of where those true exhalative sequences are, but once you are onto one of these replacement-style zones they can be rather large," Brommeland explained.

She said the company is encountering zones that are more than 150 meters thick with widths in excess of 20 meters and running several hundred meters long.

Connecting the zones

Heatherdale's drill program has connected the new precious metal-rich zone to the Lookout deposit, extending Lookout about 300 meters to the west. The drills at Niblack have the reach to continue to expand the deposit in this direction before the drift needs to be extended.

"At some point here we will definitely need to do underground development, and the timing of that is going to be dependent on when we achieve the maximum we think we can achieve from the underground stations," Brommeland explained.

The company has plenty of targets to investigate before it needs to expand the exploration drift, a nearly horizontal tunnel. The 1,000 meters of underground development was dug out to explore the mineralization to the east of the Lookout Zone and below the drift where rhyolite, an intrusive volcanic rock, winds its way through the mountain.

The Trio zone, which is located about 400 meters from the Lookout zone as the VMS mineralization plunges to the east, is one such target. An inferred resource at Trio of 493,000 metric tons grading 1.77 percent copper, 3.47 percent zinc, 2.06 g/t gold and 31.5 g/t silver is included in the previous estimate for Niblack.

The executive director said if drilling cuts mineralization in an untested gap of about 220 meters, some 900 meters of continuous mineralization from the zone west of Lookout through Trio will have been outlined.

From Trio the rhyolite continues along strike 800 meters to the Dama zone before it turns west on a limb that extends some 2,100 meters to the historical Niblack Mine.

A previous intersection at the Dama zone cut 19.2 meters grading 6.4 percent copper, 3.2 percent zinc, 1.37 g/t gold and 53 g/t silver. Because of the folding, it is anticipated that the mineralization will be particularly thick in this area.

The lack of geological complexity suggests that VMS mineralization could continue unbroken as it winds its way through these known zones from the historical Niblack mine to the newly discovered zone beyond Lookout.

"This system is amazing actually. All of our geoscientists that are on the project have seen a lot of these types of systems, and they are really impressed with this one," Brommeland said. "Their enthusiasm is really kind of contagious!"

The lack of geological complexity suggests that VMS mineralization could continue unbroken as it winds its way through these known zones from the historical Niblack mine to the newly discovered zone beyond Lookout.

Gold, other explorers work projects

Diamond mines lead activity, base metals and REEs attract investment

By ROSE RAGSDALE
For Mining News

Diamonds continued to dominate mining production in Northwest Territories in 2010, but other hardrock mineral projects led most of the mineral exploration activity during the year. Yet 2010 is shaping up to be a year of recovery for nearly all of the territory's miners.

Rough diamond production from Harry Winston's 40 percent share of the Diavik Mine totaled 650,000 carats in the second quarter, up significantly from 570,000 carats a year earlier. Rio Tinto plc controls 60 percent interest in Diavik, Canada's largest diamond mine, which is located 300 kilometers, or 186 miles, north-east of Yellowknife in the Lac de Gras area.

In August, Harry Winston reported repurchasing a 9 percent indirect interest in Diavik that it sold to Kinross Gold Corp. in 2009 during the depths of the global recession when it needed cash. Harry Winston bought back the stake — which also sliced in half Kinross' direct ownership interest in the Toronto-based diamond company — for US\$220 million in shares, cash and debt.

Meanwhile, operator Diavik Diamond Mine Inc. started underground production at Diavik as part of a plan that will eventually phase out open-pit mining. Diavik's owners also are studying possi-

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Diamond prices are rebounding on broadening demand for the sparkly stones, especially from expanding economies in Asia.

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ble changes to the underground mining methods in hopes of lowering costs and extending the mine's resources.

Harry Winston also expressed interest in acquiring a larger ownership stake in the mine.

Though diamonds was one of the hardest hit mining sectors during the downturn, BHP Billiton, 80 percent owner of the nearby Ekati Diamond Mine, recently noted that the mine remained open and operating at full production despite the tough economic conditions.

BHP said prices for rough diamonds at Ekati fell 49 percent in 2009 and its share of the mine's output for the year that ended June 30 dropped to 3.05 million carats from 3.23 million carats a year earlier. The major also blamed the decrease on the mining of lower grade ore at Ekati. Still, the major's revenue from diamond production, essentially from Ekati, totaled US\$901 million (underlying EBIT of US\$465 million), compared with US\$523 million (underlying EBIT of US\$59 million), a year earlier.

The diamond producers in Northwest Territories also vowed to recruit new workers locally and end a longstanding practice of paying to transport workers to and from central locations in southern Canada.

Diavik Diamond Mines and De Beers Canada, owner of the territory's third diamond producer, the Snap Lake Mine, also promised to place new emphasis on training employees who live in Northwest Territories.

Diavik also said it would target beginners for future hires, having earmarked 25 of its 150 new jobs to be entry-level positions, with training offered.

BHP alluded to the substantial contribution diamond mines have made to the territory's economy. In September, the major said it has spent C\$4.2 billion, of which C\$3.4 billion has been spent with Northern Aboriginal and northern businesses and provided

substantial employment in the North for nearly 12 years, creating 1,457 person years of employment last calendar year and 15,426 person years since 1999.

De Beers Canada promised to hire 175 more workers at Snap Lake by the end of 2010 and targeted full production at the mine by the end of 2012. The Snap Lake mine, which opened in 2007, is located 220 kilometers, or 137 miles, northeast of Yellowknife.

"Our decision to increase production is consistent with our business strategy to align production with global demand," said Jim Gowans, president and CEO of DeBeers Group. "Although our industry might not see the same sales levels in the next few years that we enjoyed in 2007 and early 2008, we anticipate a steady growth in demand over the next three or four years, and the long term looks bright."

Along with ramping up output, De Beers also said it will complete construction of a permanent accommodation complex for mine employees by October. De Beers put the camp's construction on hold in 2008 in response to the economic slowdown.

De Beers said it is pursuing a new training initiative with education partners that will enable Northwest Territories residents to become underground mine workers certified to Canadian standards.

Another diamond mine?

De Beers also is a 51-49 percent joint venture partner with Mountain Province Diamonds Inc. in the huge Gahcho Kué diamond project in Northwest Territories, which is currently undergoing permitting and environmental review. Gahcho Kué, perhaps the largest diamond deposit under development globally, could become the next producing diamond mine in Northwest Territories.

The project consists of a cluster of kimberlites, three of which have an indicated resource of about 30.2 million metric tons grading 1.67 carats per metric ton (about 50.5 million carats) and an inferred resource of about 6Mt grading at 1.73 cpt (about 10.3 million carats).

Mountain Province Sept. 14 reported that a C\$10 million independent definitive feasibility study conducted by JDS Energy and Mining found the project could support a profitable 11-year mine life that produced diamonds at a rate of about 4.5 million carats annually. With an estimated capital cost of C\$550 million to C\$650 million, including contingencies, and a cash operating cost of C\$48-C\$60 per metric ton, the project would generate a minimum 15 percent internal rate of return.

"Mountain Province believes that the study delivers an economically viable, technically credible and environmentally sound, development plan for the Gahcho Kué project. Our focus now shifts to completion of the Gahcho Kué environmental impact assessment, which will be filed with the Mackenzie Valley Environmental Review Board prior to the end of the year," said Mountain Province CEO Patrick Evans.

A new look at old diggings

Mining companies are returning to the Northwest Territories as gold prices set new records, soaring past US\$1,351 per ounce recently. But these explorers are targeting known deposits or previously identified mineralization rather than seeking new discoveries.

"The price of gold has brought people back, especially in the Yellowknife area," said Ryan Silke, land access analyst for the Nwt & Nunavut Chamber of Mines in Yellowknife. "It's proven territory for gold exploration. It's been picked at, over and over again."

Most of the gold exploration programs under way in Northwest Territories this year are on properties with known mineralization, a lot of which was discovered in the 1960s, '70s and '80s," Silke told Mining News. "People are poking around, re-identifying resources."

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Advances in mining exploration and development technology during the past 20 to 30 years also give explorers tools to detect mineralization missed earlier.

"It's a new era for gold technology. There are new methods of mining and new recovery techniques," Silke said.

This re-examination of old ground is part of a cyclical trend that has happened before. Old deposits get another look when the price of a commodity "is on the upswing," Silke observed.

Regulatory permitting has advanced considerably for at least two projects with potential gold production – Tyhee Development Corp.'s Yellowknife Gold Project in the historic gold camp about 90 kilometers, or 56 miles north, of Yellowknife, Nwt., and Fortune Minerals Ltd.'s Nico gold-bismuth-cobalt-copper-nickel project located 160 kilometers, or 100 miles, northwest of the territorial capital. One or both of them could produce first gold within the next two-three years.

Tyhee, for example, is a good candidate to become the territory's next gold mine. A positive preliminary feasibility study released in July projected a 7.5-year mine life for an initial 3,000-metric-ton-per-day combined open pit and underground operation to mine 7.56Mt ore grading 3.34 grams per metric ton yielding 811,000 ounces gold at the project. In August, Tyhee reported the discovery of more gold zones that has extended known mineralization on the property.

Fortune Minerals also is expected to begin production at the Nico Project within the next couple of years. Nico currently is undergoing an environmental assessment to permit a mine and concentrator. The Nico orebody is best known for its cobalt and bismuth mineralization, but it also contains significant quantities of copper, nickel and 31 million metric tons averaging 0.91 g/t (907,000 ounces) gold. Nico is being developed as an open-pit and underground mining operation.

A half-dozen or so other explorers also chased early stage gold projects in Northwest Territories in 2010. Among them:

Merc International Minerals Inc. focused on the high-grade, near-surface Damoti Lake gold deposit on Tliche land, near the community of Wekweti 200 kilometers, or 124 miles, north of Yellowknife. The Damoti Lake property encompasses 4,391 hectares, or 10,846 acres, of land in six mining leases and five mining claims where Merc is working to outline 6 to 10 million metric tons grading 9-15 g/t gold along strike, in parallel structures and at depth in an iron formation-hosted deposit, and to advance the

project toward a 3-million-ounce gold resource.

Seabridge Gold Inc. explored its Courageous Lake Project, which is comprised of 27,263 hectares, or 67,366 acres, covering 53 kilometers, or 33 miles, of a greenstone belt that includes the 2-kilometer, or 1.24-mile-long FAT deposit. The gold resource at Courageous Lake – confirmed by independent engineering consultants – totals 4.2 million ounces in the measured and indicated categories and 6 million ounces in the inferred category. Seabridge reported success in August in achieving its 2010 objective of upgrading the project's inferred resources to higher categories using a resource model developed for the property.

Triple Dragon Resources Inc. received encouraging initial exploration of its Murray Property in south-central Northwest Territories. The Murray property encompasses about 1,005 hectares, or 2,480 acres, and is located 6 kilometers, or 4 miles, north-northwest of the former producing Camlaren Gold Mine. The property also is about 80 kilometers, or 50 miles, northeast of Yellowknife and within a few kilometers of the winter road to the Diavik and Ekati diamond mines.

Triple Dragon also is exploring the May Property, where gold values exist in a vein beneath Gordon Lake. The May mineral lease covers a small island in Gordon Lake, 77 kilometers, or about 48 miles, northeast of Yellowknife.

NT Mining Corp. is another junior tracing new possibilities in old deposits. In June, the company said there may be as much as 15,000 tons of gold ore in existing surface piles at the Bullmoose Mine site located 53 miles, or 88 kilometers, east-southeast of Yellowknife. The mine property consists of one mineral lease of 395 acres, or 160 hectares, and four recently acquired mineral claims of 4,771 acres, or about 1,932 hectares. NT Mining said that upon completion of an expanded drilling program over the new claims, and on existing known vein structures, a potential of 3 million ounces of gold reserve is possible at Bullmoose.

Rare earth elements, IOCG

Some companies are tackling the territory's uncommon prospectivity for rare earth elements, increasingly strategic minerals on the world stage, while others prospect for iron oxide copper gold ore deposits, which typically host valuable concentrations of uranium along with metal ores in large quantities.

Avalon Rare Metals Inc. is exploring the

continued on page 45

Northwest Territories



Avalon Rare Metals Inc.

AVL: TSX

PRESIDENT AND CEO: Donald S. Bubar, M. Sc., P. Geo.

VICE-PRESIDENT, FINANCE AND CFO: R.J. (Jim) Andersen, CA, CPA, CFP

VICE-PRESIDENT, EXPLORATION: William Mercer, Ph.D., P. Geo.

Formed in 1991, Avalon Rare Metals is a mineral exploration and development company primarily focused on the rare metals and minerals that are in increasing demand for environmentally-beneficial high technology applications. These include lithium, tantalum, cesium, indium, gallium as well as rare earth elements such as neodymium, dysprosium and terbium, and rare minerals such as calcium feldspar.

Avalon's strategy for growth is to develop its rare metals and minerals projects to production and cash flow, expand the markets for these materials and acquire additional compatible rare metals assets. The company is in the process of exploring or developing three of its six mineral resource properties. All active projects (Thor Lake, Separation Rapids and East Kemptville) are rare minerals or rare metals properties that are at an advanced stage with identified mineral resources that are potentially economic, provided that sales contracts with customers can be secured and project financing arranged. Thor Lake is the company's top priority and most advanced project. It is located 100 kilometers, or 62 miles, southeast of Yellowknife.

In June, Avalon reported that the Nechalacho deposit ranked as the second-largest REE deposit in the world by reported TREO and the third-largest contained niobium deposit in the world by reported Nb2O5. A positive preliminary feasibility study also concluded that the Nechalacho deposit had defined two layers of substantial REE mineralization, known as the Upper and Basal zones. In addition to calculating REE reserves and resources in the two zones, the PFS also recommended that Avalon advance the Thor Lake project to the feasibility study stage and continue with project permitting. The explorer proposed spending C\$43.5 million to advance the project, including C\$19.5 million for exploration, upgrade drilling and geology.

CASH AND SHORT-TERM DEPOSITS: Cash and cash equivalents: C\$10.52 million (May 31, 2010)

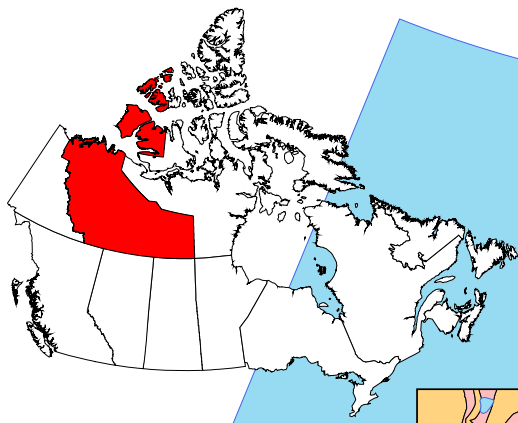
WORKING CAPITAL: C\$10.68 million (May 31, 2010)

MARKET CAPITALIZATION: C\$261 million (Sept. 6, 2010)

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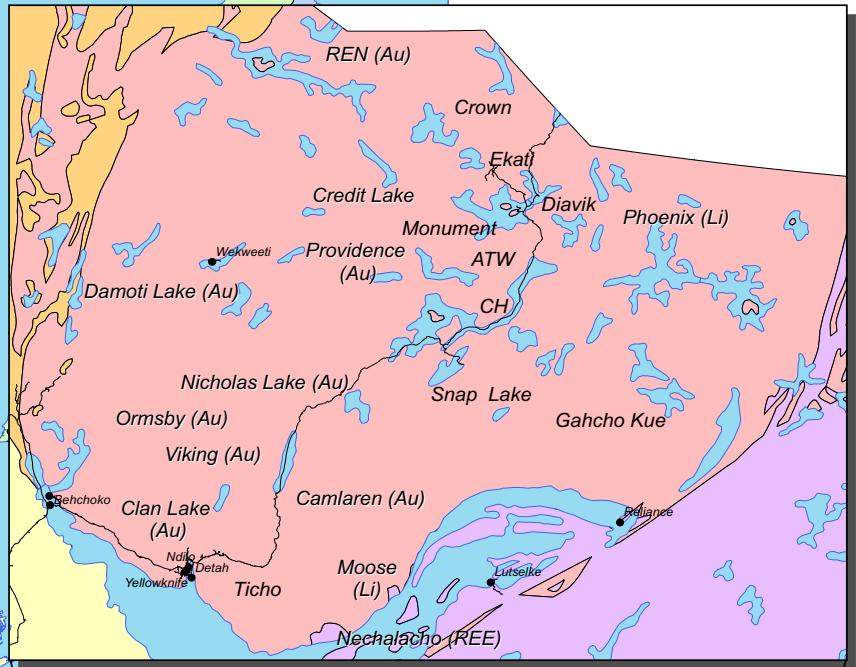
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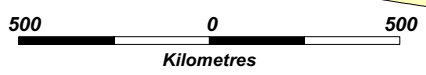
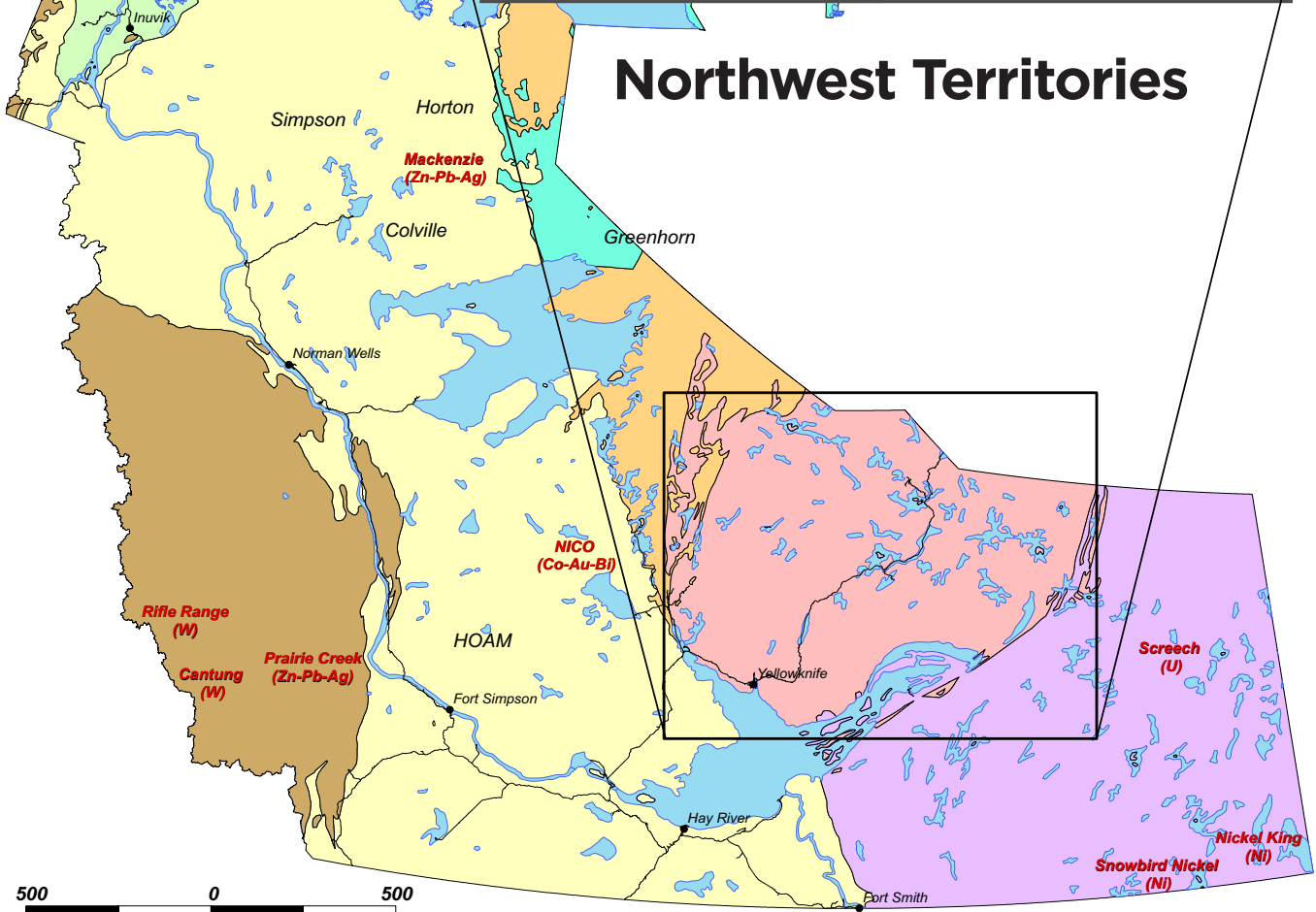
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Northwest Territories



Nechalacho deposit at Thor Lake, located 100 kilometers, or 62 miles, southeast of Yellowknife. The junior said Nechalacho ranks as the second-largest rare earth elements deposit and the third-largest contained niobium deposit globally. The inferred mineral resources for Basal and Upper, two zones identified on the property, now total 175.93 million metric tons averaging 1.43 percent TREO, or 2.5 million metric tons of contained rare earth oxides. A prefeasibility study released by Avalon in June envisions an 18-year mine life at Nechalacho based on an NI 43-101-compliant probable mineral reserve estimate of 12 million metric tons averaging 1.7 percent TREO, 3.16 percent zirconium oxide, 0.41 percent niobium oxide and 0.041 percent tantalum oxide. This comes to 204,000 metric tons of TREO, 379,200 metric tons of zirconium oxide, 49,200 metric tons of niobium oxide and 4,920 tons of tantalum oxide.

Avalon Sept. 8 said results of winter drilling has increased indicated mineral resources in the key Basal zone part of the deposit by 40 percent with an additional 5.97Mt grading 1.57 percent TREO with 25.5 percent of the TREO being heavy rare earth element oxides, using the same CS260 net metal return cut-off grade applied in a previous resource estimate reported in June. Combined with a previously reported NI 43-101-compliant indicated resource located in the area referred to as Tardiff Lakes, total indicated mineral resources in the Basal zone now stands at 20.45Mt grading 1.75 percent TREO with 23 percent being HREO.

Further, the Basal zone in the West Long Lake area contains a high grade sub-zone defined by applying a higher cut-off grade at CS600. This yields 1.87Mt grading 2.19 percent TREO, with 28.8 percent being HREO, 4.29 percent zirconium oxide, 0.50 percent niobium oxide and 0.06 percent tantalum oxide, representing 30 percent of the total indicated resources in the West Long Lake area. Further additions to this high-grade sub-zone are anticipated from the 2010 summer drilling program on the land-accessible north extension of this zone.

Avalon said the increase in indicated mineral resources in the Basal zone will have a positive effect on the economics of the project, through extension of the mine life used in its financial model.

IOCG explorer REC Minerals Corp. completed an initial CS100,000 surface exploration and shallow drilling program in July at its North Nonacho Property, which is comprised of two mining claims covering 60 units in the vicinity of Nonacho Lake, Northwest Territories. The company has an option to acquire up to a 100 percent interest in the property. Based on fieldwork completed on areas of exposed outcrop on the property, REC said a number of anomalously high magnetic areas were found to host encouraging iron, manganese and copper oxide and sulphide mineralization.

In September, REC reported that analytical results from a surface chip and grab sampling program at North Nonacho show the presence of significant concentrations of copper, silver and gold. The company hopes to conduct a follow-up program of ground induced polarization surveys and diamond drilling of mineralized showings and other favorable high magnetic anomalies on the property.

Base metals progress

Owners of at least two base metals projects reported progress in 2010 in their respective quests to secure permitting for mine operations in Northwest Territories. Both the Prairie Creek zinc-lead-silver project located in the Mackenzie Mountains and the Pine Point zinc-lead project 129 kilometers, or 80 miles, south of Yellowknife inched forward as Canadian Zinc Corp. and Tamerlane Ventures Inc., respectively, worked to advance the projects.

The Prairie Creek zinc-lead-silver project has a 2007 NI 43-

101-compliant measured and indicated resources estimate exceeding 5.8 million metric tons grading 10.71 percent zinc, 9.90 percent lead, 0.326 percent copper and 161.12 grams per metric ton silver capable of supporting 14-plus years of mine life at an initial rate of 600 tpd, which will increase to 1,200 tpd, and the future inclusion of inferred resources is expected to extend the mine life to at least 20 years.

The mine site is partially developed with an existing 1,000 tpd mill and related infrastructure. A decision on an environmental assessment of the project is expected from regulators by March 2011.

Canadian Zinc is conducting a diamond drill program at Prairie Creek in 2010 to test for possible extensions of the defined mineral resource within the main zone at Prairie Creek mine. The collar of the new hole, PC-10-185, is about 1.5 kilometers, or nearly 1 mile, north of the last drill hole (PC-95-125) that is within the defined mineral resource.

Pine Point is located on the south side of the Great Slave Lake at the site of the historic Pine Point Mine where more than 65Mt of high-grade ore was extracted between 1964 and 1987. The project's current mineral inventory contains NI 43-101-compliant proven and probable reserves of 7.8Mt grading 3.01 percent lead and 6.16 percent zinc along with measured and indicated resources of 8.0Mt grading 1.13 percent lead and 2.26 percent zinc. In addition, Pine Point hosts non 43-101-compliant historical resources totaling about 50.9Mt grading 1.24 percent lead and 3.84 percent zinc.

Tamerlane has completed a bankable feasibility study for the project and since has worked it to production. In August, the junior reported the appointment of mine development veteran Margaret Kent, and said it would focus on raising enough capital to bring the Pine Point Project into production.



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The infill portion of International Tower Hill Mines' 50,000-meter Summer 2010 drill program at Livengood is focused on conversion of resources to the measured and indicated categories as well as testing the down dip extension potential of the Money Knob deposit.

SHANE LASLEY

Interior Alaska

Brisk pace continues at Livengood

Tower Hill begins prefeasibility study at multimillion-ounce Alaska gold deposit

By SHANE LASLEY
Mining News

Since International Tower Hill Mines Ltd. began exploring Livengood in 2007, it has outlined nearly 20 million ounces of gold resources. The junior continues this brisk pace as it contemplates building a mine at the Interior Alaska project.

In order to focus its attention on developing the rapidly advancing project, Tower Hill has transferred its non-Livengood exploration assets into Corvus Gold Inc., a new company under the direction of Tower Hill Vice President of Exploration Russell Myers (see Corvus Gold Inc.)

An early sign of the transition from junior explorer to potential mid-tier producer was the January appointment of former AngloGold Ashanti Ltd. Prefeasibility Manager Carl Bretchel as Tower Hill's chief operating officer. The junior continued to



JEFF PONTIUS

build its operational team by hiring Karl Hanneman, former senior corporate representative in Alaska for Teck Resources Ltd., as the project manager for Livengood. The company also added Richard Moses and Keith Malone, both with long backgrounds in Alaska mining, to the operational team.

While an aggressive drill program continues to expand the Money Knob deposit, the junior is completing the metallurgical, geotechnical and baseline studies needed to move the project into permitting and development.

"Our operational team is making excellent progress in advancing the project down the development and permitting path, a process which we will continue to accelerate," Tower Hill President and CEO Jeff Pontius said.

Fort Knox clone unlikely

A preliminary economic assessment completed in August

A camp left over from construction of the trans-Alaska oil pipeline is being leased by International Tower Hill Mines. One of the large metal buildings at the facility, located about five miles from the Money Knob deposit, is dedicated to logging core.



International Tower Hill Mines Ltd.

ITH: TSX THM: NYSE-A
PRESIDENT AND CEO: Jeff Pontius
CHIEF OPERATING OFFICER:
 Carl Bretchel
LIVENGOOD PROJECT MANAGER:
 Karl Hanneman

Properties with mineral(s) explored –
 Gold – Livengood, Alaska

CASH AND SHORT-TERM DEPOSITS:
 C\$43.46 million (at May 31, 2010)(AngloGold Ashanti private placement C\$2.18 million)(C\$105.4 million in two separate financings expected closing Oct. 18)
WORKING CAPITAL: C\$42.95 million (at May 31, 2010)
MARKET CAPITALIZATION: C\$426.46 million (at Sep. 30, 2010)

Suite 1920 – 1188 W. Georgia St.
 Vancouver, BC V6E 4A2
 Tel 604-683-6332
 Fax: 604-408-7499
www.ithmines.com

envision a heap leach pad and mill operation similar in scale to those at Kinross Gold Corp.'s Fort Knox Mine about 60 miles, or 100 kilometers, southeast. Processing 81,000 metric tons of ore per day, this size operation would produce around 504,000 ounces of gold annually over a 21-year mine life.

According to the PEA, building a Fort Knox-sized mine at Livengood would cost around US\$1.385 billion, with an additional US\$450 million in life-of-mine sustaining capital costs. The figures used in the assessment include a 25 percent contingency on capital costs, a number that should decrease as the mine plan becomes more certain.

Though the PEA demonstrates that a clone of the Fort Knox mill and heap leach operation at Livengood is economical, this will likely not be the operation that Tower Hill ultimately builds to mine the gold deposit.

Two alternatives under consideration would begin production with a heap leach-only operation or a larger mill.

"The base-case we put in there was basically cloning the current Fort Knox operation and sticking it at Livengood. One of the drawbacks that we saw is that Livengood is considerably bigger than Fort Knox and so it had such a long mine-life, it didn't produce as good financial results as it could have if (we) would have increased mill production to compress that 21-year life," Pontius explained to Mining News.

With capital costs at about half of constructing a combined mill-heap leach operation, the initial heap leach-only option is an attractive alternative if Tower Hill puts Livengood into operation on its own.

"That is a real option for us because bringing the heap on would lower the initial capex (capital expenditure), and it al-



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Baffinland Iron Mines Corp.

BIM:TSX

CHAIRMAN: Richard McCloskey

VICE CHAIRWOMAN: Daniella Dimitrov

EXECUTIVE VICE PRESIDENT: Michael T. Zurowski

Baffinland owns 100 percent interest of five high-grade iron deposits located about 160 kilometers south of Mittimatalik (Pond Inlet), Nunavut. Known as the Mary River Project, the deposits were identified in the 1960s with most of the initial exploration focused on the No. 1 deposit, which is estimated to contain 356 million metric tons of reserves. Deposits 1, 2 and 3 also contain at least 500 million metric tons of measured, indicated and inferred resources.

Baffinland began exploring the deposits in 2004. Six years later, the company is working to develop an 18 million-metric-ton-per-year open-pit mine with an initial mine of life of 20-plus years. In 2009, the company conducted infill drilling in the No. 3 deposit to convert its inferred resource to the indicated category, and also worked on a reserve/resource estimate for the No. 1 deposit. With a \$37 million exploration budget in 2010, Baffinland has focused on drilling the No. 3, 4 and 5 deposits, regional mapping and sampling to expand potential extensions to known deposits and evaluating magnetic anomalies along a 60-kilometer-plus prospective strike length outlined by a 2008 airborne magnetic survey. As of June 30, the junior had spent C\$8.6 million on exploration and about C\$500,000 on development. Baffinland also is studying new road haulage options for shipping iron ore and accelerating the completion of its draft environmental impact statement in hopes of completing the full environmental assessment and permitting process by late 2012 to early 2013 and achieving full production in 2014.

CASH AND SHORT-TERM DEPOSITS:

C\$37.46 million (at June 30, 2010)

WORKING CAPITAL: C\$35.6 million (as of June 30, 2010)

MARKET CAPITALIZATION: C\$162.9 million

120 Adelaide St. West, Suite 1016
Toronto, ON
Canada M5H 1T1
Tel: 416-364-8820
Fax: 416-364-0193
www.baffinland.com

SHANE LASLEY



Looking north from atop a placer tailings pile at Olive Creek, the prominent point on the left is Money Knob and the high point on the right is Tower Hill.

lows ITH to look at a way financially it can take the project forward," Pontius said.

The Money Knob deposit at Livengood contains some 300 million metric tons of heap-leachable oxidized mineralization, a number the company expects to increase as drilling expands the deposit to the west.

With cash coming in, the company could later opt to build a mill to mine the deeper unoxidized ore.

The other option under consideration is ratcheting up the size of the operation.

Livengood is particularly suited for a larger scale operation. Not only is it an enormous ore-body, it has a low ore-to-strip ratio and large mineralized units.

"The strip ratio is approximately 1-to-1 in the deposit and affords us with a great opportunity to scale this operation up and compress the mine-life, which should improve the overall economics of the project," Pontius said.

A larger operation comes with a larger price tag. If the scaled-up option is pursued, it is likely that a major would join Tower Hill to build the mine.

"Of course we will be continuing on, putting both scenarios out there; one where we bring a heap leach on early and get it going and start to make cash out of the project so we can finance the mill construction, and the other one is to do it all at once – bring the mill, the heap leach push it forward on a very large-scale basis like a big company would do, that isn't capital constrained," Pontius explained.

Working out the pros and cons of the various scenarios will be part of the prefeasibility analysis currently under way.

"Our plan is to complete the prefeasibility study for the heap leaching plan by the middle of 2011 and then immediately after that we will be moving on to look at the mill operation and that PFS is scheduled to be completed by the end of 2011," Bretchel told Mining News.

Denser, deeper drilling

The infill portion of the summer's 50,000-meter drill campaign is a key component of the Livengood prefeasibility study. The primary goals of the four rigs engaged in density drilling is to convert the bulk of the resource included in the mine-plan to measured and indicated classifications, better define the higher grade areas of the deposit and extend the mineralization at depth.

Tower Hill believes the infill drilling carried out during the summer will provide enough density to upgrade the bulk of Livengood's 10.9-million-ounce indicated and 2.4-million-ounce inferred gold resource (based on a 0.5 g/t cut off) up to the measured and indicated categories. According to assays released through September, the gold grades are not only holding up to increased scrutiny but are expected to rise.

One reason for the increased gold content is the delineation of high-grade zones within the Money Knob deposit. A 500-meter-long mineralized trend with grades topping six grams per metric ton is being outlined within the deposit's Core zone. Though high-grade gold intersections have been encountered in various regions of the deposit, the infill drilling is proving this near-surface trend to be a continuous body that could provide rich ore early in the mine's life.

In September, Tower Hill released assay results from hole MK-RC-405, which cut 6 meters

"Our operational team is making excellent progress in advancing the project down the development and permitting path, a process which we will continue to accelerate."

—Tower Hill President
and CEO Jeff Pontius

averaging 18.2 g/t gold and MK 10-47 which intersected 4.6 meters at 7.1 g/t gold along this northwest-trending zone.

Many of the holes drilled into the Money Knob have bottomed out in mineralization, indicating that the deposit has room to grow at depth. Two holes drilled into the Sunshine zone this summer highlight this potential. At a depth of 353 meters, hole MK-RC-0373 cut 49 meters grading 1.9 of gold per metric ton. From 363 meters hole MK-RC-0376 drilled 15 meters averaging 1.2 g/t gold.

Expansion continues

While the summer program continues to improve the confidence of the known resource, drills continue to expand the footprint of the Money Knob deposit. Olive, a new zone to the south of the deposit, is one such area.

Hole MK-RC-0380 cut 21.3 meters averaging 1.7 g/t gold and included 6.1 meters grading 4.5 g/t gold. MK-RC-391, drilled about 75 meters to the north cut 45.7 meters at 1.1 g/t gold and MK-RC 396, drilled about the same distance to the south hit 13.7 meters grading 2.1 g/t gold.

Continued drilling at Olive is outlining a core of high-grade mineralization surrounded by a broad area of low grade. This area remains open to the south.

The Southwest zone is an area Tower Hill geologists believe to be a major expansion area. Soil anomalies indicate this zone could extend Money Knob several hundred meters to the southwest.

When Tower Hill first drilled this zone during its winter 2009 program, the explorer was pleasantly surprised to encounter gold intervals that rivaled those found in the higher grade Core Zone.

MK-RC-0345, drilled early in 2010, cut 9 meters of 1.9 g/t gold and 17 meters of 2.1 g/t gold near the surface before making a deeper intersect of 128 meters at 1.3 g/t gold. MK-RC-0342 cut 7.6 meters at 6 g/t gold in the Southwest zone.

Livengood Chief Geologist Chris Puchner told Mining News that Tower Hill plans to resume drilling in this permafrost-laden region during the winter drill program.

Beyond Money Knob

An aggressive districtwide surface exploration campaign to define new deposits similar to Money Knob across the 35,000-acre land package at Livengood has turned up some promising targets

"We have got a big regional soil program going on within the large land-block we've got and we have defined a lot of targets out there," Pontius said.

Adding a helicopter-supportable drill to the fleet of five rigs already at Livengood, Tower Hill began drilling a geochemical anomaly to the northeast of Money Knob in August.

In addition to exploring for new deposits, the company is seeking gold-poor regions of the property suitable for building the heap leach pad, mill and other facilities. This condemnation drilling will provide the engineers with information needed to complete the feasibility study.

"Right now we have half a dozen or so facility alternatives on the property package and we are going to need to evaluate those, because some of them have some very interesting gold anomalies associated with them," Pontius explained.

Over the past two years crews at Livengood had taken a hiatus between the summer and winter drill programs. Tower Hill said it is implementing a year-round work plan and added a seventh drill to increase the work pace at the project.



Four core rigs and three reverse circulations rigs have completed an estimated 50,000 meters of drilling during the 2010 Summer program at Livengood.

SHANE LASLEY

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BCGold Corp.

BCG: TSX-V

PRESIDENT AND CEO: Brian P. Fowler, P. Geo.**CHIEF FINANCIAL OFFICER:** Larry M. Okada

BCGold Corp., organized in 2006 in British Columbia, is a Vancouver-based resource company focused on conceptual, early and mid-stage copper and gold exploration opportunities in British Columbia and Yukon Territory. Among the junior's key projects are its Carmacks copper-gold properties in central Yukon.

In July, BCGold accelerated its final payments under the Minto-Carmacks properties agreement with Yukon prospector Shawn Ryan by making a C\$50,000 cash payment and issuing 100,000 units, which comprised of 100,000 common shares and 50,000 warrants, to acquire 100 percent interest in the properties. The company optioned the Toe and Pepper properties north of the Minto Mine in Yukon to Kestrel Gold Inc. and Goldbard Capital Corp., respectively. Each property has a C\$350,000 drill program commitment for 2010. BCGold planned to drill test the WS porphyry copper-gold target immediately south of Western Copper Corp.'s Carmacks Copper Project. The WS target is two large bulls eye magnetic anomalies, the largest and strongest magnetic and induced polarization signatures that BCGold has obtained in the region. The junior's exploration continues to benefit from exploration grants provided by the Yukon government, including C\$121,330 for fiscal 2010 exploration work.

BCGold also is exploring the Engineer Mine property, situated 32 kilometers, or 20 miles, west of Atlin in

northwestern British Columbia, where it has an option to earn a 100 percent interest in the property and has spent in excess of C\$1.5 million in exploration on the property since 2007. In July, BCGold reported that its Phase I underground drill program at Engineer Mine had completed five holes drilled for 640 meters. Coarse visible gold was observed in Drill Hole BCGE10-01, which intersected the Double Decker Vein 21 meters below the deepest mine level number eight. The vein-intercept averaged 22.32 g/t gold and 7.94 g/t silver over 0.96 meters.

The junior planned to drill-test depth extensions of high-grade stripes of the Engineer and Double Decker veins from underground, between the fifth and eighth levels of the mine. It is on the eighth level, along the Double Decker Vein, that historic sampling records indicate a 24.7-metre section that averaged 38.0 g/t gold, containing a 10.0-meter interval averaging 84.3 g/t gold, across the width of the drift. BCGold also planned to explore target areas on the 2,900-hectare Voigtberg bulk tonnage "porphyry" property situated in the Galore Creek Camp in northwestern British Columbia not previously investigated and to develop them for drill testing in 2011. BCGold has an option to earn up to a 70 percent interest in property.

BCGold also is exploring for blind porphyry copper-gold targets in British Columbia's Quesnel Terrane and has budgeted up to C\$250,000 for generative exploration work in British Columbia and Yukon in 2010.

CASH AND SHORT-TERM DEPOSITS: C\$1.26 million (at May 31, 2010)**WORKING CAPITAL:** C\$1.36 million (at May 31, 2010)**MARKET CAPITALIZATION:** C\$6.254 million (Sept. 6, 2010)

1400, 625 Howe Street
Vancouver, British Columbia
Canada V6C 2T6
Tel: 604-646-1589
Fax: 604-642-2411
www.bcgoldcorp.com

**BRIAN FOWLER**

Territory ranks fourth in investment

Explorers seek giant mineral deposits in Far North's 'elephant country'

By ROSE RAGSDALE

For Mining News

Government and industry officials agree that mining exploration and development in recent years have brought substantial positive change to Nunavut, Canada's newest and least explored territory. Ongoing and new exploration, however, are rapidly advancing understanding of this vast Arctic land's mineral potential.

"In this industry, it seems that all of the best and worst of times were compressed into less than two years (between 2008 and 2010)," said Peter Taptuna, minister of Economic Development & Transportation for the Government of Nunavut.

In April, Taptuna said Nunavut was expected to attract about C\$250 million in mineral exploration spending in 2010, up substantially from C\$175 million spent by explorers in 2009, but less than record industry spending of C\$330 million in 2008. Still, the outlay would rank the northern territory No. 4 among Canadian jurisdictions attracting most exploration investment, after Ontario, Quebec and Saskatchewan.

John Kearney, president of the NWT & Nunavut Chamber of Mines, said mining development and exploration spending has been especially impressive in Nunavut in recent years. Kearney said a total of C\$1.3 billion was invested in such activity in 2008 and 2009, more than double the C\$642 million invested in the Northwest Territories and nearly triple the C\$500 million attracted to Yukon Territory during the same period.

The future success of mining in Nunavut, however, is dependent on land access and the efficiency of the territory's regulatory framework, he warned. The industry also needs new roads, bridges and power plants, he added. Nunavut regulators, meanwhile, vowed to continue working to streamline the territory's regulatory process, while providing greater environmental protection, according to Bernie MacIsaac, acting regional director for Indian and North Affairs Canada in Nunavut.

At 1/5 the size of Canada, Nunavut covers 1,994,000 million square kilometers, or 770,000 square miles, (nearly three times the size of Texas). The Far North territory is only 11 1/2 years old, but its geology records nearly 3 billion years of Earth history and contains a wide spectrum of economic commodity types, according to geologists at the Canada-Nunavut Geoscience Office.

The territory was expected to attract investment in at least 120 active mining exploration and/or development projects in 2010 that altogether would employ about 2,000 workers. Explorers, mainly Canadian juniors and a few majors, sought economic deposits of gold, silver, base metals, uranium, diamonds and iron ore deposits.

Gold mining hot spot

Donald James, chief geologist for the Canada-Nunavut Geoscience Of-

Since the Meadowbank gold mine near Baker Lake, Nunavut achieved commercial production March 1, its output has increased gradually. In 2010, the mine is expected to produce about 300,000 ounces, while its life-of-mine annual gold production is projected to average 350,000 ounces through 2019.

since, told Mining News that he believes Nunavut is well on its way to becoming the new gold mining center for North America.

"We have some very big projects coming on line in the next few years," he said. James cited Newmont Mining Corp.'s Hope Bay Project and Agnico-Eagle's recent acquisition of the Meliadine Project in Nunavut as examples of huge gold mining ventures rapidly advancing to startup in the territory.

Denver-based Newmont is exploring the Hope Bay Project, home to one of the largest undeveloped greenstone belts in North America. Purchased from Miramar Mining Ltd. two years ago, the belt is known to host three significant gold deposits – Doris North, a few miles from the Arctic Ocean; Madrid, about 5 miles inland from Doris; and Boston, about 27 miles south of Madrid. Doris and Boston are smaller high-grade (4.0-8.0 grams-per-metric-ton cut-offs) lode deposits. Madrid is a low-grade (average 4 g/t) deposit with high-tonnage potential. Together, they contain estimated indicated and inferred resources of more than 10 million ounces of gold.

Agnico-Eagle and Comaplex Minerals Corp. recently closed a deal in which Agnico-Eagle effectively purchased the advanced stage Meliadine gold project located near Rankin Inlet about 300 kilometers, or 186 miles, southeast of Agnico-Eagle's newly opened Meadowbank Mine. First discovered in 1990, Meliadine currently boasts 3.29 million ozs in measured and indicated resources of nearly 13 million metric tons, grading 7.9 g/t gold, and an inferred resource of 1.73 million ozs from nearly 8.39Mt grading 6.4 g/t gold. Comaplex transferred all of its non-Meliadine-related assets to a new company, Geomark Exploration Ltd.

Through early 2013, a C\$130 million budget has been approved for drilling about 200,000 meters with the main focus being on converting the 5-million ounce resource at the high grade Tiriganiaq zone to reserves. In September, Agnico-Eagle also said early drilling results suggest a possible combination of open pit and underground mining at the project's F zone. A feasibility study is expected to be completed in 2013.

Gold deposits at the Meadowbank Mine have probable reserves

of at least 3.6 million ounces (32.8Mt at 3.5 g/t) and remain open on strike and at depth. Since it achieved commercial production March 1, Meadowbank's gold output has increased gradually. In 2010, the mine is expected to produce about 300,000 ozs, while its life-of-mine annual output is projected to average 350,000 ozs through 2019.

Meadowbank and Meliadine, together, are expected to employ 1,000 people in permanent jobs, spend C\$350 million a year on operating expenses and another C\$120 million annually on wages.

Huge gold potential

Gordon Davidson, general manager of projects for Commander Resources Ltd., says Nunavut is definitely "elephant country."

continued on page 53

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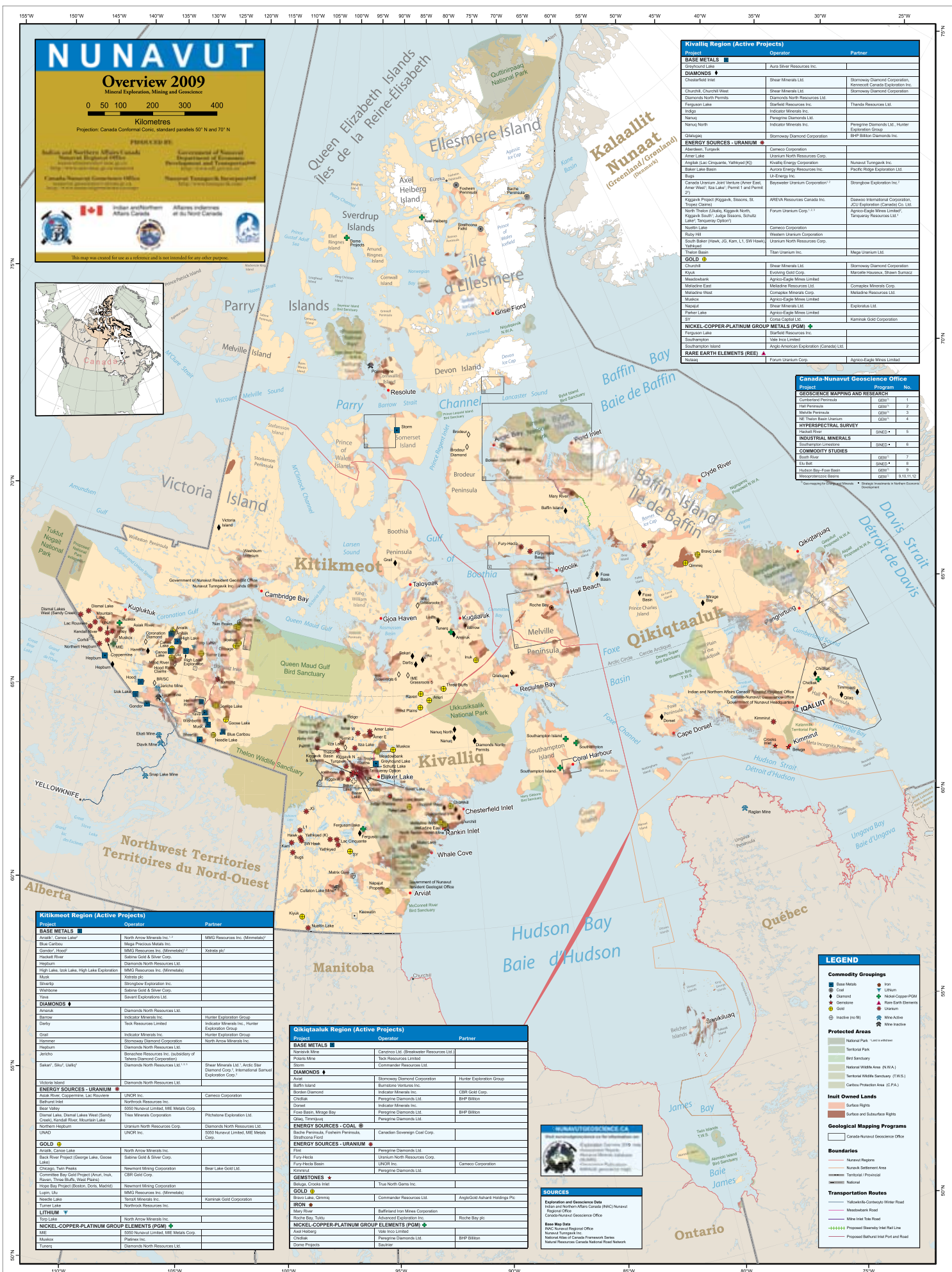
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"You can find huge mineral deposits at surface, and there are few other places in the world like that," Davidson told Mining News in April.

Commander and joint venture partner AngloGold Ashanti Ltd. are exploring the Baffin Gold Project on Baffin Island in northern Nunavut.

"This is the first exposure in North America for AngloGold and their investment in the project is a validation of our program and our management team," Davidson said. "We also hope AngloGold will bring world exposure to our company and to other Canadian explorers."

Davidson described the Baffin Gold Project as "a juicy system" where gold extends outside the quartz veins and into the wall rock.

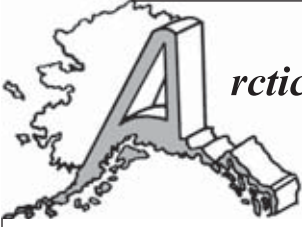
Commander had a 2010 exploration budget of a little more than C\$5 million to extend the Malrok gold zone identified by drilling in 2004 and to initiate drilling at the newly discovered Kanosak prospect where significant high-grade gold mineralization was identified over a corridor about 300 meters wide by 3.5 kilometers long on surface with channel and grab sampling in 2008 and 2009. In late September, Commander reported results from Malrok continued to define and enlarge the scope of its gold-bearing structures, and the widespread extent of gold mineralization on the property confirms continuing potential for a significant gold discovery. Reconnaissance drilling at Kanosak intersected zones of gold mineralization with locally high grades. The explorer said this stratabound gold mineralization is contained in two layers of gently dipping siliceous sediments distributed over a very large regional area. Highlights of the first drill results are a 9.39-metre interval of the upper strata assaying 2.26 g/t gold in hole KAN-10-07 and a vein in the deeper layer assaying 22.5 g/t gold over 0.94 meters in hole KAN-10-01. This deeper zone, situated about 50 meters below the base of the upper mineralized strata, is blind and was discov-

ered only in the 2010 drill program.

Sabina Gold & Silver earmarked C\$25.5 million for 2010 exploration programs on its Back River gold and Hackett River volcanic massive sulphide projects and Wishbone greenstone belt in western Nunavut. The Back River Project is situated about 520 kilometers, or about 322 miles northeast of Yellowknife, Northwest Territories. Sabina budgeted about C\$10 million for 20,000 meters of drill in 2010 exploration that resulted in the discovery of Llama Lake in May and the Umwelt Zone in June. This followed the discovery of the Echo Zone in August 2009. Success at Llama Lake led to additional spending of C\$2.5 million for another 10,000 meters of drilling.

Sabina mounted a C\$10 million exploration program at Hackett River located 480 kilometers, or 298 miles, northeast of Yellowknife to explore several silver/zinc-rich zones, and uncovered new miner-

continued on next page



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BHP Billiton plc

BLT: LON

CHIEF EXECUTIVE OFFICER: Marius Kloppers

CHIEF FINANCIAL OFFICER: Alex Vanselow

London-based BHP Billiton, one of the world's largest diversified resources companies, owns nearly 80 percent of the Ekati diamond mine, Canada's first surface and underground diamond mine that officially began production in 1998. Located about 310 kilometers, or about 192 miles, northeast of Yellowknife, Ekati has about 156 kimberlite pipes with both open pit and underground mining operations. The Panda and Koala pits are underground mines with open-cut mining occurring in the Fox and Beartooth pits. Ekati produces an average of 3.5 million carats of rough diamonds annually, which represent about 3 percent of current world rough diamond supply by weight and 6 percent by value.

BHP has invested in several exploration ventures north of the 60th parallel in recent years, including the Chidliak Project on Baffin Island in Nunavut. The major committed at least C\$22 million to exploration expenditures at Chidliak to acquire a 51 percent stake in the venture. For the 12 months that ended June 30, BHP reported US\$485 million in operating earnings (underlying EBIT) from its diamonds segment, an increase of US\$340 million, or 234 percent, over comparable results a year ago. Strong operating earnings at the Ekati mine resulted from higher volumes and realized diamond prices and lower unit costs, due to continued emphasis on cost control. The major said its performance also reflected a decrease in exploration expense of US\$43 million mainly due to reduced diamonds exploration activity.

BHP Billiton approved a C\$15.3 million 2010 exploration program for Chidliak, which followed up on 2009 discoveries on the property by operator Peregrine Diamonds Ltd. The work led to the discovery of at least 16 new kimberlites, bringing to at least 32 the number of kimberlites discovered so far on the 9,800-square-kilometer, or 3,784-square-mile, property. Exploration is ongoing.

CASH AND SHORT-TERM DEPOSITS:

US\$12.5 billion

MARKET CAPITALIZATION: US\$106.585 billion

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alization in several areas. The discoveries will add additional tonnage to the global Hackett River resource, which already is considered one of the largest undeveloped VMS deposits in the world, and enhance economics for the project by converting waste material to mineralization in the pits, possibly reducing stripping rates.

Another potential elephant in the making is North Country Gold Corp.'s Three Bluffs gold project in the Committee Bay Greenstone Belt of eastern Nunavut, a 300 kilometers long, 5- to 50-kilometers-wide package of highly prospective lithologies geologically comparable to gold-bearing belts hosting the Meadowbank and Meliadine deposits. Located about 300 kilometers, or 186 miles, northeast of Baker Lake, Three Bluffs has a gold resource of about 800,000 ozs and current drilling includes an intercept of 23.53g/t gold over 13.59 meters, within the same iron formation 400 meters west of the current resource shell.

In a 20,000-meter drill program using four diamond drill rigs, North Country targeted expansion of the gold resource at Three Bluffs in 2010 to 2 million ozs. By late August, the junior had reported discovery of the new Antler gold deposit, drilled high-grade gold intercepts in the Three Bluffs and Hayes deposits and identified gold mineralization in numerous rock types at Committee Bay within a corridor of sheared supracrustal rocks termed the Walker Lake Trend. Spending more than C\$8 million on exploration at Three Bluffs this year, the explorer also tested for blind mineralization in July with an induced polarization survey over a 24-square-kilometer area.

Aura Silver Resources Inc.'s Greyhound Project located about 46 kilometers, or 29 miles, south of Meadowbank Mine is a base metals project that is beginning to glint with precious metals. Aura Silver reported results in early September and August from C\$725,000 spent on surface sampling and drilling programs that returned grades as high as 28.2 grams per metric ton gold and up to 5,380 g/t silver. The samples were taken as part of a brief mapping and sampling program in the western part of the Greyhound property.

Aura Silver said it planned to test for deep mineralization by following up on the recent results with an induced polarization survey at Greyhound in September and October, along with additional soil sampling and prospecting in preparation for a 2011 drill program.

Massive iron ore deposits

Two companies, Baffinland Iron Mines Corp. and Advanced Explorations Inc., are carrying out exploration and development of massive iron ore deposits in Nunavut.

With total exploration spending for 2010 projected to reach C\$37 million, Baffinland Sept. 28 reported the discovery of two new iron deposits, Nos. 6 and 7, on its giant Mary River iron ore property on Baffin Island. Earlier, the Toronto-based junior said recent drilling results expanded the potential of Mary River's deposits No. 4 and No. 5 on the property. Baffinland is working to develop an 18 million-metric-ton-per-year open-pit mine with an initial mine of life of 20-plus years with ore mainly from the project's No. 1 deposit.

Further, Baffinland reported an unsolicited takeover offer from Nunavut Iron Ore Acquisition Inc., a subsidiary of Iron Ore Holdings LP, for a price of C80 cents in cash per common share, for the company's outstanding shares. The bidder already owns or controls nearly 30 percent of Baffinland's outstanding common shares on a fully diluted basis.

Advance Explorations said XinXing Pipes Group Co., Ltd. a Chinese state-owned mining and manufacturing conglomerate, is moving ahead with its plans to acquire a 19 percent stake in junior for about C\$4.28 million. The Chinese investor is mainly focused on the junior's flagship iron ore project at Roche Bay, where a recent preliminary economic assessment indicates a potential US\$2.76 billion net present value, a minimum 50-year mine life and a return on investment in three to five years. Further, XinXing and Advanced Explorations said they will jointly assess possible synergies to their plans for other opportunities.

In September, Advanced Explorations said it staked key precious and base metal prospects on the Melville Peninsula in Nunavut. Fourteen claims totaling more than 22,000 acres were staked for gold, silver, copper, molybdenum and iron ore. These targets were last worked more than 30 years ago, and their full exploration potential has been overlooked since, the junior said.

Base metals examined

Chinese-owned Mining Metals Group is systematically exploring mineral assets at its High Lake and Izok Lake projects in Nunavut, targeting copper, zinc-lead and nickel mineralization in aggressive 2010 exploration programs.

High Lake has an NI 43-101-compliant resource calculations of measured and indicated resources totaling 17.2 Mt grading 3.36 percent zinc, 2.25 percent copper, 0.31 percent lead, 70 g/t silver and 0.95 g/t gold, along with a 40,000-metric-ton inferred resource grading 2.38 percent zinc, 0.49 percent copper, 0.44 percent lead, 122 g/t silver and 0.21 g/t gold at High Lake

and measured and indicated resources totaling 14.4 Mt grading 12.94 percent zinc, 2.51 percent copper, 1.28 percent lead and 71 g/t silver, along with a 369,000-metric-ton inferred resource grading 6.40 percent zinc, 3.79 percent copper, 0.27 percent lead and 54 g/t silver at Izok Lake.

MMG geologists focused exploration efforts mainly on Izok Lake with a C\$7 million exploration program aimed at testing extensions of the Izok deposit at depth and along strike, and also drill testing High Lake East targets identified in 2009, prospecting for more targets at High Lake East and exploring the region for another Izok-caliber target.

MMG's board also approved a budget of C\$4 million to complete a new prefeasibility study in 2010, incorporating ideas, including a more detailed road design and the possibility of using the nearby but defunct Lupin gold mine for ore processing.

Encouraging diamond finds

In September, Peregrine Diamonds Ltd. reported the discovery of 12 new kimberlites and successful completion of its summer exploration program at the Chidliak diamond project on Baffin Island, Nunavut. The 12 new discoveries bring the total number of kimberlites on the 9,800-square-kilometer, or 3,783-square-mile, property to 50, of which 34 were found in 2010.

The junior also said the discovery of the CH-31 kimberlite by prospecting proved to be a very important development for the project because it emphasizes the probability of discovering more multi-hectare kimberlite bodies. The geophysical model generated from CH-31 will be used to select additional large kimberlite targets at Chidliak for ground geophysical surveying and drilling in 2011, the junior added.

Peregrine and its partner, BHP Billiton, have begun planning for a 2011 exploration program at Chidliak that will be similar in scale to their 2010 campaign in hopes of rapidly discovering more diamondiferous kimberlites. Peregrine will be the operator of the 2011 exploration program.

BHP has exercised its first option earn-in rights for a 51 percent interest in Chidliak, and Peregrine estimated that the major will reach C\$22.3 million in cumulative spending on the property toward the end of September. BHP also has until November to exercise a second option to earn an additional 7 percent interest in Chidliak by electing to fund the project to completion of a bankable feasibility study.

Peregrine also reported discovery of two kimberlites on its adjacent Qilaq Project, further expanding the new diamond dis-

trict, which now stretches about 70 kilometers, or 43 miles, in a north-south direction and 40 kilometers, or 25 miles, east to west. The explorer also acquired a huge swath of diamond prospective claims on the Cumberland Peninsula in early 2010.

Other diamond explorers reported encouraging results from 2010 exploration programs in Nunavut, including Shear Minerals Ltd., Indicator Minerals Inc., and Stornoway Diamond Corp.

In late August, Shear Minerals also completed the purchase of the defunct Jericho diamond mine located about 420 kilometers, or about 260 miles, northeast of Yellowknife from Caz Petroleum Inc. for 80 million shares and C\$2 million in cash and debt. Jericho has an existing indicated diamond resource of 1.88 million carats and an inferred resource of 1.13 million carats. A past-producer, it also has potential for resource expansion and more than C\$200 million in infrastructure.

Shear Minerals said in September that it hopes to know by 2012 whether it can reopen the mine, which produced 780,000 carats of diamonds in less than two years before former owner Tahera Diamond Corp. was forced to suspend production in 2008.

Uranium hunt

The mining industry was expected to invest some C\$30 million into investigating some 36 uranium properties in Nunavut during the 2010 season.

In July Forum Uranium Corp. reported the start of summer exploration activities at its North Thelon project in Nunavut. The North Thelon project is a large property comprising 69,316 hectares, or 171,210 acres, that surround Areva Canada's Kiggavik Project on the north, east and south sides.

Kiggavik, the largest known uranium deposit in Nunavut, contains an estimated resource of 134 million pounds U3O8 grading 0.27 percent, is undergoing review by Nunavut regulators. Areva wants to develop a uranium mine that would produce 8 million pounds of uranium per year over a 17-year mine life.

The uranium producer has said the project would likely create 400 to 600 jobs worth at least C\$200 million in wages over 25 years.

Forum said the only other company actively exploring in the Kiggavik area is Cameco Corp. to the west of the Kiggavik deposits. Cameco is another large uranium

continued on page 58



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CZX: TSX-V

CHAIRMAN, PRESIDENT AND CEO:

Peeyush Varshney, LL.B.

DIRECTOR: Henry Giegerich, P. Eng.

Canada Zinc Metals (formerly Mantle Resources), was organized in 1988 in British Columbia. This junior is focused on unlocking the potential of the Kechika Trough, a prolific mineral belt that hosts more than 80 million metric tons of base metal resources. Canada Zinc Metals owns 78,526 hectares, or 189,248 acres, in 233 claims, which extend northwestward from the Akie property for a distance of 125 kilometers, or about 78 miles.

The company has two key projects: Akie (hosting the Cardiac Creek deposit) and Kechika Regional

(which has significant blue sky potential). A 2008 initial inferred mineral resource estimate for the Cardiac Creek deposit totaled 23.6 million metric tons grading 7.60 percent zinc, 1.50 percent lead and 13.0 grams per metric ton silver. Subsequent exploration activity in 2008 and 2009 expanded the mineralized zone at Cardiac Creek and discovered new styles of potentially higher grade mineralization not previously seen in the district. After conducting an independent review of the Akie project, Chinese investor Tongling Nonferrous Metals Group Holdings Co. Ltd. boosted its 13 percent equity position in Canada Zinc by another 31.4 million units (each unit is equal to 1 ½ common shares) to about 36 percent. Some C\$18 million in proceeds from the private placement will be used for further exploration and to advance the Akie project.

In July, Canada Zinc reported the death of long-time geologist, director and Vice President of Exploration John Fraser. For 2010 the junior carried out a 10-hole, 5,000-meter diamond drilling program that included testing prospective Gunsteel Formation shales for continuation of the Cardiac Creek deposit and exploring the potential of the North Lead Anomaly located 2 kilometers, or 1.24 miles, to the northwest along strike of the deposit. By Sept. 2, eight holes covering 3,871.39 meters had been completed. All of the drill holes intersected mineralized shales of the Gunsteel Formation, the primary host of the Cardiac Creek deposit.

Canada Zinc also owns a minor interest in 24 mineral claims and three mineral leases, known collectively as the Afridi Lake diamond property, southeast of Lac de Gras, about 335 kilometers, or 208 miles, northeast of Yellowknife, Northwest Territories. To date, five kimberlite intrusions, with variable, but low diamond content, have been identified on the mineral leases.

CASH AND SHORT-TERM DEPOSITS:

C\$4.17 million (at March 31, 2010)

WORKING CAPITAL:

C\$5.28 million (at March 31, 2010)

MARKET CAPITALIZATION:

C\$43.12 million (at Sept. 6, 2010)

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producer with mines in the Athabasca Basin of Saskatchewan.

A number of historical and new showings with grades of up to 8.75 percent U3O8 have been discovered by Forum on its North Thelon Project in past exploration programs. In 2010, the junior aimed to identify additional gravity targets (zones of alteration); to refine the geology and structural knowledge and to collect soil samples for geochemistry from high priority areas on the property. Forum said this information will position the property for a major drilling campaign in 2011.

Forum also intended to evaluate the property's potential for rare earth elements discovered in the Nutaaq area in 2009. The REE showing in a 10-kilometer by 8-kilometer, or 7-mile by 5-mile, intrusive syenite complex, returned assays with up to 3.8 percent total REE. Forum plans to conduct a detailed mapping, soil sampling and rock sampling campaign in the area to determine the size, grade and geological controls of the new REE discovery.

Other mining companies are also busy pursuing their visions of a big uranium payday in Nunavut.

In late June, Kivalliq Energy Corp. posted final assays for its 2010 phase 1 drill program, totaling 2,375 meters in 13 holes, at the Lac Cinquante uranium deposit on the 91,093-hectare, or 225,000-acre, Angilak Property located 220 kilometers, or about 136 miles, southwest of Baker Lake in central Nunavut. Ten of the 13 holes intersected significant uranium mineralization.

"Since Kivalliq's first drill program in 2009, we have an impressive drilling success rate of over 85 percent," John Robins, Kivalliq's president and CEO. "Our team has dramatically increased the potential at Lac Cinquante by intersecting uranium mineralization at a new zone 500 meters west along trend from the historic deposit, and by drilling the highest grades and widest intercepts to date within the historic resource area."

In August, the junior started a second drill rig on the property as part of a 10,000-meter second phase of its 2010 diamond drill program, which will consist of drilling, prospecting, sampling and field baseline studies, with the goal of establishing a NI 43-101-compliant mineral resource by early 2011.

In mid-September, Kivalliq closed a C\$6.2 million non-brokered private placement, of which net proceeds will be used to explore and develop the Lac Cinquante uranium deposit, and for general working capital.

Another uranium explorer, Hornby Bay Minerals Exploration Ltd. reported July 29 that its 2010/11 diamond drilling and seismic exploration program was underway on the Coppermine River Property in the Hornby basin.

Exploration for uranium in the Great Bear Lake – Hornby Bay Basin region about 500 kilometers, or 336 miles, north of Yellowknife, Northwestern Territories, dates back to the 1940s.

Hornby Bay said it raised nearly C\$1.8 million in a rights offering to existing shareholders that will help fund exploration on its 40 mineral leases and 16 mining claims at Coppermine River.

Hornby Bay is also participating in a 50-50 joint venture with MIE Metals Corp. on 29 mineral claims and 1 mining lease covering 24,648 hectares, or 60,906 acres. Hornby Bay is the operator of 10 mineral claims of the property, covering 10,451 hectares, or 25,825 acres, and owns 13 mineral claims and one mining lease of the joint venture, covering 14,627 hectares, or 36,144 acres.

For the area covered by its uranium properties, Hornby Bay has built a multilayered GIS database that integrates all geological, geochemical, geophysical, and drill hole information that it acquired along with historical uranium exploration data for western Nunavut that it purchased in 1996.

Numerous other juniors are pursuing smaller exploration programs in search of a host of other minerals and gemstones across Nunavut. They include Starfield Resources Inc., which launched a 2010 exploration program at its 625,000-acre Ferguson Lake nickel-copper-cobalt-platinum-palladium property with about C\$2 million in working capital and Anglo American Exploration Canada and Vale INCO, which acquired permits and initiated early stage exploration on Southampton Island in 2009 and 2010.

The future success of mining in Nunavut, however, is dependent on land access and the efficiency of the territory's regulatory framework. The industry also needs new roads, bridges and power plants.

—John Kearney, president,
NWT & Nunavut Chamber of Mines

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SHANE LASLEY
Core from the Rainmaker prospect located about 2,000 meters east of the Whistler deposit. Rainmaker is one of several porphyry targets identified on Kiska's 203-square-mile, or 527-square-kilometer, Whistler property.

Statewide Alaska

Kiska gains sole ownership of Whistler

Kennecott backs out of gold-copper property, options nearby prospect to junior

By SHANE LASLEY
Mining News

When Rimfire Minerals Corp. and Geoinformatics Exploration Inc. joined forces to form Kiska Metals Corp. in the fall of 2009, the primary objective of the amalgamated junior was to resolve the tenure of the Whistler Project. A year later the junior explorer achieved this goal, gaining sole ownership of the expansive gold-copper property in Alaska.

Rio Tinto subsidiary Kennecott Exploration Co., which optioned Whistler to Geoinformatics in 2007, had the right to buy

back a controlling interest in the 203-square-mile, or 527-square-kilometer, project after certain exploration milestones were achieved.

In mid-August Kiska delivered a geological and geophysical report detailing the results from 264 line-kilometer induced polarization survey and 23-hole drill program to Kennecott, completing the junior's obligations under the back-in agreement.

Knowing Kiska was eager to advance Whistler, Kennecott promptly returned its decision not to buy back into the project,

continued on next page

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Capstone Mining Corp., founded in 1987 in British Columbia, is primarily focused on operating, expanding and exploring the company's two producing copper mines, including the Minto copper-gold-silver mine in central Yukon Territory. Capstone also aims to grow both organically and through mergers and acquisitions: organic growth through continued mineral resource and reserve expansions at its operating mines and through the development of its high-grade Kutcho copper-zinc-gold-silver deposit in northwestern British Columbia, while mergers and acquisitions provide opportunities to accelerate that growth profile. At Minto, Yukon's only producing mine, Capstone increased its 2010 exploration budget by C\$1.5 million, bringing its total exploration commitment to C\$7 million, the largest annual exploration budget ever allocated for the operation. After a successful test of Titan-24 deep penetrating induced polarization survey technology at Minto in 2009 that led to the discovery of the Minto East deposit, Capstone undertook a property-wide survey in early 2010. The IP survey identified a number of chargeability anomalies in areas untested by previous drilling, including the Wildfire discovery, one of the strongest and most extensive IP anomalies yet identified at Minto. Based on the survey results, 73 targets were identified for follow-up drill testing, including 19 high priority, 26 medium priority and 28 low priority targets. Two drills were scheduled for systematic drill testing of Wildfire in August.

In order to advance the Kutcho Project toward a pre-feasibility study, the high-grade Esso deposit, (one of three volcanogenic massive sulphide deposits that comprise the project) is being drilled. At Kutcho, Capstone Sept. 7 reported additional high-grade intercepts from drilling aimed at increasing confidence in the 1.1 million or so metric tons of inferred mineral resources, mostly located in a 60-meter-wide gap in the current resource model, and to provide metallurgical samples, as recommended in a preliminary economic assessment announced July 13.

CASH AND SHORT-TERM DEPOSITS: C\$151.6 million (at June 30, 2010)

WORKING CAPITAL: C\$142 million (at June 30, 2010)

MARKET CAPITALIZATION: C\$547.94 million (Sept. 10, 2010)

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STEPHEN QUIN



SHANE LASLEY



Hole IM10-004, collared about 50 meters northeast of Kiska's discovery hole at Island Mountain, intersected two zones of gold mineralization. An upper gold-copper zone averages 0.70 grams per metric ton gold, 2.5 g/t silver and 0.16 percent copper over 129.8 meters starting and a lower gold-only intersection averages 0.78 g/t gold over 151.6 meters.

clearing the way for the junior to advance exploration as sole-owner of the enormous property.

Kennecott retains a 2 percent net smelter royalty on the porphyry gold-copper project.

"With our 100 percent ownership of the Whistler gold-copper project, Kiska will move forward with further exploration and development of the project. In particular, our work will focus initially on doing more work on the Whistler resource as well as some of our new discoveries, including the Island Mountain Breccia," Kiska President and CEO Jason Weber said.

Geophysics unveil hidden porphyries

Most of the past exploration at Whistler had focused on a porphyry outcrop known as the Whistler Zone. An NI 43-101 resource calculated in 2008 estimated the properties namesake deposit contains an indicated resource of 30 million metric tons grading 0.87 grams per metric ton gold, 2.46 g/t silver and 0.24 percent copper, and an inferred resource of 134 million tons grading 0.64 g/t gold, 2.18 g/t silver and 0.20 percent copper.

In making its decision to exercise its back-in rights at Whistler, Kennecott did not want to expand on the 5.75 gold-equivalent-ounces gold resource. Instead, the major wanted to make a property-wide evaluation of the Southwest Alaska project.

To investigate the larger potential at Whistler a technical committee made up of two geologists from each Kiska and Kennecott laid out an extensive 3-D induced polarization survey over the Whistler corridor, a 162-square-kilometer, or 62.5-square-mile, region that hosts the Whistler deposit.

"Because this survey covered such a big area – we actually covered the Whistler deposit as well – we could take geophysical signature from Whistler and just apply that elsewhere in our survey area to pick our targets," Weber explained.

The survey unveiled more than 25 distinct new targets with a similar geophysical signature as Whistler hidden beneath the glacial gravels that cover much of the corridor. Ten of these targets, all of comparable scale and geophysical response to the Whistler deposit, were drilled during the Kennecott trigger program.

Trigger drilling makes new discoveries

The Raintree West prospect, located about 1,500 meters east of the defined resource, is one of the Whistler corridor deposits Kiska is particularly excited about. WH09-002, drilled during the trigger program, cut 471.6 meters that averaged 0.93 g/t gold-equivalent (0.38 g/t gold, 4.7 g/t silver, 0.09 percent copper, 0.35 percent zinc and 0.15 percent lead).

Kiska Metals Corp.

TSX-V: KSK

PRESIDENT AND CEO: Jason Weber

CHAIRMAN: David A. Caulfield

VICE PRESIDENT, EXPLORATION:

Mark E. Baknes

Properties with mineral(s) explored –

Gold-Copper-Silver – Whistler, Alaska

Copper-Gold-Molybdenum – Copper Joe, Alaska

Gold – Good-paster, Alaska

Copper-Gold-

Molybdenum – Falcon/Redton, British Columbia

Gold-Silver – Gillis, British Columbia

Gold-Copper-Silver – Grizzly, British Columbia

Gold – Jake, British Columbia

Copper-Gold – Kiyul, British Columbia

Copper-Gold – Quenel Trough, British Columbia

Gold-Silver – RDN, British Columbia

Gold – Tide, British Columbia

Copper-Gold-Silver – Thorn, British Columbia

Gold – Williams Gold, British Columbia

Iron Oxide-Copper-Gold – Wernecke Brecchia, Yukon

Gold – Colorback, Nevada

Copper-Gold – Barmedman, Australia

Gold – Victoria Gold Fields, Australia

Copper-Gold-Silver – Mexican Portfolio, Mexico

CASH AND SHORT-TERM DEPOSITS: C\$2.51 million (at June 30, 2010)(C\$6.44 million financing closed Aug. 16)

WORKING CAPITAL: C\$2.40 million (at June 30, 2010)

MARKET CAPITALIZATION: C\$75.57 million (at Oct. 1, 2010)

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The bottom 40 meters of this hole, which was angled toward the west, intersected higher temperature veining, suggesting a trend toward the core of a large porphyry system and an improved likelihood of higher copper-gold grades. The 3D IP survey confirmed that the signature of these elevated grades continues 300 meters further west.

The trigger-program drilling also turned up an exciting new discovery at Island Mountain about 14 miles, or 23 kilometers south of the Whistler Deposit.

IM-09-001, the Island Mountain discovery hole, cut two distinct mineralized zones. The upper 150 meters – which averaged 1.06 g/t gold equivalent (0.72 g/t gold, 2.37 g/t silver and 0.16 percent copper) – is similar to the mineralization found at the Whistler deposit. The mineralization in the

KISKA METALS CORP.



Geologists Robin McQuinn, Ute Fitzgerald, Dave Friznegger, Mike Roberts, Mark Baknes and Tracy Roach examine core from Rainmaker North, the first hole of the 2010 drill program at the Whistler gold-copper project in Alaska.

lower 106.9 meters of the hole – which averaged 1.32 g/t gold-equivalent (1.22 g/t gold 0.69 g/t silver and .05 percent copper) – more closely resembles the gold-dominant mineralization being investigated about 2 kilometers, or 1.2 miles, southeast at the Shoeshine Zone on Millrock Resources Inc.'s Estelle property.

Kiska and Kennecott returned to Island Mountain in the spring. Hole IM10-004, collared about 50 meters northeast of the discovery hole, cut two zones of similar mineralization.

Two additional trigger-program holes, drilled 750 meters and 1,500 meters southeast of IM10-001 intersected anomalous copper-gold mineralization believed to be peripheral to the higher temperature breccia core intersected in the discovery hole.

This combination of geophysics and property-wide drilling has provided Kiska with a trove of geological information about the enormous Whistler land-package.

"We are extremely pleased to have made additional porphyry discoveries at Whistler. This firmly supports our exploration con-

cept that the Whistler Project is host to several individual gold-copper porphyry systems of which the Whistler resource is but one example," Weber said.

Post Kennecott drilling

Upon completing the requirements to gain a decision by the Rio Tinto subsidiary, Kiska immediately set out to expand the Whistler Deposit.

"It is a very nice situation for us to go into Whistler and be drilling on the deposit itself," Weber told investors Sep. 1.

The Kiska leader told Mining News that the drilling is focused on better defining the margins of the resource as well as expanding the deposit at depth. To accomplish this, the rigs are setting up on the outskirts of the defined mineralization and drilling back toward the deposit.

The holes drilled by Kiska during the fall of 2010 along with eight holes completed Geoinformatics after the completion of the 2008 resource estimate, are being incorpo-

continued on next page

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Alaska

Caribou Copper Resources Ltd.

CKR: TSX-V

PRESIDENT AND CEO: Pierre Vella-Zarb

EXECUTIVE VICE PRESIDENT: David Lajack

VICE PRESIDENT, MINING: Bernard Stannus

Caribou Copper Resources Ltd. returned to Caribou Dome in 2010 for its first full exploration season at the high-grade copper property located about 160 miles, or 257 kilometers, northeast of Anchorage. Acquiring Caribou Dome in early September 2009, the Ottawa-based junior hastily organized a drill program to begin its investigation of the high-grade copper prospect. The company completed 621 meters of drilling in two holes before early winter snows ended the program. Though the first hole encountered only anomalous copper, the second, hole 104, cut 2.1 meters averaging 1.83 percent copper. An additional 2 meters of deeper mineralization returned grades of 0.51 percent copper.

Taking a more methodical approach in 2010, the company cut trenches across the eastern portion of mapped surface mineralization at the 10,240-acre property. Peeling back the tundra, geologists collected copper-bearing chip samples in nine of the 11 trenches. Highlights include: 4.03 percent copper over 7 meters, including 7.13 percent over 3 meters and 6.18 grams per metric ton silver over 7 meters in trench 4; 2.96 percent copper and 6.35 g/t silver over 2 meters in trench 5; 1.99 percent copper over 2 meters and 17.8 g/t silver over 3 meters in trench 6; and 3.78 percent copper over 2.5 meters in trench 11. The results of this field work were used to identify drill targets in zones 3, 7 and 8, which have seen very little historic drilling. Caribou Dome was known as the Denali copper prospect when it was staked in 1963. Exploration and development work on the property through 1971 – including trenching and some 11,000 meters of surface and underground drilling – outlined a non-NI 43-101-compliant resource for zones 4, 5 and 6 of about 550,000 short tons averaging 5.84 percent copper with about one-third of an ounce of silver per short ton.

"The exploration completed to date on the Caribou Dome prospect has documented the occurrence of multiple high-grade sedimentary copper deposits. Of these, only three have been explored in any detail and the bulk of the expenditures to date have been focused on the No. 4, 5 and 6 zones," Donald Stevens wrote in an NI 43-101 technical report on Caribou Dome in 2009. "All of these zones remain open at depth and the mineralized trend is open along strike in both directions." Stevens was the field manager of an underground exploration program in 1969 that included driving an adit nearly 1,400 feet from the 4,360-foot level. The following year a spiral decline was driven from the 4,510-foot level down a vertical distance of 1,706 feet, which exposed mineralization at depth and provided platforms for the underground drill program. The historic exploration program outlined a high-grade copper deposit on the property, but due to the fine-grained nature of the mineralization, recovery of the ore was deemed difficult. Modern advances in metallurgy are believed to have overcome this problem. Copper bio-leach and heap leach techniques could make development of the advanced-stage copper project more viable.

CASH AND SHORT-TERM DEPOSITS:

C\$190,524 (at June 30, 2010)

WORKING CAPITAL: C\$112,321 (at June 30, 2010)

MARKET CAPITALIZATION: C\$2.09 million (at Sept. 7, 2010)

(Private placement of up to 10 million units at C10 cents per unit announced July 15)

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rated into an updated resource for the Whistler Deposit.

Kiska's second drill continued to expand on the discovery made at the Island Mountain. To target additional drill holes at this prospect, Kiska geologists completed extensive mapping and sampling of the breccia zone.

At the beginning of September nine holes had been completed in the breccia zone at Island Mountain and two holes had drilled peripheral targets at the exciting new gold-rich zone.

"Island Mountain is a compelling target that we have only just begun to explore," Weber said.

New Kahiltna Terrane prospect

Kiska optioned a second Kahiltna Terrane property from Kennecott in May. The copper-gold-molybdenum porphyry prospect, Copper Joe, is about 50 kilometers, or 31 miles, south-southwest of Whistler.

"Our option to acquire Copper Joe is a good, strategic fit with our plans to further the development of our flagship Whistler Property and gives us yet another porphyry copper-gold target in the belt. The target was only recently discovered by Kennecott and has yet to be tested by drilling," Weber said.

Since Kennecott staked the Copper Joe property in 2006, it has completed 70.4 line-kilometers of ground magnetic survey, which revealed a northeast trending mineralized showing. Kennecott collected 28 rock samples yielding peak values of 0.73 percent copper, 0.415 g/t gold, 7.9 g/t silver and 0.125 percent molybdenum.

Kiska completed an IP survey and geological mapping and sampling in order to generate drill targets at Copper Joe. Kiska has indicated that it may drill this new prospect in 2011.

Other northern assets

In addition to Whistler, Kiska has a large portfolio of properties located in the United States, Canada, Mexico and Australia.

In Alaska, Kiska's exploration portfolio includes 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 project.

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 June Kiska optioned its Thorn gold-silver-copper property in northwest British Columbia to Brixton Metals Corp. (see Brixton Metals). Exploration by Kiska has identified three main types of high-grade copper-gold-silver mineralization within altered porphyry, as well as high-grade gold-silver mineralization that occurs in the surrounding sediments and volcanics.

In September Kiska consolidated the Kliyl porphyry copper-gold project in northcentral British Columbia, giving the junior 100 percent interest in the 45.3-square-kilometer property subject only to a 1.5 percent net smelter royalty reserved for Rio Tinto. Drilling by Geoinformatics at Kliyl in 2006 cut 217.8 meters averaging 0.23 percent copper and 0.52 g/t gold from a hole depth of 22 meters; including 0.30 percent copper and 0.81g/t gold over the bottom 131.8 metres of this interval.

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 Fronteer Development Group Inc. in a 374-square-kilometer, or 144.4-square-mile land, package prospective for iron oxide copper-gold deposits in Yukon's Wernecke Mountains.

Many of the some 20 projects in Kiska's portfolio are part of joint ventures with majors and other juniors, which enables the junior to participate in upside potential while limiting exploration spending.

Junior investments pay big for Kinross

Major's strategy to invest in Tintina Gold Belt explorers turns up White Gold

By SHANE LASLEY
Mining News

Kinross Gold Corp. is a partner of choice for many junior explorers investigating gold prospects in Alaska and northwest Canada.

The Toronto-based major has formed various alliances with a number of juniors exploring for gold in the Tintina Gold Belt, the prolific 145-million-acre (58.7-million-hectare) mineral region that hosts Kinross' Fort Knox Gold Mine and huge gold deposits including Donlin Creek and Livengood in Alaska as well as significant gold showings in Yukon Territory, including White Gold.

This symbiotic relationship affords the smaller companies the funds and resources for exploration while providing the Toronto-based major an inside track on any discoveries turned up with the grassroots exploration.

If the White Gold project in the Yukon Territory is any indication, this liaison is paying dividends for both Kinross and its junior partners.

When Underworld Resources Inc. raised money in the fall of 2008 to explore the, at the time, little-known White Gold property, Kinross pitched in C\$1 million to acquire 9.7 percent ownership of the junior.

"The investment in Underworld is part of Kinross' strategy to maximize exposure to new prospects and experienced explorationists at a relatively small capital investment by partnering with promising junior companies on a select basis," the major explained.

This strategy resulted in Kinross buying out Underworld and gaining ownership of the junior's White Gold and Ross projects in central Yukon Territory.

The friendly takeover bid was embraced by Underworld management and shareholders.



JUDY PATRICK

Getting in the Golden Saddle

Since the takeover, Kinross has not spared time or money on this promising gold asset. The Toronto-based gold miner allotted C\$15 million to advance the White Gold properties in 2010. The multifaceted exploration program included some 30,000 meters of drilling, geophysics, environmental baseline studies and staking of around 9,900 acres of additional claims in the region.

The company's newly acquired Yukon asset is divided into two land packages; White Gold and Ross. About two-thirds of the drilling completed in 2010 was on the original land package, with the remaining 10,000 meters drilled at Ross.

The bulk of the 20,000 meters drilled on the White Gold property itself was aimed at expanding the one-million-ounce gold resource outlined by Underworld in the Golden Saddle and Arc zones.

At Golden Saddle, drilling by Underworld outlined an indicated resource of 1 million ounces of gold, at an average grade

continued on next page



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Charles Chebry

VICE PRESIDENT, EXPLORATION: David Clarke

Cedar Mountain Exploration Inc. is focused on seeking a near-surface, bulk tonnage sedimentary gold deposit at its Kelly Creek gold project located about 90 miles, or 145 kilometers, north of Nome. After cutting a deal with Greatland Exploration on the Kelly Creek gold property early in 2010, Cedar Mountain augmented its land position on Alaska's Seward Peninsula by staking an additional 147 State of Alaska mining claims surrounding the promising gold play. The Edmonton-based explorer said the 32,640-acre property hosts numerous open-ended, multi-element soil anomalies which have been tested with a limited drilling program.

In July the company initiated a C\$600,000 phase-1 sampling program focused on investigating high priority gold geochemical anomalies that occur within prospective stratigraphy over a 15 kilometer by 5 kilometer, or 9.3 mile by 3.1 mile, corridor at Kelly Creek. The results of some 4,000 soil, stream sediment and rock samples collected over the course of the program are being used to identify targets for a drill campaign scheduled to begin in 2011. The company has also completed an airstrip at Kelly Creek, providing direct access to the property. Historical soil and stream sediment sampling programs have identified several prospects at the property consisting of coincident gold, arsenic, antimony, and mercury anomalies. A coherent gold-in-soil anomaly with continuous elevated gold assays of greater than 25 parts per billion has been traced for nearly 2 kilometers, or 1.2 miles. In 1984, Anaconda Copper Mining Co. completed three drill holes within a portion of the anomalous area, producing drill intercepts of 1.07 grams per metric ton gold over 23.5 meters and 0.83 g/t gold over 32 meters. Cedar Mountain said this region is largely untested and remains open to the south and west.

Cedar Mountain belongs to the Discovery Group, an alliance of individually listed and managed mineral exploration companies. Other Discovery Group companies featured in this magazine are; Kaminak Gold Corp., North Country Gold Corp., Niblack Mineral Development Inc., Kivalliq Energy Corp. and Indicator Minerals Inc.

WORKING CAPITAL: -C\$800,000 (at Aug. 17, 2010)

MARKET CAPITALIZATION: C\$5.11 million (at Sept. 8, 2010)

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of 3.2 grams per metric ton, plus 407,000 ounces at an average grade of 2.5 g/t gold in inferred resources.

At the Arc zone, the initial resource estimate includes 170,500

ounces at an average grade of 1.2 g/t gold in the inferred category.

In addition to resource expansion in these two zones, Kinross also had drills turning at McKinnon, Black Fox and Wedge – three other prospects on the White gold land-package.

Ross is a 312-square-kilometer, or 121-square-mile, land-package located some 35 kilometers, or 22 miles, north of the White Gold property.

This 40-kilometer-, or 25-mile-, long trend of gold prospects exhibits similar geologic and geochemical characteristics to the White Gold Trend, it parallels. Within the trend, Underworld said it identified a Golden Saddle-style geochemical signature that is underlain by similar host rocks.

The Ross trend includes the headwaters to multiple active, and past producing placer operations, including: Henderson, Maisy May and Black Hills creeks. Production records from the Yukon Geological Survey (2009) report more than 177,689 ounces of gold mined from these operations.

Due to poor exposure of bedrock in the White Gold District, soil sampling is the primary reconnaissance exploration tool used by Underworld, which collected some 6,200 samples at Ross.

Kinross investigated five prospects turned up by Underworld – Frenzy, Sabotage, Marnie, Vertigo and Stage – along the Ross trend with its 30-hole 2010 drill program.

Frenzy is a gold-in-soil anomaly that measures 2,700 meters by 1,000 meters. The average gold grade of 459 samples collected at this prospect is 18 parts per billion, ranging from trace to 1,142 ppb. The prospect is underlain by similar host rocks to the Golden Saddle, with a similar geochemical signature. As a comparison, the Golden Saddle soil anomaly measures



Kinross Gold Corp.

NYSE: KGC and TSX: K

CHAIRMAN: John E. Oliver

PRESIDENT AND CEO: Tye W. Burt

EXECUTIVE VICE-PRESIDENT AND COO:

Tim C. Baker

Properties with mineral(s) explored:

Gold – Fort Knox, Alaska

Gold – Gil, Alaska

Gold – White Gold, Yukon

Gold-Silver – Kuskokwim (Russian and Horn Mountain), Alaska

CASH AND SHORT-TERM DEPOSITS:

US\$694.8 million (at June 30, 2010)

WORKING CAPITAL: US\$866.5 million

(at June 30, 2010)

MARKET CAPITALIZATION: US\$13.7 bil-

lion (at Oct. 5, 2010)

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1,800 meters by 900 meters, and consists of 348 samples, which outlines a u-shaped anomaly with an average grade of 22 ppb gold, ranging from trace to 364 ppb gold.

Sabotage, which is a 1,600-meter-long, single ridge line gold anomaly, was discovered as part of a ridge and spur sampling program completed by Underworld. Soil samples collected at Sabotage ranged from trace to 132 ppb gold, averaging 23 ppb of the yellow metal.

Tintina juniors

Kinross has an equity stake in Full Metal Minerals Ltd., Millrock Resources Inc. and Victoria Gold Corp. – three other juniors exploring the Tintina Gold Belt.

In 2008, the Toronto-based gold producer Kinross formed a strate-

gic partnership with Full Metal Minerals, a junior with management and technical team ties to Underworld, to seek out gold deposits in the Tintina Gold Belt.

Russian and Horn Mountain gold-silver properties – located about 25 miles, or 40 kilometers, southwest of Barrick Gold Corp. and NovaGold Resources Inc.'s enormous Donlin Creek gold deposit – was the first prospect turned up by the alliance.

A 13-hole drill program in 2009 encountered gold-silver-copper-arsenic mineralization associated with quartz-tourmaline veining, including one meter grading 8.59 g/t gold, 185.6 g/t silver and 6.03 percent copper in the first hole of the program.

The strategic partners have not revealed any new prospects turned up in 2010.

Kinross also has forged an alliance with Millrock Resources Inc. to explore more than 348 square miles, or 900 square kilometers, of gold properties in the Council Mining District about 60 miles, or 100 kilometers, east of Nome, Alaska.

The area of interest covered under the partnership includes Millrock's Council property and the adjacent Albion property, plus surrounding mining claims staked by the junior. The partners are seeking the source of more than one million ounces of

A recently completed expansion project at Fort Knox is expected to extend the life of the mine from 2012 until 2018. As well, the project will double the life-of-mine production to 2.9 million gold ounces, and increase production to an average 370,000 gold ounces per year during the five years starting in 2010.

JUDY PATRICK

placer gold recovered from the district.

A 2,500-meter reverse circulation drill program completed in 2010 targeted a 900-meter-by-2,000-meter gold-arsenic anomaly surrounds the old placer workings and is centered on a north-west trending structure. Millrock believes the size of the geochemical anomaly and the geological setting indicates potential for a large deposit.

Kinross also owns a 28 percent stake in Victoria Gold, which is exploring the Dublin Gulch Project in central Yukon. The Eagle Gold deposit at Dublin Gulch, which appears to be a geological twin to Kinross' Fort Knox Mine in Alaska, boasts an estimated NI 43-101 probable reserve of 1.75 million ounces of gold in about 66.1 million metric tons grading 0.82 grams per metric ton gold plus an indicated resource of 2.7 million ounces of gold in about 98.6 million metric tons grading 0.85 g/t. A feasibility study for Eagle Gold is scheduled to begin in the fourth quarter of 2010.

Fort Knox neighbor

Kinross has held a longstanding partnership with junior explorer Teryl Resources Corp. at the Gil gold property next door

to its Fort Knox Mine north of Fairbanks.

In November, 2009, the major made a bid to buy Teryl's 20 percent stake in the Gil claims, an offer the junior later rejected. Though the joint venture partners could not come to terms on the buyout, they forged ahead with a US\$1.5 million exploration program at Gil.

Targeting mineralized zones defined with the geophysics conducted at the beginning of the season, Kinross completed 1,628 meters of core drilling and 2,882 meters of reverse circulation drilling at the prospect.

Preliminary assay results in August from drilling at North Gil reveal that hole GVR-10-568 cut 10.7 meters with an average grade of 2.7g/t gold and GVR-09-569 intersected 15.2 meters grading 1.2 g/t gold. Hole GVR 10-563 intersected 7.6 meters grading 1.03 g/t gold at Sourdough Ridge, which is about eight miles, or 13 kilometers, northeast of the Fort Knox Mine. At the time of this report, assay results were pending from an additional 18 holes drilled at Gil in 2010.

Kinross and Teryl have spent more than US\$10.5 million outlining some 10.1 million tons of ore at Gil with an average grade of 1.25 grams of gold per ton, or 404,000 ounces of gold, at the property about five miles, or eight kilometers, east of Fort Knox.



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Explorers flood mining hot spot

Friendly regime, under-explored ground and higher prices lure industry

By ROSE RAGSDALE
For Mining News

A worker examines core from the discovery hole in the Supremo Zone at Kaminak Gold Corp.'s Coffee gold project in Yukon Territory.

Primed for booming exploration for several years, the Yukon Territory appears to have hit big in 2010, both literally and figuratively.

Emerging as one of the world's mining hot spots, the Northwest Canada jurisdiction is reporting industry investment exceeding C\$120 million.

Propelled by record gold prices and key gold discoveries, as well as surging demand in Asia for base metals and a mining friendly government, miners flocked to the territory in growing numbers, bringing generous exploration budgets and fresh theories about where major mineral deposits might be found. Individual prospectors, junior exploration companies, consultants and representatives of at least one major mining company trooped into the field. Adding to the frenzy of exploration activity was the proposed production startup in the fourth quarter of both the Wolverine silver-zinc-lead project near Ross River and the Bellekeno silver mine north of Mayo.

In short, Yukon Territory's mining industry had one of its best years ever in 2010.

"Yukon Territory is an exciting place to be. It's incredibly busy," said Mike Burke, head of Mineral Services, Yukon Geological Survey.

"We're having a very strong year, and a lot of it is powered by the price of gold," said Carl Schulze, president of the Yukon Chamber of Mines. "The Yukon's economy has picked up slightly, and that is likely due to mining."

In response to explorers' demands for faster turnaround times on assay results, five of Canada's top analytical laboratories – Acme Analytical Laboratories Ltd., ALS Chemex, Inspectorate, Agat Laboratories Ltd. and Eco Tech Laboratory Ltd. – opened offices in Whitehorse in 2009 and 2010. In addition, more geological and environmental consultants and at least one First Nations expeditor picked up new contracts during the year.

"Of the amount of money the mining companies spend, a lot of it is staying in the territory now," Schulze said.

A super-busy mining sector, however, had little impact on the territory's unemployment figures even though the Yukon's work force of 17,800 grew by about 100 individuals and mine training programs spawned a score of skilled workers.

In August, Yukon officials made a preliminary estimate of total mining investment in the territory in 2010, observing that spending is up substantially from the recession-hampered C\$90 million that the territory attracted in 2009.

But final figures for 2010 total spending won't be tallied before early 2011, said Schulze.

More mines

Leading the call for more mine workers were Chinese-



owned Yukon Zinc Corp. and Alexco Keno Hill Mining Corp., both companies that expected to start up mining operations in the territory this fall. Yukon Zinc aims to commence production at a newly built 1,700-metric-ton-per-day underground mine to tap the zinc/silver-rich Wolverine deposit, which contains measured and indicated resources of about 4.46 million metric tons grading 12.14 percent zinc, 354.8 grams per metric ton silver, 1.16 percent copper, 1.69 g/t gold and 1.58 percent lead.

The private company had hoped to begin production in the second quarter, but a worker's death in late April shifted its focus to underground testing and geotechnical modeling as well as developing enhanced safety protocols and procedures to ensure a safe work environment. Yukon Zinc also sought to develop a comprehensive plan for a range of ground conditions.

Alexco Keno Hill, a subsidiary of Alexco Resource Corp., planned to begin underground mining in October at the Bellekeno silver project in the historic Keno Hill silver district in east-central Yukon. Bellekeno, the first of potentially numerous silver deposits that Alexco hopes to develop in the area, will be a 250 t/d operation for years 1 and 2 and increase throughput to 400 t/d in years 3 to 5. The Keno Hill district, once home to at least 35 small mines, produced about 217 million ounces of silver between 1921 and 1988.

In addition to indicated and inferred resources of 400,000 and 111,000 metric tons, respectively, grading 921 g/t and 320 g/t silver, 9.4 percent and 3.1 percent lead, and 6.9 and 6.5 percent zinc, in the Bellekeno deposit, Alexco aims to mine a nearly 2.5 Mt of historic tailings stockpiled that average 119 g/t silver, 0.12 g/t gold, 0.99 percent lead and 0.70 percent zinc with contained precious metals of more than 9.5 million ounces of silver and 9,600 ounces of gold. Alexco also aims to mine additional high-grade silver and gold deposits on its extensive claims in the

district.

Both Wolverine and Bellekeno expect to employ up to 200 workers.

Capstone Mining Corp., Yukon's sole producing mine since its startup in 2007, is exploring for more deposits at its Minto copper-gold-silver mine in western Yukon. The miner undertook a property-wide Titan-24 deep penetrating induced polarization survey in early 2010 that identified several chargeability anomalies in areas untested by previous drilling. These include the Wildfire discovery, one of the strongest and most extensive IP anomalies yet identified at Minto. Drilling results at Wildfire in August identified high-grade copper-gold mineralization 76-110 meters deep, and Capstone embarked on follow-up exploration with two drills and increased its budget by C\$1.5 million to systematically drill test the prospect and other targets generated from the IP survey. The addition boosted total annual exploration spending at Minto to a record C\$7 million.

Capstone, meanwhile, continued efforts to resolve problems caused by unexpected flooding by seeking permission from regulators to remove the 160,000 cubic meters of water by year's end that covered about 500,000 metric tons of high-grade ore at the bottom of the main open pit at Minto.

More activity

An important sign of activity in 2010 was a jump in mining claims staked during the year. Yukon's active quartz claims, including 32,692 claims staked during in the first seven months of 2010, jumped to nearly 110,000, up about 38 percent from last year's record total of just under 80,000 claims.

A score or more of explorers joined prospectors in scouring

continued on page 69



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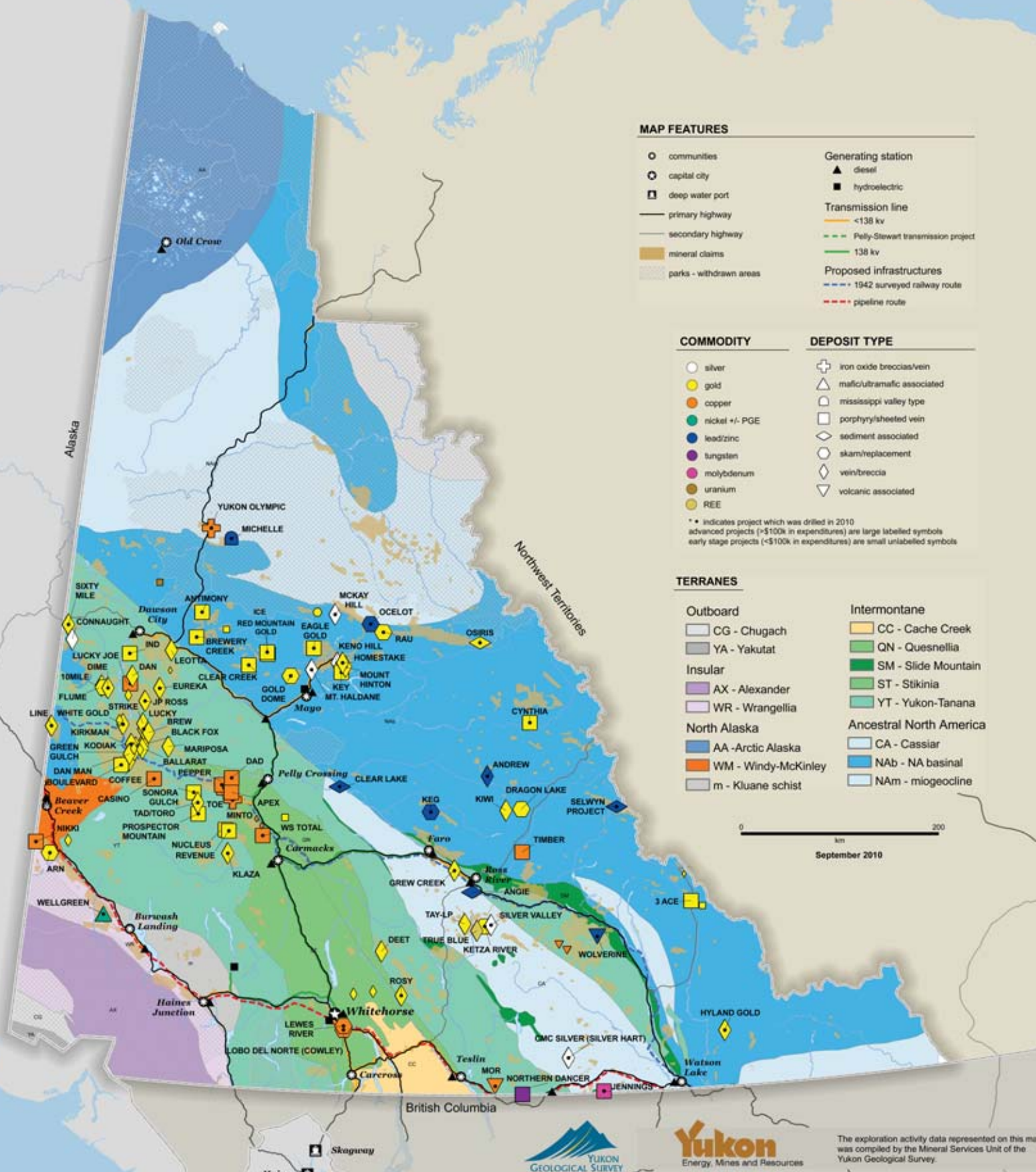
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- **November 22 to 25, 2009** at the 37th Yukon Geoscience Forum and Trade Show in Whitehorse, Yukon.

Yukon
Energy, Mines and Resources

Yukon Exploration Projects 2010



MAP FEATURES

- communities
- capital city
- deep water port
- primary highway
- secondary highway
- mineral claims
- parks - withdrawn areas
- ▲ generating station
 - diesel
 - hydroelectric
- Transmission line
 - <138 kv
 - Pelly-Stewart transmission project
 - 138 kv
- Proposed infrastructures
 - 1942 surveyed railway route
 - pipeline route

COMMODITY

- silver
- gold
- copper
- nickel +/- PGE
- lead/zinc
- tungsten
- molybdenum
- uranium
- REE

DEPOSIT TYPE

- ✦ iron oxide breccias/vein
- △ mafic/ultramafic associated
- mississippi valley type
- porphyry/sheeted vein
- sediment associated
- skarn/replacement
- ◇ vein/breccia
- ▽ volcanic associated

● indicates project which was drilled in 2010
 advanced projects (>\$100k in expenditures) are large labelled symbols
 early stage projects (<\$100k in expenditures) are small unlabelled symbols

TERRANES

- Outboard
 - CG - Chugach
 - YA - Yakutat
- Insular
 - AX - Alexander
 - WR - Wrangellia
- North Alaska
 - AA - Arctic Alaska
 - WM - Windy-McKinley
 - m - Kluane schist
- Intermontane
 - CC - Cache Creek
 - QN - Quesnellia
 - SM - Slide Mountain
 - ST - Stikinia
 - YT - Yukon-Tanana
- Ancestral North America
 - CA - Cassiar
 - NAb - NA basinal
 - NAM - miogeoclinal

0 200 km

September 2010



Yukon
 Energy, Mines and Resources

The exploration activity data represented on this map was compiled by the Mineral Services Unit of the Yukon Geological Survey.

the region. This activity was especially robust south of Dawson, where explorers are following up on Underworld Resources' White Gold discovery in search of potentially bigger gold deposits in the unglaciated area known as the White Gold District.

But the territory's mining rush is bigger than the White Gold play. A growing crowd of juniors also searched for yellow metal on claims in other Yukon mining districts. Still other explorationists hotly pursued commercial quantities of lead and zinc, copper and gold, silver, rare earth elements and other minerals across the territory.

Exciting gold plays

Gold fever is the only way to describe much of the mining exploration activity in Yukon Territory in 2010 as a score of juniors fanned out over the hills.

Atac Resources Ltd.'s Rau Gold Project north of Mayo and Kaminak Gold Corp.'s Coffee Project south-southwest of the White Gold Project were the year's two big standouts with significant gold discoveries and expansions of previously defined deposits.

Atac spent more than C\$15 million to drill more 15,000 meters in several areas of the 1,500-square-kilometer, or 579-square-mile, Rau property and not only made new gold finds but also discovered new styles of gold mineralization.

"Rau is the largest exploration play in Yukon, and arguably in western Canada, with the exception of the Selwyn Project," said Atac President Rob Carne. "The Yukon is at the forefront of brand-new discoveries and that is part of the reason that the territory is on everybody's radar screen."

Atac identified more than eight new areas of gold mineralization in 2010. Chief among these are the Osiris and Iris showings discovered in July in the far eastern section of the Rau property. The junior reported discovery of Carlin-type gold mineralization Sept. 1 on the Osiris target. Atac also completed a 12-square-kilometer detailed soil sampling grid over the discovery area resulting in the expansion of the Osiris and Isis targets to 250-by-1,000 meters and 200-by-700 meters, respectively. Two additional gold anomalies called the Conrad and Eaton showings were found to have gold-bearing mineralization in outcrop associated with orpiment and realgar. A third anomaly called the Isis East Zone also was identified.

Atac also reported new drilling results Sept. 30 that expanded to the northwest the high-grade oxide mineralization known as the Tiger Zone that it discovered in 2008.

The Rau Project is situated at the northern edge of the Tintina Gold Belt, a curved swath of intense gold mineralization that stretches from southwestern Alaska through Yukon into northeastern British Columbia. Huge gold deposits, including the 33.5-million-ounce Donlin Creek and the Fort Knox and Pogo gold mines in Alaska lie within the Tintina belt, but "the geology doesn't stop at the border," Carne said.

Atac is eager to demonstrate that deposits on the Rau property contain a multimillion-ounce gold resource.

Kaminak, likewise, is pursuing a multimillion-ounce gold resource at its Coffee Project which lies some 25-30 kilometers, or 16-19 miles, south of Underworld Resources Inc.'s 1-million-ounce-plus White Gold discovery that Kinross Gold Corp. purchased earlier this year. Of the 11 targets identified on the Coffee property, Kaminak is focusing on five – Kona, Americano, Latte, Supremo and Double Double – where it has found high-grade gold mineralization. The junior drilled 76 holes covering more than 15,000 meters in 2010 in all five areas with spending that exceeded C\$8 million.

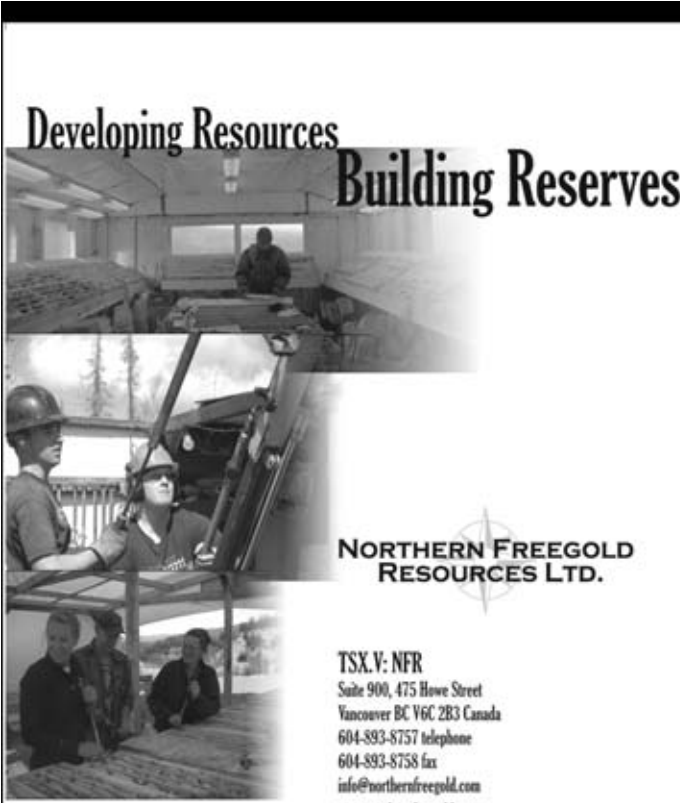
The junior's recent drilling results include the discovery of two zones of gold mineralization in the Latte trend, an Upper Latte bulk-tonnage gold zone and a Lower Latte high-grade gold zone. The Latte trend is one of three significant gold discoveries made to date by Kaminak in 2010 on the Coffee property. The other two discoveries are the Supremo and Double Double trends, which are located about 1.5 kilometers north and east of the Latte trend, respectively. To date, 17 drill holes have been completed at the Latte Zone over a 600-meter strike length and all holes have intersected gold mineralization.

"Drilling has confirmed a high-grade zone is present at Latte," Kaminak President and CEO Robert L. Carpenter said Oct. 4. "Both the upper and lower zones begin at surface and can be traced for at least 600 meters along trend, while remaining open at depth. Furthermore, the most westerly holes of the upper zone appear to have the widest mineralized intervals to date suggesting the system may be larger than currently known."

Other gold explorers also reported encouraging progress on various projects across the Yukon, including Golden Predator Royalty & Development Corp., which attracted attention in 2010 with the aggressive acquisition a dozen or so mining projects plus additional acreage across Yukon and northern British Columbia, including 750 square kilometers of claims near the eastern border of Yukon. The junior also implemented exploration programs on at least six of the projects, spending at least C\$7 million at the Eureka, Clear Creek, Antimony, Brewery Creek, Gold (Scheelite) Dome and Cynthia projects.

In September, Golden Predator reported encouraging drill results at the Brewery Creek and Clear Creek projects. The Clear Creek Project is located 65 kilometers northwest of Mayo and 59 kilometers, or 40 miles, due east of Brewery Creek, the site of

continued on next page



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a former gold producer with known mineralization to which Golden Predator aims to add ounces with more drilling.

Of particular significance were drill results from three of five targeted zones at Clear Creek, said Golden Predator Chairman and CEO William Sheriff.

Referring to Kinross's acquisition of the 1-million-ounce-plus White Gold deposit, Sheriff said: "Our objective is not to sell to Kinross. Our objective is to be Kinross."

Advanced gold exploration

Victoria Gold Corp. Sept. 28 reported exploration results from its 2010 summer program conducted at the Dublin Gulch property in the Mayo Mining District of Yukon. Diamond drill hole DG10-377C returned an intercept, starting 5.6 meters below surface, of 30.5 meters grading 12.03 g/t gold and including a 12.2-meter interval grading 27.98 g/t of gold. Several other anomalous gold values were intersected further down this hole including 0.6 meter grading 5.68 g/t of gold and 1.7 meters grading 10.02 g/t of gold. The total length of the hole was 226 meters. Anomalous gold values also were found on surface over a width of about 100 meters and a length of roughly 600 meters.

Field indications led Victoria to believe the area known as the Shamrock Zone is part of a significant mineralized trend that has been traced for over 7.5 kilometers in length and 3 kilometers in width. Shamrock is located 3 kilometers northeast of the Eagle gold deposit, which is also within the 28-kilometer-long by 15-kilometer-wide Dublin Gulch property. Eagle, described as being nearly a twin to the Fort Knox gold deposit, hosts a NI 43-101-compliant probable gold reserve of 1.75 million ounces gold contained in 66.1 million metric tons grading 0.82 g/t calculated using a gold price of C\$900 per ounce. The junior envisions starting production in 2013 at an average rate

of more than 170,000 ounces of gold per year at total cash cost of under US\$500/oz. Two diamond drill rigs were turning in October on the Dublin Gulch property, which covers 34,576 hectares, or 85,403 acres. Drilling historically has shut down in the fall due to weather conditions. However, in order to extend the drilling season and start preparation of a site for eventual mine construction, Victoria purchased for about C\$5 million a 200-person, all-season camp facility, which it plans to erect at the proposed mine site in the fourth quarter.

Other major gold projects include the Freegold Mountain Project in central Yukon where Northern Freegold Resources Ltd. spent C\$3.5 million in 2010, chiefly to delineate the Revenue Zone, a giant copper-gold deposit beneath its 1-million-plus-ounce Nucleus gold deposit. Northern Freegold has discovered at least eight substantial mineral deposits on the district-scale Freegold Mountain Project where Nucleus and Revenue are located.

Like many of Yukon's explorers in 2010, the junior commissioned a deep-imaging induced polarization survey in hopes of gaining a better understanding of the Revenue Zone to depths of up to 750 meters.

Northern Tiger Resources Inc., a spinout of Firestone Ventures Inc. in 2008, turned its attention in 2010 to the 3Ace Property which it acquired from longtime Yukon prospector Alex McMillan. The junior released spectacular assay results from nine grab samples gathered on the site that returned values up to 4,820.6 g/t (140.60 ounces per ton) gold.

3Ace is located about 270 kilometers, or 167.4 miles, north of Watson Lake in southeast Yukon Territory. Northern Tiger said historic work on and near the 3Ace property performed toward the end of a five-year exploration program that ended in 2003 identified a number of large gold-in-soil anomalies that warrant further exploration.

On Sept. 21, the junior reported the start of diamond drilling at 3Ace to follow up on a successful 2010 surface exploration program that discovered high-grade gold mineralization in four separate zones on the project (the Main, North, Green and Sleeping Giant zones) and where soil and stream geochemistry indicate further potential for discovery.

"Results of our first surface exploration program on the property were impressive and management felt that an immediate drill program was warranted," said Northern Tiger President Greg Hayes. "It is very encouraging to see a project advance so quickly, and the results of this drill program will give us significant additional information to aid in planning what we anticipate will be a much larger program in 2011."

In ongoing exploration of its principal project, Sonora Gulch in central Yukon, Northern Tiger said it also has identified a near-continuous gold-in-soil anomaly over 6 kilometers by 1.5 kilometers, or 4 miles by 1 mile, with average gold values in 1,971 samples of 56 parts per billion.

More than gold

In August, Tarsis Resources Ltd. reported a grassroots discovery of significant copper, gold and silver mineralization on its White River property in western Yukon. Rock specimens were collected with visible sulphide mineralization and alteration and assays confirmed the presence of strongly anomalous copper, gold and silver values, including one select prospecting sample containing 4.41 grams per metric ton gold, 0.47 percent copper and 391 g/t silver. Another sample contained 0.58 g/t gold, 1.93 percent copper and 1,120 g/t silver.

continued on page 109



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Junior delivers big projects to majors

Teck joins a growing list of global miners seeking projects generated by Millrock, while juniors also grab some of the action

By SHANE LASLEY
Mining News

Since its inception in 2007, Millrock Resources Inc.'s modus operandi is to seek out early-stage mineral prospects in Alaska and Arizona, complete initial exploration and then joint venture the projects to other industry players. Utilizing this project generator model the junior has amassed a portfolio of 10 gold and copper projects, seven of which received partner-funded exploration in 2010.

Estelle, Millrock's flagship gold property in Alaska, had been the one caveat to the explorer's business model. That is, until Teck Resources Inc. agreed to finance exploration at the 32,511-acre Kahiltna Terrane property.

Teck joins a growing list of global miners – Vale Inco Ltd., Kinross Gold Corp. and Inmet Mining Corp. – that have partnered with the junior on its gold and copper projects in Alaska and Arizona.

"So far we have mostly done agreements with major mining companies, and that's good for us because it shows that our technical team can generate projects that are of interest to some of the world's biggest mining companies," Millrock President and CEO Greg Beischer told Mining News.

In addition to mining powerhouses, Millrock has aligned itself with successful project generator Altius Minerals Corp. and junior explorers Valdez Gold Corp. and Brixton Metals Corp. The company is currently courting other juniors to become partners on its expanding portfolio of projects.

"Part of our strategy going forward will be to take equity posi-

Millrock Resources Inc.

TSX-V: MRO

PRESIDENT AND CEO: Gregory Beischer
VICE PRESIDENT, EXPLORATION: Philip St. George
VICE PRESIDENT, OPERATIONS: Adrienne Ross

Properties with mineral(s) explored –
Gold – Estelle, Alaska

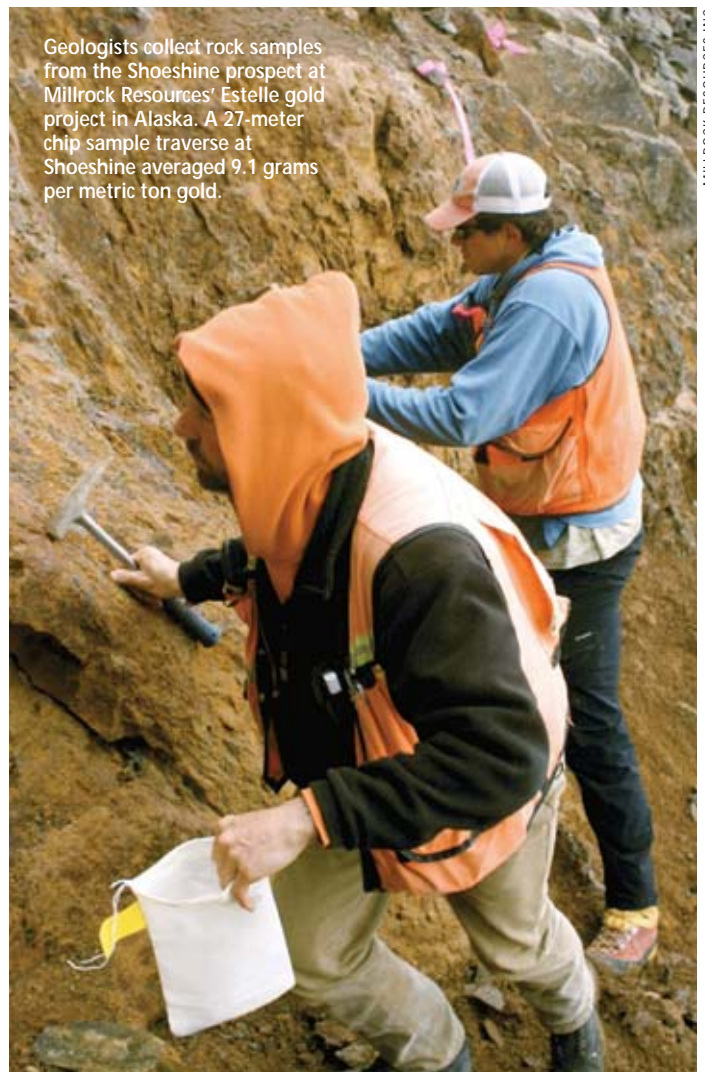
Gold – Council, Alaska
Gold – Bluff, Alaska
Gold-Copper – Cristo Claim Group (Monte Cristo and St. Eugene)
Gold – Revelation
Gold – Uncle Sam
Gold – Fortymile, Alaska
Copper-Gold – Galiuro, Arizona
Copper-Gold – San Jose, Arizona
Copper-Gold – Dry Mountain

CASH AND SHORT-TERM DEPOSITS: C\$5.5 million (at Aug. 25, 2010)

WORKING CAPITAL: C\$3.9 (at June 30, 2010)(C\$1 million private placement closed Aug. 19)

MARKET CAPITALIZATION: C\$42.6 million (at Oct. 5, 2010)

750 World Trade Center
999 Canada Place
Vancouver, BC V6C 3E1
Tel: 604-638-3164
Fax: 604-688-9620
Alaska: 907-677-7479
www.millrockresources.com



tions in these junior companies," Beischer explained.

In addition to about 10,000 meters of drilling completed on its Alaska and Arizona properties, Millrock advanced its early-stage projects with boots-on-the-ground geology.

The junior also generated new grassroots projects in 2010.

"We have got a lot of projects now but we can't sit idle. We will continue to generate more projects this year," Beischer said.

Teck funds Estelle exploration

When Teck Resources Inc. agreed to finance exploration at Estelle project, Millrock management was presented with the option

continued on next page

Alaska

Coeur d'Alene Mines Corp.

CDE: NYSE and CDM: TSX

PRESIDENT AND CEO: Dennis Wheeler

SENIOR VICE PRESIDENT AND CFO: Mitchell Krebs

SENIOR VICE PRESIDENT, EXPLORATION: Donald Birak

Thanks to the outcome of a four-year legal battle ultimately decided by the U.S. Supreme Court, Coeur d'Alene Mines Corp. retained a disputed tailings disposal permit for the Kensington gold mine in Southeast Alaska. One year and two days after the landmark ruling, the Idaho-based miner fired up mills at the high-grade gold mine about 45 miles, or 73 kilometers, northeast of Juneau. Coeur expects the 1,250-metric-ton-per-day mill to churn out about 50,000 ounces of gold during the rest of 2010 and about 125,000 ounces of gold annually during the operation's initial 12.5-year mine life. Once in full production, cash costs are expected to average about US\$490 per ounce. Kensington, the third mine the Idaho-based miner has put into production in the last three years, is expected to drive a 135 percent increase in Coeur's 2010 gold production over last year's levels.

With Kensington producing gold, Coeur completed 9,941 feet (3,030 meters) of core drilling in the second quarter of 2010. The main focus of this work was on the Horrible structure, a gold-bearing quartz vein and vein swarm situated about 650 meters west of the current Kensington mining area. The 35 holes drilled through Sept. 6 is the first exploration at Horrible since 1992. The best intersection was Hole H10-016 cut 6.5 feet at 2.39 ounces of gold per short ton. H10-029 cut 3.9 feet at 0.91 oz/t and H10-031 intersected 3.5 feet at 1.07 oz/t.

Coeur said many of the drill holes cut multiple quartz veins which are typical of the style of mineralization seen at the nearby Kensington ore body. Horrible is situated at the north end of a 4,300-meter long, northeast-trending structural and vein belt that contains Kimberly, discovered last year, Jualin and several other gold-bearing quartz veins located west of the operating mine. Coeur is conducting additional drilling to test the greater extension of the dip and strike, both of which remain open for expansion, and commence in-fill drilling on higher-grade zones defined by wide-spaced exploration drilling to-date.

CASH AND CASH EQUIVALENTS: C\$56 million (at March 31, 2010)

WORKING CAPITAL: C\$40.2 million (at March 31, 2010)

MARKET CAPITALIZATION: US\$1.58 billion (at Sep. 13, 2010)

400 Coeur d'Alene Mines Building
505 Front Ave.

Coeur d'Alene, Idaho 83814

Tel: 208-665-0345

Fax: 208-667-2213

www.coeur.com



DENNIS WHEELER



DON BIRAK

of keeping sole ownership of the promising gold prospect or fully embracing the project generator model on which the company is built. After some deliberation, Vancouver B.C.-based junior chose to partner with the diversified miner.

Spending C\$600,000 in early May to purchase a 2.8 percent stake in Millrock, Teck joined Kinross Gold and Altius Minerals in the growing queue of successful companies willing to pay a premium of the going price for shares of the project generator.

Beischer told Mining News that a majority of the funds invested by the Vancouver B.C.-based major was spent on "a well-funded, comprehensive, systematic exploration program" at Estelle, one of four properties the junior owns in the Kahiltna Terrane.

Millrock did not drill Estelle this year; instead its geologists investigated the massive property with the goal of identifying targets for a drill program in 2011. In addition to the private placement, Teck funded geophysical work at Oxide Ridge, one of the promising gold prospects identified by Millrock.

If Teck likes what it sees during this year's investigation, it will have the option to earn a 55 percent interest in Estelle by spending US\$3.6 million in expenditures over two years. The major can earn an additional 10 percent interest in the Kahiltna Terrane property by funding another US\$5 million and making optional cash payments to Millrock totaling US\$400,000 by the end of 2014.



GREG BEISCHER

Exploring the Kahiltna Terrane

Estelle is not the only project Millrock is investigating in the Kahiltna Terrane, a region that also hosts Kiska Metal Corp.'s Whistler porphyry copper-gold property and the enormous Pebble copper-gold-molybdenum project. In 2009 Millrock crews combed this mineral-rich region of Southwest Alaska, staking three additional porphyry and intrusion-related gold occurrences.

"It is the same belt of rocks as Pebble, there are some great indications of mineralization all around this Kahiltna Terrane, and I think an area play could really break out here," Beischer said.

An investigation of this region was funded through a strategic alliance struck with Altius Minerals in June 2009. Altius, a project generator and royalty business, invested C\$930,000 to acquire a nearly 11 percent stake in Millrock.

Utilizing these funds, Millrock staked three properties in the Kahiltna Terrane, an "area of interest" agreed upon between the two project generators. Altius selected the Monte Cristo gold prospect and the St. Eugene copper-gold property as "designated projects."

"After the reconnaissance is done, if we acquire claim blocks Altius can nominate them as designated projects," Beischer explained.

In July Brixton Metals, a newly formed junior, signed a letter of intent that gives the company the exclusive option to earn a 100 percent interest in the St. Eugene and Monte Cristo properties, now referred to as the Cristo claim group.

Millrock is the operator of the 2010 Cristo exploration program and will deliver an NI-43-101 exploration report to Brixton by the end of year, at which point it will hand the reins over to Brixton.

Revelation, the third Kahiltna Terrane property staked by Millrock in 2009, was not selected by Altius. This 5,760-acre gold target is positioned about 30 miles, or 48 kilometers, west of Millrock's Estelle property and about 3 miles, or 4.8 kilometers, northwest of International Tower Hill Mines' Terra gold property.

Kinross explores Council

Kinross joined Millrock in its exploration of the Council claim block located about 62 miles, or 100 kilometers northeast of Nome on Alaska's Seward Peninsula. The senior gold miner has agreed to spend up to US\$6 million to earn a 75 percent interest in the property that covers a 900-square-mile tract that has historically produced nearly 500,000 ounces of placer gold.

"Big companies like big projects. They don't like little postage stamp claim blocks, they like whole districts. That was our strategy, put the whole district

together and then go see a big company," Beischer explained.

Beischer said Kinross was at the top of its list when it sought a partner for the Council, Warm Creek and Albion claims that make up the Council area claim block.

"Kinross had already built a relationship with Millrock. They made a private placement in our company about 14 months ago, which was very timely and helpful in a bad market. Because they helped us out in the bad times, we will often bring them our prospects first. They are a great partner," Beischer told Mining News in May.

Millrock was the operator of a 2,500-meter reverse circulation drill program that began in July.

The headwaters of Albion Creek, an area where early prospectors hand dug gold-rich weathered bedrock, were one of the key targets of the 2010 drill program.

"We anticipate that the lode deposit is right there just beneath the surface," Beischer said.

Junior partner at Bluff

Millrock drills also were churning about 22 miles, or 35 kilometers south of Council at Millrock's Bluff gold property. Valdez Gold Corp., a Toronto-based junior, appropriated about C\$1.1 million for the 5,000-meter program at Bluff.

The primary target of this year's drilling at Bluff was to confirm and expand on areas explored by BHP Billiton plc in the late 1980s.

During its investigation of Bluff, BHP drilled several significant intersections in the three zones including 5.48 g/t gold over 10.9 meters, 4.19 g/t gold over 4.5 meters, and 1.93 g/t gold over 16.3 meters.

In 2008 Millrock confirmed the presence of gold on the property with a modest drill program, but due to the fractured nature of the rock, core recovery was poor. This year's reverse circulation drilling helped to improve recoveries.

Valdez Gold can earn a 55 percent interest in the property by spending US\$3 million at the project, by paying Millrock US\$300,000 and issuing the project generator 900,000 Valdez Gold shares by the end of 2012. Upon completion of the initial program the junior has the option to up its stake to 75 percent

Tintina gold properties available

Millrock's portfolio also includes Fortymile and Uncle Sam, two gold properties in the heart of the Tintina Gold Belt, a prolific source of placer gold that arcs 1,200 miles, or 1,900 kilometers, from northern British Columbia to the west coast of Alaska.

The Fortymile property is in the Fortymile Mining District near the Yukon border, a historic mining region where more than 300,000 ounces of placer gold production has been recorded. Mill-

rock said data acquired from Kennecott in 2009 points to a number of targets on the property that warrant drilling.

The Uncle Sam property, the most recent addition to Millrock's portfolio, was acquired from Kiska Metals earlier this year. The property lies about halfway between Kinross' Fort Knox Mine to the west and Sumitomo Metal Mining's Pogo Mine to the east. The company believes the mineralization at Uncle Sam more closely resembles the high-grade veins found at Pogo.

"We have had a fair bit of interest over the past several months from a variety of other junior companies, and I think we are close to making an agreement whereby they would essentially cover our payments and earn up to a 70 percent interest in the project," Beischer said.

The Millrock CEO anticipates that 2010 exploration at Uncle Sam will begin with a geochemical survey, possibly followed by a late-season drill program.

Seeking Arizona porphyries

Millrock has generated three porphyry copper-gold-molybdenum prospects in southeastern Arizona, a region known for its porphyry copper.

In March of last year, Vale Exploration Canada Inc. entered into a joint venture agreement on Millrock's Galiuro copper-gold-molybdenum project north of Tucson, Ariz.


With Millrock as operator, Vale agreed to a US\$600,000 drill program that began in May.

While the drilling did not produce ore-grade intersections, porphyry copper mineralization was discovered beneath a thin cover of Tertiary volcanic rocks.

Encouraged by the results Vale approved an additional US\$1 million of drilling for the balance of 2010 and Millrock nearly tripled its land position at Galiuro by staking 11,000 acres of additional claims adjacent to the project.

Millrock's other two Arizona copper properties, San Jose and Dry Mountain, are optioned to Inmet Mining. The Canada-based miner with operations in Turkey, Finland, Canada and Spain can earn up to a 70 percent interest in these properties by paying Millrock US\$300,000 and spending US\$4 million on exploration on the projects.

The partners started the 2010 field work with a US\$500,000 spring program of geophysical surveys designed to refine drill targets, with drilling to follow.



3.2 Bn Lbs of Near Surface Zinc

NI 43-101 compliant Lik South Indicated Resource estimate of 20.66mm short tons at 8.08% zinc, 2.62% lead and 1.34 oz/ton silver at a 5% cut off.

Adjacent to Teck's Red Dog Mine, NW Alaska

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ALASKA



ANALYTICAL

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1956 Richardson Highway
North Pole, Alaska 99705
Phone: (907) 687-7394
Email: klovejoy@alaska-analytical.com

Commander Resources Ltd.

CMD: TSX-V

PRESIDENT AND CEO: Eric W. Norton

CHAIRMAN: David Watkins, M. Sc.

VICE-PRESIDENT, EXPLORATION AND DIRECTOR: Bernard H. Kahlert, B.Sc., P.Eng.

Commander Resources Ltd., incorporated in 1987 in British Columbia, is a junior exploration company focused primarily on exploration and development of the Baffin Island Gold Project, a district-scale iron formation with multimillion-ounce gold potential. Baffin Gold is in the early stages of exploration with good potential for one or more shallow high-grade gold deposits. Gold discovered thus far has been largely free gold indicating the potential may exist to process ore on site without the requirement to produce and ship concentrates. The project is located in central Baffin Island within the Qikiqtaaluk region of Nunavut. In September 2009, Commander Resources signed a farm-in and joint venture agreement with AngloGold Ashanti Ltd.'s subsidiary AngloGold Ashanti Holdings Plc. Under the agreement, AngloGold may earn a 51 percent participating interest in Commander's Baffin Island Gold Project by funding C\$20 million in exploration expenditures over a six-year period, and other considerations to Commander. The junior agreed to act as project manager for the initial two-year program. AngloGold also has the right to increase its interest in the property to 70 percent by agreeing to sole-fund all ongoing expenditures to complete a feasibility study within four years.

Commander mobilized and began a US\$4.55 million 2010 field

program early in the second quarter. By July 25, the junior had completed 5,559 meters of diamond drilling in 32 holes on two target areas: the Malrok Zone and the new Kanosak (formerly Hebert) Prospect Area despite permit and weather-related delays. The budget also included target definition work on other areas of the district-scale property. In July, AngloGold approved another US\$800,000 to complete the drilling program and another US\$427,000 to procure and ship supplies for the 2011 exploration season. In early August, AngloGold also approved an additional US\$500,000 to increase the scope of 2010 exploration to allow Commander to complete a 30-to-40 line-kilometer induced polarization survey over the Kanosak prospect trend and complete target definition work in preparation for 2011 exploration. The junior Aug. 19 reported the expansion in size and potential of the Malrok Zone with results from the first nine holes in the 19-hole drill program completed this summer. Encouraging gold mineralization included assays as high as 7.65 grams per-metric-ton gold over 3.24 meters and 5.9 g/t over 2.9 meters.

CASH AND SHORT-TERM DEPOSITS:

C\$2.9 million (June 30, 2010)

WORKING CAPITAL: C\$2.96 million (June 30, 2010)

MARKET CAPITALIZATION: C\$27.28 million (Sept. 1, 2010)

510 - 510 Burrard St. • Vancouver, BC Canada V6C 3A8
Tel: 604-685-5254 • Fax: 604-685-2814
www.commanderresources.com



ERIC NORTON



NovaGold sets sights on production

Explorer eyes multimillion-ounce mega-deposits of gold at Galore, Donlin projects

By **SHANE LASLEY**
Mining News

Over the past 13 years NovaGold Resources Inc. has grown its resource base from 500,000 ounces of gold to more than 17 million ounces of gold reserves, 14 million ounces of gold resources, plus 150 million ounces of silver and 9 billion pounds of copper. While the company intends to continue to add to its stores of metals in the ground, its primary objective is to begin extracting these reserves at Donlin Creek and Galore Creek.

"We continue to believe that advancing our assets toward production will bring the greatest return to NovaGold shareholders," NovaGold President Rick

Van Nieuwenhuyse said. "NovaGold's share of production from Donlin Creek alone would make the company one of the largest mid-cap gold producers. With the additional gold and copper production potential from our Galore Creek project and the exploration potential at our Ambler copper-zinc-gold-silver project, we offer superior leverage to the gold and copper markets."

Both of these colossal projects are on track to enter the permitting phase in the second half of 2011.

Optimizing Donlin

Though the Donlin Creek project in Southwest Alaska is rife with exploration upside, NovaGold said the deposit's massive reserves contain more than enough gold-rich ore to keep the mine operating for two decades.

An updated resource released in March estimates reserves of 33.6 million ounces of gold at Donlin Creek. Additionally, the gold deposit contains 4.3 million ounces of measured and indicated resources and 4.4 million ounces of inferred resources, according to the updated estimate.

"The rest of the district is certainly open to exploration potential. We have an-

NovaGold Resources Inc.

NYSE-AMEX: NG, TSX: NG

CHAIRMAN: Gerald McConnell

PRESIDENT AND CEO: Rick Van Nieuwenhuyse

VP EXPLORATION: Joe Piekenbrock

Properties with mineral(s) explored –

Gold – Donlin Creek, Alaska
Copper-Gold – Galore Creek, British Columbia
Gold – Rock Creek, Alaska
Polymetallic VMS – Ambler, Alaska



CASH AND SHORT-TERM DEPOSITS: C\$172.8 million (at Aug. 31, 2010)

WORKING CAPITAL: C\$150 million (at Aug. 31, 2010)

MARKET CAPITALIZATION: C\$2 billion (at Oct. 5, 2010)

Suite 2300 - 200 Granville Street
Vancouver, BC V6C 1S4
Tel: 604-669-6227
Fax: 604-669-6272
Toll free: 1-866-669-6227
www.novagold.com

NOVAGOLD RESOURCES INC. In January, NovaGold Resources Inc. purchased 100 percent interest in the precious-metal-rich Ambler copper-zinc property in Northwest Alaska from Kennecott Exploration Co. The nearly 45-mile-, or 70-kilometer-, long property provides NovaGold multiple prospects to explore including Arctic, one of the richest VMS deposits in the world.

other 6 kilometers (3.7 miles) along strike to explore that we see surface indications of mineralization,” Van Nieuwenhuyse said. “We have a 25-year mine-life in our current mine-plan, so exploration is not the focus right now.”

Though NovaGold and 50 percent joint venture partner Barrick Gold Corp. are not growing the deposit through exploration, the escalating price of gold is expected to increase the reserves at Donlin.

“As the gold price goes up, your cutoff grade come down,” the NovaGold CEO explained. “It tends to open the pit up more – you get more reserves.”

Crews have been conducting geotechnical drilling in anticipation of this expansion.

The partners’ primary focus in 2010 is on optimizing a feasibility study prepared for Donlin Creek in 2009 so they can begin permitting the project in 2011.

“We are currently evaluating the project to use (natural) gas as the source of power generation. Gas would be about half as expensive to produce a kilowatt of power and power costs make up about 25 percent of our overall operating costs. So if we are successful in demonstrating that the gas pipeline works, then we expect to have our operating costs be between 10-to-15 percent lower,” the NovaGold President said.

A feasibility study prepared in April 2009, which put a US\$4.48 billion price tag on construction of a mine at the remote Southwest Alaska gold project, envisioned using diesel and wind to generate the 127 megawatts of electricity needed to power the mine.

The partners said the capital cost of building the 320-mile, or 515-kilometer, gas line would be partially offset by cost savings from elimination of a wind cogeneration facility, a shorter access road and a significant reduction in requirements for diesel storage



RICK VAN NIEUWENHUYSE

proposed in the original study.

The potential impact of the pipeline option on capital and operating costs will be addressed in a revision to the project feasibility study, which is scheduled for completion in mid-2011. Whether natural gas or diesel is chosen as the fuel of choice, the Donlin Creek partners plan to file permit applications to construct the mine later in 2011.

“We will make a decision on either the diesel or gas scenarios. The economics on this has to make sense, but currently it is very favorable to gas,” Van Nieuwenhuyse said.

In order to complete the environmental and engineering studies needed to update the feasibility study the partners boosted the 2010 Donlin Creek budget by US\$18.7 million, bringing the total spent this year on the gold project to US\$47 million.

continued on next page

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Contact Terry McIntosh at our Anchorage Office
907-562-5588 ext. 415
Email: terry.mcintosh@arcticcatering.com
Website: www.kasvcs.com



KAS

Copper Ridge Explorations Ltd.

KRX: TSX-V

PRESIDENT AND CEO: J. Greg Dawson, M.Sc., PGeo.

NON-EXECUTIVE CHAIRMAN: William M. Sheriff

CHIEF FINANCIAL OFFICER: Justin Blanchet, CA

Operating under the philosophy that it will maximize the chance for success in a high-risk business by concentrating on the right commodities in mining-friendly jurisdictions with high mineral potential, Copper Ridge Explorations Ltd. owns or has the option to acquire an interest in nine mineral properties in Alaska, Yukon and British Columbia. The junior also holds a royalty interest in the Gold (Scheelite) Dome property in the Yukon, Willoughby project in B.C., Ogopogo property in Alaska and Quitovac property in Mexico – four properties it sold to Golden Predator Royalty & Development Corp.

Copper Ridge's two key properties are the Duke Island copper-nickel-platinum-palladium project in Southeast Alaska and the Clear Lake lead-zinc-silver project in the Yukon Territory. Optioning Duke Island from Quaterra Resources Inc. in September 2009, Copper Ridge completed its first round of drilling on the prospect in 2010, spending C\$750,000. Based on exploration work completed by Quaterra between 2001 and 2006 – including geological mapping, soil and rock sampling, ground and airborne geophysical surveys and 1,820 meters of core drilling in 11 holes – Copper Ridge targeted a prospective basal contact with this year's 1,537-meter drill program. The drilling discovered that what appeared to be the basal contact, based on the geophysics, was sedimentary rock with a high-sulfide and graphite content. The best results of the five-hole program was 0.294 percent copper and .075 percent nickel over 4.9 meters and 0.148 percent copper and .039 percent nickel over 13.4 meters in hole DK10-08. Outcrop samples collected at Duke Island by Quaterra have returned values up to 2.8 percent copper, up to 0.25 percent nickel and in excess of 1 part per million platinum group elements. Copper Ridge said it "will evaluate the drill results and its revised interpretation of its geological model before determining its future course of action with regard to the property."

Clear Lake, which is located 225 kilometers, or 140 miles, north of Whitehorse, is a shale-hosted SEDEX deposit. SRK Consulting recently completed an NI 43-101-compliant inferred resource for Clear Lake of 7.65 million metric tons grading 7.6 percent zinc, 1.08 percent lead and 22 grams per metric ton silver.

A 235-line-kilometer versatile time domain electromagnetic survey flown over the property has identified four targets that have similarities to the Clear Lake deposit. The junior is seeking a joint venture partner or buyer for this project.

Two other Copper Ridge properties, Yukon Olympic and Lucky Joe, were drilled by joint venture partners in 2010. REC Minerals Corp. spent C\$550,000 to drill 1,194 meters in five holes at the Yukon Olympic iron ore-copper-gold property, located about 130 kilometers, or 80 miles, north of Dawson City. REC said the presence of chalcopyrite associated with disseminated pyrite and local hematite mineralization hosted in brecciated rocks indicate the proximity of an IOCG system. Taipan Resources Inc. drilled three holes at the Lucky Joe copper-gold project located about 40 kilometers, or 25 miles, northeast of Kinross Gold Corp.'s recently acquired White Gold project. Taipan's 387-meter program targeted the southern portion of the 7-kilometer-long Ryan's Creek trend. A 13-hole program conducted at the Ryan Creek trend by Copper Ridge in 2009 encountered 7.3 meters of 0.905 percent copper and 0.5 g/t gold in hole LJ07-19, 26.6 meters of 0.152 percent copper in hole LJ07-18 and 15.3 meters of 0.176 percent copper in hole LJ07-22. The company also conducted a soil sampling program at its Borealis uranium-gold prospect in Yukon. In May Copper Ridge completed a 484-line-kilometer ZTEM airborne geophysical survey at its Babine copper-gold project in B.C. and is currently seeking a partner for this prospect.

CASH AND SHORT-TERM DEPOSITS: C\$2.25 million (at April 30, 2010)

WORKING CAPITAL: C\$2.17 million (at April 30, 2010)

MARKET CAPITALIZATION: C\$2.42 million (at Sept. 12, 2010)

625 Howe St., Suite 500 • Vancouver, B.C. Canada V6C 2T6
Tel: 604-688-0833 • Fax: 604-688-0835
www.copper-ridge.com



**WILLIAM
SHERIFF**

"This year's program is really focused on the collection of the information and then next year's program will be focused on integrating that information into the overall feasibility study – the feasibility study for the pipeline and then how that integrates with the overall project," Van Nieuwenhuyse said.

The 53,500-metric-ton-per-day mine proposed in the feasibility study is expected to produce about 1.6 million ounces of gold per year over its first five years of operation. Based on current reserves, the mine should produce about 26.2 million ounces of gold, or an average of about 1.25 million ounces per year, over a 21-year mine life.

Galore production expected first

Though Galore Creek is still in prefeasibility, due to a shorter permitting process in Canada, NovaGold anticipates the copper-gold project in northwest British Columbia could be in production ahead of Donlin Creek.

"We expect permitting to be about an 18 month process; significantly shorter than in the United States jurisdiction," Van Nieuwenhuyse said.

Teck Resources Ltd., NovaGold's 50 percent partner at Galore Creek, plans to complete the prefeasibility for the copper-gold project by mid-2011 and begin permitting later in the year.

The partners have optimized the project by moving the concentrator and tailings disposal located outside the Galore Valley. The new configuration has shortened the access road from Highway 37, but will require a 13-kilometer-, or 8-mile-, long tunnel between the mill and the concentrator.

The optimization study also proposes increasing the mill throughput at Galore to around 90,000 metric tons per day.

Work in 2010 involved continuing construction on the access road and conducting geotechnical drilling at the tunnel, mill and tailings sites.

NovaGold and Teck also completed infill drilling to augment some of the inferred resources.

"As the long-term copper prices increase there are more parts of the orebody that become ore, and parts of those were under-drilled in the past. We are rounding that out with additional drilling so that it can become part of the new reserve-base with the completion of the prefeasibility study," Van Nieuwenhuyse told Mining News.

Galore Creek has a measured and indicated resource of 786 million metric tons of ore containing 8.9 billion pounds of copper and 7.3 million ounces of gold, plus an inferred resource of 523 million metric tons with 3.5 billion pounds of copper and 3.3 million ounces of gold.

Gold mine for sale

The Rock Creek gold mine near Nome in western Alaska is much smaller than the company's two other advanced projects, but has the potential for near-term production.

"NovaGold's share of production from Donlin Creek alone would make the company one of the largest mid-cap gold producers. With the additional gold and copper production potential from our Galore Creek project and the exploration potential at our Ambler copper-zinc-gold-silver project, we offer superior leverage to the gold and copper markets."

—NovaGold President

Rick Van Nieuwenhuyse

The 7,000-metric-ton-per-day mill at Rock Creek is designed to produce about 100,000 ounces of gold annually at an estimated US\$500 an ounce. At US\$1,200 per ounce, gold production at Rock Creek could put about US\$70 million per year back into NovaGold's coffers.

"Rock Creek is smaller but certainly has the potential to bring value to the company," NovaGold adviser Gil Leathley told Mining News.

NovaGold put the mine into limited operation in 2008 but mechanical issues and lack of funds forced it to place the operation on care-and-maintenance after about three months of testing.

After the shutdown, unexpected volumes of water built up behind the tailings dam, a situation the company has since been able to resolve.

In October NovaGold announced it plans to sell Rock Creek.

"To achieve the objective of advancing our core properties, we are soliciting offers to sell our Rock Creek project to provide more information to NovaGold's Board of Directors and maximize value from this asset. While the project could bring good value in the right portfolio, Rock Creek is no longer the right fit for our business model," Van Nieuwenhuysen said.

Realizing value at Ambler

In January, NovaGold cut a deal with Rio Tinto subsidiary Kennecott Exploration Co. to purchase 100 percent interest in the precious-metal-rich Ambler copper-zinc property in Northwest Alaska. The outright purchase overrides a 2004 joint venture agreement on the 36,670-hectare, or 90,614-acre property.

"NovaGold is really going back to its roots by acquiring Ambler. We have a solid record in identifying opportunities, expanding resources and advancing those resources to reserves," the NovaGold CEO said upon purchasing the project.

The nearly 45-mile-, or 70-kilometer-, long Ambler property provides NovaGold multiple prospects to explore including the high-grade Arctic volcanic massive sulfide deposit.

A resource estimate completed for the company in 2008 outlined an indicated resource at Arctic of 16.8 million metric tons containing 4.1 percent copper, 6 percent zinc, 0.83 grams per metric ton gold 59.6 g/t silver and 0.94 percent lead. The estimate includes an additional inferred resource of 11.9 million metric tons with an average of 3.6 percent copper, 5 percent zinc, 0.67 g/t gold, 48.4 g/t silver and 0.8

percent lead.

"The Arctic deposit ranks among the largest and richest known VMS deposits in the world, based on both total contained metal and value per metric ton. And considerable opportunity exists to identify similar deposits in the region," Van Nieuwenhuysen said.

In 2010 NovaGold focused on conducting the environmental baseline, engineering and metallurgical studies needed complete a prefeasibility study to assess Ambler's economics.

The company also is evaluating underground development at Arctic and establishing some 10 miles of road that links the

property to Bornite area, where a camp and a 5,000-foot airstrip is already established. As part of this study, the company conducted geotechnical drilling in and around the ore-body and along the proposed route.

While Ambler is an exciting venture in its own right, it is currently overshadowed by NovaGold's two mega-projects. The company is currently assessing how to realize the greatest value out of the high-grade VMS asset.

"We want to realize value out of it. I see it as an opportunity to pay some of the costs to developing Galore and Donlin – Galore likely first, and then at a later date, Donlin Creek," the NovaGold President said.

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Some 15,250 meters of drilling completed at the Pebble project in 2010 represents the first drilling completed by the Pebble Partnership beyond the bounds of the Pebble Deposit.



ERIC LUDJI

Southwest Alaska

Beyond the colossal Pebble deposit

Partners drill intriguing prospects on property, pick up regional targets

By SHANE LASLEY
Mining News

As the Pebble Limited Partnership approaches the completion of an extensive feasibility study for the Pebble Project, it is investigating the Southwest Alaska property beyond the bounds of the 80.6 billion pounds of copper, 107.4 million ounces of gold and 5.6 billion pounds of molybdenum known to exist in the massive deposit.

“Until the latter part of last year, we hadn’t drilled a hole outside the Pebble deposit proper – other than geotechnical or engineering drill holes, which are looking at overburden characteristics – since 2002,” Pebble Partnership Chief Geologist Jim Lang told Mining News.

To gather the final pieces of data needed to complete a feasibility study and ready the enormous copper-gold-molybdenum

project for permitting, the Pebble Partnership – a 50-50 joint venture between Northern Dynasty Minerals Ltd. and Anglo American plc – budgeted US\$72.9 million for environmental and engineering studies, and exploration in 2010.

In addition to exploring its own claims, the Pebble Partnership took an early look at some other land-packages in the region.

Beyond the deposit

While one rig completed engineering and geotechnical drilling, a second drill explored other intriguing prospects beyond the massive copper-gold-molybdenum reserve at Pebble.

“This year we are drilling outside of the deposit. We are exploring other geochemical and geophysical anomalies on the property in order to see if we overlooked anything; other zones of mineralization,” Lang explained. “As part of the feasibility

process you also have to go out and drill all those areas where you are going to put any infrastructure, to make sure you are not building your processing plant on top of the deposit.”

Pebble Partnership CEO John Shively told Mining News during a Sept. 28 interview that the company completed some 50,000 feet, or 15,250 meters of geological drilling at Pebble.

“It is part of our interest in understanding the geology of the area,” he explained. “We are doing additional geotechnical drilling on top of that.”

If the geotechnical drilling successfully misses mineralization, this information will assist engineers in determining where to position the mill and other facilities needed to process the ore that would be excavated from the deposit if the project reaches production.

Information gained from this year’s drill program will be incorporated into the feasibility study and mine-plan for Pebble.

Time and money

The Pebble Partnership, which has pushed back the proposed date for completing the feasibility study and entering the permitting process, has adopted the axiom “it takes time to do things right.”

The adage, it takes money to do things right, also could be applied to permitting the world-class copper deposit. The partners will have spent more than half a billion dollars on the feasibility study before it is complete.

“By the time we apply for development permits next year, some US\$500 million will have been invested to ensure we have designed the best possible project from a technical, financial, environmental and socioeconomic perspective. We fully expect the quality of that work to be reflected in the outcome and efficiency of the permitting process,” Thiessen said.

While engineers hammer out the final details of the feasibility study, environmental consultants are finishing the compilation of the comprehensive baseline information collected at Pebble.

“There are two key documents that stakeholders should anticipate for review in advance of permitting,” Shively said. “First is the environmental baseline document that will compile data and analysis from all of the environmental studies undertaken (during) the past five years. Second is (the Pebble Partnership’s) preliminary development plan. Both are essential for advancing the project into permitting. When the preliminary development plan is in place, we will share it with regional stakeholders in advance of filing for permits.”

The baseline document is expected around the beginning of 2011, but the Pebble Partnership is reluctant to put a date on the completion of the feasibility study.

“We are still working on trying to get a feasibility study that works both environmentally and economically. It is a complicated project and I’m not going to set definite time-frames,” Shively said.

Regional exploration

As Pebble wends its way toward feasibility, neighboring prospects are getting attention in 2010.

In July, Northern Dynasty acquired about 13 percent of the Big Chunk and Bonanza Hills properties from cash-strapped Liberty Star Uranium & Metals Corp. The Vancouver B.C.-based junior paid C\$1 million for the 60.7 square kilometers, or 23.4

continued on next page

Pebble Limited Partnership

Northern Dynasty
Mineral Ltd./Anglo American plc



CEO: John Shively
CHIEF GEOLOGIST: James Lang
VICE PRESIDENT, PUBLIC AFFAIRS: Mike Heatwole

Properties with mineral(s) explored –
Copper-Gold-Molybdenum – Pebble, Alaska
Copper-Gold-Molybdenum – Pebble South, Alaska

3201 C Street, Suite 604D • Anchorage, AK 99503
Tel: 907-339-2600 • Toll-free: 1-877-450-2600
Fax: 907-339-2601
www.pebblepartnership.com



JOHN
SHIVELY



Drilling at Pebble has outlined
an estimated 80.6 billion
pounds of copper, 107.4 million
ounces of gold and 5.6 billion
pounds of molybdenum.

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Northwest Territories

Darnley Bay Resources Ltd.

DBL: TSX-V

CHAIRMAN AND DIRECTOR: Leon F. La Prairie, B.Sc., P. Eng.

PRESIDENT AND CEO: Stephen W. Reford, B.A.Sc., P. Eng.

CHIEF FINANCIAL OFFICER: Patricia G. Mannard, B.A.

Formed in 1993, Darnley Bay Resources Ltd. is focused on exploring for and developing base metal deposits related to the 50-kilometer-by-80-kilometer, or 31-mile-by-50-mile, Darnley Bay gravity anomaly near Paulatuk, Northwest Territories. The company has discovered six diamondiferous kimberlite pipes in the same region. Darnley Bay is currently exploring and drilling for base metals on its 4,600-square-kilometer, or 1,776-square-mile, land holding. It also has a 50/50 joint venture with Diadem Resources Ltd. on 33 claims that encompass 10 kimberlite pipes. During the six months that ended June 30, Darnley Bay spent nearly C\$1.4 million on 2010 exploration. The company's current funding objective is to support its metal exploration program and fulfill agreed upon obligations to the Inuvialuit Regional Corp. In August, the junior told regulators that its current funding would allow for an exploration program including geophysical analysis and drilling.

Darnley Bay Sept. 1 reported that contractor Northtech Drilling Ltd. began drilling the explorer's first 2010 base metals target Aug. 28. Target EM-8, an electromagnetic anomaly with coincident magnetic response interpreted from a 2010 VTEM survey will be followed by target M-7, a magnetic anomaly with coincident electromagnetic response. Both holes are to be drilled at 65 degrees from the horizontal with a length of 300 meters. Concurrently, other targets are being investigated on the ground with gravity and magnetic surveys, and geological prospecting, to prioritize targets for the ongoing drill program. The drill was mobilized from the Parry Peninsula 90 kilometers, or 55 miles, to the northwest where the first phase of drilling for kimberlite pipes under the joint venture with Diadem was completed a week earlier.

Darnley Bay and Diadem Sept. 8 reported the discovery of three kimberlite pipes during the first phase of 2010 drilling on the 33 claims in the Parry Peninsula JV project. The discoveries bring to 13 the number kimberlite pipes found on the property. Ten kimberlite pipes were discovered in 2000, of which six have proven diamondiferous. The companies said the results of this first phase are being incorporated in planning for a second phase of 2010 drilling, as well as determining targets that are better suited for drilling from frozen lakes in February through April of 2011. Diadem is funding the 2010 program.

CASH AND SHORT-TERM DEPOSITS: C\$1.93 million (at June 30, 2010)

WORKING CAPITAL: C\$1.32 million (at June 30, 2010)

MARKET CAPITALIZATION: C\$35.22 million (at Sept. 13, 2010)

4 King St. West, Suite 1103 • Toronto, Ont. Canada M5H 1B6

Tel: (416) 862-7885 • Fax: (416) 862-7889

www.darnleybay.com

square miles, of prospective property and also agreed to loan Liberty Star C\$3 million to be secured by the remaining 87 percent of the smaller junior's land packages.

Big Chunk is a porphyry copper-gold prospect that lies adjacent to Pebble to the north and Bonanza Hills is a high-grade gold prospect located

about 40 miles, or 64 kilometers, northeast of Big Chunk.

Northern Dynasty can earn a 60 percent interest in the outstanding 87 percent of the Big Chunk and Bonanza Hills projects by spending C\$10 million on those properties over six years.

Though Northern Dynasty currently holds sole ownership of these claims north of the Pebble deposit, the Pebble Partnership signed an option agreement on Full Metal Minerals Ltd.'s Pebble South claims.

Full Metal believes Pebble-style mineralization trends its property which borders the Pebble claims to the south and west. Past geochemical and geophysical surveys have delineated 11 promising prospects at Pebble South. The Partnership conducted its own airborne geophysical survey of the property in 2010.

Kennecott Exploration Inc., another company with ties to Pebble, is conducting an exploration program at the Groundhog property about six miles, or 10 kilometers, northeast of Pebble. The Rio Tinto subsidiary has optioned the porphyry copper-gold prospect from Anchorage-based geological consulting firm Alaska Earth Sciences.

Kennecott Exploration Manager Russ Franklin said the company is targeting deep mineralization with its first-pass geophysical program at Groundhog.

Rio Tinto has nearly a 10 percent stake in Pebble through its 19.9 percent ownership in Northern Dynasty.

In July, Northern Dynasty acquired about 13 percent of the Big Chunk and Bonanza Hills properties from cash-strapped Liberty Star Uranium & Metals Corp.



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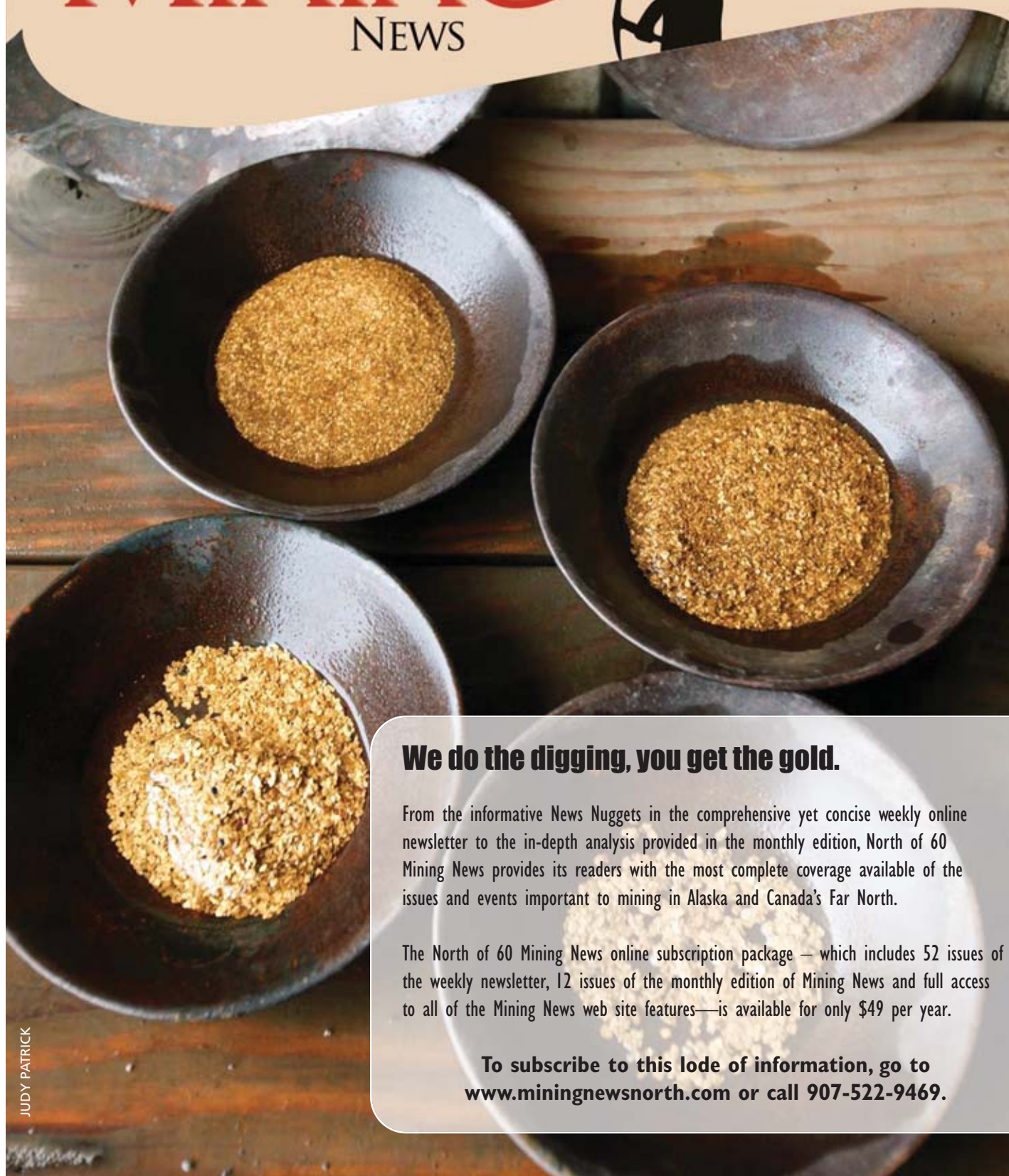
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JUDY PATRICK

Mining explorers continued

NORTHWEST TERRITORIES

De Beers Canada – NWT Projects

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ACTING CEO AND COO, DE BEERS CANADA: Chantal Lavoie

SENIOR VICE PRESIDENT, EXPLORATION DIVISION: Martin Doyle

De Beers Canada Inc., a unit of global diamond miner De Beers Group, has been active for nearly 50 years, growing from a small group of geologists in the field to multiple offices and operations across the country, including the Snap Lake Mine and the Gahcho Kué advanced exploration project in Northwest Territories. The Snap Lake Mine, Canada's only fully underground diamond mine, is located about 220 kilometers, or 135 miles, northeast of Yellowknife and has a 20-plus year mine life. The mine officially opened in July 2008 and is currently ramping up to reach full production at Snap Lake by the end of 2012.

De Beers also is advancing the Gahcho Kué diamond project with 49 percent joint venture partner Mountain Province Diamonds Inc. Gahcho Kué, one of the largest diamond deposits under development in the world, consists of a cluster of kimberlites, three of which have an indicated resource of about 30.2 million metric tons grading 1.67 carats per metric tons (about 50.5 million carats) and an inferred resource of about 6Mt grading at 1.73 cpt (about 10.3 million carats). The Gahcho Kué project is currently the subject of a C\$10 million independent definitive feasibility study conducted by JDS Energy and Mining, which was due for completion in September.

300-5102 50th Ave. Yellowknife, NT
Canada X1A 3S8
Tel: 867 766 7300 • Fax: 867 766 7347
www.debeerscanada.com

BRITISH COLUMBIA

Decade Resources Ltd.

DEC: TSX

PRESIDENT: Edward Kruckowski, P. Geo, P. Geol.

DIRECTOR AND CFO: Andrew Bowering

Decade Resources Ltd. is focused on exploration stage mineral properties in northern British Columbia. In 2010, the junior's activities centered on the Red Cliff gold and Wedeene copper-gold properties. At April 30 Decade had incurred all the required exploration expenditures to earn a 60 percent interest in Red Cliff. Decade has informed Mountain Boy that it will not be exercising its option to earn the additional 20 percent interest. Pursuant to a joint venture agreement, the Red Cliff property will be operated on a 60/40 joint venture basis with Mountain Boy. The Red Cliff is a gold-copper property consisting of eight mineral claims situated in the Skeena Mining division north of the town of Stewart, British Columbia. Seven known zones of copper-gold and/or gold mineralization occur on the property, including two main zones, Red Cliff and the Montrose/Water-pump zones. In 2009, Decade completed surface exploration on the Red Cliff property and by April 30, 2010, had incurred exploration expenditures on the Red Cliff property totaling C\$1,442,373. Diamond drilling intersected wide zones of gold mineralization in an extension to the bonanza gold-bearing Montrose zone. In June Decade reported assays from the first five holes of the its 2010 exploration program at Red Cliff and completion of drilling in the Red Cliff zone July 16 along with testing of several gossaned zones south of Lydden Creek.

Decade also acquired the Wedeene property northwest of Kitimat, B.C., which consists of 154 claims covering about 3,100 hectares, or 7,657 acres, underlain by Kuroko-type VMS copper-gold mineral-

ization. The junior has completed an electromagnetic geophysical survey on the property at a cost of C\$224,547. Using data from the survey, Decade plans to conduct an exploration program which will include soil sampling and mapping. In addition, the company has applied for the necessary permits to conduct a drill program on the property. The junior began 2010 exploration in May intended to better define the extent of the copper-gold mineralization on the Wedeene property.

CASH AND SHORT-TERM DEPOSITS: C\$1.53 million (at April 30, 2010)

WORKING CAPITAL: C\$1.34 million (at April 30, 2010)

MARKET CAPITALIZATION: US\$621.6 million (as of Sept. 6, 2010)

611 - 8th Street • Stewart, British Columbia, Canada V0T 1W0
Tel: 604 681-0710 • Fax: 604 602-1606
www.decaderesources.ca

NORTHWEST TERRITORIES

Diavik Diamond Mines Inc.

(Rio Tinto plc. and Harry Winston Diamond Ltd.)

DDMI PRESIDENT AND COO: Kim Truter

DDMI SUPERINTENDENT, GEOTECHNICAL ENGINEERING: Sarah Greer

DDMI CHIEF GEOLOGIST: David Eichenberg

The Diavik Diamond Mine is an unincorporated 60/40 joint venture between Diavik Diamond Mines Inc., a subsidiary of London-based Rio Tinto plc, and Harry Winston Diamond Mines Ltd., a subsidiary of Toronto-based Harry Winston Diamond Corp. Both companies have headquarters in Yellowknife, Northwest Territories. Diavik Diamond Mines manages the mine, which began diamond mining underground in February, with production expected to continue beyond 2020. Open pit mining, which began in 2003, is expected to cease in 2012. Diavik's reserves are primarily contained in three kimberlite pipes, A154 North, A154 South, and A418, located beneath the waters of Lac de Gras, just offshore of East Island in Northwest Territories. A fourth pipe, the A21 pipe, is being reviewed to determine its viability for mining. While small compared to the world average, these diamond ore bodies contain a higher-than-average content of readily marketable diamonds. The mine's reserves are located on part of four mining leases, totaling less than 2 percent of Diavik's mineral holdings. The JV also is focused on exploring for additional reserves on its remaining holdings, which cover nearly 240,000 hectares, or 578,400 acres. Through ongoing exploration, Diavik has discovered about 70 kimberlites on the claim block, about half of which are diamond bearing. In 2010, open pit mining from the A-418 kimberlite pipe supplemented by the A-154 South kimberlite pipe was expected to be the primary source of 1.8 million metric tons of ore. About 500,000 metric tons of underground ore was expected to be sourced from the A-154 South and A-154 North kimberlite pipes. Total mine production was projected to total about 7.8 million carats.

To extend production beyond 2022, the mine's owners hope to bring additional resources and exploratory tonnages into the reserves category. In addition to new mining techniques aimed at reducing unit cost and increasing mining velocity in the underground operation, exploration work has identified extensions at depth to the A-418 and A-154 North kimberlite pipes. Harry Winston said the inclusion of these extensions in ore reserves will be largely dependent upon the costs of new underground mining techniques currently under review. In April, Diavik also reported that its work force achieved 2 million hours without a lost time injury over an 11-month period. Diavik's workers achieved the safety milestone over a period of 11 months.

In July, Harry Winston reported an agreement to buy back from

Kinross Gold Corp. a direct equity stake of about 22 percent in Harry Winston and a 9 percent indirect interest in the joint venture that owns the Diavik Diamond Mine for about US\$220 million in cash, common shares and debt. Harry Winston sold the interests to Kinross in 2009 for C\$150 million. At July 31, Harry Winston had unrestricted cash and cash equivalents of US\$125 million and working capital of US\$386.2 million. Rio Tinto, a multinational mining conglomerate, reported underlying profits of \$5.8 billion in the first six months of 2010, reflecting ample liquidity and resources. The company is traded on the London Stock Exchange.

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BRITISH COLUMBIA

Eagle Plains Resources Ltd.

EPL: TSX-V

PRESIDENT AND CEO: Tim J. Termuende

CHIEF FINANCIAL OFFICER AND DIRECTOR:

Glen J. Diduck

VICE PRESIDENT, EXPLORATION AND DIRECTOR:

Charles C. Downie

Eagle Plains Resources Ltd. is a 20-year-old junior mining and exploration company that currently controls more than 30 gold, silver, uranium, copper, molybdenum, lead, zinc, gypsum and rare earth mineral projects, mainly located in western and northwestern Canada, including British Columbia, Yukon Territory and Northwest Territories.

Eagle Plains says its primary objective is to enhance shareholder value through the acquisition and development of early-stage exploration projects. During the three months that ended June 30, Eagle Plains said it executed three option agreements and completed five field programs on a series of Yukon, BC and Saskatchewan projects. In response to the current downturn in the economy, the junior said it would scale down its own exploration activities for the year and actively seek joint venture participation with third parties. As a result, Eagle Plains has entered into 10 option/sale agreements with third parties and budgeted for 2010 exploration programs totaling about C\$2.4 million in annual spending. The company planned work at a number of exploration projects for the third quarter, including drill programs on the Kalum, Iron Range and Yellowjacket projects in British Columbia and field programs on the Sprogge and other regional projects in Yukon – along with some



TIM TERMUENDE



along with some

EAGLE PLAINS RESOURCES LTD.



Drillers investigate a new discovery at Eagle Plains' Bronco zinc-lead project in the northern Mackenzie Mountains, Northwest Territories.

other potential projects. In August, Eagle Plains completed the purchase of Prize Mining Corp's remaining interest in the Yellowjacket Joint-Venture and now holds a 100 percent interest in the project, subject to a 1.5 percent net smelter return royalty. The Yellowjacket Zone on the Atlin Gold Property is located 9 kilometers, or 5 miles, east of Atlin, B.C. in the northwestern corner of the province. Eagle Plains and Prize had completed commissioning and permit compliance for small-scale gold production of up to 75,000 tons and a 2009 mining plan included extraction of a minimum of 32,000 metric ton of gold ore from an existing open pit and onsite concentrator processing of ore at a throughput rate of 350 tons per day. In February, the partners reported an independent NI 43-101-compliant inferred resource estimate for Yellowjacket of 184,000 metric tons (at a cut-off grade of 0.5 grams per metric ton) averaging 4.4 g/t gold, or 25,000 ounces of gold. The property is known to host significant gold mineralization, but gold is erratically distributed throughout the Yellowjacket structural zone such that accurate exploration and economic assessment of the property is hampered by a pronounced "nugget effect," the company said.

Eagle Plains planned a 2,000-meter, drill program on the property, beginning in early September.

CASH AND SHORT-TERM DEPOSITS: C\$2.54 million (at June 30, 2010)

WORKING CAPITAL: C\$2.6 million (at June 30, 2010)

MARKET CAPITALIZATION: C\$14.9 million (Sept. 17, 2010)

Suite 200, 16 – 11th Ave. South • Cranbrook, BC Canada V1C 2P1
Tel: 250-426-0749 • Fax: 250-426-6899
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ALASKA

Fire River Gold Corp.

FAU: TSX-V

PRESIDENT AND CEO: Harry Barr

VICE PRESIDENT, MINING: Richard Goodwin

MANAGER OF GEOLOGY: Larry Hillesland

Fire River Gold Corp. has reached an important milestone in its investigation of the Nixon Fork gold mine in Alaska. After spending the past year sorting through the facilities, equipment and geological data left behind by the previous operator, the junior is now looking ahead to reopening the high-grade gold mine. The Vancouver B.C.-based junior was formed in 2009 and later that year bought Nixon Fork – complete with a mill, underground development, an airstrip, camp, power plants and all the permitting – for US\$3 million. Richard Goodwin, an engineer with some 25 years experience, estimates that it would cost some US\$150 million to establish the facilities that are already in place at Nixon Fork. Since the purchase, Fire River's geological team has been re-evaluating some 10,000 meters of drill core left behind by previous operators of the mine. About 9,400 meters of the past drilling, most of which tested a near-mill zone known as 3300, was never incorporated in a resource estimate. With the knowledge gained from re-logging and re-assaying the historical core, Fire River's geological team launched a 28,000-meter drill campaign that is both delineating near mine resources and investigating promising new prospects on the property. Two underground drills are focused on expanding 3300 zone at depth. This high-grade ore body, located near the Crystal Portal and mill, is anticipated to be an early target for mining. The underground program also is investigating several other zones in the vicinity of the mill, including the 3100 and 3500 zones. The surface drill began its

investigation at Whalen and North Star, two prospects about 1,500 meters southwest of the Crystal Mine. In preparation for drilling geologists re-logged core from drilling completed at Whalen in 2007. An inferred resource of 14,000 metric tons grading 32.4 g/t was calculated for a previous operator 2005. During the winter months the surface rig will be reconfigured and moved underground.

Fire River engineers have focused on completing two pre-

liminary economic



assessments for Nixon Fork. The first PEA evaluates utilizing a carbon-in-leach circuit about 60 percent installed by the previous operator, to reprocess 150,000 metric tons tailings from past production. The tailing pond a few hundred meters down the hill from the mine, has an average grade of 8.1 g/t, or nearly 40,000 troy ounces of gold, could be a potential source for early production. The second PEA will evaluate the economic viability of resuming underground commercial production. The 200-ton-per-day gravity and flotation circuit utilized by past producers resulted in about an 83 percent recovery, adding in the CIL circuit is expected to up this rate to around 90 percent. Instead of using the CIL circuit, Fire River is considering using the Merrill-Crowe Process, a separation technique that utilizes zinc to precipitate the gold, silver and copper out of the mixture. A doré containing about 80 percent copper, 20 percent gold plus silver credits could be smelted onsite. This process is expected to provide significant savings on the shipping of carbon and concentrate to and from the remote mine. Fire River plans to have the second PEA completed at the end of 2010 and to begin operations at Nixon Fork in 2011.

CASH AND SHORT-TERM DEPOSITS: C\$2.55 million (at April 30, 2010) (completes C\$3.63 million private placement in June 7, 2010) (completes C\$5.5 million private placement July 26, 2010)

WORKING CAPITAL: C\$1.84 million (at April 30, 2010)

MARKET CAPITALIZATION: C\$33.38 million (at Sep. 17, 2010)

2303 West 41st Ave.

Vancouver, BC V6M 2A3

Tel: 604-685-1870 • Fax: 604-685-8045

www.firerivergold.com

ALASKA

First Star Resources Inc.

FS: TSX-V

PRESIDENT AND CEO: Bill Wishart

VICE PRESIDENT EXPLORATION: Karsten Eden

First Star Resources Inc. is exploring West Pogo and LMS, two gold properties in the vicinity of Sumitomo Metal Mining Co.

Ltd.'s Pogo Mine in Interior Alaska. The junior signed an option agreement with International Tower Hill Mines Ltd. to earn up to a 100 percent interest in the properties, and in August Tower Hill rolled these assets into a new junior exploration company, Corvus Gold Inc. (See Corvus Gold). West Pogo is situated 2.8 miles, or 4.5 kilometers, west of the Pogo Mine, LMS can be found about 25 miles, or 40 kilometers, to the southwest of the high-grade gold operation. The junior kicked off its 2010 exploration of the LMS claims in September with a 1,500-meter drill program targeting the expansion of an NI 43-101-compliant inferred resource of 5.86 million metric tons averaging 0.89 g/t gold. The junior is also testing the extent of high-grade gold trends previously intersected in the zone, but never clearly defined. A previous drill intersection into this vein system cut 1.8 meters averaging 713.1 g/t gold, though 5 to 30 g/t gold are more typical. Testing a new geological model, the company intersected the structure that carries the high-grade gold in the initial two holes drilled. Though assays are still pending at the time this report, Corvus President Russell Myers said this is the first time a model has predicted the location of the structures. First Star has the ability to earn an initial 55 percent interest in LMS by paying Corvus US\$280,000 and spending US\$3.5 million on exploration of the property over three years with the ability to increase its interest to 100 percent, subject to royalty, through further exploration or by producing a 2-million-ounce gold resource at LMS.

In a similarly structured deal, First Star can earn a 55 percent interest in West Pogo by paying US\$250,000 and spend US\$2.8 million on exploration. The company can become sole-owner, subject to royalty, by spending an additional US\$2 million by the end of 2015, or by producing a resource of



one million ounces of gold. The West Pogo prospect, consisting of 4,670 acres of State of Alaska mining claims, represents a high-grade intrusion-related vein system gold target. Exploration by Tower Hill encountered Pogo-style mineralization as well as other high-grade gold without the geochemical signatures of the ore being mined by its neighbor. First Star focused its 2010 exploration on mapping these vein structures. This year's budget is about C\$1 million for the two properties.

CASH AND SHORT-TERM DEPOSITS: C\$338,774 (at June 30, 2010)

WORKING CAPITAL: C\$226,590 (at March 31, 2010) (C\$1.7 million private placement closed July 12, 2010)

MARKET CAPITALIZATION: C\$3.27 million

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BC & NORTHWEST TERRITORIES

Fortune Minerals Ltd.

FT: TSX

PRESIDENT AND CEO:

Robin E. Goad, M. Sc., P.Geo.

VICE PRESIDENT, FINANCE AND CFO:

Julian Kemp, B.B.A., C.A.

VICE PRESIDENT, OPERATIONS: Tom Rinaldi

Fortune Minerals is a diversified natural resource company with several mineral deposits and a number of advanced exploration and development projects, all located in Canada. The company's projects include the Mount Klappan anthracite coal deposits located 150 kilometers, or 97 miles, north-east of the port of Stewart in British Columbia; the Nico gold-cobalt-bismuth-copper deposit, located 160 kilometers, or 100 miles, northwest of the City of Yellowknife in the southern part of the Northwest Territories; the Sue-Dianne copper-silver deposit located only 25 kilometers, or 16 miles, north of Fortune's Nico deposit; and other base and precious metals exploration projects in the Northwest Territories. Fortune focused in 2010 on advancing permitting and financing of the Nico mine site and a metals processing plant site in Saskatchewan. During the second and third quarters, the company conducted a 6,777-meter drilling program at Nico aimed at extending known mineral reserves in the deposit and providing better definition of the perimeter of the ore body for detailed mine operations and production scheduling. For-



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tune also planned to complete the salvage and relocation of milling and process assets from the former Hemlo Golden Giant Mine site in Ontario to appropriate staging locations by fall. In August, Fortune said it had developed a new commercially competitive railway transportation option for haulage of anthracite metallurgical coal products from its Mount Klappan project in northwest British Columbia to the port of Prince Rupert, B.C. This new development strategy is based on existing infrastructure and provides a much simpler transportation solution that would allow the company to rapidly capitalize on Mount Klappan's four deposits of anthracite coal, which host measured resources of 107.9 million metric tons and indicated resources of 123Mt, plus 2.572 billion metric tons in the inferred and speculative categories, and participate in the growing global shortage of high-quality metallurgical coals. The railway strategy would also provide access to the Ridley Coal Terminal in Prince Rupert that can load full "Capesize" bulk vessels, making this the preferred point of export for most of Fortune's potential customers in the overseas steel industry. Fortune reported exploration and development cash expenditures on its properties of C\$2,131,778 and C\$4,047,795 during the three- and six-month periods that ended June 30, respectively.

CASH AND SHORT-TERM DEPOSITS: C\$11.75 million (at June 30, 2010)

WORKING CAPITAL: C\$10.46 million (at June 30, 2010)

MARKET CAPITALIZATION: C\$59.36 million (Sept. 6, 2010)

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NUNAVUT

Forum Uranium Corp.

FDC/TSX-V

PRESIDENT AND CEO: Richard J. Mazur, P. Geo, MBA

VICE PRESIDENT, EXPLORATION: Ken Wheatley, P. Geo

CHIEF GEOLOGIST: Boen Tan, Ph.D.

Forum Uranium Corp. is focused on exploration and development of its 69,316-hectare, or 171,210-acre, North Thelon Project in the Thelon Basin of Nunavut. A number of historical and new showings with grades of up to 8.75 percent U3O8 have been discovered by Forum on the North Thelon project in past exploration programs. During the 12 months that ended May 31, Forum spent nearly C\$2.8 million on the North Thelon Project. Goals of the junior's 2010 program included identifying additional gravity targets (zones of alteration); refining the geology and structural knowledge of the property and collecting soil samples for geochemistry from high priority areas. In late August, the junior reported completion of extensive mapping and soil sampling campaign on uranium and rare earth targets followed by a large gravity survey on North Thelon. Forum's property surrounds on three sides Areva's Kiggavik mine development project (134 million pounds U3O8) that currently is in the feasibility and permitting stage. Most of the preliminary work has now been completed on this large project generating multiple promising targets, and it is now in a drill-ready state. Forum has proposed percussion and diamond drilling of priority targets as part of a major drilling campaign in 2011 to take the project to its next level. In the Nutaaq area of the North Thelon property, a 10-kilometer by 8-kilometer granite-syenite intrusive complex along a major structure which returned strongly anomalous rare earth element values up to 3.8 percent total rare earth oxides in previous years, Forum also completed its 2010 program of sampling and mapping. The sampling returned encouraging values, with a peak value of 7.6 percent TREO. Work is ongoing using this new data to determine the nature and control of the REE occurrences such that the mineralization can be properly tested by drilling.

CASH AND SHORT-TERM DEPOSITS:

C\$1.44 million (at May 31, 2010)

WORKING CAPITAL:

Negative C\$1.897 million (at May 31, 2010)

MARKET CAPITALIZATION:

C\$10.26 million (Sept. 1, 2010)



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ALASKA

Freegold Ventures Ltd.

FVL: TSX-V

PRESIDENT AND CEO: Kristina Walcott

CHIEF FINANCIAL OFFICER: Gordon Steblin

VICE PRESIDENT, EXPLORATION: Michael Gross

Weighed down with about C\$11 million in debt in mid-2009, it appeared Freegold Ventures Ltd. would become another casualty of the market collapse. Stepping into the leadership role, former Freegold Vice President of Corporate Development Kristina Walcott leveraged the value of the company's four gold assets in Alaska and Idaho. Over the course of a few short months, the new president and CEO slashed C\$5.2 million from the C\$6 million tab the company had run up in past-due, short-term debt, converted about C\$1.6 million of its unsecured debt into some 14.5 million shares of Freegold, and raised enough money to sate the appetites of the service and supply vendors to whom the company owed nearly



C\$4 million.

Freegold's money-raising efforts included selling its Almaden gold project in Idaho to Western Standard Metals Ltd., leaving its three Alaska gold assets intact. The Vinasale gold project — found on the northern end of the Kuskokwim Gold Belt about 16 miles, or 26 kilometers, south of McGrath — was Freegold's primary exploration target in 2010. Drilling conducted by the junior this year focused primarily on the Central Zone, which contains an historical non-NI 43-101-compliant resource of 14.5 million metric tons grading 1.95 grams of gold per metric ton, or 925,000 ounces of the yellow metal. Upon optioning the property from Doyon Ltd., an Alaska Native regional corporation, in 2007, Freegold flew an airborne geophysical survey over the entire 140,000-acre property. The following year the junior carried out a ground-based induced polarization and magnetic survey over the northern part of the deposit.

The Golden Summit project, about 20 miles or 32 kilometers north of Fairbanks, was also investigated by Freegold in 2010. The project is host to a number of gold occurrences that are similar in age and style to the multimillion-ounce intrusion found at Kinross Gold Corp.'s Fort Knox Mine about 5 miles, or 8 kilometers, to the south. The junior has conducted 26,900 meters of drilling, 5,500 meters of trenching, 7,729 soil

samples, as well as mapping and geophysics at Golden Summit since it acquired an interest in the 5,421-acre-property in 1991. Exploration targets with significant potential include from west to east: Tolovana-Dolphin deposit, Newsboy Mine, Cleary Hill Mine, American Eagle Vein Swarm and Hi Yu Mine. A small ground geophysical program carried out during the summer focused on extending gold mineralization intersected in historic drill holes at the Tolovana-Dolphin deposit in an effort to delineate an intrusive hosted bulk-mineable resource. Freegold is looking at optioning off or bringing in a partner at its Rob high-grade gold project about 20 miles, or 32 kilometers, west of Summito Metal Mining's Pogo gold mine. (see Summito Metal Mining.) The explorer first drilled the property in 2007; the best intersections of an eight-hole program targeting a vein known as the Grey Lead were a 4.1-meter interval averaging 20.1 g/t gold and another 4-meter intersect grading 29 g/t gold. The first hole of a 12-hole program conducted in 2008 cut 2.4 meters, starting at a depth of 22.4 meters, with an average grade of 62 g/t gold. In July 2010, Freegold Ventures shareholders voted nearly unanimously in favor of a six-to-one share consolidation.

CASH AND SHORT-TERM DEPOSITS: C\$134,227 (at June 30, 2010) (C\$283,980 raised subsequent to June 30, 2010)

WORKING CAPITAL: C\$2.12 million deficit (at June 30, 2010)

MARKET CAPITALIZATION: C\$5.39 million (at Aug. 30, 2010)

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Tel: 604-662-7307 • Fax: 604-662-3791

YUKON TERRITORY, BC & ALASKA

Golden Predator Royalty & Development Corp.

GPD: TSX-V

CHAIRMAN AND CEO: William M. Sheriff, B.Sc.

PRESIDENT: John Legg, B.A., LLB

VICE PRESIDENT EXPLORATION (CANADA):
Corwin (Cor) Coe, A.Sc.T., B.Sc., P.Geo.

Golden Predator Royalty & Development Corp., spun out with the precious metal assets of Golden Predator Mines Inc. in 2009, began operation with a gold royalty portfolio with average annual revenues exceeding C\$1 million. The company is mandated to establish early high-grade precious metals production in Nevada, while conducting aggressive exploration and potential development of large precious metal projects in the prolific Tintina Gold Belt and the Rocky Mountain Alkaline Gold Province. The Vancouver, B.C.-based junior also rapidly acquired a huge asset base including a dozen



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Golden Predator Royalty & Development Corp. chose this mountain-ridge location to drill the first hole in its 2010 exploration program at the Antimony gold project in central Yukon Territory.

or so mining projects and additional acreage across Yukon and northern British Columbia.

Golden Predator pulled out the stops this year, spending C\$7 million to mount exploration programs at five advanced exploration projects in Yukon. Drill rigs are busy at the Eureka, Clear Creek, Antimony, Brewery Creek, Gold (Scheelite) Dome projects, and exploration was under way at the recently acquired Cynthia and Grew Creek projects in eastern Yukon. Golden Predator Sept. 7 reported initial results from 2010 diamond and reverse circulation drill programs on Clear Creek Project, including RC Hole No. CC10-07, which intercepted gold mineralization 1.87 g/t over 42.68 meters starting at 1.52 meters depth and including higher grade intervals of 2.59 g/t gold over 25.91 meters starting at 10.67 meters depth and 5.64 g/t gold over 9.15 meters starting at 16.76 meters depth. The junior also increased its Clear Creek and Gold Dome land positions in Yukon to more than 230 square kilometers. Golden Predator Sept. 1 further reported acquisition of the Rogue District, six separate properties located in east-central Yukon that comprise, in the aggregate, 3,154 quartz mineral claims covering about 659 square kilometers, or 254.4 square miles, of land. The acquisition doubled not only the junior's land holdings but also the number of its active projects in Yukon.

CASH AND SHORT-TERM DEPOSITS: C\$7.66 million (at May 31, 2010)
WORKING CAPITAL: C\$11.04 million (at May 31, 2010) (\$3.01 million raised in private placement in August 2010)
MARKET CAPITALIZATION: C\$45.39 million (Sept. 10, 2010)

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ALASKA

Harmony Gold Corp.

H: TSX-V
PRESIDENT AND CEO: Craig Michael Engelsman
LUCKY SHOT PROJECT MANAGER:
 William J. Burnett

With its sights set on becoming a junior gold producer in the first half of 2011, Harmony Gold Corp. has partnered with Full Metal Min-

erals Ltd. (see Full Metal Minerals) on the high-grade Lucky Shot gold property, about 145 kilometers, or 90 miles, north of Anchorage.

"I created Harmony Gold specifically to become one of the newest junior producers," Harmony Gold President and CEO Craig Michael Engelsman told Mining News. "If gold does go to US\$2,000 an ounce you had better be pulling it out of the ground. These guys that are sitting on these big projects that would take at least three-to-five years just to get the development in, nonetheless the permitting and all the other issues, they could be missing the boat."

The original deal, forged in November 2009, provided the Vancouver B.C.-based junior the opportunity to earn a 60 percent stake in Lucky Shot. In August the partners renegotiated the contract, giving Harmony the opportunity to up its stake in the high-grade gold deposit to 80 percent. The best intercepts of more than 30,000 meters drilled by Full Metal at Lucky Shot have been at Coleman Zone, the westernmost of seven historically mined veins or faulted extensions of the same vein system on the 8,800-acre Lucky Shot property. These intercepts include hole C05-09 over 3.1 meters grading 62.2 grams per metric ton gold, hole C05-12 over 4 meters grading 219.1



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g/t gold and hole C06-16 over 4.6 meters grading 51.5 g/t gold. Harmony estimates it will take nearly US\$15 million in capital to begin commercial production at Lucky Shot.

Nearly US\$9 million is being spent on driving a development ramp to high-grade gold ore at Coleman. In order to tighten up the block model in preparation for driving the nearly 1-mile, or 1.5 kilometer, development ramp, a 26-hole density drill program was completed in November 2009. The 4,300 meters of drilling provides a more concentrated look at the high-grade portion of the structure. Once Harmony Gold drifts back to the Coleman Zone, it plans to extract a 12,000-metric-ton bulk sample, which it will run through a 240-ton-per-day mill with a gravity recovery circuit, purchased by Full Metal in 2008. The bulk-sample is already permitted and construction of the mill is about 80 percent complete. Harmony estimates an average recovery of 19 grams of gold per metric ton from the Coleman Zone. Operating the mill at 95 percent capacity, the company foresees producing 44,000 ounces of gold per year. Using these figures and US\$1,000 per ounce gold, Lucky Shot would generate about US\$44 million a year, roughly half of which would go toward operating costs. Once the mill and Coleman mine are in operation Harmony plans on defining extensions of the Coleman vein as well as exploring other targets on the property.

CASH AND SHORT-TERM DEPOSITS: C\$2.26 million (at March 31, 2010)

WORKING CAPITAL: C\$2.2 million (at March 11, 2010)

MARKET CAPITALIZATION: C\$5.51 million (at Sept. 7, 2010)

409 Granville St., Suite 1650
Vancouver, B.C. Canada V6C 1T2
Tel: (778) 370-0519 • Fax: (604) 683-4499
www.harmonygoldcorp.com

ALASKA

Hecla Mining Co.

HL: NYSE

PRESIDENT AND CEO: Phillips Baker Jr.

SENIOR VICE PRESIDENT AND GENERAL COUNSEL:
David Sienko

VICE PRESIDENT, EXPLORATION: Dean McDonald

The US\$750 million purchase of Rio Tinto's 70.27 percent ownership stake in Greens Creek Mine near Juneau, Alaska, nearly proved to be the undoing of Hecla Mining Co. Instead, the audacious move catapulted Hecla to rank as the No. 1 silver producer in the United States. Surviving the tumultuous financial markets and low metals prices of the latter half of 2008 and the first half of 2009, Hecla not only repaid US\$380 million it borrowed to become sole owner of Greens Creek, the miner also positioned itself to take advantage of improved metals markets. With its loans paid off, cash in the bank and strong results from both of its producing mines, the 119-year-old mining company boosted the 2010 exploration budget for its properties in Alaska, Idaho, Colorado and Mexico to US\$20 million, around US\$5 million of which was spent on surface and underground exploration at Greens Creek.

Underground drilling at Greens Creek in 2010 focused on refining and expanding the resource in the Northwest Zone and extending resources in the 200 South, 5250 South and Deep 200 South.

Definition and exploration drilling of the Northwest zone defined and extended two distinct limbs of a major folded orebody for more than 200 feet down dip. The drills cut higher-than-expected grades of precious metals such as: 0.72 ounces per ton gold and 75.6 ounces per ton silver along with base metals over 2.6 feet. Initial holes drilled into the 5250 zone cut a 1.3-meter intersection grading 37.6 ounces of silver per ton. A 4.3-meter interval of massive sulfide along



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Underground drilling at Hecla Mining's Greens Creek in Southeast Alaska focused on refining and expanding the resource in the Northwest Zone and extending resources in the 200 South, 5250 South and Deep 200 South.

HECLA MINING CO.

the southwestern extent of the 200 South Zone that further extends the resource. The company also is developing an exploration drift called the 1147 to provide a staging platform for expanding the 5250 South and 200 South ore zones to the south.

The Northeast contact zone, which is related to the same sequence of rocks as the ore bodies currently being mined, is a priority exploration target at Greens Creek. Hecla has both underground and surface drills seeking production grade ore in this new area the company believes will relinquish the next orebody for Greens Creek. Though ore grade mineralization has yet to be discovered at the Northeast contact, underground drilling has intersected promising quantities of sulfide mineralization in this zone near the current development. Drilling along the southern extent of this region at depth indicates that better mineralization lies above the tested sections, and this shallower region is a priority for this year's surface drill program. At the Lucky Friday mine in Idaho, two underground drills continue to test potential to expand the resource. Hecla estimates the deep development could boost annual silver production at the mine by as much as 5 million ounces, nearly a 60 percent increase over recent years. In addition to near-mine exploration, Hecla is investigating district-scale targets in the vicinity of both of its operating mines. The silver miner also has two drills turning at its San Juan joint venture property in Colorado and is continuing a systematic district-scale drill program at its more than 300-square-mile, or 777-square-kilometer, San Sebastian project in Mexico.

CASH AND SHORT-TERM DEPOSITS: US\$197 million (at June 30, 2010)

WORKING CAPITAL: US\$197 million (at June 30, 2010)

MARKET CAPITALIZATION: US\$1.5 billion (at Sept. 7, 2010)

6500 N. Mineral Drive, Suite 200 Coeur d'Alene, Idaho 83815
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ALASKA

Hunter Dickinson Inc.

CHAIRMAN: Robert Dickinson
CEO: Ronald Thiessen



Hunter Dickinson Inc. is a Vancouver, B.C.-based private company associated with a suite of publicly-traded companies engaged in mineral exploration, development and mine operations around the world. The company's multi-disciplinary team of some 120 financial and technical specialists provides professional services to successful mine operators and developers on four continents, with interests in gold, copper, platinum group metals, molybdenum, zinc, silver and diamonds. Hunter Dickinson Group companies featured in this magazine are Northern Dynasty Minerals Ltd., 50 percent owner of the Pebble copper-gold-molybdenum project in Southwest Alaska; and Heatherdale Resources Ltd., a mineral exploration and development company focused on expanding the Niblack copper-gold-zinc-silver project in Southeast Alaska. Hunter Dickinson is itself involved in exploring the Delta project, a precious metal-rich volcanogenic massive sulfide project in the eastern Alaska Range about 36 miles, or 58 kilometers southwest of Tok. The company optioned the Interior Alaska VMS property through a joint venture with Grayd Resource Corp.

A key part of the venture was expanding the property to 61 square miles, or 158 square kilometers, by staking 238 mining claims. Hunter Dickinson will hold a 60 percent interest in a limited liability company formed for the Delta joint venture by reimbursing Grayd for staking the additional claims and funding US\$3 million in exploration by the end of 2012. Following the initial earn-in, Hunter Dickinson has the option to acquire Grayd's 40 percent in the joint venture company. Over the past three-and-a-half decades the Delta project has been traversed by geologists representing a bevy of mining companies investigating the promising VMS mineralization known to exist. This exploration, which includes 23,711 meters of drilling, has discovered 40 mineral occurrences on the property. Based on the core drilling, an NI 43-101-compliant inferred resource of 15.4 million metric tons grading 1.7g/t gold, 62g/t silver, 3.8 percent zinc, 1.7 percent lead, and 0.6 percent copper has been calculated for the project. Re-examining and re-interpreting this disjointed data was the first task for Hunter Dickinson's geological team. "There is opportunity there to establish some continuity in the high-grade resources that the (Delta) project is known for. There is precious metal enhancement in the system, and we look forward to moving the project forward and developing on those resources," Lena Brommeland, the interim manager of the Delta project, told Mining News. The privately-held company decided the best way to utilize and expand the historical data is to fly a 725-line-kilometer versatile time-domain electromagnetic survey over the entire property. The response the VTEM survey returns over areas of known mineralization will provide a geophysical signature that Hunter Dickinson geologists can use to delineate targets for a drill program expected to start in 2011. "We have done some forward modeling with the geophysics and we feel pretty comfortable that the VTEM survey is going to give us some really good drill targets," Brommeland said during an Aug. 20 interview.

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BRITISH COLUMBIA

Imperial Metals Corp.

III: TSX
CHAIRMAN: Pierre Lebel (mug)
PRESIDENT AND COO: J. Brian Kynoch
VICE PRESIDENT, EXPLORATION: Patrick M. McAndless

Imperial Metals Corp., organized in 2001, is a Vancouver-based miner focused on discovering, developing and operating base and

precious metal assets in western North America. Key properties include the Mount Polley open-pit copper/gold mine in central British Columbia, 50 percent interest in the Huckleberry open-pit copper/molybdenum mine in northern British Columbia, the development-stage Red Chris copper/gold property in northwest British Columbia, and development-stage mineral properties in Nevada and southern British Columbia stemming from its merger with Selkirk Metals Corp. in 2009.

Highlights of Imperial's 2010 exploration program include expenditures of C\$5.6 million in the June 2010 quarter for C\$1.5 million in ongoing work at Mount Polley and C\$3.5 million in drilling at Red Chris. The 2010 exploration at the Mount Polley used two drills focused on a number of exploration targets. Underground development to access the Boundary zone also was initiated from a portal in the Wight Pit. Mount Polley's reserves as of Jan. 1, contained 284 million pounds copper and 367,000 ounces gold, providing a mine life to the fourth quarter of 2015. At the Huckleberry Mine, Imperial updated its reserves estimate for the Main Zone Extension (Saddle Expansion) to extend the mine's life to July 2012.

At Red Chris, five drills were in operation in the second quarter and drilling continues to extend the boundaries of the deposit and focus on delineation of the Red Chris mineralized system to at least 1,000 meters below surface with some holes testing to 1,500 meters. A Red Chris updated mineral resource estimate added 1.29 billion pounds copper and 2.73 million ounces gold to measured and indicated resources, and 1.37 billion pounds copper and 2.54 million ounces gold to the inferred resources, at a 0.3 percent copper cut-off grade. The mineral resource is estimated at 3.71 billion pounds copper and 5.56 million ounces gold of measured and indicated resources, and 2.39 billion pounds copper and 3.79 million ounces gold of inferred resources at a 0.3 percent copper cut-off grade. Imperial also spent C\$1 million on development at Red Chris in the second quarter. Imperial Aug. 5 reported the completion of 43 drill holes totaling 29,566 meters including 23 condemnation holes at a proposed tailings impoundment and plant site areas.

CASH AND SHORT-TERM DEPOSITS: C\$25.9 million (as of June 30, 2010)
WORKING CAPITAL: C\$57.8 million (as of June 30, 2010)
MARKET CAPITALIZATION: US\$621.6 million (as of Sept. 6, 2010)

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Indicator Minerals Inc.

IME: TSX-V
PRESIDENT AND CEO: Bruce Counts
VICE PRESIDENT, EXPLORATION: Dave Kelsch
CHIEF FINANCIAL OFFICER: Andrew Wilton



Indicator Minerals Inc., a junior focused on gem exploration-stage projects, is looking for diamonds on more than 2.74 million acres of targeted ground in the Canadian arctic and is advancing four drill-ready projects in Nunavut — Darby, Borden, Grail and Nanuq North — with potential for discovery. For 2010 Indicator concentrated its exploration spending on the Nanuq North Project located 250 kilometers, or 160 miles, north of Chesterfield Inlet in Nunavut with Peregrine Diamonds Ltd. and Hunter Exploration Group. In April, the junior settled a funding dispute with Peregrine that began in 2009, and the partners agreed to equally fund a C\$2 million exploration

program at Nanuq North, potentially a new diamond district. The program was conducted in late May and June and included five drill holes covering 1,000 meters. The partners had a primary goal of evaluating the 4.5-hectare, or nearly 11.1-acre NQN-001 kimberlite for size and type and obtaining an initial understanding of the distribution of diamonds in the different kimberlite phases identified. Indicator also collected an 800-kilogram mini-bulk sample from the 4.5-hectare surface area kimberlite. In 2009, Indicator recovered a total of 206 diamonds from a 152.75-kilogram sample of the NQN-001 kimberlite. The largest stone measured 0.98 millimeters by 0.72 millimeters by 0.70 millimeters. Most of the diamonds in the sample are characterized as white-colorless with no inclusions.

CASH AND SHORT-TERM DEPOSITS: C\$1.1 million (May 31, 2010)
WORKING CAPITAL: C\$652,284 (May 31, 2010)
MARKET CAPITALIZATION: C\$8.12 million (Sept. 25, 2010)

1075 West Georgia St., Suite 275 • Vancouver, BC Canada V6E 3C9
 Tel: 604-331-4605 • Fax: 604-331-4654
 www.indicatorminerals.com

BRITISH COLUMBIA

Jayden Resources Inc.

JDN: TSX-V
CEO AND EXECUTIVE DIRECTOR: David Eaton
PRESIDENT: Robert P. (Bob) Felder.
VP EXPLORATION AND DEVELOPMENT: Robert Perry, CPG

Pinnacle Mines Ltd. changed its name to Jayden Resources Inc. in June in the first of a number of developments that the junior planned for 2010 including new management and the rapid advancement of its 70-percent-owned Silver Coin Gold Project in the Stewart gold camp in northwestern British Columbia. Jayden is in the advanced stage of exploration on the Silver Coin Property, having explored the area since 2004 with its joint venture partner Mountain Boy Minerals Ltd. The Silver Coin property includes 26 mineral claims with a net area of about 1,255 hectares, or 3,100 acres, made up of Core and INDI claims. The INDI claims, currently located on the periphery of the delineated mineral resource at Silver Coin, are owned by Jayden (28.05 percent), Mountain Boy (26.95 percent) and Nanika Resources Inc. (45 percent). The junior also owns 19 claims on the Surprise Creek property northeast of Stewart, B.C., which it optioned to Great Bear Resources Ltd. in May. Jayden reported exploration expenditures during the six months that ended June 30 totaling C\$422,221, up nearly C\$60,000 from the same period in 2009 and due mainly to efforts to better define the Silver Coin property resource.

In mid-September, Jayden reported a new NI 43-101-compliant resource estimate for the Silver Coin Gold Project as well as the start of a 2010 drill program at the project. Engineering firm Minarco MineConsult, based in Beijing, China, re-estimated the Silver Coin mineral resource based on newly validated drill results and a new geologic model. At a 0.3 grams-per-metric cut-off grade, Minarco estimated Silver Coin's measured and indicated resources exceeding 27.16 million metric tons grading 0.96 g/t for a total of 835,700 ounces gold and about 5.22 million ounces silver and its inferred resources equaling 29.65Mt grading 0.69 g/t for a total of 655,200 ounces gold and 5.72 million ounces silver. The consultant also concluded that zinc is potentially recoverable during the processing of gold and silver and estimated that within the gold/silver resource there is an inferred resource exceeding 56.8Mt zinc grading 0.19 percent for a total of 242.45 million pounds. Jayden also said it planned to complete a 2,000-3,000-meter drill program at Silver Coin this fall to meet several objectives all aimed at advancing the project toward a pre-feasibility study that the company intends to start in 2011.

CASH AND SHORT-TERM DEPOSITS: C\$3.37 million (at June 31, 2010)
WORKING CAPITAL: C\$3.47 million (at June 31, 2010)
MARKET CAPITALIZATION: C\$25.6 million (Sept. 17, 2010)

1075 West Georgia St., Suite 1980 • Vancouver, B.C. Canada V6E 3C9
 Tel: (604) 688-9588 • Fax: (778) 329-9361

www.jaydenresources.com

YUKON TERRITORY & BRITISH COLUMBIA

Kaminak Gold Corp.

KAM: TSX-V
PRESIDENT AND CEO: Rob Carpenter, Ph.D., P. Geo.
CHAIRMAN: John Robins, P.Geo.
CHIEF GEOLOGIST: Craig S. Finnigan, Ph.D.

Kaminak Gold Corp., formed in 2005 in British Columbia, is a prospect generator recently focused on early-stage mining opportunities in northwestern Canada. Adhering to a philosophy of forming strategic partnerships such as joint ventures, Kaminak is working to advance at least 16 discovery-stage projects in Yukon Territory, Nunavut, British Columbia and other Canadian provinces. The junior continues to maintain a healthy treasury and a very low corporate burn-rate, while remaining debt free.

In addition to spinning out a uranium junior, Kivalliq Energy Corp. and making significant strides in uranium exploration in Nunavut in 2008 and 2009, Kaminak has focused recently on acreage in the White District of Yukon Territory

some 25-30 kilometers, or 16-19 miles, south of Underworld Resources' 2008 White Gold discovery. After reporting very promising soil sampling and trenching results at the Coffee property in 2009, Kaminak went on to make several significant gold discoveries on the Coffee property in 2010. The company now believes its Coffee Project has excellent potential to host a 3- to 5-million-ounce resource in "Underworld-style," gold deposits. Kaminak will drill 10,000 to 15,000 meters in 2010, and spend about C\$8 million. The junior had completed 10,000 meters in 43 holes in early August and based on assay results from the first 24 holes, enjoyed a 75 percent success ratio. Kaminak is focusing on five of the 11 targets where it has reported high-grade gold intercepts recently – Kona, Americano, Latte, Supremo and Double Double. Exploration, so far, has revealed that the Supremo zone, where the discovery hole was drilled in 2009, is not one but six different structures, while the largest zone may be the Americano zone. Kaminak also staked another 750 mineral claims (37,500 acres, or 15,182 hectares), expanding the Coffee property to 1,803 claims totaling 90,150 acres, or 36,498 hectares.

Kaminak also owns the Cry Lake gold-silver project, formerly known as the Nizi Creek gold-silver project, in northwestern British Columbia 80 kilometers, or 50 miles, northeast of Dease Lake, B.C. Its project partner Solomon Resources Ltd. planned a significant drill program on the property in 2010.

CASH AND SHORT-TERM DEPOSITS: C\$5.1 million (June 30, 2010)
WORKING CAPITAL: C\$5.47 million (June 30, 2010) (raised C\$14,503,810 in July 2010 in private placement)
MARKET CAPITALIZATION: C\$207.04 million (Sept. 10, 2010)

1440 - 625 Howe St. • Vancouver, BC Canada V6Z 2T6
 Tel: 604 646-4527 • Fax: 604 646-4526
 www.kaminak.com



JOHN ROBINS



ROB CARPENTER

NUNAVUT

Kivalliq Energy Corp.

KIV: TSX-V
PRESIDENT AND CEO: John Robins
CHAIRMAN: Rob Carpenter
VICE PRESIDENT, EXPLORATION: Jeff Ward

Kivalliq Energy Corp., created in early 2008 when Kaminak Gold Corp. spun off its uranium assets, mounted an aggressive exploration campaign in 2010 focused on the 270,000-acre, or 112,033-hectare, Angilak Project. Kivalliq, the first company in Canada to sign a comprehensive agreement with the Inuit to explore for uranium on Inuit owned lands in Nunavut, is exploring the historic Lac Cinquante uranium deposit. Reported to contain a non-NI 43-101-compliant 20.4 million pounds of uranium oxide with grades averaging 1.03 percent, the Lac Cinquante deposit and more than 150 other uranium occurrences on the property comprise Kivalliq's core asset. A spring geophysical program and follow-up summer drilling on Lac Cinquante in 2009 confirmed high-grade U3O8 intervals near surface, over significant widths and along about 1 kilometer of strike length. This summer, the junior drilled 2,375 meters in phase 1 of an ongoing 10,000-meter diamond drill program at Lac Cinquante, and hit significant mineralization in 10 of 13 holes, including a new zone 500 meters west of the deposit, which assayed 0.21 percent U3O8 over 1.96 meters. Results from new and historic drilling show uranium mineralization extends from surface, open to depth and along strike. The 2010 program also included exploration on the remainder of the Angilak property, which has more than 150 known uranium occurrences. Summer work will consist of prospecting, sampling, drill target identification and baseline environmental studies.



In April, Kivalliq built a fully winterized field camp in April to allow larger, year-round operations. The junior spent a total of about C\$3 million on exploration activities during the nine months that ended June 30, and in late July, raised C\$5 million in a private placement and C\$762,000 by exercising warrants. The company mobilized a second drill rig Aug. 10 in phase 2 of its 2010 program to focus on completing enough drilling to establish a NI 43-101-compliant uranium resource. This work included drilling, prospecting, sampling and field baseline studies. Kivalliq also said it would dedicate its efforts in the fourth quarter of 2010 to technical and resource modeling analysis and the goal of establishing a NI 43-101-compliant mineral resource.

CASH AND SHORT-TERM DEPOSITS: C\$2.6 million (at June 30, 2009)

WORKING CAPITAL: C\$2.576 million (at June 30, 2010)

MARKET CAPITALIZATION: C\$32.8 million (Sept. 1, 2010)

Suite 1440, 625 Howe St. • Vancouver BC V6C 2T6
Tel: 604-646-4534 • Fax: 604-646-4526
www.kivalliqenergy.com

NORTHWEST TERRITORIES

Merc International Minerals Inc.

MRK: TSX-V

INTERIM CEO: David Wiley

CHIEF FINANCIAL OFFICER: Michael G. Leskovec

Merc International Minerals Inc. focuses on precious metal projects with historic resource estimates that could be enhanced through both modern-day exploration and dramatically higher gold-silver prices. In early 2010, the junior raised about C\$3 million to fund its 2010 winter exploration program on ongoing exploration of the Damoti Lake Gold Project located 200 kilometers, or 124 miles, north of Yellowknife, Northwest Territories. Merc acquired the property from Anaconda Mining Inc. in 2008. Merc carried out a winter geophysics program early in the year that included detailed ground magnetic, electromagnetic and localized induced polarization surveys designed to identify new drill targets throughout the 14-kilometer, or 9-mile-long, of iron formation within the Damoti property. Subsequent surveys helped trace mineralization along strike and down plunge within the iron formation and identified new drill targets elsewhere on the property with similar "footprints."

In May, Merc reported assay results on the first 8 holes of 10,000 to 12,000 meters of winter drilling that began March 19. The drill program tested shallow targets to a maximum vertical depth of 150

meters, and represented Merc's first drilling on the BIF Island Zone, an area of folded iron formation located 3.5 kilometers, or 2 miles, northeast along strike from the Horseshoe Zone. Reported holes intersected broad zones of mineralization containing high-grade cores, including Hole D10-397 which returned 4.76 grams per metric ton gold over 28.15 meters, including 15.85 g/t gold over 7.00 meters and 40.19 g/t gold over 2.00 meters. In addition, Hole D10-396B returned 5.81 g/t gold over 22.50 meters, including 10.53 g/t gold over 10.25 meters and 25.66 g/t gold over 3.00 meters. In June, Merc reported more favorable drill results at the BIF Island Zone, and 3 holes at the Granite Showing located between the BIF Island and Horseshoe zones, which confirmed a strong core of gold mineralization that conforms to the general plunge of the fold structure. In August, Merc reported assay results for the final 14 holes in its 2010 winter drill program including hole D10-420B, which intersected 9.80 g/t gold over 8.5 meters within 20 meters averaging 5.60 g/t gold 20 meters from surface. Merc said it hopes to outline 6 million to 10 million metric tons grading 9-15 g/t gold along strike, in parallel structures and at depth at Damoti Lake and advance the project towards a 3-million-ounce gold resource, making it comparable to other northern Canadian iron formation hosted gold mines/deposits. The junior completed another private placement in September for about C\$1 million which it aims to use for general corporate purposes.

CASH AND SHORT-TERM DEPOSITS: C\$820,000 (at June 28, 2010)

WORKING CAPITAL: C\$1.5 million (April 30, 2010)

MARKET CAPITALIZATION: C\$5.87 million (Sept. 25, 2010)

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NUNAVUT

MMG

CHIEF EXECUTIVE OFFICER: Andrew Micheltore

EXECUTIVE DIRECTOR: Mark Liu

PRESIDENT, MMG CANADA: Martin McFarlane

The MMG group of businesses is owned by China Minmetals Non-ferrous Co., Ltd, a division of China Minmetals Corp., which is one of the largest state-owned enterprises in the People's Republic of China and ranked No. 412 on the Fortune Global 500 list in 2008. In Nunavut, MMG is exploring 2,000 square kilometers of granted tenements that surround the High Lake and Izok Lake projects early stage nickel-copper projects through joint ventures in Ontario and the Nunavut Territories. Targeting copper, zinc-lead and nickel in its Nunavut exploration, MMG seeks to develop Izok first, followed by High Lake and Gondor. In 2009, MMG geologists reviewed all data previously collected about Izok Lake and developed new interpretations and 2010 drill targets at depth and along strike. The work led MMG to shift its exploration focus in Canada this year to Izok Lake, arguably the highest grade, undeveloped zinc resource left in the ground in the world. Previous studies show Izok Lake, — located 300 kilometers, or 186 miles, inland near Kugluktuk in northwestern Nunavut — could sustain an 11-year mine life with annual output of 140,000 metric tons of zinc, 30,000 metric tons of copper and 13,000 metric tons lead. But MMG wants to expand its resource to support 20 years of mining. Using only 30 days of geophysics, mapping and prospecting focused on High Lake East in 2009, MMG geologists also developed new exploration targets for 2010. The company budgeted C\$7 million to explore both properties in 2010, primarily with drill testing of extensions of the Izok deposit at depth and along strike this spring and summer, drill testing of the High Lake East targets identified in 2009, prospecting for more targets at High Lake East and exploring the region for another Izok-caliber target. To enhance the project's financial return, MMG also continued to study infrastructure challenges to Izok's development, including the lack of a road and port for the remote project and the Arctic region's 100-day shipping window. MMG's board also approved a budget of C\$4 million to complete a new prefeasibility study in 2010, incorporating new ideas.

1159 Alloy Dr., Suite 200 • Thunder Bay, ON Canada P7B 6MB
Tel: 807-346-1668 • Fax: 807-345-0284
www.mmg.com

BRITISH COLUMBIA

Mountain Boy Minerals Ltd.

MTB: TSX-V

PRESIDENT AND CEO: Frank Kamermans

DIRECTOR: Edward Kruckowski, P. Geo, P. Geol.

Mountain Boy Minerals Ltd. is a Canadian mineral exploration company focused on mineral prospects in north-central British Columbia near Stewart, B.C. Mountain Boy owns a 49 percent interest in the Silver Coin mineral claims (19 percent is optioned to Pinnacle Mines Ltd.), a 26.95 percent interest in the Indi mineral claims and a 29.4 percent interest in the Kansas mineral claims. These 26 contiguous claims cover 1,255 hectares and comprise the Silver Coin project. The Silver Coin project, a gold-silver project located in the Skeena Mining Division of British Columbia, is situated 10 kilometers, or 7 miles, north of the past-producing Silbak-Premier mine. Silbak-Premier produced 2 million ounces of gold and 43 million ounces of silver over its life.

In January Mountain Boy granted Great Bear Resources Ltd. an option to acquire up to a 70 percent interest in the Barbara, Stro, Booze and George Copper properties. The Barbara claims are believed to host a mineralized zone representing the upper portion of a Kuroko-type volcanogenic massive sulphide system composed of an exhalite horizon with related zinc-lead-silver mineralization. Great Bear planned a 17,000-meter drill program for 2010 and had drilled

33 holes by July 26. At Mountain Boy's Red Cliff gold property where optionee Decade Resources reported spectacular drill results in 2009, completed a 7,000-meter 2010 drill program in July. Assay results for drill holes testing the Red Cliff zone were pending in early September.

Mountain Boy Aug. 31 reported discovery of bonanza gold-silver mineralization with 105 g/t gold and 1,748 g/t silver at its 7,675-hectare, or 18,957-acre, FR property within 21 claims at the headwaters of American Creek about 42 kilometers, or 26 miles, north of Stewart, BC. At its Dunwell property, the site of a former producing gold mine near Stewart, Mountain Boy began a surface and drilling program in late 2009 and reported assay results for the first five holes in February. Highlights include 3.04 meters of 6.76 grams per metric ton gold, 111.1 g/t silver, 2.13 percent lead and 4.36 percent zinc. Ongoing drilling has continued to yield encouraging results. The junior also is exploring the silver-rich Mountain Boy property as well as several other prospects in the area.

CASH AND SHORT-TERM DEPOSITS: C\$556,602 (at May 31, 2010)

WORKING CAPITAL: C\$ 556,602 (at May 31, 2010)

MARKET CAPITALIZATION: C\$8.73 million (at Sept. 6, 2010)

306 5th Ave., Suite D • Stewart, British Columbia Canada V0T 1W0
Tel: (250) 636-9283
Fax: (250) 636-2446
www.mountainboyminerals.ca

NUNAVUT

Newmont Mining Corp. of Canada Ltd.

NMC: TSX

CHAIRMAN AND CEO: Richard O'Brien

EXECUTIVE VICE PRESIDENT, DISCOVERY AND DEVELOPMENT: Guy Lansdown

VICE PRESIDENT, GENERATIVE EXPLORATION: Gregoire Simon

Newmont Mining Corp. of Canada Ltd. is a subsidiary of Denver-based Newmont Mining Corp., one of the world's largest gold producers and the only gold mining company included in the S&P 500 Index and Fortune 500. Newmont acquired one of the largest undeveloped greenstones in North America in 2008 from Miramar Mining Ltd. and has worked since to advance exploration at the Hope Bay Project. To date, three significant gold deposits have been discovered in this greenstone belt: Doris North, a few miles from the Arctic Ocean; Madrid, about 5 miles inland from Doris; and Boston, about 27 miles south of Madrid. Doris and Boston are smaller high-grade (4.0-8.0 grams-per-metric-ton cut-offs) lode deposits. Madrid is a low-grade (average 4 g/t) deposit with high-tonnage potential. Together, these deposits contain indicated and inferred resources of more than 10 million ounces of gold. In 2009 and 2010, Newmont re-evaluated the 80-kilometer-long greenstone belt as a whole, and conducted additional drilling and mapping. The company is considering an underground exploration program proposed for the Doris deposit.

An extensive assessment of responsible, long-term development of the Hope Bay district revealed that waiting to proceed with developing the Doris North deposit would ensure a longer mine life, and enhance community investment and infrastructure development. It also would allow for a more comprehensive job skills training program to be developed. Despite the delay, Newmont is working to complete some of the permitted infrastructure to provide improved environmental, safety and operational practices at the site. The company has said it wants to ensure that it has safe, functional and comfortable facilities for a large number of personnel in a remote Arctic setting.

CASH AND SHORT-TERM DEPOSITS: US\$1.48 billion (at June 30, 2010)

WORKING CAPITAL: US\$1.6 billion (at June 30, 2010)

MARKET CAPITALIZATION: C\$3.55 billion (Sept. 1, 2010)

Fiddler's Green Circle • Greenwood Village, Colo. 80203
Tel: 303-863-7414 • Fax: 303-837-5837
www.newmont.com

ALASKA

Niblack Mineral Development Inc.

NIB: TSX-V

PRESIDENT AND CEO: John Williamson

CHAIRMAN: John Robins

VICE PRESIDENT, EXPLORATION: Peter Kleespies

The principle asset of Niblack Mineral Development Inc. (formerly CBR Gold Corp) is the Niblack copper-gold-zinc-silver project on Prince of Wales Island in Southeast Alaska. Heatherdale Resources Ltd., (see Heatherdale Resources) a subsidiary of Hunter Dickinson Inc. (see Hunter Dickinson), joined Niblack Mineral Development in 2009 to advance exploration at the precious metals-rich volcanic massive sulfide project. As part of the joint venture agreement, Heatherdale agreed to spend US\$15 million over three years to advance the Niblack project in exchange for a 51 percent stake in the precious-metals-rich volcanic massive sulfide deposit.



A resource released in March 2009 estimates that the Lookout Zone contains 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. (At the time of this report an updated resource estimate is being calculated for the deposit.) Prior to the partnership, Niblack Mineral Development discovered a precious metals-rich zone to the southwest of the resource with values nearly three times the Niblack average. Heatherdale began investigating this higher grade extension of the Lookout zone by fan drilling the target from a 1,000-meter underground exploration drift completed in 2008. Heatherdale, the operator of the JV, has traced mineralization about 300 meters southwest of the resource, and has also extended the zone to the east. Some 18,000 meters of drilling completed by September had outlined about 1,000 meters of continuous mineralization at the Lookout Zone. The geology under Lookout Mountain is relatively simple compared to other VMS deposits. The mineralization has not been broken up by extensive localized faulting and folding. This lack of geological complexity suggests that VMS mineralization could continue unbroken for as much as 3,900 meters as it winds its way through known zones of mineralization and remains open beyond the Lookout Zone extension to the southwest. Niblack Mineral Development belongs to the Discovery Group, an alliance of individually listed and managed mineral exploration companies. Other Discovery Group companies featured in this magazine are: Kaminak Gold Corp., North Country Gold Corp., Cedar Mountain Exploration Inc., Kivalliq Energy Corp. and Indicator Minerals Inc.

CASH AND SHORT-TERM DEPOSITS: C\$996,074 (at June 30, 2010)

WORKING CAPITAL: C\$1.3 million (at Sep. 9, 2010)

MARKET CAPITALIZATION: C\$8.99 million (at Sep. 9, 2010)

220 9797 45th Ave. • Edmonton, AB Canada T6E 5V8

Tel: 780-437-6624 • Fax: 780-439-7308

www.niblack.com

NUNAVUT

North Country Gold Corp.

NCG: TSX-V

PRESIDENT AND CEO: John Williamson, P. Geol.

VICE PRESIDENT AND CFO: Sean Mager

VICE PRESIDENT, EXPLORATION: Peter Kleespies, M.Sc., P.Geol.

North Country Gold Corp. was spun out by CBR Gold Corp. (now Niblack Mineral Development Inc.) in April with assets in Canada and Australia and C\$4.7 million in working capital. The company is focused on advancing exploration and development of its Committee



NORTH COUNTRY GOLD CORP.

Based on 2010 discoveries at its Three Bluffs Gold Project in the Committee Bay Greenstone Belt of Nunavut, North Country Gold Corp. believes gold deposits on the property are part of a major shear-hosted gold system with significant resource potential for at least 15 kilometers, or 9 miles.

Bay and Baffin Island properties in Nunavut where it owns mineral rights to at least 225,569 hectares, or 557,323 acres of land comprising 216 active mineral claims and 14 mineral leases. North Country resumed exploration in May within its Three Bluffs Gold Project in the Committee Bay Greenstone Belt – one of the largest under-explored greenstone belts in Canada – located about 300 kilometers, or 186 miles northeast of Baker Lake, Nunavut. By late August, the junior had discovered the new Antler gold deposit, drilled high-grade gold intercepts in the Three Bluffs and Hayes deposits and identified gold mineralization in numerous rock types at Committee Bay within a corridor of sheared supracrustal rocks termed the Walker Lake Trend. North Country believes the trend is part of a major shear-hosted gold system with significant resource potential for at least 15 kilometers. Three Bluffs has an indicated resource of 508,000 ounces (2.7 million metric tons at 5.85 grams per metric ton gold) and an additional inferred resource of 244,000 ounces (1.27Mt at 5.98 g/t gold). Tests show the deposit is amenable to open pit mining and a combination of gravity and flotation extraction followed by cyanide leaching of the concentrates. The deposit remains open to the west and to depth. The junior also commissioned a Titan induced polarization geophysical survey to test for additional blind mineralization.

CASH AND SHORT-TERM DEPOSITS: C\$3.66 million (at July 27, 2010)

WORKING CAPITAL: C\$3.19 million (at July 27, 2010)

MARKET CAPITALIZATION: C\$26.25 billion (Sept. 1, 2010)

9797 45 Ave., Suite 220 • Edmonton, AB Canada T6E 5V8

Tel: 780-437-6624 • Fax: 780-439-7308

www.northcountrygold.com

YUKON TERRITORY

Northern Freegold Resources Ltd.

NFR: TSX

CHAIRMAN AND COO: Bill Harris

PRESIDENT AND CEO: Susan P. Craig, M.Sc., P. Geo.

CHIEF FINANCIAL OFFICER: Glen J.

Diduck, B.Comm. C.A.



Northern Freegold Resources Ltd., founded in 2006, is a precious metals exploration and development company focused on the development of economic mineral resources at the district-scale Freegold Mountain gold and copper project in the Yukon Territory, and at a gold and silver property in Arizona. The Freegold Mountain Project is located in the Whitehorse Mining District about 70 kilometers northwest of Carmacks. Freegold Mountain's district-scale land package

covers an area in excess of 77 square miles, or 200 square kilometers. By Aug. 10, Northern Freegold had spent C\$3.5 million on exploration of the Nucleus zone, a 1.5-kilometer-by-1.2 kilometer, or 1-mile-by-0.75-mile, gold deposit with a 1-million-ounce inferred resource calculated in 2009, and the Revenue zone, a potentially 24-kilometer-long copper-gold anomaly. The junior had drilled about 4,100 meters of the 5,500 meters planned at Revenue in the first phase and about 3,000 meters of the 4,500 meters planned at Nucleus. While reverse circulation drilling tested the Revenue deposit to 150 meters, the junior also conducted a Titan 24 deep-imaging induced polarization survey in 2010 to detect any deeper mineralization in the deposit down to 750 meters.

Northern Freegold optioned its Tad-Toro properties located 25 kilometers, or 16 miles, northwest of Freegold Mountain to Dawson Gold Corp., a newly created junior exploration company. Dawson Gold aims to spend C\$1.5 million to C\$2 million in 2010 to drill targets, beginning in late August, at the 32-square-kilometer, or 7,907-acre, Tad-Toro Project, including three soil anomalies identified in the Nit zone.

CASH AND SHORT-TERM DEPOSITS: C\$3.43 million (at June 30, 2010)
WORKING CAPITAL: C\$3.04 million (at June 30, 2010)
MARKET CAPITALIZATION: C\$29.15 million (Sept. 10, 2010)

Suite 900, 475 Howe St. • Vancouver, BC Canada V6C 2B3
 Tel: 604-893-8757 • Fax: 604-893-8758
 www.northernfreegold.com



BILL HARRIS



SUSAN CRAIG

YUKON TERRITORY

Northern Tiger Resources Inc.

NTR: TSX-V

PRESIDENT AND CEO: Greg Hayes, CA

DIRECTOR: Lori Walton, M.Sc., G.G., P.Geol.

VICE PRESIDENT, EXPLORATION: Dennis Ouellette, B.Sc.



Northern Tiger Resources Inc., formed in April 2008 in Alberta as a spin-off of Firestone Ventures Inc., is an Edmonton, Alberta-based resource exploration company focused on the rapidly developing Dawson Range gold-silver-copper mining district in central Yukon Territory. The company formed an exploration alliance with Capstone Mining Corp.'s subsidiary, Minto Explorations Ltd., and focused on aggressively exploring the Dawson Range for economic mineral deposits, while advancing its Sonora Gulch Project located in west-central Yukon. The Sonora Gulch land package consists of 245 claims covering 5,244 hectares, or 12,638 acres. The property is characterized by multiple styles of gold mineralization and a gold-bismuth-tellurium geochemical signature. The gold trend at Sonora Gulch covers 9 square kilometers, or 2,224 acres. Within this broad trend, a number of clusters with significantly elevated gold values have been identified as high priority targets for additional exploration, including the Gold Vein, Sonata and Concerto Creek anomalies. A copper-molybdenum anomaly covering a 2-kilometer by 1-kilometer, or 1.24-mile-by-0.62-mile, area is also contained within the broad gold anomaly. The explorer is evaluating this variation as a copper-gold-molybdenum porphyry system.

Northern Tiger planned to spend C\$2.6 million exploring its Yukon properties in 2010 and launched an exploration program in late May at Sonora Gulch. In addition to a deep penetrating geophysical survey, the junior outlined 12 to 15 diamond drill holes (3,000 meters) on the property. Additional surface exploration also was planned on Sonora Gulch, including mapping, prospecting and geochemical surveys. Two diamond drill holes (500 meters) were earmarked for the Dad property to test a geophysical anomaly coincident with a copper-in-soil anomaly identified in 2009. In July, Northern Tiger reported that it identified a number of high priority targets with the geophysical survey. The survey results indicated potentially nine separate but spatially

related high-priority chargeability anomalies covering a 2-kilometer-by-1-kilometer, or 1.24-mile-by-0.62-mile, area. Northern Tiger also carried out surface exploration programs on its 3Ace property in southeastern Yukon Territory (optioned in April from longtime Yukon prospector Alex McMillan) and at the new gold-rich Deet property located 85 kilometers, or 53 miles, northeast of Whitehorse. This work included mapping, prospecting, and sampling, on these properties in addition to an investigation of high-grade gold occurrences at 3Ace. Northern Tiger Sept. 8 said assays from a chip sampling program on the 3Ace property returned bonanza grade results over measured widths in outcrop. The explorer planned to follow up the surface work with a minimum six-hole (1,000-meter) diamond drilling program. High-grade gold mineralization has been identified in three other separate zones (Sleeping Giant, Green zone and North zone) on the 3Ace property in addition to the Main zone.

CASH AND SHORT-TERM DEPOSITS: C\$190,283 (April 30, 2010)

WORKING CAPITAL: C\$91,600 (April 30, 2010) (raised C\$3.01 million in private placement in May 2010)

MARKET CAPITALIZATION: C\$33.37 million (Sept. 10, 2010)

220, 17010 - 103 Ave. • Edmonton, AB Canada T5S 1K7

Tel: 780-428-3465 • Tel: 780-428-3476

www.northern-tiger.com

ALASKA

Ocean Park Ventures Corp.

OCP: TSX-V

CHAIRMAN: Paul Matysek

CFO: Tony Ricci

SENIOR GEOLOGIST: Chris Taylor

Ocean Park Ventures Corp. spent US\$6.2 million in 2010 to investigate the Chisna project, a 163,460-acre, or 661.5-square-kilometer, property in Interior Alaska that encompasses a cluster of porphyry copper-gold centers. In November 2009, Ocean Park entered into the joint venture agreement with International Tower Hill Mines Ltd. to earn up to a 70 percent interest in the Chisna project. Since that time Tower Hill has spun out Chisna into Corvus Gold Inc. (See Corvus Gold). To earn an initial 51 percent stake in the porphyry copper-gold prospect, Ocean Park has agreed to pay a total of US\$20 million, which includes exploration expenditures, staged payments and issuing shares over five years. The junior can increase its stake to 70 percent by producing a bankable feasibility study that delineates a mining project on the copper-gold property with annual production of at least 300,000 gold-equivalent ounces.

To fund the JV, Ocean Park raised C\$7 million in a private placement financing by issuing 14 million subscription receipts, at a price of C50 cents per receipt. The proceeds of the financing were held in escrow until the TSX Venture Exchange approved the company's change of business associated with the Chisna JV. The 2010 exploration at the porphyry copper-gold prospect, being operated by Corvus, began with an airborne geophysical survey that was completed in mid-June, followed by a ground-based induced polarization survey. Utilizing the geophysical information the partners launched a drill campaign. The first holes of the program tested outcropping copper-gold mineralization associated with elevated bedrock and soil copper and gold anomalies at the Grubstake porphyry copper-gold system.

A number of other targets identified within a 40-mile-, or 65-kilometer-, long belt of gold and copper mineralization at Chisna were followed up with induced polarization surveys. A reconnaissance team led by Nadia Caira, Ocean Park's senior technical advisor at Chisna, has turned up a number of other targets across the 40-mile-, or 65-kilometer-, long belt of gold and copper mineralization at Chisna.

CASH AND SHORT-TERM DEPOSITS: C\$5.7 million (at June 30, 2010)

WORKING CAPITAL: C\$5.7 million (at June 30, 2010)

MARKET CAPITALIZATION: C\$12.91 million (at Sept. 11, 2010)

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NUNAVUT

Peregrine Diamonds Ltd.

PGD: TSX

CHAIRMAN & CEO: Eric Friedland

PRESIDENT: Brooke Clements

VICE PRESIDENT, EXPLORATION: Peter Holmes



ERIC FRIEDLAND



BROOKE CLEMENTS

Since 2002 Peregrine has focused on diamond exploration in northern Canada, acquiring varying interests in Northwest Territories, Nunavut and Manitoba properties. The company's primary exploration properties are the Chidliak and Qilaq diamond projects on Baffin Island and the Nanuq and Nanuq North diamond projects in Nunavut. The junior reported discoveries of diamond-bearing kimberlites on its 9,800-square-kilometer Chidliak Project located about 120 kilometers, or 77 miles, northeast of Iqaluit on Baffin Island. The discoveries included 13 kimberlites in 2009, and three diamondiferous kimberlites at the Nanuq property in the eastern Arctic region of Nunavut, where it established a new Canadian diamond district. Other mineral exploration properties include a diamond exploration project on Baffin Island known as Cumberland and diamond exploration properties known as the Lac de Gras East, Lac de Gras West and TW properties in the Northwest Territories. The company also holds a 71.95 percent interest in the WO property, located in the Northwest Territories, which hosts the DO-27 kimberlite pipe which has an indicated resource of 18.2 million carats of diamonds.

Peregrine and its partner, BHP Billiton, approved a C\$15.3 million 2010 exploration program for Chidliak. Work began in mid-March and field operations are expected to continue through early September. Peregrine had discovered 16 new kimberlites at Chidliak, nine of which were discovered at surface by prospecting, and the other seven by drilling. The discoveries bring to 32 the number of kimberlites discovered so far on the project. Peregrine also discovered two new kimberlites, named Q1 and Q2, by prospecting on its 854,000-hectare, or 3,287-square-mile Qilaq project. Aggregate expenditures on the Qilaq program in 2009 were C\$981,000, and the junior budgeted C\$500,000 for 2010 work at Qilaq. Peregrine and its joint venture partner, Indicator Minerals Inc., also concluded drilling of the diamond-bearing NQN-001 kimberlite at the Nanuq North project 275 kilometers, or about 171 miles, north of Rankin Inlet, recovering four metric tons of kimberlite. At the nearby Nanuq Project, Peregrine budgeted C\$3.5 million in exploration expenditures for 2010 to complete a program of 1,550 line-kilometers of ground magnetic and electromagnetic surveys, drill test three kimberlite-type geophysical anomalies and collect some 495 kimberlite indicator mineral samples. In February the company was granted 119 prospecting permits covering about 15,000 square kilometers, or 5,792 square-miles, on the Cumberland Peninsula of Baffin Island. In July, Peregrine began a reconnaissance till sampling program with budgeted expenditures of C\$800,000.

CASH AND SHORT-TERM DEPOSITS: C\$7.9 million (at June 30, 2010)

WORKING CAPITAL: C\$6.7 million (at Aug. 11, 2010)

MARKET CAPITALIZATION: C\$176.44 million (Sept. 1, 2010)

201-1250 Homer St. • Vancouver, BC Canada, V6B 1C6
Tel: 604-408-8880 • Fax: 604-408-8881 • www.pdiam.com

ALASKA

Pure Nickel Inc.

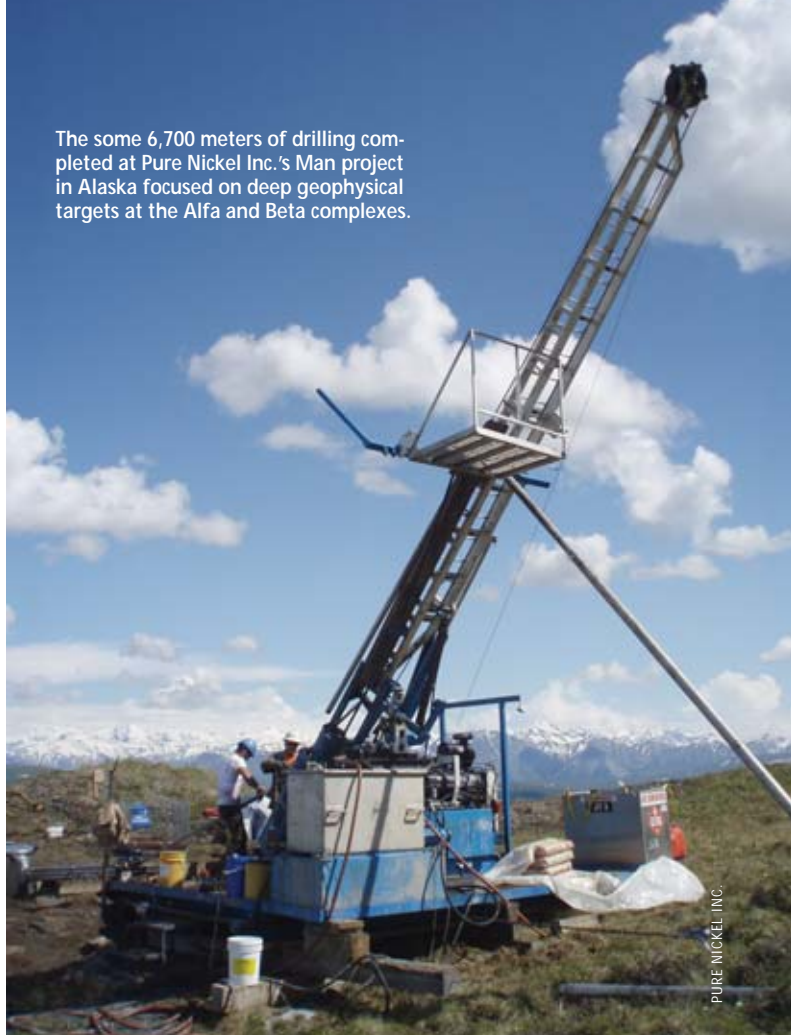
NIC: TSX

PRESIDENT AND CEO: David McPherson

CHAIRMAN: R. David Russell



The some 6,700 meters of drilling completed at Pure Nickel Inc.'s Man project in Alaska focused on deep geophysical targets at the Alfa and Beta complexes.



CHIEF CONSULTING GEOLOGIST: Larry Hulbert

Pure Nickel Inc., a junior with a portfolio of nickel and platinum group element projects in Canada and Alaska, is focused on exploring its Man nickel-copper-platinum group element project. Itochu Corp., which joined the project at the end of 2008, has agreed to invest as much as US\$40 million to earn up to a 75 percent stake in the 290-square-mile-, or 750-square-kilometer, Interior Alaska project. The Japanese firm, which had the option to back out of the agreement at the end of the 2009 field season, confirmed its confidence in the Man project by exercising its option to vest its interest. Not only did the 150-year old Tokyo-based mega-corporation choose to continue its partnership, it bumped up its 2010 budget for the nickel-PGE project to US\$7.5 million, a US\$3.5 million increase over its spending requirements. Itochu plans to continue this accelerated earn-in at Man by spending US\$8 million in each of 2011 and 2012. Mineralized showings with grades as high as 15.4 percent nickel, 7.2 percent copper and 170 grams per metric ton combined PGE-gold-silver have been discovered on the property. Pure Nickel geologists believe a deep plumbing system under Man is responsible for these widespread showings. A multifaceted geophysical program completed in 2009 identified deep conductors under Alpha and Beta, two promising complexes. Using two helicopter-supported rigs, the Man partners completed around 7,000 meters of drilling focused on deep targets revealed with the geophysics. Assay results from the summer program were pending in early October. In addition to drilling and continued geophysics, the Man partners completed a light detection and ranging survey and high-resolution aerial photography. In addition to assisting in the current exploration, these tools will be used to evaluate the gold potential in the northern portion of the claims, an area with a history of placer gold production.

In addition to its work at Man, Pure Nickel completed a soil sample program at its Rainbow property about 220 miles, or 350 kilometers, southwest of Baker Lake in Nunavut. Five samples of massive sulfides historically taken from an area known as the Main Zone returned grades between 1.9 and 2.2 percent nickel. Pure Nickel also

has the Salt Chuck copper-gold-silver-palladium project on Prince of Wales in Southeast Alaska and additional nickel prospects in Quebec, Manitoba, Saskatchewan, Manitoba and Labrador. The company's U.S. subsidiary, Nevada Star Resource Corp., has an interest in a number of patented and unpatented mineral claims and leases that comprise a portion of a copper project in southern Utah.

CASH AND SHORT-TERM DEPOSITS: C\$5.7 million (at May 31, 2010)
WORKING CAPITAL: C\$4.4 million (at May 31, 2010)
MARKET CAPITALIZATION: C\$10.17 million (at Sep. 28, 2010)

95 Wellington St. West, Ste. 900 • Toronto, ON M5J 2N7
 Tel: 416-644-0066 • Fax: 416-644-0069
 www.purenickel.com

BRITISH COLUMBIA

Romios Gold Resources Inc.

RG: TSX V/RMIOF:NASDAQ OTC/D4R: FE
PRESIDENT AND DIRECTOR: Anastasios (Tom) Drivas
CHIEF FINANCIAL OFFICER: Errol Farr, CMA
VICE PRESIDENT, EXPLORATION AND GEOLOGIST: Thomas Skimming, P. Eng.

Romios Gold Resources Inc., organized in 1995 in Ontario, is a Canadian exploration company actively engaged in precious and base metal exploration in British Columbia and Quebec with a primary focus on gold, copper, silver and molybdenum. Romios has acquired nine strategically located gold-copper properties between Nova Gold/Teck Cominco's and Barrick Gold's properties in the prolific Galore Creek area. Exploration work was carried out in 2010 at the Trek, Newmont Lake and the Dirk properties. The company has carried out extensive exploration programs, which have consisted essentially of diamond drilling and various ground geophysical surveys during the past several years.



In August, Romios reported 2010 exploration spending of C\$1.9 million on its Trek property. The program consisted of 1,500 meters of diamond drilling designed to further delineate the pervasive porphyry-style copper and gold mineralization and to assess the significance of the airborne magnetic trends that parallel zones of known copper-gold-silver mineralization outlined by drill programs completed in 2008 and 2009. Romios also commissioned Quantec Geoscience to carry out a Titan 24 Deep Earth Imaging Geophysical Survey over its North and Tangle zones on the Trek property. To date, six holes totaling 3,014.35 meters, or 9,889.59 feet, have been completed on the Trek property. The drilling results indicate a significant extension and widening of the known copper-gold mineralization to the north and east, and it remains open to the south and at depth.

Romios also planned a systematic exploration program for 2010 on the Dirk property designed to include ground geophysical surveys, a soil and rock geochemical survey, detailed geological mapping and surface sampling. The Dirk property consists of three contiguous claims covering 1,202.68 hectares (2,971.78 acres) in the vicinity of the company's Newmont Lake property. Subsequent to the discovery of extensive copper and gold mineralization on the property during the 2009 exploration program, an additional 26 new claims, encompassing an area of about 9,874 hectares (about 24,400 acres), were staked to cover extensions of the high grade copper and gold mineralization.

CASH AND SHORT-TERM DEPOSITS: C\$1.6 million (at March 31, 2010); plus about C\$637,000 (raised in private placements in July and August 2010)

WORKING CAPITAL: C\$1.51 million (at March 31, 2010)
MARKET CAPITALIZATION: C\$17.74 million (Sept. 6, 2010)

25 Adelaide St. East, Suite 1010 • Toronto, ON Canada M5C 3A1
 Tel: 416-221-4124 • Fax: 416-218-9772
 www.romios.com

NUNAVUT

Sabina Gold & Silver Corp.

SBB.V: TSX-V

PRESIDENT AND CEO: Anthony P. Walsh, MBA, CA
SENIOR VICE-PRESIDENT, CORPORATE DEVELOPMENT: John Wakeford, P. Geo.
VICE-PRESIDENT, EXPLORATION: Peter Manojlovic, P.Geo.

Sabina Gold & Silver is focused on exploration and development of flagship projects in Nunavut. These Nunavut assets, which are geographically proximal to each other, consist of the 3,000-square-kilometer, or 1,158-square-mile, Wishbone Greenstone Belt, which includes the world-class Hackett River volcanic massive sulphide project and is adjacent to the company's advanced-staged Back River Gold Project. Hackett River hosts "open-pit-able" silver deposits (260 million-plus ounces and significant amounts of zinc, copper, lead and gold) and the George and Goose Lake Gold deposits, as well as many other base and precious metals targets. The Back River gold project has a resource of 2.3 million ounces of 10-plus grams per metric ton gold near the Hackett River project and needs another 500,000 ounces for economic recovery. It was acquired from Dundee Precious Metals Ltd. in 2009, along with the Wishbone gold project, which offers additional upside potential. Sabina also has exploration properties in Ontario and the Del Norte silver-gold project in the Stewart-Eskay Creek mining district of northern British Columbia.

For Back River, Sabina budgeted about C\$10 million for 20,000 meters of drill in 2010 exploration that resulted in the discovery of Llama Lake in May and the Umwelt zone in June. This followed the discovery of the Echo zone in August 2009. Success at Llama Lake led to additional spending of C\$2.5 million for another 10,000 meters of drilling.

At Hackett River, 2010 exploration objectives included finding high-grade copper-gold-silver stringer mineralization and identifying new deposits with a goal of improving the project's economics by increasing the resource at least 10 percent. Sabina earmarked about C\$10 million to drill 20,000 meters in 84 holes, roughly double its 2009 exploration program. In late August, the explorer reported the discovery of new mineralized lenses and copper stringer zones at Hackett River. Drilling was to continue to mid-September. At the Wishbone Project, C\$3 million was budgeted for follow-up exploration, including drilling the new May zone to resource by year's end 2010 and doing significant surface sampling at nearby Watson Lake.

CASH AND SHORT-TERM DEPOSITS: C\$42 million (at June 30, 2010)
WORKING CAPITAL: C\$39.6 million (proceeds from recent financial offerings)
MARKET CAPITALIZATION: C\$462.0 million (Sept. 1, 2010)



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LAST FRONTIER
 AIR VENTURES



2010 exploration at the Courageous Lake Project in Northwest Territories increased Seabridge Gold Inc.'s confidence in the property's an estimated gold resource and its potential for expansion.

SEABRIDGE GOLD INC.

930 West 1st St., Suite 202, North • Vancouver, BC Canada V7P 3N4
Tel: (604) 998-4175 • Fax: (604) 998-1051
www.sabinasilver.com

BRITISH COLUMBIA & NORTHWEST TERRITORIES

Seabridge Gold Inc.

SEA: TSX and **SA:** NYSE Amex
PRESIDENT AND CEO: Rudi P. Fronk
CHAIRMAN: James S. Anthony
SENIOR VICE PRESIDENT, EXPLORATION: William E. Threlkeld

Seabridge Gold Inc. is a development stage company engaged in the acquisition and exploration of gold properties located Canada. The company is designed to provide its shareholders with exceptional leverage to a rising gold price by increasing its gold ounces in the ground but not to go into production on its own. During the period 1999 through 2002, when the price of gold was lower than it is today, Seabridge acquired 100 percent interests in eight advanced-stage gold projects in North America. As the price of gold has moved higher over the past several years, Seabridge has begun exploration activities and engineering studies at several of its projects. Seabridge is currently focused on the KSM (Kerr-Sulphurets-Mitchell) property in northwest British Columbia, which is one of the world's largest undeveloped gold-copper projects, and the Courageous Lake property located in the Slave Province of Northwest Territories. In August, Seabridge reported that the first 11 holes drilled this season on the FAT (Felsic Ash Tuff) deposit at its Courageous Lake gold project have exceeded expectations, increasing confidence in the current resource with a potential for expanding it. The junior said drilling is ongoing with another 30 holes planned for the 2010 season. The Courageous Lake project consists of 27,263 hectares, or 67,366 acres, covering 53 kilometers, or 33 miles, of a greenstone belt, including the 2 kilometer- long FAT deposit. It hosts an estimated gold resource of 591,000 ounces (measured) in 6.29 million metric tons grading 2.92 grams per metric ton gold; 3.65 million ounces (indicated) in 53Mt grading 2.14 g/t gold, and 5.97 million ounces (inferred) in 93.7Mt grading 1.98 g/t gold.

SEABRIDGE GOLD

Seabridge also reported in August that ongoing engineering work to optimize a preliminary feasibility study completed in March for the KSM Project has generated significant economic enhancements. New metallurgical test work undertaken by G&T Metallurgical Services Inc. confirms that a higher grade copper concentrate can be produced from the project and a coarser grind can be used without sacrificing copper recoveries. In total, these improvements are estimated to reduce the PFS Base Case average annual operating costs by US\$12.8 million (about US\$20 per ounce of gold produced) or about US\$465 million over the nearly 37-year projected mine life.

CASH AND SHORT-TERM DEPOSITS: C\$50.39 million (at June 30, 2010)

WORKING CAPITAL: C\$47.4 million (at June 30, 2010)
MARKET CAPITALIZATION: C\$1.24 billion (at Sept. 6, 2010)

106 Front St. East, Suite 400 • Toronto, Ontario M5A 1E1
Tel: (416) 367-9292 • Fax: (416) 367-2711
www.seabridgegold.net

YUKON TERRITORY

Selwyn Resources Ltd.

SWN: TSX-V
PRESIDENT AND CEO: Harlan D. Meade
CHAIRMAN: Wade Nesmith
VICE PRESIDENT, EXPLORATION: Jason Dunning

Incorporated in 2004 in British Columbia, Selwyn Resources Ltd. is the successor to Pacifica Resources Ltd., which underwent a reorganization of its assets in June 2007. Pacifica's acquisition of the Howard's Pass Joint Venture lands in eastern Yukon Territory in April 2005 consolidated ownership in the Howard's Pass District and formation of the Selwyn Project. Unprecedented exploration success in Selwyn's 2005 and 2006 programs produced a world-class giant zinc-lead deposit of exceptional potential. In the reorganization, all of Pacifica's assets outside the Selwyn District were transferred to another entity, Savant Explorations Ltd., in exchange for common shares of Savant and established Selwyn Resources Ltd. as a single-purpose company focused on the development of the Selwyn Project, the world's largest undeveloped zinc-lead project with partial delineation of 13 zones of mineralization over a strike length of at least 38 kilometers that is open to significant expansion as drilling continues. Known mineralization on the Selwyn property hosts at least 154.35 metric tons grading 5.35 percent zinc and 1.86 percent lead of indicated resources, and 234.15 million tons grading 4.54 percent zinc and 1.41 percent lead of inferred resources. High-grade underground mineralization, which could be initially targeted in development, exceeds 16Mt grading 10.25 percent zinc and 4.23 percent lead in indicated resources, and 26.7 Mt grading 8.81 percent zinc and 2.81 percent inferred resources.



HARLAN MEADE



JASON DUNNING

The Selwyn Project straddles the Yukon-Northwest Territories boundary and requires consultation with several First Nations and regulatory groups for permitting and development. Because of Selwyn's recent efforts to finalize a C\$100 million, 50-50 joint venture deal with Chihong Canada Mining Ltd. an indirect subsidiary of China-based Yunnan Chihong Zinc and Germanium Co., Ltd., the company's 2010 exploration budget has remained a moving

target. The JV agreement was finalized in August. The C\$100 million investment will be spent primarily on completion of a bankable feasibility study for the Selwyn Project and to obtain initial licenses required to mine the XY and Don deposits. Selwyn also was to recover from Chihong all of its exploration and development spending on the project since July 1, 2009. In August, the Chinese investor reimbursed nearly C\$5.08 million to Selwyn for exploration and development expenditures from July 1, 2009 to April 30, 2010.

An exploration team opened the Don Camp at Selwyn in early May, and began a program of about 4,800 meters of line-cutting, seismic and induced polarization surveys along the cut-lines and diamond drilling for condemnation and definition of the XY zone. During the second quarter, 469 meters were drilled for condemnation purposes and 610 meters for definition of the XY zone. An IP geophysical survey was conducted for different tailings site options, in order to define overburden depth and type of soil. The junior planned to follow the IP geophysical survey with geotechnical drilling in the third quarter. Two drills were spinning at Selwyn in mid-August, and Vice President of Exploration Jason Dunning said he was preparing to start a third drill. "I've also been given approval to start looking for three more (rigs) to start in September," he told Mining News in August. Selwyn planned to keep its camp open and continue drilling all winter.

CASH AND SHORT-TERM DEPOSITS: C\$4.03 million (at June 30, 2010)
WORKING CAPITAL: C\$2.91 million (at June 30, 2010)
MARKET CAPITALIZATION: C\$55.76 million (Sept. 10, 2010)

No. 700 - 509 Richards St. • Vancouver, BC Canada V6B 2Z6
 Tel: 604-801-7240 • Fax: 604-683-8355
 www.selwynresources.com

NUNAVUT

Shear Minerals Ltd.

SRM: TSX-V

PRESIDENT AND CEO: Pamela D. Strand, M.Sc, P.Geol.

CFO: Greg Hayes, CA

Shear Minerals Ltd. is a Canada-based exploration company focused on diamond exploration in the Canadian North, where it explores in established diamond districts and has discovered new ones since 2001. Shear currently has a portfolio of 10 diamond projects in Michigan, Alberta, Northwest Territories and Nunavut, eight of which are drill-ready. In late August, it completed the purchase of the Jericho diamond mine and related assets in Nunavut from Caz Petroleum Inc. for 80 million shares and C\$2 million in cash. The mine has an existing indicated diamond resource of 1.88 million carats and an inferred resource of 1.13 million carats. A past-producer, it also has potential for resource expansion and more than C\$200 million in infrastructure.



Shear also is focused on advancing its 62.3 percent-owned Churchill Diamond, a venture it has taken from the conceptual grassroots stage to a top-ranked global diamond project with diamond rights to more than 760,000 acres in the Kivalliq region of Nunavut. It planned 2010 exploration at Churchill, but by early September had not reported activity there. Shear and its 37.2 percent-partner Stornoway Diamonds Corp. also agreed in 2009 with Rio Tinto's Kenecott Canada Exploration Inc. to jointly explore the 70,000-acre northern portions of the Churchill Diamond Project, known as the Chesterfield Inlet Diamond Project. The partners planned a C\$550,000 exploration program for 2010, including an ultra-resolution 2,177 line-kilometer airborne magnetic geophysical survey completed in May to provide detailed data to select drill collar locations along with till sampling, prospecting and structural interpretation over high priority geochemical areas, lightweight drill testing of up to 10 targets, select ground magnetic surveys over new areas, and ongoing environmental baseline data collection and water sampling. Last November, Shear agreed to acquire an interest in the Napajut Lake Gold-Diamond Project located 75 kilometers, or 47 miles, west-

northwest of Arviat, Nunavut. The explorer also planned a 2010 prospecting program on the property to follow-up priority anomalies for both gold and diamond potential in hopes of seeking land use permits for drill testing of targets in 2011.

CASH AND SHORT-TERM DEPOSITS: C\$244,012 (at May 31, 2010)
WORKING CAPITAL: C\$349,277 deficit (at May 31, 2010)
MARKET CAPITALIZATION: C\$9.1 million (at Sept. 1, 2010)

Suite 100, 9797 - 45 Ave. • Edmonton, AB Canada T6E 5V8
 Tel: 780-435-0045 • Fax: 780-989-0322
 www.shearminerals.com

NUNAVUT

Stornoway Diamond Corp.

SWY: TSX

PRESIDENT AND CEO: Matt Manson, B.Sc. Geo., Ph.D. Geol.

EXECUTIVE CHAIRMAN: Eira Thomas

VICE PRESIDENT, EXPLORATION: Robin Hopkins, P. Geol.

Stornoway Diamond Corp. has a well diversified and highly prospective diamond property portfolio in Canada, which includes the Renard Diamond Project, a development track diamond project with the potential to become Quebec's first diamond mine. Incorporated in 1986, Stornoway envisions becoming Canada's leading growth-oriented company in the business of discovering, mining and selling rough diamonds, while aggressively seeking world-class diamond mining opportunities in a market it sees becoming increasingly under-supplied. As of July 15, the company held interests, directly or through joint ventures, in a portfolio of some 21 properties that can be roughly subdivided into 680 square kilometers, or 168,000 acres, of "development" stage projects (the Foxtrot Property, which includes the Renard project, in northern Quebec), 6,475 square kilometers, or 1.6 million acres of "advanced" exploration properties (Aviat, Qilalugaq, Churchill in Nunavut and Timiskaming in Quebec and Ontario) and 12,545 square kilometers, or 3.1 million acres, of "early stage" projects (Hammer Property and others) in Nunavut. Collectively these properties contain some 170 kimberlite bodies. Stornoway spent most of the 2010 exploration season focused on its Renard project in Quebec.

However, the company recently initiated exploration activities on several earlier-stage projects where previous work has identified the potential for new kimberlite discoveries. In the near to medium term, the junior said it will focus non-Renard exploration efforts on less capital-intensive, discovery oriented activities, both within the existing property portfolio and in new generative programs. To this end, the junior initiated several grassroots sampling programs in areas previously identified as anomalous for new kimberlite discoveries; mobilized for ground geophysics at the Hammer kimberlite in advance of potential drill testing; discovered a new kimberlite dyke by prospecting at the Qilalugaq Project; discovered new high-potential kimberlite float at the Chesterfield Project; submitted 1,000 kilograms of kimberlite for microdiamond processing from the Aviat Project and created a new Québec joint venture, the "Consorem Project," to test airborne geophysical anomalies with prospecting, ground geophysics and till sampling.

At the 451,900-acre Qilalugaq Project near Repulse Bay in Nunavut, Stornoway reported the discovery of a new kimberlite dyke in July, the 650-meter-long Naujaat 8 body. It was identified by prospecting in the vicinity of an anomalous till sample, bringing the total number of kimberlite bodies found on the property to 19; 11 discovered by BHP Billiton (the original property holder) and eight by Stornoway. Ongoing geological modeling suggests the presence of about 81 million metric tons of kimberlite to a depth of 330 meters below surface, or a potential mineral deposit of between 21.9 million and 26.7 million carats of diamonds.

Stornoway's 37-63 percent joint venture partner Shear Minerals Ltd. Aug. 12 reported the prospecting discovery of high diamond potential kimberlite float from a series of nine frost boils (SAZ occur-



rence) at the 283.3-square-kilometer, or 70,000-acre, Chesterfield Inlet Project in Nunavut. An ongoing C\$500,000 exploration program funded by 70 percent optionee Rio Tinto Exploration Canada Inc. includes a 2,300 line kilometer ultra-high resolution airborne magnetic geophysical survey over two claim blocks and drill testing of 7-10 high priority targets using a lightweight reverse circulation percussion drill.

At the Churchill Project directly to the south, Stornoway said 62.3 percent partner Shear Minerals planned a \$2 million exploration program in 2010 (August to October), comprising prospecting, RC drilling of geophysical and structural targets, and valuations on diamonds recovered from the Kahuna and Notch dykes. Tentative plans for 2011 include delineation drilling and bulk sampling, the junior added.

CASH AND SHORT-TERM DEPOSITS: C\$3.2 million (at April 30, 2010)

WORKING CAPITAL: C\$9.5 million (at April 30, 2010)

MARKET CAPITALIZATION: C\$43.4 million (at Sept. 13, 2010)

Unit 116-980 West 1st St. • North Vancouver, BC Canada V7P 3N4
Tel: 604-983-7750 • Fax: 604-987-7107
www.stornowaydiamonds.com

YUKON TERRITORY

Strategic Metals Ltd.

SMD: TSX-V

PRESIDENT AND CEO: W. Douglas Eaton, B.A., B.Sc.

CHIEF OPERATING OFFICER: Ian J. Talbot

CHIEF FINANCIAL OFFICER: Larry Donaldson

Strategic Metals Ltd. is an actively managed junior exploration company with working interests in more than 90 mineral properties in British Columbia and Yukon Territory. Its assets also include a large cash position, a valuable portfolio of shares in other resource companies and potentially valuable royalty interests. Strategic's property interests span a widely diverse suite of commodities that have recently been expanded to include gold. Strategic follows a multifaceted business model designed to build value by various means including grassroots project generation and selective drilling aimed at major discoveries. Recent activities include the spin-out of two gold-focused subsidiaries and participation in the creation of Silver Predator Mines Inc. with Golden Predator Royalty & Development Corp. and Rockhaven Resources Ltd. and the optioning of 21 of its more than 60 gold properties to Wolverine Minerals Corp.

In 2010, Strategic planned to spend C\$5 million to drill about 8,000 meters on nine highly prospective properties – five porphyry copper-gold prospects (GK, Vanderhoof Copper, Nikki, Mars, and Buzz) located in the main porphyry belts of British Columbia and Yukon Territory; and four volcanogenic massive sulphide targets situated in the Finlayson VMS District of Yukon near the Wolverine Mine, which Yukon Zinc Corp. planned to open this fall. Drill targets on the properties include numerous surface showings, historical drill intercepts and various types of geochemical and geophysical anomalies. In August, Strategic reported the discovery of a well-mineralized, stock-work fracture zone at a depth of 59.3 meters on the Keg property located 35 kilometers, or 22 miles, north of the town of Faro, which formerly serviced the mines and mill of the Anvil zinc-lead-silver district in central Yukon Territory. In hole KEG-10-01, the explorer cut a 125.7-meter interval of mineralization averaging 50.09 grams per metric ton silver, 1.20 percent zinc, 0.65 percent lead, and 0.14 percent copper. The interval also is enriched in other metals (including indium, tin and bismuth) which could be of economic significance as by-products. Since intersecting the mineralized zone at Keg, Strategic has moved aggressively to advance the project. It has enlarged its land position to cover nearby showings and soil anomalies. It also completed a 612-line-kilometer ZTEM (Z axis Tipper electromagnetic system) survey across the core of the expanded property and has crews performing additional soil sampling. The ZTEM system relies upon the naturally occurring electromagnetic fields created by worldwide thunderstorms as the source of the primary electromagnetic field. The interaction between this primary field and the vary-

ing electrical properties of sub-surface rocks result in anomalous fields which are measured. Strategic also applied for a Class III land use permit for a five-year exploration program, and pending approval of its application, camp construction, line cutting and ground geophysical surveys will begin. A small bulldozer was to be flown to the Keg property this fall and a localized system of trails and drill pads built. The work is being done in preparation for a major diamond drill program in spring 2011.

Strategic also manages a large portfolio of shares of other mining companies that it acquired through its various option and sales agreements and an investment fund as well as by participating in private placements. These share transactions helped Strategic build a large amount of working capital. Among key investments is a 10.8 percent stake in Atac Resources Ltd., which owns the highly prospective Rau Gold Project in Yukon Territory. Royalty interests held by Strategic expected to yield cash flow include a net smelter return royalty in part of the Wolverine Project. Strategic also has an active share buyback plan, which makes purchases when trading prices fall significantly below the value of working capital per share.

CASH AND SHORT-TERM DEPOSITS: C\$11.697 million (at June 30, 2010)

WORKING CAPITAL: C\$31.04 million (at June 30, 2010)

MARKET CAPITALIZATION: C\$100.95 million (Oct. 7, 2010)

1016-510 West Hastings St. • Vancouver, BC Canada V6B 1L8
Tel: (604) 688-2522
www.strategicmetalsltd.com

ALASKA

Sumitomo Metal Mining Pogo LLC

Privately held company

PRESIDENT: Nori Ushirone

POGO GENERAL MANAGER: Todd Roth

POGO CHIEF GEOLOGIST: Paul Jensen

Sumitomo Metal Mining Pogo LLC, an 85/15 partnership between Sumitomo Metal Mining Co. Ltd. and Sumitomo Corp. is boosting the gold reserves at Pogo while seeking new deposits on the property surrounding the high-grade gold mine in Interior Alaska. The Tokyo-based miner planned about 40,800 meters of surface and underground drilling at Pogo in 2010. The 21,150-meter surface program split between helicopter-supported and road-based drill rigs investigated both expansion areas near the mine and the property-wide potential at Pogo. About 7,460 meters of the underground program was exploration drilling and the remaining 12,200 meters was dedicated to reserve/resource definition.

The 21,500-meter drill program in 2009 added some 320,000 ounces of new gold to the reserves at Pogo, about 20 percent less than the 390,000 ounces recovered during the year. The 2009 program also added around 804,000 ounces of gold into the resource category. In addition to the drill program, Sumitomo conducted airborne geophysics as well as extensive mapping and sampling throughout the Pogo land package. Having explored the area near Pogo since about 1994, Sumitomo eventually partnered with Teck Resources Ltd., a miner with experience in both permitting and operating mines in Alaska. Vancouver, B.C.-based Teck operated Pogo during the first three years after startup. In 2009 the Sumitomo bought out Teck's 40 percent interest in the underground mining operation, making Pogo the first overseas mine operated by the Japanese firm. Sumitomo Metal Mining has been a comprehensive nonferrous manufacturer since the 16th century. The 400-year-old business said the acquisition of the remaining interest in Pogo is a significant step toward it becoming a major force in the nonferrous metals industry worldwide.



TODD ROTH

P.O. Box 145 • Delta Junction, Alaska USA 99737
Tel (Mine): 907-895-2500 • Tel (Corporate): 81-3-3436-7705
www.smm.co.jp/E/

At 390,000 ounces of gold recovered in 2009, Sumitomo Metal Mining's Pogo Mine was Alaska's largest gold producer.

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► MSI Communications President Laurie Fagnani has overseen numerous successful campaigns, including the defeat of the gas reserves tax initiative and the anti-mining initiative.



After 20 years of mining the Main Pit at Red Dog, Teck Resources Ltd. began extracting ore from the Aqqaluk deposit (top left). Aqqaluk contains 51.6 million metric tons of reserves with an average zinc content of 16.7 percent along with 4.4 percent lead, enough ore to keep the Northwest Alaska mine in operation until 2031.

SHANE LARSEN

NORTHWEST TERRITORIES

Tamerlane Ventures Inc.

TAM: TSX-V

EXECUTIVE CHAIRMAN: Margaret M. Kent, B.Sc., M.Sc.

PRESIDENT: Ross F. Burns B.Sc., P.Geo, LG

CEO: Michael (Mike) Willett, P.Eng

Formed in 2000, Tamerlane Ventures Inc. is focused on putting the most profitable zinc-lead property in Canadian history back into production and developing a dump leach copper project in Peru. The junior plans to become a producer of lead-zinc concentrates from its Pine Point Project in Northwest Territories, which hosts an NI 43-101-compliant estimate of 10.9 million metric tons of measured and indicated lead-zinc resources in conjunction with a positive feasibility study of 1 million proven and probable metric tons of the base metals in the R-190 deposit at the Pine Point property. The Pine Point Project will first mine the R-190 deposit, which has estimated reserves exceeding 1 million metric tons at a grade of 11.16 percent zinc and 5.49 percent lead. This deposit will be mined using freeze perimeter and other proven technologies for underground mining operations. Tamerlane will then use the infrastructure to access a series of nearby deposits currently being explored. The junior confirmed four deposits in 2008 through the drilling of 19 holes for a total length of 2,440 meters. The drilling program was stopped prematurely because the company needed to conserve cash during the world credit crisis. In a mid-2010 regulatory report, Tamerlane said it recently drilled off the N-204 deposit which has the potential to be a large open-pit, low-grade zinc mine on the property, and an initial response estimation and updated feasibility study on the current reserves should be completed by the fourth quarter of 2010. Tamerlane also noted that Margaret "Peggy" Kent has joined the company as executive chairman with the intention of employing her considerable experience and cre-

ative ability to procure a project financing package accretive to the shareholders.

CASH AND SHORT-TERM DEPOSITS: C\$902,956 (at June 30, 2010)

WORKING CAPITAL: C\$416,712 (at June 30, 2010)

MARKET CAPITALIZATION: C\$12.546 million (Sept. 6, 2010)

441 Peace Portal Dr. • Blaine, WA 98320

Tel: 877-284-6535; 360-332-4653 • Fax: 360-332-4652

www.tamerlaneventures.com

ALASKA & BRITISH COLUMBIA

Teck Resources Ltd.

TSX: TCK.A, TCK.B and NYSE: TCK

CHAIRMAN: Norman Keevil

PRESIDENT AND CEO: Donald Lindsay

VICE PRESIDENT, EXPLORATION: Fred Daley

Teck

Teck Resources Ltd. is looking forward to 20 more years of high-grade zinc-lead-silver production at its Red Dog Mine in Northwest Alaska. Early in 2010, it was unclear whether the company would continue operations at Red Dog or shutter the mine until issues surrounding its water discharge permits were resolved. After lengthy discussions with the U.S. Environmental Protection Agency and a comprehensive review of its operating plans for the zinc-lead mine, Teck decided to move ahead with development of the Aqqaluk deposit, which lies adjacent to the north side of the Main Pit that has been mined over the past two decades. Aqqaluk contains 51.6 million metric tons of reserves with an average zinc content of 16.7 percent along with 4.4 percent lead, enough ore for Red Dog to continue to be a global zinc supplier until 2031. Teck's 2010 exploration in the Red Dog region focused on Anarraaq, a deep deposit

that lies about seven miles, or 11 kilometers, northwest of the current operation. According to a 2004 report, Anarraaq hosts a 1-million-metric-ton or so barite body and a zinc-lead-silver massive sulfide zone with an estimated resource of about 18 million tons at 18 percent zinc, 5.4 percent lead, and 85 grams per metric ton silver. Teck discovered the massive deposit while drilling a large gravity anomaly in 1999, subsequently establishing an inferred resource. Further exploration turned up Antiguruk, another promising zinc target adjacent to Anarraaq. Previous drilling in hole 1109 intersected 4 meters averaging 29 percent zinc at this prospect about 3 miles, or 5 kilometers, north of Anarraaq. Hole 1114 cut 14 meters grading 17 percent zinc and 5 meters at 46 percent zinc. Following up on airborne geophysical surveys conducted in 2009, Teck geologists conducted field-mapping and geochemical surveys to identify new drill targets in this area north of the Red Dog Mine. The company completed a 17-hole drill program at the Anarraaq-Antiguruk prospect in 2010. Teck plans to resume its exploration of the deep deposit area upon the delivery of new drill rigs in 2011.

In addition to drilling in around Red Dog, Teck invested C\$600,000 in junior explorer Millrock Resources Ltd. – funds that company used to further exploration of the 32,511-acre Estelle gold property about 100 miles, or 160 kilometers, northwest of Anchorage. SH-2010-042, a chip sample traverse at the Shoeshine prospect in the southern portion of the Estelle claim block, averaged 9.1 g/t gold over a width of 27 meters. Four other samples from Shoeshine returned assays between 1.1 and 5.9 g/t gold. At Oxide Ridge – a prospect about 12 miles, or 20 kilometers, north Shoeshine – two samples returned 1.6 and 1.8 g/t gold, each over a traverse of three meters. Millrock said a new mineralized zone, Oxide North, about 1.6 miles, or 2.5 kilometers, north of Oxide Ridge was identified during the 2010 exploration program. In addition to the private placement, Teck funded geophysical surveys to test for disseminated sulfides in the valley separating the two gold occurrences. If Teck likes what it sees during this year's investigation, it will have the option to earn a 55 percent interest in Estelle by spending US\$3.6 million in expenditures over two years. The major can earn an additional 10 percent interest in the Kahiltna Terrane property by funding another US\$5 million and making optional cash payments to Millrock totaling US\$400,000 by the end of 2014. Due to higher copper and gold prices, new parts of the Galore Creek Deposit in northwestern British Columbia are becoming ore grade. Teck and joint venture partner NovaGold Resources Inc. completed infill drilling in 2010 on these areas in order to incorporate them into the resource-base at the massive copper-gold project.

CASH AND SHORT-TERM DEPOSITS: C\$758 million (at June 30, 2010)

MARKET CAPITALIZATION: US\$23.98 billion (at Oct. 4, 2010)

Suite 3300, Bentall 5 • 550 Burrard St. Vancouver, BC V6C 0B3
Tel: 604-699-4000 • Fax: 604-699-4750
www.teck.com

ALASKA

Teryl Resources Corp.

TRC: TSX-V

PRESIDENT: John Robertson

With four gold properties located next door to Kinross Gold Corp.'s Fort Knox gold mine, Teryl Resources Corp. is one of the largest landowners in the Fairbanks Mining District, and a favored joint venture partner for Kinross' Alaska subsidiary, Fairbanks Gold Mining Inc. Since their partnership began at the Gil Project (Kinross 80 percent and Teryl 20 percent), the gold producer and the junior have outlined some 10.1 million tons of ore with an average grade of 1.25 grams of gold per metric ton, or 404,000 ounces, of gold at the property that lies just to the east of Fort Knox. In January, Teryl's board of directors rejected a bid by Kinross to buy the junior's 20 percent stake in the project. Teryl President John Robertson cited positive assay results from drilling completed at the Sourdough Ridge Zone in 2009 and the project's encouraging potential as reasons for rejecting the offer. A month later the partners announced a US\$1.52 million budget for continued exploration at Gil in 2010. Teryl said the

goal of the program is to further delineate the strike extension of the mineralized zones, and to infill between step-out holes, in order to gain a better understanding of ore-zone continuity. Kinross, as operator, began the exploration with a 12.8-mile, or 20.6-kilometer, ground magnetometer-gradiometer survey at Gil.

Targeting mineralized zones defined with the geophysics, Kinross completed 1,628 meters of core drilling and 2,882 meters of reverse circulation drilling at the prospect. Preliminary assay results in August from drilling at North Gil reveal that hole GVR-10-568 cut 10.7 meters with an average grade of 2.7g/t gold and GVR-09-569 intersected 15.2 meters grading 1.2 g/t gold. Hole GVR 10-563 intersected 7.6 meters grading 1.03 g/t gold at Sourdough Ridge, which is about eight miles, or 13 kilometers, northeast of the Fort Knox Mine. At the time of this report, assay results were pending from an additional 18 holes drilled at Gil in 2010. To date the companies have spent in excess of US\$10.5 million on exploration at the property. In addition to the Gil Claims, Teryl has joined Linux Gold Corp. in a 50-50 joint venture partnership on the Fish Creek property that borders the west side of Gil. The junior also owns the Stepovich property which lies between Gil and the Fort Knox Mine, as well as the West Ridge claims bordering the True North Mine about 11 miles, or 17 kilometers, west of Fort Knox. The junior also entered into an agreement in August, subject to a 60-day due diligence, to acquire an option on a 50 percent interest in 11 State of Alaska mining claims located in the Kahiltna Terrane near Kiska Metals Corp.'s Whistler gold-copper project. A Teryl spokesman told Mining News the unnamed property is prospective for gold and silver.

CASH AND SHORT-TERM DEPOSITS: C\$510,240 (at Feb. 28, 2010)

WORKING CAPITAL: C\$441,563 (at Feb. 11, 2010)

MARKET CAPITALIZATION: C\$9.66 million (at Sept. 7, 2010)

240 - 11780 Hammersmith Way • Richmond, B.C. Canada V7A 5E9
Tel: 604-278-5996 ext. 1 • Fax: 604-278-3409
www.terylresources.com

ALASKA

TintinaGold Resources Inc.

TAU: TSX-V

PRESIDENT AND CEO: Raj Chowdhry

CHAIRMAN: Rick Van Nieuwenhuyse

VICE PRESIDENT, EXPLORATION: Jerry Zieg



TintinaGold Resources Inc. emerged on the Alaska mining scene in 2009 when NovaGold Resources Inc. (see NovaGold Resources Inc.) rolled 397,680 acres of its early-stage exploration properties in Alaska into the Vancouver B.C.-based junior. This transaction included two gold exploration claim groups in the Kuskokwim region (Tintina gold properties and the Colorado Creek gold project) and three western Alaska base metal properties (Kugruk, Baird and Omilak). In exchange for the properties, TintinaGold issued NovaGold 3.125 million shares of its common stock, which, at the time, represented about 7 percent of TintinaGold's issued and outstanding shares. TintinaGold appointed NovaGold President Rick Van Nieuwenhuyse chairman of its board of directors, and recruited geologist Jerry Zieg to become the junior's vice president of exploration. The two companies also have a service agreement in which NovaGold will provide exploration, human resource and land management services to the exploration company. The agreement also provides NovaGold with a right of first opportunity to participate in proposed transactions involving the Colorado Creek, Kugruk, Baird and Omilak properties. In January 2010, TintinaGold raised C\$5 million by selling 12.5 million each shares and warrants to Electrum Strategic Metals LLC, an affiliate of privately held global mining group Electrum Ltd. This financing raised Electrum's stake in the junior to 30.1 percent, and, if the global miner exercises its warrants, Electrum's interest in TintinaGold could reach 44.1 percent.

The primary focus of TintinaGold's 2010 exploration was on the



RAJ CHOWDHRY



Discovery Ridge at Triton Gold Ltd.'s Tushtena gold project in Interior Alaska. High-grade rock chips with peak value of 1,450 grams per metric ton gold have been collected in the Discovery zone.

TRITON GOLD LTD.

Kugruk project in Northwest Alaska, about 70 miles north of Nome. The 177,280-acre property hosts copper-iron skarns, silver-lead-zinc prospects and placer gold rich drainages. The juxtaposition of these various mineral systems leads the explorer to believe that a large-scale iron oxide-copper-gold deposit could be hidden below the loess that covers the prospect. Representing the first drill testing of Kugruk since a small program in the late 1970s, the junior completed some 1,500 meters of drilling in 2010. In addition, crews completed mapping and surface geophysical programs at the prospect. TintinaGold said assay results from the first three holes confirm the presence of a large-scale hydrothermal alteration system with associated broad mineralized zones containing significant grades of copper, gold, silver and iron. Hole KU10-003 drilled in the Billiken Zone encountered 3 composite intervals totaling 90.8 meters, grading 0.27 percent copper, 0.07 grams per metric ton gold, 2.8 g/t silver, and 33.1 percent total iron. Two intersections in hole KU10-003 contain significantly better grade copper mineralization associated with strong precious metals. A 5.7-meter zone contains 1.23 percent copper, 0.2 g/t gold and 7 g/t silver. A second 3.3-meter interval contains 1.7 percent copper, 0.6g/t gold and 18g/t silver. The company said skarn alteration has been identified on surface and in drill holes over an area seven kilometers by three kilometers, or 4.3 miles by 1.9 miles, and its geophysical signature extends at least 15 kilometers, or 9.3 miles, along strike. The entire area is covered by wind-blown silt and tundra with only sparse outcrops. The junior spent C\$2.4 million on exploration through June 30.

TintinaGold also began drilling at its recently acquired Sheep Creek copper-cobalt property in Montana in September.

CASH AND SHORT-TERM DEPOSITS: C\$2.77 million (at June 30, 2010)

WORKING CAPITAL: C\$2.25 million (at June 30, 2010)

MARKET CAPITALIZATION: C\$32.51 million (at Sept. 11, 2010)

595 Burrard St., Suite 1723 • Vancouver, B.C. Canada V7X 1G4
Tel: 604-628-1162 • Fax: 604-628-1163
www.tintinagold.com

ALASKA

Triton Gold Ltd.

TON: ASX

CHAIRMAN: John Loney

CHIEF EXECUTIVE OFFICER: Allen Lance Govey

PRINCIPAL GEOLOGIST: Carl Young

Triton Gold Ltd., formerly Australian Mineral Fields Inc., is seeking deep high-grade gold below the bulk-tonnage target at its Tushtena gold project located about 20 miles, or 32 kilometers, east of Tok in Interior Alaska. In July Western Australia nickel producer Panoramic Resources Ltd. agreed to fund US\$2.6 million of drilling at Tushtena over three years and pay Triton US\$300,000 in order to earn a 51 percent interest in the gold project. The exploration, to be completed by June 2013, will satisfy Triton's commitment to earn an 80 percent interest in the property from Tushtena Resources Inc. Triton will manage exploration during the earn-in phase, thereafter the parties would contribute to a joint venture in proportion to their respective interests; Panoramic at 51 percent (as manager), Triton at 29 percent and Tushtena Resources at 20 percent. Panoramic is required to fund a phase-one exploration program of up to US\$1 million before it can withdraw from the project. The 2010 drill targets where defined by geological mapping, surface sampling, multi-spectral alteration mapping, and re-sampling of shallow historic drill holes. High-grade rock chips with peak value of 1,450 grams per metric ton gold in the Discovery Zone, 163 g/t gold at the RS Zone and coherent areas of greater than 1g/t gold in soils occur within a target zone extending for over 3,000 meters. Triton has completed four holes of the 1,600-meter phase-one drill program at the property's Discovery zone, targeting potentially high-grade gold mineralization that lies below extensive surface showings of gold in veins and soils. Triton said the initial core appears to contain significant sulfide mineralization and has been sent for assaying. While the primary objective is to discover high-grade lodes at depth, it is possible that the property also could

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host shallow low-grade, bulk tonnage gold mineralization. Panoramic said the tremendous mineral endowment of Alaska coupled with improvements in the regulatory and business climate for mining makes the Far North state an attractive place for the Australian miner to invest its exploration dollars.

CASH AND SHORT-TERM DEPOSITS: A\$2.1 million (as of June 30, 2010)
WORKING CAPITAL: A\$1.7 million (as of June 30, 2010)
MARKET CAPITALIZATION: A\$8.76 million (as of Sep. 24, 2010)

Suite 18, (Level 4) 44 Parliament Place • West Perth, WA
 Australia 6005
 Tel: 61-8-9215-4222 • Fax: 61-8-9226-1799
www.tritongold.com.au

NORTHWEST TERRITORIES

Tyhee Development Corp.

TDC: TSX-V
PRESIDENT AND CEO:
 David Webb, B.A.Sc. (Engineering) M.Sc.,
 Ph.D., P.Geol.
VICE PRESIDENT, OPERATIONS: Doug Levesque
CHIEF GEOLOGIST: Val Pratico, B.Sc., P. Geol.



Tyhee Development Corp. is an advance exploration and development company focused on two objectives: advancing the Yellowknife Gold Project in Northwest Territories toward production and identifying additional resources to supplement potential production at a proposed mine. The Yellowknife Gold Project consists of the Ormsby, Nicholas Lake, Bruce Lake, Goodwin Lake and Clan Lake zones stretching 13-90 kilometers, or 8-56 miles, to the north of Yellowknife, Nwt. Engineering and permitting work for the Yellowknife Gold Project is ongoing. A positive preliminary feasibility study completed in 2010 projected initial capital costs of C\$170 million with a C\$20 million contingency to construct a 3,000-metric-ton-per-day

mine and mill complex producing an average of 108,000 ounces per year at cash costs of US\$541 per ounce. The company Aug. 30 reported the extension of known gold mineralization in the Clan Lake Main zone by more than 200 meters along strike beyond the existing reserves and resources and the recent discovery of two parallel sub-zones 150 meters away on either side of the Main zone have become the explorer's new priority. Exploration crews sampled and mapped the Spud and Bear zones in anticipation of drilling in September. Clan Lake now hosts eight gold zones.

CASH AND SHORT-TERM DEPOSITS: C\$1.66 million (at May 31, 2010)
WORKING CAPITAL: C\$1.68 million (at May 31, 2010)
MARKET CAPITALIZATION: C\$32.19 million (Sept. 6, 2010)

Suite 401, 675 West Hastings St. • Vancouver, B.C. V6B 1N2
 Tel: 604.681.2877 • Fax: 604.681.2879
www.tyhee.com



DAVID WEBB

ALASKA

Ucore Rare Metals Inc.

UCU: TSX-V
PRESIDENT AND CEO: James Mackenzie
VICE PRESIDENT, PROJECT DEVELOPMENT:
 Harmen Keyser
VICE PRESIDENT AND CFO: Peter Manuel



At the behest of lawmakers at both the state and federal levels, and with the support of the U.S. Geological Survey, Ucore Rare Metals Inc. (formerly Ucore Uranium Inc.) is advancing the heavy rare earth element-enriched Bokan Mountain project located about 37 miles from Ketchikan in Southeast Alaska toward feasibility. The U.S. Bureau of Mines more than 20 years ago estimated the site contains



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Hole WD09-44, drilled by Underworld Resources Inc. in 2009, cut 56.1 meters at 3.91 g/t gold, including a 32.5-meter intercept averaging 5.58 g/t gold.

SHANE LASLEY

at least 374 million pounds of recoverable rare earths, enough to protect America's access to the rare earth elements vital to production of cutting-edge and strategic technologies.

Rare earth minerals – used in green technology, high-tech consumer goods and military applications – are currently nearly 100 percent mined in China, which has increasingly restricted its exports of them to foreign production facilities. In July Ucore launched a C\$3 million exploration program at Bokan Mountain. In addition to a 4,000-meter drill campaign, the work included extensive ground mapping, surface sampling and mineral characterization initiatives, as well as ground geophysics activities to assess more than 30 known REE-bearing prospects that have never been drilled. The Nova Scotia-based explorer also retained Collison and Associates to complete prefeasibility work and plan for underground exploration at Bokan. In conjunction with Ucore's exploration, the USGS sent a team of geoscientists to Bokan for the purpose of advancing the U.S. government's understanding of the mineralogy at Bokan.

The REE experts examined the Dotson Shear, Geoduck, Wennie and Geiger zones at Bokan. They also explored the Sunday Lake zone, an area that yielded among the highest heavy rare earth element grades in North America. Drilled for the first time in 2009, hole LM 09-65b at Sunday Lake cut 4.8 meters averaging 1.73 percent HREEs as oxide and 0.10 light rare earth elements as oxide. Of particular interest to the USGS are terbium and dysprosium, which have been found in anomalously high grades in the Bokan area. This work follows up on 2009 studies – funded through a USGS research grant and conducted by geologists from four Canadian universities in 2009 – that examined the geologic processes that led to deposit formation at Bokan and to characterize the granite complex that contains the deposits. With the information gained from the studies, the USGS hopes to locate similar deposits in Alaska and western North America. New laws on Capitol Hill and in Juneau could streamline the permitting process and help fund a mine at Bokan Mountain.

Two bills currently before Congress call for loan guarantees to stimulate U.S. REE mining and manufacturing as well as expediting review and approval of permits for rare earth exploration and development. Lawmakers in Juneau have voiced support for expediting permitting and production of REEs in Alaska. Ucore originally investigated Bokan for its uranium potential. Between 1957 and 1971 a total of 1.3 million pounds of U₃O₈ were produced, at an average grade of 0.76 percent from the Ross Adams Mine at Bokan. Recogniz-

ing the REE potential of the property, the junior shifted its focus toward these metals in 2009. Ucore also holds a suite of uranium properties in Canada including Sandybeach Lake and Neultin Lake in southern Nunavut; Elliot Lake in Ontario; and Lost Pond in Newfoundland. No significant exploration was carried out on these properties in 2010.

CASH AND SHORT-TERM DEPOSITS: C\$4.4 million (at June 30, 2010)

WORKING CAPITAL: C\$3.9 million (at June 30, 2010)

MARKET CAPITALIZATION: C\$68.51 million (at Sept. 13, 2010)

501-2000 Barrington St. • Halifax, Nova Scotia B3J 3K1

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YUKON TERRITORY

Underworld Resources Inc.

UW: TSX-V

PRESIDENT: Adrian Fleming

CHAIRMAN: Michael Williams

DIRECTOR: Rob McLeod

Underworld Resources, organized in 2005 in British Columbia, is a mineral exploration company focused on expanding its new gold discovery in Yukon Territory. Underworld acquired an option over the White Gold and Black Fox properties located 95 kilometers south of Dawson City in May 2007. First drilling was completed in 2008 with discoveries at the Golden Saddle and Arc targets. In 2009, the company also acquired an option to acquire a 100 percent interest in the JP Ross property in the same general area of the Dawson Mining District. The discovery hole at the Golden Saddle deposit was Hole 4 which returned 4.35 grams per metric ton gold over a core length of 18.1 meters from a depth down hole of 14.5 meters. On March 11, 2010, Kinross Gold Corp. offered to acquire Underworld Resources for a combination of stock and cash valued at about C\$139.2 million. The sale closed June 30. Prior to the purchase offer, Underworld reported an NI 43-101 resource estimation for the Golden Saddle and Arc deposits at the White Gold property. The resource at Golden Saddle includes 1,004,570 ounces at a grade of 3.2 g/t gold in an indicated category, with an additional 407,413 ounces of inferred resources at an average grade of 2.5 g/t gold. In the Arc zone, the initial resource includes 170,470 ounces at an average grade of 1.2 g/t gold in the inferred category. The resource estimates were based on drilling carried out on the property in 2008 and 2009. Underworld held 3,616 quartz claims for 731 square kilometers in what has become known as the White Gold District. Exploration of the Golden Saddle and Arc deposits as well as targets on the JP Ross property was expected to continue during the 2010 field season.

CASH AND SHORT-TERM DEPOSITS: C\$10.66 million (March 31, 2010)

WORKING CAPITAL: C\$10.65 million (March 31, 2010)

MARKET CAPITALIZATION: N/A

No. 1500 - 409 Granville St. • Vancouver, BC, Canada V6C 1T2

Tel: 604.684.4001 • Fax: 604.484.7155

www.underworldresources.com

ALASKA & YUKON

Valdez Gold Inc.

VAZ: TSX-V

PRESIDENT AND CEO: Michael Skead

Valdez Gold Inc. has turned north to seek gold near the legendary mining towns of Dawson City and Nome. In January 2010, the Toronto-based junior signed an option to earn up to a 75 percent stake in Valley High Ventures Ltd.'s Flume Property in the White Gold District of Yukon Territory. Valdez earns an initial 51 percent interest in Flume by spending C\$1.5 million on the property and paying Val-

ley High C\$500,00 over a four year period. The 3,900-hectare Flume property is located 60 kilometers southwest of Dawson City, Yukon, and 30 kilometers northwest of Underworld Resources Ltd.'s White Gold discovery. The claims cover the headwaters of placer gold producing Ten Mile and Sestak creeks. A 1,358-line-kilometer magnetic gradiometer and electromagnetic survey was flown at 50 meter line spacing. Geophysical targets arising from this survey – especially those coinciding with soil geochemical targets previously defined by Phelps Dodge Corp. of Canada – were followed up with a detailed soil geochemical sampling and mapping program that began in June.

Staking the Flume property in 1998, Phelps Dodge completed property-wide investigation that defined two main targets, primarily characterized by elevated gold and arsenic soil anomalies with minor anomalous antimony and molybdenum. Valley High optioned Flume from the Freeport-McMoRan Copper & Gold Inc. subsidiary in 2009. In April, Valdez closed a deal with Millrock Resource Inc. on the Bluff gold project located on the Seward Peninsula about 50 miles, or 80 kilometers, east of Nome. The Toronto-based junior can earn a 55 percent interest in this 35,000-acre land package by spending C\$3 million on the project and paying Millrock C\$300,000 and issuing 900,000 shares over the same time period. Millrock was the operator of a 4,500-meter drill program carried out at Bluff in 2010, which tested the both the strike and downdip extensions of the known Daniels Creek, Saddle and Koyana – three zones explored by BHP Billiton plc in the late 1980s.

The summer work program also included structural mapping and an in-fill soil geochemical sampling program in these prospective areas. During its investigation of Bluff, BHP drilled several significant intersections in the three zones including 5.48 g/t gold over 10.9 meters, 4.19 g/t gold over 4.5 meters, and 1.93 g/t gold over 16.3 meters. In a 1991 summary report, BHP detailed a non-NI 43-101 resource of 505,000 ounces for the three zones and indicated there was potential for gold resources exceeding 2.5 million ounces. In 2008 Millrock confirmed the presence of gold on the property with a modest drill program, but due to the fractured nature of the rock core recovery was poor. This year's reverse circulation drilling helped to improve recoveries. In August, Valdez signed an agreement to sell two gold properties in Mexico to Gammon Gold Inc. for US\$2.5 million. Gammon will make escalating payments over four years, including US\$50,000 paid upon signing the agreement. Valdez said the sale will allow it to focus on its properties in Alaska and the Yukon.

CASH AND SHORT-TERM DEPOSITS: C\$5.4 million (at June 30, 2010)

WORKING CAPITAL: C\$5,172,580 (at June 30, 2010)

MARKET CAPITALIZATION: C\$15.73 million (at Sept. 9, 2010)

372 Bay St., Suite 800 • Toronto, Ontario M5H 2W9
Tel: 416-482-9038
www.valdezgold.ca

BRITISH COLUMBIA & YUKON TERRITORY

Victoria Gold Corp.

VIT: TSX-V

PRESIDENT AND CEO: Chad Williams

BOARD CHAIRMAN: T. Sean Harvey

CHIEF GEOLOGIST: Marcus K. Johnston, Ph.D.



Victoria Gold Corp., organized in 1981, is a gold exploration company focused on value growth per share through efficient exploration, project development, accretive acquisitions and effective marketing. Its strategy is to maintain a low-risk profile through project diversification and sound financial management and by operating in secure jurisdictions like Yukon Territory. In June 2009 the Toronto-based junior merged with Vancouver explorer StrataGold Corp, which owned Dublin Gulch gold project in central Yukon. This boosted the NI 43-101 gold resources that Victoria has acquired in the past year to 4.4 million ounces at a cost of C\$3 per ounce. It now owns five core projects in Yukon and Nevada, a joint venture gold project in Guyana with a Newmont Mining Co. subsidiary, and 10 pipeline gold projects. Victoria is focused on exploring its Eagle Gold (formerly Dublin Gulch) Project. Eagle Gold, located about 48 kilometers,

or 30 miles, northeast of Mayo, has a huge NI 43-101-compliant probable Reserve of 1.75 million ounces of gold contained in 66.14 million metric tons of ore grading 0.823 g/t. The Eagle Gold deposit is believed to be a geological twin to the Fort Knox Mine near Fairbanks, Alaska. Fort Knox is owned by Kinross Gold Corp., which also is Victoria's largest shareholder, holding 28 percent of the company's outstanding common shares.

Exploration drilling re-started at Eagle in the spring after a winter break. Two core drills were currently evaluating the extent of mineralization about 500 meters west of the existing main Eagle orebody. If successful, this could represent a roughly 25 percent extension to the known strike length of the Eagle resource. Victoria said the Olive and Shamrock targets, located within trucking distance of the Eagle deposit, will then be drilled in an attempt to define new zones of gold mineralization that could be incorporated into an expanded mine production scenario. The company planned to spend about C\$5 million on exploration at Eagle in 2010, which is the largest amount ever spent on the property in a field season. The 2010 summer work program at Eagle also includes environmental baseline data collection and geotechnical and condemnation drilling. The explorer also planned to follow the pre-feasibility study released in March with initiation of a feasibility study on the Eagle deposit in the fourth quarter of 2010. The property also hosts the Martungsten deposit, which has an NI 43-101-compliant indicated resource of 86.2 million pounds of tungsten trioxide in 12.7 million metric tons grading 0.31 percent, using a 0.10 percent cutoff grade. The deposit also boasts an inferred resource of 8.9 million pounds WO₃ grading 0.30 percent.

CASH AND SHORT-TERM DEPOSITS: C\$21.7 million (at May 31, 2010)

WORKING CAPITAL: C\$19.59 million (at May 31, 2010), plus C\$28.78 million (raised in August 2010 public offering)

MARKET CAPITALIZATION: C\$258.69 million (Sept. 10, 2010)

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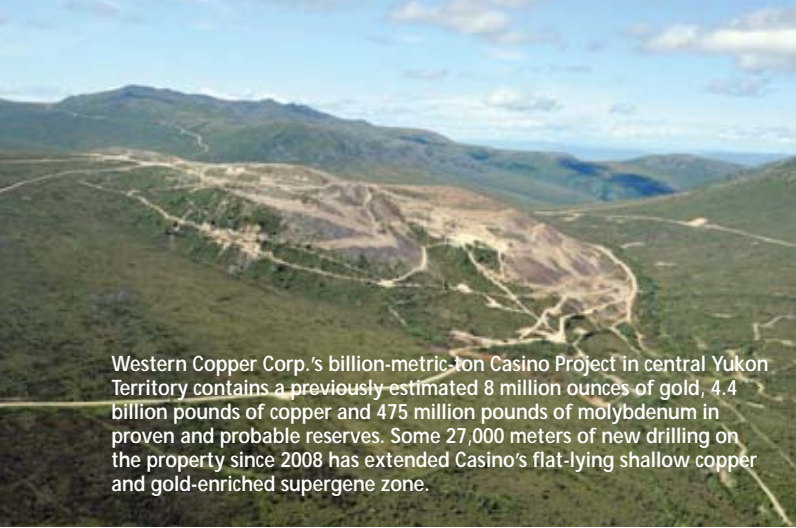
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Western Copper Corp.'s billion-metric-ton Casino Project in central Yukon Territory contains a previously estimated 8 million ounces of gold, 4.4 billion pounds of copper and 475 million pounds of molybdenum in proven and probable reserves. Some 27,000 meters of new drilling on the property since 2008 has extended Casino's flat-lying shallow copper and gold-enriched supergene zone.

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Western Copper Corp.

WRN:TSX

CHAIRMAN AND CEO: F. Dale Corman, B.Sc., P.Eng.

PRESIDENT AND CEO: Paul West-Sells, Ph.D.

VICE PRESIDENT, FINANCE AND CFO: Julien Francois, CA



DALE CORMAN

Western Copper, incorporated in 2006 in British Columbia, has a pipeline of projects, a strong cash position, no debt and an experienced management team. Its key assets include two copper properties in central Yukon Territory – the billion-metric-ton Casino Project and the Carmacks Copper Project. Western Copper also holds significant gold, copper and molybdenum resources and reserves in two other Canadian properties – the Hushamu property in British Columbia and the Redstone property in the Northwest Territories. In 2010 Western Copper focused on the sprawling Casino property, previously estimated to contain 8 million ounces of gold, 4.4 billion pounds of copper and 475 million pounds of molybdenum in proven and probable reserves. Western Copper envisions Casino becoming a 90,000-metric-ton-per-day mine that would pay off its projected \$2.1 billion in capital costs in 3.2 years. The junior hopes to apply for operating permits in early 2011 with the goal of beginning mine production in 2014-15.

Western Copper is spending C\$6 million on exploration at Casino in 2010, bringing to 27,000 meters new drilling on the property since 2008. This exploration has extended Casino's flat-lying shallow copper and gold-enriched supergene zone to a 2.0-kilometer by 1.2 kilometer, or 1.24-mile by .75-mile, area. In June, Western Copper reported that the average core length of the supergene from current drilling is about 80 meters, and the copper and gold-enriched zone remains open to the north for further expansion.

"We believe the discovery of significant additional near-surface supergene mineralization has the potential to considerably improve the project's economics," Western Copper Chairman and CEO Dale Corman told Mining News. Of the 33 holes drilled and assayed during phase 1 of 2010 exploration, 29 holes returned significant mineralization. Highlights include assay results from hole CAS-073, which returned 114 meters of 0.97 percent copper-equivalent mineralization in the supergene zone and 110 meters of copper, gold and molybdenum mineralization for a copper-equivalent grade of 0.69 percent in the deeper hypogene zone. With the latest drilling, the company also determined that Casino hosts a significant silver resource.

The Carmacks Project near Carmacks, Yukon, which could produce 32 million pounds per year cathode copper for about six years, was scheduled to begin construction in early 2010. However, the Yukon Water Board denied the company a water license for a 5,000 t/d open pit mine at Carmacks in May. Western Copper appealed that decision to the Yukon Supreme Court and is awaiting a ruling that hopefully will clarify the jurisdiction and responsibilities of the Water Board in relationship to those of the Yukon Environmental and Socio-economic Assessment Board, which gave approval for the Carmacks Copper Project to proceed subject to terms and conditions, and Yukon's Minister of Energy, Mines and Resources, who granted a quartz mining license that authorized the construction, operation and ultimate decommissioning of mining facilities for the project. Western Copper said it aims to seek reconsideration of the water license application for the Carmacks Project next spring.

CASH AND SHORT-TERM DEPOSITS: C\$8.2 million (at June 30, 2010)

WORKING CAPITAL: C\$6.4 million (at June 30, 2010)

MARKET CAPITALIZATION: C\$100.72 million (at Sept. 10, 2010)

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YUKON OVERVIEW *continued from page 70*

Tarsis also owns the Prospector Mountain Project, where it made a high-gold discovery in the Bonanza Zone in 2009. Tarsis subsequently optioned that property to Silver Quest Resources.

Rockhaven Resources Ltd. Sept. 21 reported additional encouraging assay results from excavator trenching on its Klaza property located 50 kilometers, or 31 miles, west of Carmacks, Yukon. The program continues to uncover high-grade gold and silver vein and bulk tonnage bedrock exposures and visually promising diamond drill results. New trench results extend the Klaza Zone to a length of 375 meters, and the zone remains open to further extension along strike in both directions and down dip. Through trenching, another substantial discovery was made at the Herc Zone, located 400 meters south of the Klaza zone and new results from 13 samples collected over other zones on the property range from 0.79-3.28 g/t gold and 5.8-282.9 g/t silver over 1.50-14.50 meters. Rockhaven recently expanded the Klaza property to 30 square kilometers, or 7,413 acres, through additional staking to cover projected extensions of the vein zones. The 2010 program was conducted by Archer, Cathro & Associates (1981) Ltd.

Western Copper Corp. is working to advance the 1 billion-metric ton Casino porphyry copper-gold-molybdenum-silver project toward becoming a 90,000-metric-ton-per-day mine that would pay off its projected C\$2.1 billion in capital costs in 3.2 years. The junior hopes to apply for operating permits in early 2011 with the goal of beginning mine production in 2014-15.

Western Copper spent about C\$6 million on exploration at Casino in 2010, bringing to more than 27,000 meters new drilling on the property since 2008. The drilling has extended the property's flat-lying, shallow copper and gold-enriched supergene zone to a 2.0-kilometer by 1.2 kilometer, or 1.24-mile by .75-mile, area.

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"We believe the discovery of significant additional near-surface supergene mineralization has the potential to considerably improve the project's economics," said Western Copper Chairman and CEO Dale Corman.

Of the 33 holes drilled and assayed during phase 1 of 2010 exploration, 29 holes returned significant mineralization. Highlights include assay results from hole CAS-073, which returned 114 meters of 0.97 percent copper-equivalent mineralization in the supergene zone and 110 meters of copper, gold and moly mineralization for a copper-equivalent grade of 0.69 percent in the deeper hypogene zone.

The company also determined that Casino hosts a significant silver resource.

"We did the prefeasibility study without silver," Corman said. "This time, it's in the model at a grade of 1.5-2.0 g/t silver, resulting in about 2 million ounces of silver production per year.

That enough silver output, according to Corman, to pay for the transportation of concentrates shipped from the proposed mine.

Western Copper also encountered difficulties navigating its smaller Carmacks Copper Project through Yukon's permitting process. The junior was denied the final authority needed to advance toward start-up of the 5,000 t/d open pit mine in central Yukon even though it was granted all of its earlier permits, and independent studies indicate that the project poses little risk to the environment. Western Copper has appealed the decision.

Base metal behemoth

To the east, Selwyn Resources Inc. is nibbling at the edges of a super-giant at the Selwyn Project, the world's largest undeveloped lead-zinc deposit.

"Very few systems in the world are on the scale of 10s of kilometers," said Jason K. Dunning, vice president exploration at Selwyn. "We've drilled it off at 40 kilometers now, and there's probably 60 to 80 percent of the basin that's still virtually unexplored."

Dunning said no words can adequately describe the property. "Everything is open ended. Nothing has been closed off. It's still open to interpretation and that's the beauty of it." Because of Selwyn's recent efforts to finalize a C\$100 million, 50-50 joint venture deal with China-based Yunnan Chihong Investment Co., the company's 2010 exploration budget remained a moving target. The JV is required to produce a bankable feasibility study for the project.


"Since 2005, we've drilled almost 94,000 meters of core in 373 drill holes, and we spent almost C\$1.5 million directly on exploration," Dunning said. "If the budget holds true over the next couple of years, we'll probably spend another C\$50-65 million, depending on the level of development and depending on what we have to do to meet that bankable feasibility."

Two drills were spinning at Selwyn in mid-August, and Dunning said he was preparing to start a third drill.

"I've also been given approval to start looking for three more (rigs) to start in September," he told Mining News. "That's going to change the equation on what our 2010 budget will be."

Dunning said the junior plans to continue exploring the property all winter.

continued on next page





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ALASKA

Zazu Metals Corp.

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VICE PRESIDENT, EXPLORATION: Joe Britton

VICE PRESIDENT, BUSINESS DEVELOPMENT: Matthew Ford

Zazu Metals Corp. is exploring what it believes is one of the largest undeveloped zinc-lead deposits in the world. Lik, the zinc-lead-silver-rich property that the Vancouver B.C.-based junior is lauding, is located about 22 kilometers, or 14 miles, northeast of Red Dog Mine. Zazu said the high-grade deposit at Lik is an ideal fit in the company's business model of identifying high-quality, low-risk properties in an advanced exploration, or near-development stage. According to a resource estimate completed by Scott Wilson Roscoe Postle Associates Inc. in 2009, Lik contains an indicated resource of 3.3 billion pounds of zinc, more than 1 billion pounds of lead and 31 million troy ounces of silver. The deposit contains an additional inferred resource of nearly 1.3 billion pounds of zinc, 500 million pounds of lead and 10 million troy ounces of silver. Scott Wilson Roscoe Postle Associates Inc. completed a preliminary economic assessment for the Lik South deposit, which contains 16 million tons grading 8.08 percent zinc, 2.57 percent lead and 47.9 grams per metric ton silver. The PEA envisions a 5,500 ton-per-day mine and mill with an 8 year mine life. The engineering firm estimated life-of-mine



operating costs of US\$75 per metric ton. Their base case assumes metal prices of US\$1.00 per pound for zinc, US80 cents per pound for lead and US\$16 per ounce for silver. This demonstrated a pre-tax internal rate of return of 9 percent. The study identified multiple areas where the project economics could be improved. JDS Energy and Mining, Inc., mine development specialists with experience in northern climates, has continued to streamline the mine plan as it completes the feasibility study for the Lik deposit, expected by the end of 2010. Hammering out transportation infrastructure is a key component for a prefeasibility study. Zazu has signed an agreement with the state-owned Alaska Industrial Development and Export Agency to complete due diligence for transportation infrastructure needed to support a mine at Lik.

Under the agreement with the explorer, AIDEA is evaluating its possible role in financing a spur road connecting the Lik deposit to the Delong Mountain Transportation System, a 52-mile-long haul road and port facility that currently handles the concentrate produced by partners Teck Resources Ltd. and NANA Regional Native Corp. at Red Dog. Zazu will reimburse AIDEA for its cost of conducting prefeasibility activities as part of the evaluation processes. Teck is a 50 percent joint venture partner in the Lik Project. Zazu owns the remaining 50 percent and has the exclusive right to increase its stake to 80 percent by spending US\$25 million on the project by 2018.

CASH AND SHORT-TERM DEPOSITS: US\$1.7 million (at June 30, 2010)

WORKING CAPITAL: US\$1.7 million (at June 30, 2010)

MARKET CAPITALIZATION: C\$6.74 million (at Oct. 12, 2010)

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YUKON OVERVIEW *continued from page 109*

"We're not going to stop. Our camp is fully winterized, and we can drill all year round. We're set up to go all winter," he added.

Hunt for other metals

True North Gems last November confirmed the presence of REEs and niobium at its True Blue aquamarine property in the Yukon Territory. Grab samples collected from the property, located 55 kilometers, or 34 miles, south of Ross River, returned assays of up to 6.02 percent TREO and 2.52 percent Niobium oxide.

In March, True North optioned the REE property to Great Western Minerals Group, a Saskatchewan-based junior company specializing in REE exploration. Great Western began work on the property in mid-July with a C\$1 million program aimed at determining the surface dimensions of currently known REE mineralization and identify new areas of mineralization in the area encompassed by the True Blue syenite and host rocks, said John Pearson, vice-president of exploration for Great Western.

Largo Resources Ltd. Sept. 28 returned to its Northern Dancer tungsten-molybdenum property with a nine-hole (2,500 meters) diamond drill program. Northern Dancer, a 1,500 hectare, or 3,705-acre, project that straddles the Yukon-British Columbia border 290 kilometers, or 180 miles, east of Whitehorse, hosts one of the world's largest known tungsten-molybdenum porphyry systems.

Largo said it would further test higher-grade tungsten and molybdenum zones intersected in 2006, 2007 and 2008 with

a series of angled drill holes across the deposit to test the higher-grade zones.

The higher grade zones at Northern Dancer are estimated to contain measured and indicated resources of 60.3 million metric tons grading 0.137 percent tungsten oxide and 0.045 percent molybdenum (WO₃ equiv 0.215 percent) and inferred mineral resources of 5.4Mt grading 0.134 percent WO₃ and 0.047 percent moly (WO₃ equiv 0.214 percent) at a 0.17 percent WO₃ equivalent cut-off grade. Largo also planned to drill the Marilyn Creek showing, an untested exploration target that lies 500 to 1,000 meters north-northwest of the Northern Dancer deposit. A preliminary economic assessment for the project currently underway is making good progress and anticipated by year's end, Largo added.

Prophecy Resource Corp. Sept. 27 reported the start of drilling at its Wellgreen platinum group minerals-nickel-copper resource project about 35 kilometers northwest of Burwash Landing, Yukon. Prophecy acquired a 100 percent interest in Wellgreen by merger with Northern Platinum, effective Sept. 23.

John Lee, Prophecy's CEO said the Wellgreen property has a rich history of platinum group minerals and nickel-copper-rare earth elements exploration with more than 600 drill holes over the past 50 years. Prophecy planned to assay 2,112 meters of drill core from Northern Platinum's six-hole drill program earlier this year and focus on expanding the eastern limit of the Wellgreen deposit with additional drilling. Prophecy also said it would follow up on earlier discoveries with additional drilling in 2011, evaluate Wellgreen as a potential bulk-tonnage, open-pit PGM target, and issue an NI 43-101 resource estimate by early 2011.



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