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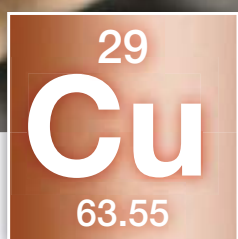


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# Welcome to the 2011 Mining Explorers

**W**ith exploration spending topping \$1 billion in 2011 – it has been an exciting year to follow 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!

In our ongoing endeavor to provide you with the most in-depth and comprehensive coverage of the companies unlocking the vast mineral potential of Alaska and Canada's North – North of 60 Mining News Editor Rose Ragsdale and I are proud to present the 2011 Mining Explorers.

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 60 companies that spent more than \$5 million in 2011 on exploration programs aimed at discovering rich mineral deposits in this underexplored northern region.

To keep North of 60 Mining News readers current, Rose and I have followed closely the issues, events and projects that shaped mining in Alaska and Northern Canada in 2011 and look forward to continuing to keep our readers up to date on the mining industry news from this region in 2012.

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](mailto:publisher@miningnewsnorth.com)

For more information about North of 60 Mining News, visit our Web site at [www.miningnewsnorth.com](http://www.miningnewsnorth.com)

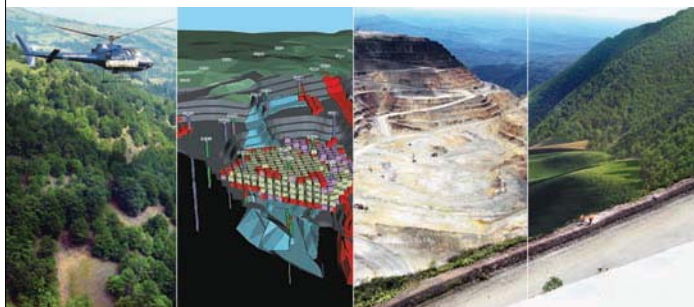
Thank you and I hope you enjoy Mining Explorers 2011.

—Shane Lasley  
Publisher, North of 60 Mining News



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## Mining Explorers

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Cover photo:  
Mining explorers Chance St. George, Dale Patrick and Andrew Forward investigate the Revelation gold project, one of several properties Millrock Resources Inc. has generated in the Kahlitna Terrane of Southwest Alaska.

A Kyle Negri photo  
Courtesy of Millrock Resources Inc.

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Protecting the land, air and water must be a top priority for any mining operation in Alaska, and today Alaskans have developed rigorous rules and regulations to safeguard the environment and to protect the safety of mine workers. The review and oversight now in place assures protection of Alaska’s precious natural and outdoor resources while creating a climate where responsible exploration and development can and does occur.



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# Alaska takes strategic initiative

Plan propels state to forefront as U.S. source of critical rare metals

By DAN SULLIVAN  
Special to Mining News

A thriving minerals industry is essential for Alaska's economic growth. If Alaska were a country, we would be among the top 10 countries in the world for coal, zinc, copper, lead, zinc, and silver resources. By responsibly developing these resources, we have the potential to support the economies of entire regions of the state and help secure a stable domestic supply of minerals.

The Parnell Administration is focusing on ways to advance mining opportunities in Alaska in an environmentally responsible way. A major step in this direction is the Secure Alaska's Future – Strategic Minerals Initiative, which Gov. (Sean) Parnell unveiled in late September. This initiative is designed to help grow our economy and contribute to our country's welfare through the assessment, development and processing of Alaska's strategic minerals, including rare-earth elements REEs.

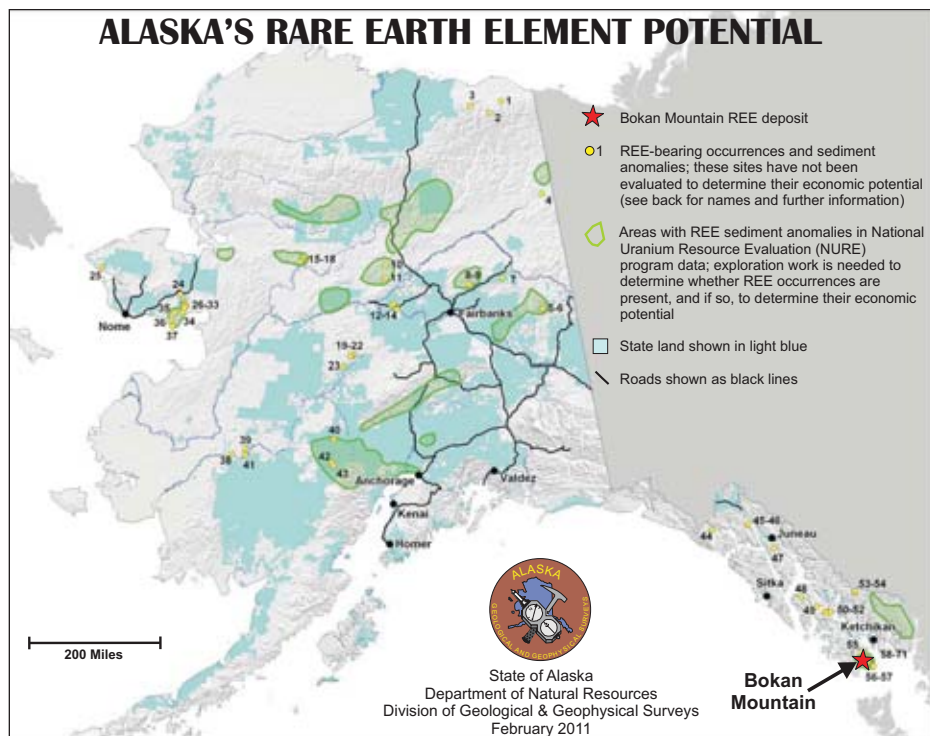
We recognize that mineral exploration, development, and production can provide jobs and new economic opportunities for entire regions of the state. The Red Dog zinc and lead mine near Kotzebue, for example, is an economic engine for the Northwest Arctic Borough and is, by far, the region's largest private-sector employer. Revenue from Red Dog has funded school construction, critical public services, and infrastructure in the region, not to mention hundreds of jobs for Alaska Native shareholders in the NANA region. Furthermore, profits from Red Dog are shared with other Alaska Native corporations and their shareholders throughout Alaska.

The mineral industry's value to Alaska is increasing. We have six large operating mines and at least a half-dozen potential mines in advanced exploration. Last year,



DAN SULLIVAN

SHANE LASLEY



the value of Alaska mineral production shot up to US\$3.1 billion from US\$2.5 billion in 2009. Mining exploration is also booming. Mining companies pumped over US\$557 million into Alaska for exploration and development in 2010, and the state received about one-third of all mineral exploration money invested in the United States, with 34 projects each receiving over US\$1 million in investment. We benefit not only from increased revenue for state coffers but also from thousands of jobs for Alaskans in direct and indirect employment. Mining companies pay some of Alaska's highest wages – a recent industry estimate puts the average annual mining industry wage at US\$95,000. That's double the state's average wage.

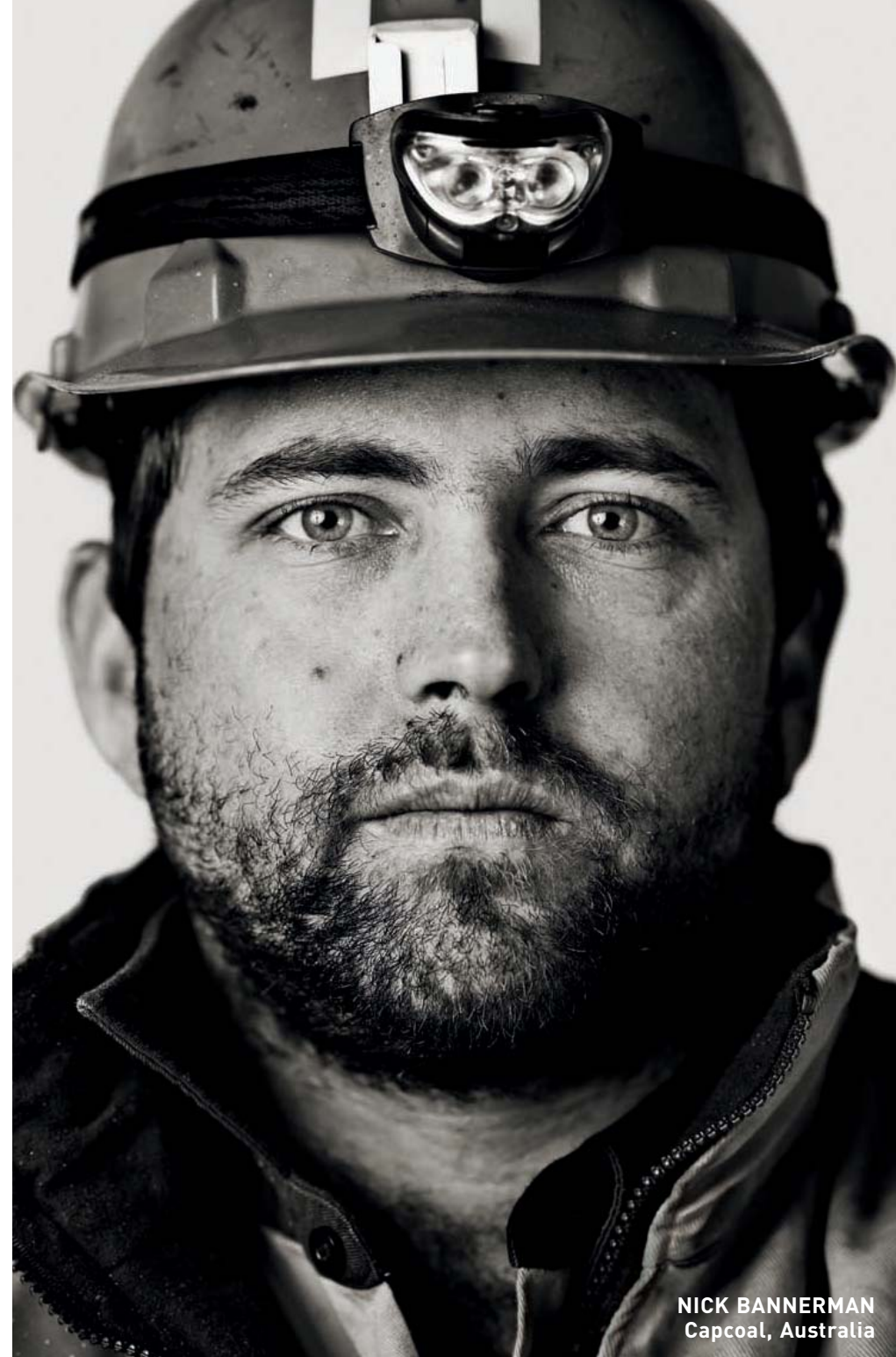
## Administration's strategy

On Sept. 30, we hosted a sold-out Alaska Strategic and Critical Minerals Summit in Fairbanks with participation from more than 200 people, including Gov. Parnell, the Alaska Congressional Delegation, top state,

federal and university scientists, mining executives, exploration geologists, Alaska Native leaders and foreign government representatives. The discussions were lively, new connections were made, and many participants left the summit with great hope that a new opportunity has opened to expand Alaska's mining industry and enhance our national security.

During the summit, Gov. Parnell announced Alaska's five-part strategy on strategic minerals including REEs – a group of chemical elements used in radar systems, avionics, satellites, renewable energy systems and consumer electronic goods. Strategic minerals are those minerals identified as essential for domestic use and whose supply is threatened. China, for example, supplies nearly 97 percent of the world's REE production and has taken steps to restrict its supply to other nations. Alaska can help: We have at least 70 occurrences of REEs and one of the nation's most significant REE prospects, the Bokan

*continued on page 12*



NICK BANNERMAN  
Capcoal, Australia

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### Mountain project in Southeast Alaska.

Our strategy involves: 1) undertaking a statewide assessment of our strategic mineral potential; 2) providing incentives for the development of known or highly-prospective strategic mineral occurrences; 3) making improvements in the structure and efficiency of our permitting processes to expedite responsible development of projects; 4) strengthening partnerships and cooperation with other government entities, Native corporations, and potential developers; and 5) attracting new investment and markets for Alaska's mineral resources.

### Assessing potential

The state is funding a statewide assessment of strategic minerals occurrences in Alaska, with US\$500,000 budgeted for this work so far. We will need to gather data, improve industry access to data and partner with universities, the U.S. Geological Survey and other researchers, not just to understand our resource base but also learn all the steps involved with processing these minerals.

Our assessment includes compiling a digital database of all available data on REE occurrences in Alaska and going out into the field to investigate them. We are also analyzing samples archived at our Geological Materials Center from areas that have high REE potential, and we intend to publish those findings.

### Incentivizing development

Infrastructure is essential to developing our resources. A key player is the Alaska Industrial Development and Export Authority, which has a strong record of helping provide the necessary boost to major industrial projects in our state through public-private partnerships.

---

By combining our ingenuity and our world-class resources, we can maximize our land's potential, bolster the state's economy, provide for our schools and communities, and maintain our position as a strategic resource for the nation. —Dan Sullivan, commissioner, Alaska Department of Natural Resources

---

The State Legislature has appropriated US\$75 million in bonding authority for infrastructure projects that will advance mining development and roughly US\$1.5 million for studies to construct a road to the highly-prospective Ambler Mining District. We will look for additional opportunities to spur development, including roads, ports and power facilities.

### Permitting reform

As Gov. Parnell stated recently, we are reviewing regulatory hurdles that are specific to the mining, processing and transportation of strategic minerals.

We already have undertaken an initiative that will increase permitting efficiency for both small and large projects in the state – all projects, not just mining. A principal component of the initiative is to process a backlog of 2,500 pending land- and water-use authorizations within three years. Thanks to funding support from Gov. Parnell and the Legislature, we are hiring the additional staff needed to process these applications in a timely manner.

We recognize that the permitting system itself needs to be improved. This fall, the Department of Natural Resources is holding public meetings across the state to gather ideas on how the state's permitting process can be more efficient, timely, and predictable without compromising our high environmental standards. We also have created a DNR Web page for ideas to be submitted electronically ([http://dnr.alaska.gov/commis/priorities/permitting\\_reform.html](http://dnr.alaska.gov/commis/priorities/permitting_reform.html)).

### Deepening collaboration

The state is leveraging its strategic minerals assessment by seeking a close working relationship with the federal government, Alaska Native corporations and others. The state has been meeting with officials at the White House to explore ways that the federal government can partner with Alaska to find permitting efficiencies and collaborate on data collection and research.

Among other requests, Gov. Parnell has asked the Obama Administration to direct the U.S. Geological Survey to partner with the state in conducting an inventory of strategic minerals on federal lands and to coordinate with state agencies and permit applicants during the federal permitting process.

### Attracting investment

Our state agencies are promoting Alaska's mineral resource wealth to the rest of the country and overseas markets. We are touting our vast resource base, our high environmental standards and our aggressive plans to invest in infrastructure.

Our efforts are informed by Alaska's Constitution, which requires us to make state land available "for maximum use consistent with the public interest." By combining our ingenuity and our world-class resources, we can maximize our land's potential, bolster the state's economy, provide for our schools and communities, and maintain our position as a strategic resource for the nation.

*Daniel S. "Dan" Sullivan is Alaska's Commissioner of Natural Resources.*

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For more than two decades, the Red Dog Mine in Northwest Alaska has produced some 10 million metric tons of zinc, about 2 million metric tons of lead and nearly 115 million ounces of silver from ore that averages about 20 percent zinc.

## Alaska Exploration 2011

# Explorers seek Alaska mammoths

Miners see Last Frontier as prime hunting ground for world-class deposits

By SHANE LASLEY  
Mining News

Whether it is multimillion-ounce gold discoveries, copper deposits that measure in the billions of pounds or massive ore-bodies of 20 percent zinc, Alaska is renowned for its mammoth deposits. The prospect of finding another Donlin, Pebble or Red Dog continues to draw explorers to this vast and underexplored corner of the United States.

In the Survey of Mining Companies: 2010/2011, conducted by the Fraser Institute, top executives from 494 mining and mineral exploration company's ranked Alaska as having the highest mineral potential out of 79 jurisdictions worldwide.

"We like Alaska for a lot of reasons, not the least of which is that in the last 20-25 years, there have been some very large gold deposits discovered in this jurisdiction," explains Kiska Metals Corp. President and CEO Jason Weber.

The same group of miners that voted Alaska "most prospective," ranked the Last Frontier a dismal 57th in comparative infrastructure.

The limited access, combined with the Far North state's rugged terrain, Arctic weather and high exploration costs, has kept much of Alaska's vast mineral wealth locked away.

"Alaska hasn't experienced near the amount of exploration that has taken place in British Columbia and the Yukon (Territory)," according to Millrock Resources Ltd. Vice President of Exploration Phil St. George.

With mineral deposits in more easily accessible parts of the world harder to come by, junior explorers and senior miners alike are hunting for the mammoth deposits lurking in America's Last Frontier.

"I, and others, think there is a lot of potential to find other Pebbles, other Donlins, other huge gold systems," St. George said.

### Exploring TGB East

The Tintina Gold Belt, a particularly rich and vast aurum province that sweeps some 1,350 kilometers (850 miles) across



Found in the Fortymile Mining District near Alaska's eastern border, the historical Lost Chicken Hill Mine contributed to the 17 million or so ounces of placer gold recovered from the Tintina Gold Belt within Alaska's borders.

the middle of the Alaska, hosts such large Alaska gold deposits as Fort Knox, Pogo, Donlin and Livengood. These world-class discoveries only begin to account for the source of more than 17 million ounces of placer gold recovered from the streams of the Golden Arch, making it a favored destination for explorers seeking the precious metal.

Alaska's portion of this rich gold province can be divided into two distinct groups – the eastern extent, which runs from the Alaska-Yukon border some 480 kilometers (300 miles) into the state, and the 190,000-square-kilometer (74,000-square-mile) Kuskokwim Gold Belt in southwestern Alaska.

In addition to hosting two of Alaska's four operating

*continued on page 15*



# Legend

PLACER DISTRICTS

MINING CLAIMS & LEASES

Projects of Current Interest

SIGNIFICANT METALLIFEROUS LODGE DEPOSITS

ALASKA'S RARE EARTH ELEMENT POTENTIAL

DIAMOND DISCOVERIES

TINTINA GOLD BELT

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# ALASKA EXPLORATION PROJECTS 2011

## ALASKA OVERVIEW *continued from page 13*

hardrock gold mines, the eastern half of Alaska's Golden Arch is home to the 20-million-ounce Money Knob gold deposit at International Tower Hill Mines Ltd.'s Livengood project.

"There are not a lot of 20-million-ounce (gold) deposits being found globally, this is one of them," touts Tower Hill CEO James Komadina.

As Tower Hill continues to expand and upgrade Money Knob for a mine capable of producing some 500,000 ounces of gold per year, the junior is seeking new deposits across its 145-square-kilometer Livengood land package.

The emerging story in the eastern end of the Tintina Gold Belt, though, could be the rich placer districts that have yet to give up the lode source of their alluvial gold.

Rolling Thunder, an intriguing program launched in 2010 by junior explorer Full Metal Minerals Ltd., is targeting the source of more than half a million ounces of placer gold recovered from streams draining the rolling hills of the Fortymile Mining District.

Recognizing that the belt of Cretaceous-age deposits, prospects, and placer gold mines of Yukon Territory's White Gold District trends northwest into Alaska, Full Metal geologists surmised that similar mineralization might be the undiscovered lode of the alluvial gold-producing streams in the neighboring Fortymile district on the stateside of the border.

Using placer gold-producing streams to vector their search, Full Metal geologists traversed the hilltops and ridges of some 145,500 acres of the explorer's Rolling Thunder claims in the Fortymile. The company said this reconnaissance sampling and mapping has identified multiple areas of strong alteration and quartz veining reminiscent of White Gold.

Millrock has completed similar prospecting at its some 23,000 hectares (57,000 acres) of claims in the Fortymile district and the project-generating explorer said it is looking for a partner to continue this exploration.

Further west, Full Metal is carrying out a program comparable to Rolling Thunder across a large package of state of Alaska mining claims it staked early in 2011 in the Circle Mining District, situated about 130 kilometers (80 miles) northeast of Fairbanks. The streams of this historical district have produced more than 1 million ounces of placer gold but a significant hardrock source has yet to be found here.

Rob McEwen-led US Gold Corp. is also seeking the source of historical placers in the eastern portion of the Tintina Gold Belt. In July, the Toronto-based major cut an exploration-purchase deal on Tri-Valley Corp.'s Richardson property about 115 kilometers (70 miles) southeast of Fairbanks.

Some 118,640 ounces of placer gold and 2,357 ounces of lode gold have been mined from this district-scale property since 1905.

Although the eastern half of the Tintina belt is best known for its intrusive-related gold deposits, explorers are also finding copper, zinc and silver in volcanogenic massive sulfide and porphyry deposits here.

Full Metal Zinc Ltd. is exploring a carbonate replacement style deposit rich in zinc, lead and silver at its Fortymile project, found in the placer gold district that bears the same name.

Heatherdale Resources Ltd. is exploring precious metals-enriched VMS mineralization at its Delta project, located in the southern margins of the Tintina Gold Belt about 58 kilometers (36 miles) southwest of the town of Tok.

An inferred resource of 15.4 million metric tons grading 0.6 percent copper, 1.7 percent lead, 3.8 percent zinc, 62 g/t silver,

NOVAGOLD RESOURCES INC.



NovaGold Resources Inc. and Barrick Gold Corp. have delineated 33.6 million of gold reserves and 8.7 million ounces of gold resources at their Donlin Gold Project in the Kuskokwim Gold Belt of Southwest Alaska.

and 1.7 g/t gold has been calculated for Delta. Explorers also found large massive sulfide boulders on the 39,840-acre, or 16,123-hectare, property that average 113 g/t silver 7.3 percent lead, 5.6 percent zinc, 113 g/t silver and 0.7 g/t gold.

"Delta is an early-stage project, but it also represents an emerging massive sulfide district with the potential to be in the top tier of global districts of its type," Heatherdale President and CEO Patrick Smith said of the find.

### Kuskokwim Gold Belt

At the western end of the Golden Arc lies the Kuskokwim Mineral Belt, a 645-kilometer- (400-mile-) long gold-rich expanse that runs northeast from the Goodnews Bay region of Southwest Alaska.

The 40-million-ounce Donlin gold deposit — being developed by Barrick Gold Corp. and NovaGold Resources — highlights the potential of the western portion of the Tintina Gold Belt and the expense of building a mine in Alaska.

Preliminary estimates released by NovaGold in September anticipate capital requirements of US\$7 billion to build the mine facilities and supporting infrastructure at the enormous

*continued on next page*

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The enormous Pebble deposit in the Kahiltna Terrane of Southwest Alaska contains an estimated 80.6 billion pounds of copper, 107.4 million ounces of gold and 5.6 billion pounds of molybdenum.

SHANE LASLEY

## ALASKA OVERVIEW *continued from page 15*

deposit.

Though these costs seem staggering, the Donlin Gold partners seem confident the feasibility study currently underway will outline a project with positive economics.

"The updated study is expected later this year and we anticipate permitting will commence shortly after that," Barrick Regional President, North America Greg Lang said a day after the estimated costs were announced.

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.

Invenio Resources Corp., a newcomer to Alaska, is looking for Donlin-style mineralization at its Ganes Creek property about 40 kilometers (25 miles) west of McGrath.

Ganes Creek – which is famed for its enormous gold nuggets, including the 5th- and 13th-largest ones ever found in Alaska, at 122 and 62.5 troy ounces, respectively – has given up some 250,000 ounces of placer gold and an estimated 734,000 ounces of the alluvial aurum still remains. The coarse nature of the gold suggests a nearby lode.

In the search for the hardrock source, Invenio is targeting two styles – structurally controlled vein systems with the potential to host high-grade gold and lower grade disseminated mineralization.

Vinasale, found on the northern end of the Kuskokwim Gold Belt about 26 kilometers (16 miles) south of McGrath, is another intrusive-related gold project that saw drilling in 2011.

A 4,000-meter drill program carried out by Freegold Ventures Ltd. in 2011 was designed to upgrade and expand a recently calculated 1.33-million-ounce gold resource at Vinasale.

Besides Donlin Creek-style mineralization, the Kuskokwim belt also hosts Nixon Fork, a carbonate skarn deposit rich in copper, silver and high-grade gold; several mercury-antimony deposits; and a large past-producing placer platinum deposit.

## World-class porphyries

Paralleling the Tintina Belt to the south lies a band of mineral-rich terranes, or series of related rock formations, drawing the attention of senior and junior miners. This arc consists of the Wrangellia Composite and Kahiltna terranes, two interrelated but distinct assemblages.

The Kahiltna Terrane – home of the enormous Pebble deposit being advanced by Anglo American plc and Northern Dynasty Ltd. – is highly regarded for its potential to host other world-class porphyry copper-gold and intrusive gold deposits.

With its 80.6 billion pounds of copper, 107.4 million ounces of gold and 5.6 billion pounds of molybdenum, the Pebble deposit ranks amongst the world's largest for any of these metals – combined it is extraordinary.

Formed when the Wrangellia Composite Terrane thrust up the ocean floor as it collided with Alaska and pumped with copper and gold-bearing fluids at least twice, the more than 650-kilometer (400-mile) long Kahiltna Terrane provides the ideal setting for explorers to search.

"The discovery potential is very high for porphyry deposits generally in this arc environment, but I would also say that Pebble-look-alikes are probably not likely. However, this does not preclude the potential to find other large porphyry deposits with their own unique sets of characteristics. So, we should not over-focus on the Pebble model, but we should focus more on the favorable environment that Pebble represents," Pebble Partnership Chief Geologist Jim Lang explains.

About 280 kilometers (175 miles) northwest of Pebble, Kiska Metals is seeking additional large porphyry deposits at its Whistler gold-copper.

The 527-square-kilometer (203-square-mile) Whistler property hosts one deposit with an estimated 3.1 million ounces of gold, 769 million pounds of copper and 13.2 million ounces of silver. Other prospects here are showing the potential to be significantly larger than this initial find.

Immediately west of Whistler, Millrock Resource Inc. and Teck Resources Ltd. are seeking large intrusive-style or porphyry-related gold deposits on the expansive Estelle project.

*continued on page 18*

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The 2,500-meter program carried out in 2011 is the first drilling at Estelle since Millrock picked up the 246-square-kilometer (95-square-mile) property in 2008.

Though the Kahiltna assemblage is best known for its porphyry and other intrusive related copper and gold projects, the region also is highly prospective for other styles of mineralization.

"All over the Kahiltna Terrane keep your mind open to any style of mineralization — it could be VMS (volcanogenic massive sulfide), a skarn or a great big vein," Millrock President and CEO Greg Beischer told Mining News.

A great big vein is what Corvus Gold Corp.'s project partner, WestMountain Index Advisors Inc., is hoping to mine at the Terra project some 30 kilometers (19 miles) west of Estelle.

The company is currently setting up a small-scale mill and gravity circuit designed to process ore from the Ben Vein, a one-meter thick high-grade vein-system that averages about 19.8 g/t gold. While setting up the mill, WestMountain is drilling to extend the vein along strike and at depth with the aim of adding to the 168,000 ounce of gold currently outlined.

The Wrangellia Terrane, a subset of the larger composite terrane that bears the same name, stretches east from Southcentral Alaska through southern Yukon Territory and along the coast of British Columbia. This island arc is known for its nickel and platinum group elements as well as 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 about 265 kilometer (165 miles) southeast of Fairbanks.

Though exploration in recent years has focused on discovering an ultramafic intrusion believed to be the source of surface nickel mineralization, two other metals — platinum and palladium — have grabbed the spotlight at the property.

A US\$4.8 million exploration program funded by JV partner Itochu Corp. carried out in 2011 followed up on the previous year's drilling, which encountered two platinum group element-enriched horizons stretching along the property's Alpha complex.

Corvus Gold's Chisna project — about 12 kilometers (20 miles) east of Man — is a 914-square-kilometer (353-square-mile) land package that encompasses multiple copper and gold prospects. A US\$2.3 million exploration program funded by Ocean Park Ventures Corp. focused on a newly discovered gold zone known as Golden Range.

A 280-kilometer (175-mile) long area of rare earth element soil anomalies has also been outlined in this region along the southern slopes of the Alaska Range.

### Alaska Peninsula porphyries

A belt of much younger porphyries can be found further southwest on the Alaska Peninsula and Aleutian Islands.

This active island arc on the Ring of Fire has received limited modern exploration but is known to host both epithermal gold and porphyry copper-gold mineralizing systems.

Several prospects have been identified along the nearly 1,600-kilometer (1,000-mile) long peninsula and island chain.

Full Metal has an agreement to explore around 1.4 million acres of prospective Native-owned land on the Alaska Peninsula. The Pyramid copper-molybdenum porphyry and Unga-Popov epithermal gold projects highlight the potential of the region.

Pyramid — which hosts 125 million metric tons of near-surface mineralization grading 0.403 percent copper and 0.025 percent molybdenum — is being drilled by Full Metal and Chile-based project partner Antofagasta Minerals S.A.

Unga-Popov — an epithermal gold project on an island about 40 kilometers (25 miles) south of Pyramid — was also the target of partner-funded exploration in 2011. This property — which 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.

Redstar Gold Corp. — which signed an agreement with Full Metal in June giving it the right to earn up to a 75 percent interest in the Unga-Popov — began drilling the gold project in September. The 2011 drill program focused on confirming and expanding the historical high-grade gold mineralization.

### Zinc-copper-rich Northwest

The western reaches of the Brooks Range — a chain of mountains that spans the more than 970-kilometer (600-mile) width of Alaska north of the Arctic Circle — is home to both sedimentary exhalative deposits with extraordinarily high zinc grades and outstanding copper-rich VMS deposits.

Averaging 20 percent zinc over its first two decades of production, the Red Dog Mine, co-owned by Teck Resources Ltd. and NANA Regional Native Corp., is an example of the potential of this region.

"Red Dog is one of the greater lead-zinc deposits in the world, and there is more potential for those in Northwest Alaska as well as other places (where) there are Paleozoic rocks that are similar to Red Dog," observed Millrock Vice President of Exploration Phil St. George.

*continued on page 20*

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Pyramid – a porphyry copper-gold-molybdenum project being drilled by Full Metal Minerals and Chile-based project partner Antofagasta Minerals – is situated on the Alaska Peninsula, an active island arc stretching 1,600 kilometers (1,000 miles) off Southwest Alaska.

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As Teck continues to mine Red Dog, it is seeking similar deposits in the region. Anarraaq – a prospect with a preliminary resource of 18 million metric tons grading 18 percent zinc, 5.4 percent lead, and 85 g/t silver about 11 kilometers (8 miles) northwest of the mine – is one of several targets of this search.

Zazu Metals Corp. is currently studying the feasibility of mining Lik, a zinc-lead-silver deposit about six miles (10 kilometers) west of Anarraaq.

The ore-body at Lik is divided into two deposits separated by a fault – the near-surface Lik South has an indicated resource of 18.74 million metric tons grading 8.08 percent zinc, 2.62 percent lead and 52.8 grams per metric ton silver; and the deeper Lik North has an inferred resource of 5.18 million metric tons grading 9.65 percent zinc, 3.25 percent lead and 51 g/t silver.

The VMS potential of Northwest Alaska is exemplified by NovaGold's Arctic deposit. A preliminary economic assessment prepared for this copper-rich deposit envisions a 4,000-metric-ton-per-day-mine producing some 1.7 billion pounds of copper, 2 billion pounds of zinc, 291 million pounds of lead, 266,000 ounces of gold and 22 million ounces of silver over a 25-year mine-life.

"This preliminary economic assessment demonstrates the robust economics of developing one of the highest-grade VMS deposits in the world," Van Nieuwenhuysen said.

Arctic is one of several deposits in a belt of precious metals-enriched volcanogenic massive sulfide mineralization that stretches along the southern slope of the Brooks Range in Northwest Alaska.

Andover Ventures Inc.'s Sun deposit, for example has a historical resource of 20.3 million metric tons averaging 74 g/t silver, 1.9 percent copper, 4.5 percent zinc and 1.2 percent lead.

Andover is having this resource updated to NI 43-101 compliance based on 50 holes drilled here, including drilling completed in 2011.

Sun11-28, which tested a 250-meter wide gap in the previous drilling, cut 10.65 meters averaging 2.56 percent copper, 4.47 percent zinc, 0.81 percent lead, 63.8 g/t silver and 0.22 g/t gold.

Bornite a large under-explored copper deposit located about 27 kilometers (17 miles) to the southwest

## VMS, REE in Southeast

In the opposite corner of Alaska, the

CONSTANTINE METAL RESOURCES LTD.



Constantine Metal Resources' Palmer project is located at the northern end of a 725-kilometer (450-mile) belt of volcanogenic massive sulfide deposits that stretches along the Southeast Alaska Panhandle.

southeast panhandle has no shortage of precious, base and rare earth metals targets.

A 450-mile-, or 725-kilometer-, long belt of VMS deposits stretches along the length panhandle encompasses such metals-rich deposits as Niblack, Greens Creek, Palmer and, as the belt continues into British Columbia, Windy Craggy.

Heatherdale Resources Corp.'s Niblack project was the target of the largest exploration program in Southeast Alaska.

According to a resource estimate released in early March, Niblack contains indicated resource of 4.1 million metric tons averaging 1.13 percent copper, 2.32 grams per metric ton gold, 2.27 percent zinc and 38.7 g/t silver; and an additional inferred resource of 1.74 million metric tons grading 1.21 percent copper, 1.77 g/t gold, 2.29 percent zinc and 25.90 g/t silver.

With a 2011 exploration program expected to top US\$20 million by the close of the year, Heatherdale and its joint venture partner, Niblack Mineral Development Inc., are rapidly advancing this precious metal-rich VMS deposit toward a production decision.

At some 8 million tons of reserves averaging 426 grams per metric ton silver, 3.4 g/t gold, 10.5 percent zinc and 3.8 percent lead; Hecla Mining Co.'s Greens Creek host's the most silver-enriched of the known deposits along this trend.

Constantine Metal Resources Ltd.'s Palmer Project at the north end of Alaska's portion of the VMS belt contains about 31

g/t silver – along with 2 percent copper, 4.8 percent zinc, and 0.30 g/t gold.

Anchored by Ucore Rare Metals Inc.'s Bokan Mountain project to the south, the length of the Southeast Alaska Panhandle is also prospective for REE deposits.

An inaugural NI 43-101-compliant resource calculated for Bokan earlier this year estimates the deposit hosts an inferred mineral resource of 3.7 million metric tons grading 0.75 percent total rare earth oxides.

Though not particularly large or high-grade, the Bokan deposit is believed to be 39 percent heavy rare earth oxides, which are the more valuable REEs.

Technology Metals Research co-founder Jack Lifton – considered to be the leading authority on the sourcing and end-use trends of rare and strategic metals – said Bokan Mountain is key to securing a domestic supply of the critical heavy REEs in THE United States.

"Because of its proportion of heavy rare earths, (Bokan) is the most desirable deposit to be developed in the United States," Lifton said. "For the future of this country, this development in Alaska is very important."

A trend of REE prospects has been identified along the entire 220-kilometer (135-mile) length of Prince of Wales Island; which is a subset of a 560-kilometer (350-mile) belt prospective for these strategic metals. All told, more than two dozen prospects have been identified along the panhandle.



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CHAIRMAN: Ronald Netolitzky, M.Sc. Geology

PRESIDENT: James G. Pettit

QUALIFIED PERSON: Carl Schultz, B.Sc., P. Geo.

PROJECT MANAGER: Aaron Higgs

Aben Resources Ltd. is a Canadian gold and silver exploration company actively involved with the development of properties in Yukon Territory, Northwest Territories, Saskatchewan and Ontario. The company has an extensive proprietary database for the Yukon as well as the rights to 172,732 hectares (426,821 acres) of prospecting permits in the NWT. In May, Aben said it engaged TerraLogic Exploration Inc. of Cranbrook, B.C. to oversee all aspects of a C\$5 million 2011 exploration and drilling program at its Yukon and

Northwest Territories projects. These include the 1,100-acre Hit gold project located 27 kilometers (16 miles) north-northeast of MacMillan Pass in central Yukon Territory, the 31,382-acre Rude Creek gold, copper and molybdenum project located in the Dawson Range, Yukon and the 426,821-acre (1,727 square kilometers) Selwyn Recce prospecting permits project located to the east of Atac Resources Ltd's Rackla gold project. Work planned included additional staking, soil and silt sampling, geophysical surveys and diamond drilling. Aben said exploration was to commence by mid-June at the 2,718-acre Rusty Springs project located north of Dawson City where notable drill results include 1,140 grams per metric ton (33.27 ounces per ton) silver, 4.72 percent lead and 2.30 percent copper over 37.5 meters from surface, and would follow at the Hit and Rude Creek gold projects. The junior also reported that four to five weeks of exploration with about 2,000 meters of drilling from four pads would start in early August at the 80-claim Justin (Sprogge) gold project located in east-central Yukon about 35 kilometers south of the recently re-opened Cantung Mine. The property returned historical grab samples including up to 59.25 g/t gold, and historical chip samples grading 2.38 g/t gold over 22.5 meters. By June 30, Aben said it had incurred C\$53,421 in acquisition costs and about C\$1.4 million in exploration expenditures at the Selwyn Recce project.

## CASH AND SHORT-TERM DEPOSITS:

C\$6.6 million (at June 30, 2011)

## WORKING CAPITAL:

C\$6.2 million (at June 30, 2011)

## MARKET CAPITALIZATION:

C\$17.17 million (at Sept. 2, 2011)

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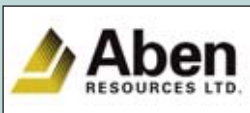
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# Corvus reunites Tower Hill team

## Pontius, Myers take helm of new junior seeking gold in Alaska, Nevada

By SHANE LASLEY  
Mining News

**W**ith a 20-million-ounce gold discovery embellishing their résumés, International Tower Hill Mines Ltd. co-founders Jeff Pontius and Russell Myers have taken the helm of Corvus Gold Inc., a junior formed in 2010 to explore Tower Hill's non-Livengood assets.

During the initial year after the spin-out, Pontius continued to guide Tower Hill and its Livengood project into the transition from advanced exploration to early development and Myers turned his attention to getting Corvus off the ground. In July, Pontius relinquished his role as CEO of Tower Hill to do what he most enjoys – finding world-class deposits.

"My real day-to-day focus will be on taking Corvus forward and hopefully building the next ITH (International Tower Hill) out of Corvus," Pontius told Mining News.

Corvus' portfolio – the Terra, Chisna, LMS and West Pogo projects in Alaska and the North Bullfrog property in Nevada – provides the 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 develop 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



RUSSELL MYERS



JEFF PONTIUS

### Corvus Gold Inc.

KOR:TSX

CHAIRMAN AND CEO: Jeff Pontius

PRESIDENT: Russell Myers

ALASKA EXPLORATION MANAGER: Chris Brown

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\$7.6 million (May, 31 2011)

WORKING CAPITAL: C\$7.2 million (May, 31 2011)

MARKET CAPITALIZATION: C\$23.3 million (Sept. 26, 2011)

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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 Myers said.

### Near term royalty

The Terra gold project located in the Kahiltna Terrane of Southwest Alaska has the potential to provide a near-term royalty stream for Corvus. WestMountain Index Advisor, Inc., which has an option to earn up to an 80 percent interest in the high-grade gold property, is targeting the startup of a small-scale operation by 2012.

Greg Schiffrin, a geologist with 28 years of mineral exploration experience, is WestMountain's president and CEO and James Baughman, with a quarter century of experience in mineral exploration and mine development experience, is the company's COO.

The ore will be mined from the Ben Vein, a one-meter thick high-grade vein-system that averages about 19.8 grams of gold per metric ton over a strike of at least 600 meters.

Past drilling by Tower Hill defined an inferred resource of 428,000 metric tons averaging 12.20 g/t gold (168,000 contained ounces) and 23.11 g/t silver (318,000 contained ounces) at a cutoff of 5 g/t gold.

Metallurgical studies reveal that a simple gravity circuit will recover more than 80 percent of this gold.

In 2011, WestMountain began bulk sampling the Ben Vein which includes the construction of a pilot mill for small-scale gold production.

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

In addition to its mining efforts, WestMountain completed a 594-meter drill program that extended the strike of Ben Vein.

Past drilling by Tower Hill had traced the high-grade gold for some 400 meters laterally and to a depth of about 350 meters. WestMountain's 2011 drill program has intersected the Ben Vein a further 200 meters to the north. Additionally, two holes cut a similar parallel structure in the hangingwall over a strike of 100 meters.

Historical holes which cut 0.6 meters of 43.20 grams per metric ton gold at 323 meters depth and 1.99 meters of 13.9 g/t gold at 324.61 meters depth indicate the potential of expanding the Ben Vein to depth.

"We are excited that the drilling has identified the extension of the Ben Vein zone. This was the goal for this season's drilling and makes the case for the Ben Vein having the potential to hold one million ounces of gold," said Schiffrin.

## Golden Range of targets

Corvus' Chisna Project blankets some 914 square kilometers (353 square miles) of porphyry copper-gold-prospective land along the southern slopes of the Alaska Range.

To gain a better understanding of this extensive land package project partner Ocean Park Ventures Corp. funded a C\$6.2 million exploration program in 2010.

Although the 5,000-meter drill program carried out in 2010 failed to tap the economically viable mineralization targeted, a reconnaissance team led by Nadia Caira, an Ocean Park geologist with more than 28 years of porphyry copper-gold exploration experience, turned up a number of other promising targets across the 65-kilometer (40-mile) long belt of gold and copper mineralization at Chisna.

Golden Range, a 9-kilometer (5.6-mile) long iron-carbonate zone with highly anomalous gold in bedrock and soils, is a target Ocean Park found particularly interesting.

The 2010 reconnaissance program also turned up the Southwest Grubstake prospect, a gold-rich base metal vein system that stretches for at least 600 meters. The average grade of 19 rock samples taken from in-place boulder trains and outcrop here averaged 7.38 g/t gold, 8.82 g/t silver, 0.91 percent lead and 0.16 percent zinc.

Though Southwest Grubstake and numerous other prospects across the vast Chisna land-package are promising targets for future investigations, Ocean Park focused its 2011 exploration on Golden Range.

To further refine targets for a 5,000-meter drill program that started in August, Ocean Park deployed a technical team to conduct a detailed geological and geochemical survey of Golden Range.

"What we have had the geologists on the project do is identify



CORVUS GOLD CORP.

Corvus Gold's Chisna Project blankets some 914 square kilometers (353 square miles) of copper-gold-prospective land along the southern slopes of the Alaska Range.

some of the most prospective intersections and other features that warrant the first phase of the drilling," Ocean Park Vice President of Exploration Chris Taylor told Mining News.

By September the company had assay results from 897 grab and chip samples taken from an eight-square-kilometer (three-square-mile) area at Golden Range. These assays have ranged from below detection limits to 79.8 g/t gold, with an average of 1.37 g/t gold.

With this initial work, Ocean Park identified seven zones to test with this year's 17-hole program.

## First Star drills LMS

West Pogo and LMS, two additional Alaska projects 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 Mine, a high-grade underground gold producer east of

*continued on next page*



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First Star Resources' camp at the LMS gold project about 40 kilometers (25 miles) southwest of Sumitomo Metal Mining's Pogo gold mine in Interior Alaska.

CORVUS GOLD CORP.

## CORVUS *continued from page 23*

Fairbanks.

LMS, an early stage gold project located about 40 kilometers (25 miles) southwest of Pogo, is the primary focus of First Star's 2011 exploration efforts.

Expanding the Camp Zone, an area of narrow high-grade gold veins enveloped by lower grade graphitic quartzite breccias, was the target of some 5,000 meters of drilling carried out by the junior in 2011.

First Star started its phase-1 drilling in March. Only one of the planned two holes of this early-season program was completed.

Hole LM-11-40 – the phase-1 hole that reached targeted depth – cut 21.2 meters grading 5.8 g/t gold and 12.6 g/t silver in the graphitic quartzite breccia, including 5.2 meters averaging 21.4 g/t gold and 33.5 g/t silver.

First Star said an additional seven holes drilled during the phase-2 of the program successfully encountered the graphitic quartzite breccias of the Camp zone, but assay results were pending at the time of this report. A follow-up drill program that started in September is extending into the winter.

Based upon the results of the drilling, First Star plans to complete a resource estimate in 2012.

## PEA at Bullfrog

While partners are funding exploration on its Alaska properties, Corvus is advancing the North Bullfrog gold project on its own.

Located about 14 kilometer (9 miles) north of Barrick Gold Corp.'s multimillion-ounce Bullfrog gold mine in Nevada, North Bullfrog 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.

Corvus plans to complete an updated resource in the third quarter of 2011 followed by a preliminary economic assessment focused on a potential conventional open pit and run-of-mine heap leach mining operation.

Pontius said that while advancing Bullfrog and the other projects in its portfolio, Corvus will continue to seek out new gold projects in under-appreciated regions of North America, but did not divulge any details.

If Livengood is any indication, Pontius and Myers will not waste any time in their search for another globally significant gold deposit.

"I am excited to be able to go and put more time and effort into Corvus and hopefully be able to do this again," Pontius said.

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**Alaska**

# Heatherdale eyes high-grade VMS

Contemplating development  
at Niblack, junior grabs  
earlier-stage Delta

BY SHANE LASLEY  
Mining News

**H**eatherdale Resources Ltd. has spent more than US\$25 million since 2009 on expanding the copper-gold-silver-zinc deposits at the Niblack project on Prince of Wales Island.

This aggressive exploration program, which includes more than 40,000 meters of drilling, has provided the Hunter Dickinson Inc.-affiliated junior with the confidence to advance the Southeast Alaska project toward feasibility.

"Drilling over the past two years has affirmed the potential of the Niblack project. The volume and grade of mineral resources at Lookout and Trio announced earlier this year, established a base to advance the project," said Heatherdale President and CEO Patrick Smith. "Initial engineering and technical studies for the completion of a preliminary economic assessment, as well as the foundation for a prefeasibility study for the project are also under way."

Now contemplating the viability of building a mine at that precious metals-enriched volcanogenic massive sulfide project, the company has added Delta, an earlier stage VMS prospect located in eastern Interior Alaska, to its portfolio.

"With the addition of another Alaska VMS project at Delta, we can take advantage of the technical knowledge and insights of our geological team, as well as our growing corporate presence in Alaska, to move two similarly promising projects at different points in the development curve forward in a timely and efficient way, thereby securing both short-term and long-term value for shareholders," Smith said.

## Niblack PEA planned

To realize the near-term opportunity for its shareholders, Heatherdale is rapidly moving Niblack toward feasibility, while increasing its ownership of the VMS project.



HEATHERDALE RESOURCES LTD.

After completing more than 40,000 meters of drilling, Heatherdale Resources Ltd. is studying the viability of building a mine at its Niblack volcanogenic massive sulfide project in Southeast Alaska.

Based on 308 holes drilled by Heatherdale and previous operators a resource estimate released in early March outlined an indicated resource at the Lookout and Trio deposits of 4.1 million metric tons averaging 1.13 percent copper, 2.32 grams per metric ton gold, 2.27 percent zinc and 38.7 g/t silver. These deposits have an additional inferred resource of 2.49 million metric tons grading 1.21 percent copper, 1.77 g/t gold, 2.29 percent zinc and 25.90 g/t silver.

Inside the larger resource at Lookout, which was calculated at a US\$50 net smelter return cut-off, Heatherdale has delineated a higher-grade core that it considers to be an ideal starter zone as the company contemplates building an underground mine at

Niblack. Using a US\$150 NSR cut-off, this core zone contains 1.46 million metric tons averaging 1.73 percent copper, 3.5 g/t gold, 3.84 percent zinc and 61.6 g/t silver.

An agreement penned between Heatherdale and Niblack Mineral Development Inc. in 2009 provides Heatherdale the option to incrementally increase its interest in the Niblack project. By the beginning of 2011, Heatherdale earned an initial 51 percent stake in the project by spending US\$15 million on exploration. Eight months later, the company spent an additional US\$10 million, boosting its ownership to 60 percent.

In October, the partners agreed to further consolidate the ownership of the Niblack project through a friendly acquisition. Under the terms of the agreement, Heatherdale will buy out its partner's common shares, on the basis of one-half of a Heatherdale share for every Niblack share.

"Having reached the next stage at the Niblack project, we believe that this transaction will provide Niblack investors, along

with Heatherdale investors, with the opportunity to participate in the future growth of the combined company," said Heatherdale Chairman Scott Cousens.

Heatherdale has completed some in-house scoping for the Niblack project and expects to have a preliminary economic assessment completed by the end of the year. Depending on the results of the PEA, a prefeasibility study will likely follow in 2012.



## Heatherdale Resources Ltd.

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CHAIRMAN: Scott Cousens  
PRESIDENT AND CEO: Patrick Smith  
EXECUTIVE GENERAL MANAGER:  
Lena Brommeland

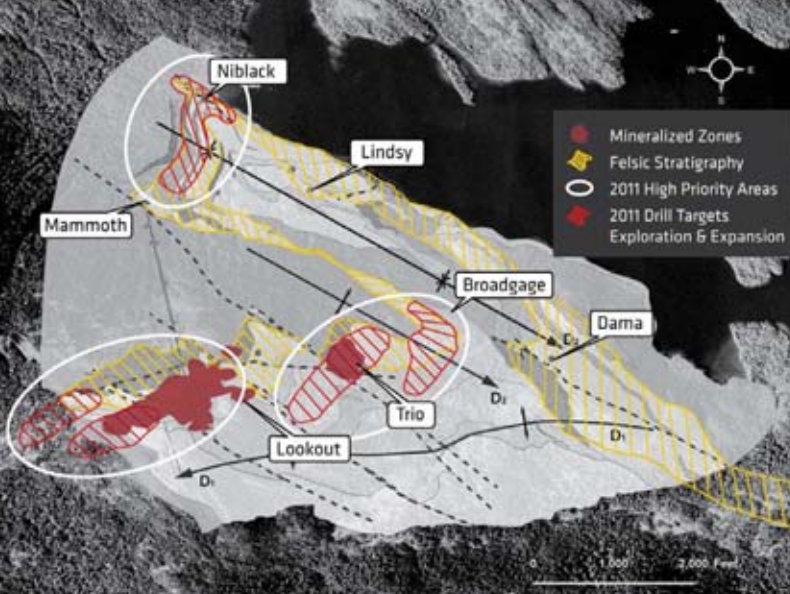
PROPERTIES WITH MINERAL(S) EXPLORED:  
Polymetallic VMS – Niblack, Alaska  
Polymetallic VMS – Delta, Alaska

CASH AND SHORT TERM DEPOSITS:  
US\$7.2 million (July 31, 2011)  
WORKING CAPITAL:  
US\$1.8 million (July 31, 2011)  
MARKET CAPITALIZATION:  
C\$31.1 million (Sept. 26, 2011)

15th Floor — 1040 West Georgia St.  
Vancouver, BC Canada V6E 4H1  
Tel: 604-684-6365 • Fax: 604-684-8092  
www.heatherdaleresources.com

*continued on next page*





**HEATHERDALE** *continued from page 25*

### Beyond Lookout

Though the Lookout and Trio zones have demonstrated the volumes and grades to consider the viability of building a mine, the modeling done by Heatherdale the horizon that hosts this mineralization extends more than 10 kilometers (6 miles), of which only about 2 kilometer (1.2 miles) has been well tested by the successful drilling campaigns in the Lookout area.

In July, Heatherdale announced that it had struck a new zone of deeper mineralization between Lookout and Trio rich in gold and silver. Five of the six holes targeting this lower stratum cut mineralization. U123, the best hole of this series, cut 2.4 meters averaging 19.51 g/t gold, 263 g/t silver and 1.67 percent copper. Heatherdale said this zone, which confirms a hypothesis of a repetitive zone of

mineralization at depth, will add ore to the deposit.

The exploration drift from which Heatherdale is conducting its underground drilling is collared into the Mammoth zone about 915 meters northwest of Trio. Historically, narrow widths of sea floor accumulation style mineralization were intersected in several holes in this area but limited drill efforts had been made to extend those intersections along strike or down dip. The Heatherdale team reviewed the historic data and designed a series of drill fans to better assess these mineralized zones. Significant intersections were encountered in drill holes U112 and U114, indicating good potential.

U112 cut 5.8 meters averaging 3.32 percent copper, 0.49 g/t gold, 3.14 percent zinc and 28 g/t silver; including 2.2 meters averaging 6.78 percent copper, 0.99 g/t gold, 7.07 percent zinc and 59 g/t silver.

With an enhanced understanding of the VMS mineralization at Niblack, Heatherdale geologists have generated some new ideas about additional targets as the VMS mineralization wends its way through Lookout Mountain.

One such target is in the area of the historical Niblack Mine, which from 1905 to 1908 miners extracted some 20,000 tons of ore grading 4.9 percent copper, 2.2 g/t gold and 30 g/t silver from underground workings here.

From the historical mine, the mineralization appears to turn sharply to the southeast and could continue for some 5,000 meters in this direction. A historical hole drilled in the Dama zone – located about mid-way along this projected path of mineralization – cut 19.2 meters averaging 6.4 percent copper, 1.37 g/t gold, 53 g/t silver and 3.2 percent zinc. A copper-in-soil anomaly extends along the projected mineralized path beyond Dama.

Heatherdale is utilizing a helicopter-mobile surface drill to test this mineralized trend.

"It is the first time, really, that the team has been able to get out there and do some exploration drilling," Smith told Mining News.

### Mid-stage opportunity

In July, Heatherdale moved its surface drill from Niblack to conduct a 30-day drill program at Delta, an earlier phased VMS project the junior picked up in February.

While surface drilling at Niblack can be conducted year-round, Delta, located in Interior Alaska about 58 kilometers (36 miles) southwest of the town of Tok, is best drilled during the summer months

Delta has been investigated by a number of exploration companies since VMS mineralization was discovered there 35 years ago. This segmented historical exploration, which includes 23,711 meters of drilling, has revealed 40 mineral occurrences on the property, seven of which have had inferred resources calculated for

*continued on page 28*




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### Advanced Explorations Inc.

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**PRESIDENT AND CEO:** John Gingerich, P. Geo

**VP ENGINEERING AND TECHNOLOGY:** Florin Gheorghiu, Ph.D.

**VICE PRESIDENT, EXPLORATION:** Steve Roebuck

Advanced Explorations Inc. is aggressively exploring its Roche Bay and Tuktut iron ore projects in Nunavut, along with promising West Melville Peninsula nickel and copper showings and an iron sands project on the northwest coast of the Alaska Peninsula about 700 kilometers (434 miles) southwest of Anchorage, Alaska. Advanced Explorations plans to produce iron products initially from the C Zone, one of four zones on the 3,730-hectare (9,213 acres) Roche Bay property, which is located in one of the world's largest developing iron ore districts in eastern Nunavut. The C zone has an indicated resource of 323 million metric tons averaging 26.7 percent total iron (25.8 percent magnetic iron) and an inferred resource of 226 million metric tons averaging 25.8 percent total iron (23.8 percent magnetic iron), both at a 20 percent iron cut-off grade, representing only a small portion of the potential 140 kilometers (87 miles) of banded iron formation. About 60 percent of the project's original inferred resource was re-classified as "indicated" in April 2011.

The company's primary objective in 2011 was to complete an open pit mine feasibility study on Roche Bay encompassing a base case of initially a minimum 3-million-metric-ton-per-year iron concentrate production. Exploration plans included up to 7,500 meters of infill drilling and additional drilling along strike aimed at increasing the project's NI 43-101-compliant resource estimate to exceed 750 million metric tons. A drill program began in the third quarter of 2011. The junior also continued exploration of its Tuktut Project, which encompasses 11 claims covering about 22,000 hectares (54,340 acres) of previously unexplored land some 60 kilometers, or 37 miles to the north of Roche Bay. During the six months that ended June 30, 2011, Advanced Explorations spent more than C\$1.9 million on exploration and development activities, including geotechnical and environmental baseline studies, at Roche Bay; C\$3.1 million on exploration at Tuktut and C\$159,235 on exploration in Alaska. Additional expenditures were planned in the latter half of the 2011 calendar year. Work at Tuktut, beginning in April 2011, included up to 3,000 meters in a phase 1 drill campaign designed to reveal a potential iron ore resource comparable to Roche Bay. Preliminary assay results from the Tuktut Project returned very long intersections of 32-33 percent iron, with some results showing a high-grade lens that grades greater than 50 percent iron. The proximity of Tuktut to Roche Bay and the deposit's exceptional iron results enhance the prospect of the project being a satellite operation leveraged from the proposed Roche Bay infrastructure. Advanced Explorations expects to initiate a NI 43-101-compliant resource study for the Tuktut project once all detailed mapping has been completed



and all drill assay results have been received.

By June 30, Advanced Explorations had won approval from its shareholders and the Toronto Stock Exchange to proceed with a strategic joint venture with Chinese state-owned mining and manufacturing conglomerate, XinXing Pipes Group Co. Ltd., in which XXP has acquired 15.5 percent of the junior's issued and outstanding stock for gross proceeds of C\$5.3 million. The agreement also included a seat for XXP on Advanced Explorations' board of directors. A preliminary economic assessment for the C zone at Roche Bay indicates a potential US \$1.1 billion net present value with a 24 percent internal rate of return and the potential for rapid advancement into development of either iron concentrate or high value iron nugget products. Roche Bay also hosts additional resources in zones A, B and D that could support a 50-year mine life.

Advanced Explorations also intensified its efforts in 2011 to secure lands relevant to mineral showings on the West Melville Peninsula with additional staking and prospecting in an underexplored 3-billion-year-old greenstone belt. The junior targeted prospective formations believed to be similar to the nearby Adamson River nickel showing as described by the Geological Survey of Canada (Open File 6729 with assayed grades up to 8 percent nickel). In addition, the company reported undertaking an airborne magnetic survey of its Alaska iron sands project aimed at better defining the size, shape and distribution of magnetite-bearing sands in a placer deposit both onshore and in the offshore area. A composite sands sample taken during an initial site visit returned a result of 8.23 percent Fe<sub>2</sub>O<sub>3</sub>, which compares favorably to other iron sands projects. John Gingerich, president and CEO of Advanced Explorations, said the airborne survey was a rapid and cost-effective way to map the distribution and thickness of the magnetite-bearing sands, data that will be used to guide follow-up exploration as the junior further defines the attributes of the deposit. "We believe the project's ocean location and proximity to China provide significant economic development advantages," Gingerich said Aug. 10. Under an option agreement with Alaska-based 7th Sea Holding Company LLC, Advanced Explorations is required to undertake work commitments of US\$2.0 million and cash and/or stock payments of US\$ 1.6 million over a 15-month period. The claims are subject to a 3 percent net smelter returns royalty with an option for the company to buy back up to 1.75 percent of the royalty. However, the explorer has delayed work in Alaska to focus on the feasibility study for Roche Bay and its increased West Melville activities. Advanced Explorations said it anticipates initiating a work program with a more systematic sampling and auger drill program to better characterize (tonnage and grade potential) of the resource at the Alaska project early in the fourth quarter.

**CASH AND SHORT-TERM DEPOSITS:** C\$8.3 million (at June 30, 2011)

**WORKING CAPITAL:** C\$7.2 million (at June 30, 2011)

**MARKET CAPITALIZATION:** C\$59.6 million (at Aug. 26, 2011)

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### HEATHERDALE *continued from page 26*

them.

"Delta is not by any means a greenfield opportunity; it's been explored in the past, mostly by Inco, and has an inferred resource put together from that work. And that resource has similar gross metal values as Niblack does," Smith explained.

An inferred resource of 15.4 million metric tons grading 0.6 percent copper, 1.7 percent lead, 3.8 percent zinc, 62 g/t silver, and 1.7 g/t gold. This resource, estimated at a cut-off of US\$80 per metric ton over a 2.4 meter width, is distributed amongst seven occurrences in three southeast to northwesterly trending horizons.

Heatherdale's 2011 drill program focused on a 100-acre, or 40-hectare, area that encompasses these deposits.

Work by previous operators at Delta revealed numerous occurrences of massive sulfides in three southeast to northwesterly trending horizons that stretch more than 19 kilometers (12 miles). Heatherdale said there is strong potential for expansion of known resources and to discover new deposits across the 39,840-acre property.

Before vending the property to Heatherdale, Hunter Dickinson, which optioned the property in 2010, completed an extensive evaluation of the prospect, including a 725-line-kilometer versatile time domain electromagnetic geophysical survey flown over the entire land package. This encompassing assessment helped unify the information from the disjointed historical exploration and earned the privately-held company an initial 60 percent stake in the property.

"The Heatherdale technical team has done an excellent job defining top rank targets for drill testing. These exciting new targets are the result of detailed compilation of historic data combined with an analysis of the airborne versatile time domain electromagnetic geophysical survey completed over entire Delta district in 2010," said Smith.

Along with the drilling, Heatherdale's exploration team is further evaluating and sampling a variety of other potential drill targets on the property.

"Delta is an earlier-stage project, but it also represents an emerging massive sulfide district with the potential to be in the top tier of global districts of its type," Smith added.

# B.C.'s potential attracts explorers

Province paves industry's path to mineral riches with numerous benefits

By THE HON. RICH COLEMAN  
Special to Mining News

Since the mid-1800s, British Columbia has been one of the world's major mining and exploration regions, and today, we are enjoying the results as mineral exploration is increasing.

Mineral exploration spending more than doubled in 2010 to C\$322 million from the year before, and B.C. was home to 13 percent of Canada's total exploration spending, up from 6 percent in 2001.

Information and maps provided by geoscience agencies are the first step in the exploration sequence. This information reduces risk for companies and encourages exploration investment for new mineral and coal resources. A small number of these exploration programs will make new discoveries and an even smaller number of these discoveries will become deposits that can be evaluated for their ability to become a mine. But just a single new mine can have a huge impact.

One new major mine in B.C. can create a C\$20-million to C\$50-million payroll and contribute C\$15 million to C\$30 million annually in mineral tax revenues. It can support 300 to 600 high-paying permanent jobs and lead to the creation of an additional 250 to 500 spinoff jobs.

In May, the provincial government announced a new C\$12 million investment so Geoscience BC can continue to provide new data to help companies and prospectors explore the exciting potential to find mineral and oil and gas resources.

Considerable success has already resulted from Geoscience BC delivering the regional QUEST, QUEST-West, and QUEST-South projects. This series of projects has significantly increased exploration activity in the Mountain Pine Beetle-affected areas of B.C.'s interior, and contributed to the discovery of new resources at the Huckleberry Mine.

Geoscience BC started a QUEST-Northwest project in the Dease Lake region, partnering with the British Columbia Geological Survey. In addition to mapping near Dease Lake, the British Columbia Geological Survey is working on four other field projects in 2011 and continues to deliver free geoscience data via the award-winning MapPlace.

B.C.'s online mineral titles acquisition process is one of the best in the world, allowing tenures to be quickly obtained while avoiding on-the-ground staking costs.

In Northwest B.C., companies spent C\$172 million on exploration in 2010, an increase of 164 percent from the previous year. The Northwest Transmission Line, which received federal environmental approval in May, will open up the region to even more exploration and development.

NTL is a C\$404-million, 287-kilovolt, 335-kilometre, publicly



RICH COLEMAN



OCEAN PARK VENTURES CORP.

Dan Gibson, a structural geologist and associate professor at the Simon Fraser University, is conducting field work at Ocean Park Ventures' Trapper Gold project in northwest British Columbia.

owned transmission line from Skeena Substation (near Terrace) to Bob Quinn Lake. According to the Northwest Powerline Coalition, the potential of mining in the region is 11 projects, C\$15 billion in investment, up to 10,000 jobs and C\$300 million in annual tax revenues.

The provincial government is working hard to facilitate the investment climate and to develop new mines. For example, the British Columbia Mining Flow-Through Share Tax Credit has been extended to the end of 2013, making the after-tax cost of C\$1,000 of eligible grassroots exploration the second-lowest in Canada.

B.C. has also extended the New Mine Allowance until 2016, providing the equivalent of a 133.3 percent deduction of capital costs for mines that commence or expand production before Jan. 1, 2016.

The province's mineral tax revenue-sharing agreements with First Nations, low corporate taxes, rich mineral deposits, outstanding public geoscience data, world-class infrastructure and abundant sources of clean and affordable energy all combine to make B.C. an attractive proposition for mining investors and explorers. Our future looks bright.

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# Operating Mines and Selected Major Exploration Projects in British Columbia 2010

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

Open File 2011 - 1

## Mines and Quarries

9 Metal Mine

10 Coal Mine

36 Industrial Mineral

5 Metal Mine Development

## Proposed Mine Developments

13 Metal

7 Coal

3 Industrial Mineral

## Selected Major Exploration Projects

114 Metal (includes Myra Falls exploration project)

5 Coal (includes Gething, Mount Michael, and Raven exploration projects)

4 Industrial Mineral

## Metal Mine commodity codes

Ag - Silver

Au - Gold

Cu - Copper

Mo - Molybdenum

Zn - Zinc

## Industrial Minerals commodity codes

Ba - Barite

Bc - Bentonite

Bs - Basalt

Bu - Building Stone

D - Dolomite

Do - Dolomite

Fr - Filler's earth

Gy - Gypsum

Ma - Magnesite

Mt - Manganese

Mo - Molybdenum

Ms - Mineral Wool

Ns - Nodules

Pr - Pumice

Re - Rare Earth

Sh - Shale

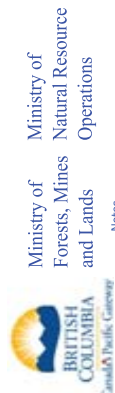
Sl - Silica

St - Stone

Ta - Tantalum

Ts - Titanium

Zc - Zeolite



This map shows the coal, industrial mineral and metal mines, and major exploration projects of British Columbia that were active in 2010. Some sites were active for only part of 2010. 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 Sarah Meredith-Jones and Pat Desjardins of the British Columbia Geological Survey.

**Northwest**  
Regional Geologist: Paul Wojdak  
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Email: Bruce.Madu@gov.bc.ca

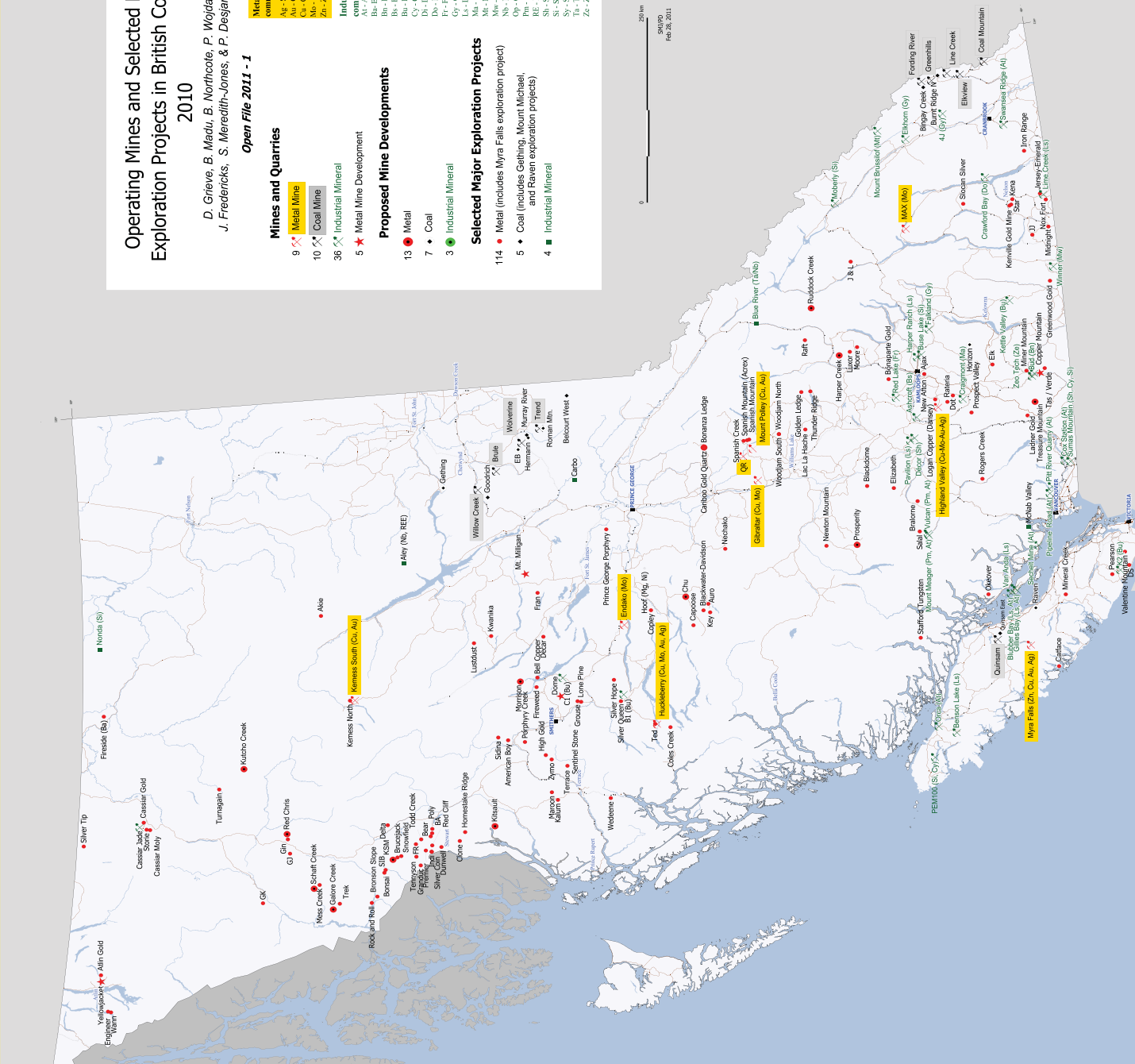
**Southwest**  
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**South Central**  
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**Alaska**

# New Tower Hill CEO dreams big

Komadina envisions a 562,000-ounce per year gold operation at Livengood

By SHANE LASLEY  
Mining News

With some 20 million ounces of gold enveloped in a deposit that outcrops alongside a paved road in Interior Alaska, International Tower Hill Mines Ltd.'s Livengood project is ideally situated to become a top-tier gold operation – or, as the company's new CEO James Komadina put it, "A mine-builder's dream."

"Rarely in my career have I encountered a project that has so much going for it: the resource is one of the largest and ideally situated gold deposits in the world; it is being advanced by one of the most competent technical teams I have come across; and we have a great relationship established with the State and local communities," Komadina wrote upon returning from his inaugural visit to the gold project in June.

Having held senior management positions with major gold producers including Gold Fields, AngloGold and Newmont – Komadina brings 32 years in project development, construction and operations, to his executive position at Tower Hill.

Tower Hill-founder Jeff Pontius, who stepped down as CEO to make room for mine-builder Komadina, said the new CEO will provide the leadership the junior needs to track Livengood toward becoming amongst the world's largest gold mines.



JAMES KOMADINA



International Tower Hill Mines continues an aggressive drill program aimed at expanding and upgrading the 20-million-ounce gold resource at its Livengood Project in Interior Alaska.

SHANE LASLEY

"The appointment of Jim Komadina as the new CEO of International Tower Hill Mines marks an historic transition for the company as we advance toward becoming a North American mid-tier gold producer. Jim's exceptional large project design and operations experience at multiple major gold projects, along with his corporate merger and acquisitions experience, ideally positions him to lead our company to its next level of growth," Pontius said of his successor.

## Komadina's vision

An updated preliminary economic assessment released by Tower Hill in August – which outlines a 91,000-metric-ton-per-day mill churning out more than half-a-million ounce of gold per year for more than two decades – is beginning to bring the

*continued on next page*



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## International Tower Hill Mines Ltd.

ITH: TSX THM: NYSE-A  
 CEO: James Komadina  
 PRESIDENT AND COO: Carl Bretchel  
 LIVNGOOD PROJECT MANAGER:  
 Karl Hanneman

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

CASH AND SHORT-TERM DEPOSITS:  
 C\$112.4 million (May 31, 2011)  
 WORKING CAPITAL: C\$108.4 million  
 (May 31, 2011)  
 MARKET CAPITALIZATION: C\$498.43  
 million (Sept. 26, 2011)

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**ITH MINES** *continued from page 31*

operation Komadina envisions into focus.

As summarized in the August PEA, Livngood would produce 12.9 million ounces of gold over 23 years. This 562,000-ounce-per-year average is expected to be significantly higher at the onset of operations due to sourcing initial ore from the higher grade heart of Money Knob's Core zone.

With initial feedstock coming from higher grade regions of the deposit, annual production over the first five years is anticipated to be significantly higher, with year-two projected to top 740,000 ounces.

"Our findings so far have shown that Livngood can potentially produce an average of 664,000 ounces of gold in its first five years at a cash cost of US\$557 per ounce, making it one of the largest new gold development projects in North America," Komadina informed investors in September.

The PEA estimates initial capital costs of building a mine of this scale at Livngood will run about US\$1.6 billion and another US\$585 million or so of sustaining capital will be needed over the current 23-year mine life.

Using a base case gold price of US\$1,100 per ounce, the mine would pay back the initial capital costs by the end of the first five years of production. At this price the pro-

posed operation is forecast to generate US\$3.1 billion in pre-tax cash flow, a US\$1.2 billion net present value (at a 5 percent discount rate).

At US\$1,400-per-ounce gold, the study's long-term case, the payback period drops to about 3.2 years and produces cumulative pre-tax cash flows of US\$6.9 billion, NPV (at a 5 percent discount rate) of US\$3.1 billion.

Komadina said, "The release of these positive PEA numbers confirms our long-standing belief that Livngood is truly a world-class deposit representing one of the largest new gold discoveries made in recent times. With sound project economics and tremendous leverage to current commodity prices, the timely development of the Livngood deposit will create significant value for our shareholders and provide well-paying jobs for generations of Alaskans."

## Enormous ore body

Livngood – an enormous ore body with a low ore-to-strip ratio and large mineralized units – is particularly suited for the large-scale operation under consideration.

"There are not a lot of 20-million-ounce (gold) deposits being found globally, this is one of them," Komadina said Sept. 15 at the Precious Metals Summit in Colorado.

*continued on page 34*



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Looking east over International Tower Hill Mines' Livengood Camp, the 20-million-ounce Money Knob gold deposit is the aptly colored mount rising predominately in the distance.

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Using a cut-off of 0.22 grams of gold per metric ton, which is seen as an economic cut-off for the operation Tower Hill currently envisions, the Money Knob deposit contains a measured and indicated resource of 933 million metric tons averaging 0.55 grams per metric ton gold (16.5 million ounces) plus an inferred resource of 257 million metric tons averaging 0.50 g/t gold (4.1 million ounces).

At a cut-off grade of 0.5 g/t gold, which has typically been reported for Money Knob, the deposit contains a measured and indicated resource of 394 million metric tons of ore averaging 0.83 g/t gold (10.5 million ounces); and an inferred resource of 102 million metric tons of ore averaging 0.79 g/t gold (2.6 million ounces).

The size and grade of this resource is nearly identical to 2010 with the notable exception that 7.4 million ounces of gold have been transferred from the indicated to the measured category. This is the result of Tower Hill's focus on confirming the continuity and grade of Money Knob through a significant infill drill program.

Much of this work early in the 2011 targeted the higher grade heart of the Core zone. This drilling is highlighted by hole MK-RC-504, which cut 33.5 meters averaging 8.07 g/t gold starting at a depth of 80.8 meters.

While hole 504 is the best intercept to date at Livengood, many of the Core zone infill holes returned intercepts well above the average grade at Money Knob, including:

MK-RC-0477, which cut 94.5 meters averaging 1.94 g/t gold;

MK-RC-0480, which cut 45.7 meters averaging 2.07 g/t gold;

MK-RC-0481, which cut 68.6 meters averaging 1.36 g/t gold; and,

MK-RC-0485, which cut 93 meters averaging 1.24 g/t gold.

Tower Hill said the new resource data included with the PEA is also derived from a rigorous modeling effort which constrained the estimate to add confidence to higher grade areas of the deposit.

## Exploration continues

Although Tower Hill has outlined a gold deposit capable of producing more than half-a-million ounces of gold per year for two decades, the company has not let up on exploration. For the 2011/2012 fiscal year, which began in June, the company has budgeted C\$13.5 million for continued exploration across its 145-square-kilometer (56-square-mile) Livengood land package.

The largest portion of this budget, to the tune of C\$7.5 million, is being spent on a 28,000 meters of drilling at Money Knob. While the deposit is open to expansion, the primary focus of this program will be on continuing to upgrade the confidence of the 23 years of resource already outlined.

The most prospective direction to expand Money Knob is down. Most of the drilling into the deposit has been completed to a depth of about 300 meters, much of which has bottomed out in mineralization. Some holes successfully drilled below the resource floor highlight the potential at depth.

Starting at a depth of 311 meters, Hole MK-RC-0458 cut 112 meters of 2.63 g/t gold in the southwest section of the Core zone. MK-RC-0470, which intersected 13.7 meters of 5.45 grams per metric ton gold starting at a depth of 395 meters, provides further evidence of the gold potential beneath the Money Knob deposit.

"The fact we have now linked near-surface mineralization with these deeper higher grade zones could make a positive impact on our overall plan, particularly in the proposed initial mining efforts. We will continue to explore these high-grade zones both at depth and along strike and incorporate these results into our ongoing prefeasibility study which will be completed in the fourth quarter of this year," Komadina said.

Livengood Manager Karl Hanneman told Mining News that the Money Knob deposit remains open to westward expansion. A linear zone of strong gold-in-soil anomalies about 500 meters west of the deposit's Southwest Zone is an area Chief Geologist Chris Puchner is excited about.

Drilling, though, has closed off the deposit along trend to the northeast. This is a bittersweet development for Tower Hill. Though the company wants to expand the deposit, it needs to find a gold-free zone to build the mill and other facilities and an area to the northeast of the deposit has long been considered an ideal location for this infrastructure.

Another 17,000 meters of drilling will include geotechnical and condemnation drilling in areas where the company plans to build the mill and other infrastructure, as well as district-scale exploration.

The property-wide drilling will be guided by an IP-resistivity survey recently flown over the Livengood property, including Money Knob. With a geophysical signature of the 20-million-ounce gold deposit, the company hopes to find other areas with a similar response. This is especially useful in targeting areas where soil sampling programs have been inhibited by thick blankets of wind-blown silt and permafrost.

"We have got 145 square kilometers and we have only tapped into about 2.5 kilometers. So, is there another big deposit out there? We have got some drilling we are doing on two targets called Lucky and Moose," Komadina said.

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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.

Eighteen months after achieving commercial production at its Meadowbank Mine in Nunavut, international gold producer Agnico-Eagle Mines Ltd. is ironing out kinks in the operation. Meadowbank, one of the international gold producer's largest mines, has almost 3.5 million ounces of gold in reserves (34 million metric ton at 3.2 grams per metric ton), with tremendous potential for more. The company is bringing the mine into line even as it continues exploration activities on another major Nunavut gold property, the 80-kilometer- (50 miles) long Meliadine gold project located 290 kilometers (180 miles) to the southeast. Startup of commercial production in March 2010 at Meadowbank heralded a new era for the mining industry in Nunavut and marked the sixth gold mine that Agnico-Eagle has in production. But Meadowbank has contended with big challenges including ore crushing difficulties and a major kitchen fire. In the quarter ended June 30, the company's revenues from mining operations jumped nearly 25 percent to US\$433.7 million from US\$347.5 million during the same period in 2010. The increase resulted from higher prices for all metals, especially gold and silver. But Agnico-Eagle's cash costs also climbed to US\$565 per ounce on gold produced in the second quarter, compared with US\$482 per ounce produced during the same period a year ago. The increase was due, in part, to unfavorable cash costs at Meadowbank where production fell to 59,376 ounces of gold in the second quarter from 77,676 ounces in April-June, 2010. Meadowbank's unit costs have been negatively impacted since startup by a number of production-related problems, including unusually hard 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 installed a permanent secondary crushing unit in the front end of the circuit, similar to a solution adopted at one of its other gold mines. In March, Meadowbank's camp kitchen sustained extensive damage but no injuries. By June 30, a temporary kitchen had been installed at the mine, the mine work force had returned to full strength after temporary layoffs. But output difficulties were further exacerbated by problems in the pit resulting from fewer onsite mine personnel after the fire. Meadowbank now anticipates achieving steady state production in the latter half of 2011 following commissioning and installation of a new crusher. With expected increases in throughput and higher grades, the company is forecasting 50 percent higher gold output at Meadowbank in the second half of 2011 with throughput averaging 8,700 metric tons per day grading 3.8 grams per metric ton and production costs decreasing 15 percent. In



SEAN BOYD



EBERHARD SCHERKUS

addition, conversion and expansion drilling around the southern end of the Goose South deposit was a priority in the 2011 exploration program as well as results of a study considering an underground exploration ramp to examine this resource.

With a budget of C\$65 million, Agnico-Eagle's major exploration focus in Nunavut in 2011 is the Meliadine project where 2011 exploration targeted expansion and definition of six known deposits on the property. The company acquired Meliadine in July 2010 from Comaplex Minerals Ltd. Drilling in 2011 has focused on further resource conversion, extending known zones of mineralization, geotechnical and condemnation drilling to assist in finalizing infrastructure location and on regional exploration. By June 27, 40,000 meters of a planned 90,000 meters had been drilled. Drilling on the Wesmeg zone, discovered in 2010 and located about 400 meters south of the main high-grade Tiriganiaq Zone, continued to encounter mineralization outside of the currently known resource envelope. The most recent drill results confirmed the continuity of both the North and South trends of the Wesmeg zone and extended them in all directions.

At Dec. 31, Meliadine had probable reserves of 2.6 million ounces of gold (9.47 metric tons grading 8.54 g/t gold), all in the main Tiriganiaq zone. In addition, the project had indicated gold resources of 8.8 million metric tons grading 5.2 g/t (or 1.5 million ounces), and inferred gold resources of 11.8 million metric tons grading 6.9 g/t (or 2.6 million ounces).

Through the end of May, 66 exploration holes (16,092 meters) had been drilled at Wesmeg.

For the remainder of 2011, Agnico-Eagle said it would focus drilling on resource conversion and expanding the resource envelopes at the Tiriganiaq, Wolf, F Zone, Pump, and Wesmeg zones, as well as initiating regional exploration drilling on new target areas. It is anticipated that the successful exploration results to date on both North and South Trends at Wesmeg will result in a meaningful resource increase at Meliadine, which will be part of a resource update in the third quarter of 2011. Based on the exploration results to date, the company said planning is underway to dramatically increase the drill program in 2012. In addition, a study on accelerating the development installation of an underground ramp is nearing completion and a decision to proceed is expected in the third quarter. This ramp will provide additional drill platforms which will facilitate better access to drill the high-grade Tiriganiaq zone and the continuity of Wesmeg's extension at depth. Several large-scale production scenarios are being studied with different combinations of open pit and underground ore volumes, with daily tonnage rates varying from 6,500 tpd to greater than 10,000 tpd. A production decision on Meliadine is expected in 2013.

**CASH AND SHORT-TERM DEPOSITS:** C\$139 million (at June 30, 2011)

**WORKING CAPITAL:** C\$434.1 million (at June 30, 2010)

**MARKET CAPITALIZATION:** C\$11.4 billion (at Aug. 26, 2011)

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### Coming milestones

While the geological team continues to upgrade and expand Money Knob, and seek other similar deposits across the Livengood property, Komadina and his growing staff of mine permit- ters, builders and operators will continue to hammer out the details for a world-class gold mine in Interior Alaska.

Komadina said that immediately following the mid-November release of the prefeasibility study, the Tower Hill technical team will launch into feasibility work.

"The essence of prefeasibility is, you find out what you don't know," he explained.

Addressing the unknowns presented in the prefeasibility

study, Komadina anticipates entering the permitting process sometime in mid- to late-2012. The Tower Hill CEO said he expects it will take at least three years to complete the environmental impact study for the Livengood project.

Allowing a total of four years for permitting, Komadina foresees construction starting in 2016 and operations to begin two years later.

"The technical knowledge and skills now assembled at ITH will be crucial as we scale new heights going forward and, with focused attention to engineering and permitting details, overlain by a firm business hand, I believe ITH's Alaskan future is indeed, golden," said the Tower Hill CEO.



# Alaska explorer goes year-round

Kiska drills Whistler Orbit targets in winter; summer at Island Mountain

BY SHANE LASLEY  
Mining News

**K**iska Metals Corp. is not only enduring Alaska's sometimes inclement winter weather but also embracing the ground-freezing conditions as a means to lower the costs of exploring the multitude of porphyry targets across its expansive Whistler copper-gold property about 160 kilometers (100 miles) northwest of Anchorage.

"Although it is Alaska, winter is one of the most efficient times of the year for us to be working up there," Kiska Metals President and CEO Jason Weber explained.

After spending the darkest and coldest winter months transporting supplies over a 175-kilometer (110-mile) ice road and relocating its camp next to a newly built 1,000-meter airstrip on the property, the Vancouver B.C.-based junior kicked off the first phase of a 31,000-meter drill program at Whistler in March.

The 527-square-kilometer Whistler property is anchored by its namesake deposit which has an indicated resource of 2.25 million ounces gold-equivalent and an inferred resource of 3.35 million ounces gold-equivalent, a resource Kiska aims to double.

"The goal for us is to essentially double the resource that exists on the property to date. We feel that once we reach that level, we can look at an economic scenario for this project," said Weber.

## Peek below the till

Kiska's early season exploration focused on the Whistler Orbit, a 50-square-kilometer (19-square-mile) region that includes the 5.6 million-gold-equivalent-ounce Whistler deposit as well as the Raintree and Rainmaker discoveries.

While the Whistler deposit outcrops on a ridge the other prospects in the Whistler Orbit are largely covered with a 10-to-15-meter layer of glacial till, making the underlying geology tough to discern from the surface. For this reason Kiska has brought a light-weight rig to drill around 53 shallow holes to investigate the underlying bedrock.

The small rig is capable of drilling about one shallow hole per day and can be moved to a new site in about 15 minutes, making it an efficient tool for generating targets for a rig capable of deeper drilling.

"Whistler is a very large property with as many as 20 additional targets that have yet to be adequately tested by drilling. In the 2011 program, our shallow grid-based drilling program will provide us with a cost-effective method to rapidly assess and prioritize these targets and make new porphyry discoveries in the overburden-covered areas surrounding the Whistler de-



JASON WEBER

Kiska Metals, which considers winter one of the most efficient times to work at its Whistler property about 160 kilometers (100 miles) northwest of Anchorage, kicked off the first phase of a 31,000-meter drill program at the porphyry gold-copper project in March.



KISKA METALS CORP.

posit," Weber said.

Kiska has plotted lines of 200-meter-spaced holes over areas of interest identified with previous exploration, including an extensive 3-D induced polarization survey flown over the Whistler Orbit in 2009.

Though the company has plotted areas it wants to glimpse below the glacial sediments, Weber said the program was flexible enough to respond to the results of the drilling.

Information gleaned from these 75- to 100-meter-deep holes will assist Kiska in narrowing the choice of targets for deeper drilling during the second phase of the 2011 program.

"A lot of it is going to be using alteration to vector where we are going, and there is no shortage of alteration in that area, so I think we are going to have good data for targeting drill holes," he explained.

## Deep mineralization

While the lightweight rig completed 3,505 meters of shallow drilling during the early-season program, a large drill sank six deep holes.

Four of these were drilled at Raintree West, a prospect situated about 1,200 meters east of the Whistler Deposit.

WH09-002, drilled by Kiska in 2009, cut 471.6 meters that averaged 0.93 grams per metric ton 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) at Raintree West. The lower 40 meters of this intercept graded 2.27 g/t gold-equivalent (0.98 g/t gold, 10.2 g/t silver, 0.21 percent copper, 0.85 percent zinc and 0.35 percent lead.)

WH10-24, collared about 250 meters southeast of WH09-002, cut 299 meters averaging 0.47 g/t gold, 5.4 g/t silver, 0.04 percent copper, 0.51 percent zinc and 0.23 percent lead; and includes 83 meters at 1.2 g/t gold 11.8 g/t silver, 0.06 percent copper, 1.08 percent zinc and 0.53 percent lead. This mineralization is dominated by lead-zinc-bearing veinlets interpreted as late-stage features developed peripheral to high-

temperature porphyry style mineralization.

"Results to this point indicate we are drilling peripheral-style mineralization and alteration on the southern and eastern margins of the Raintree West porphyry centre," Kiska Vice President of Exploration Mark Baknes said after the 2010 season. "Our exploration efforts at Raintree West in 2011 will focus on expanding the target to the north where we see multiple lines of evidence suggestive of a productive porphyry system."

Following this evidence, the larger drill stepped out to the north and west from WH09-002 during the early season drilling.

Hole WH11-30, starting at a depth of 338 meters, cut 453 meters averaging 0.72 grams per metric ton gold, 3.2 g/t silver, 0.12 copper, 0.04 percent lead, and 0.31 percent zinc (1.01 g/t gold-equivalent)..

WH11-29, which was drilled 100 meters south of hole 30, intersected two distinct styles of mineralization: An upper interval of low temperature gold-silver-lead-zinc mineralization and a lower zone of high temperature gold-copper mineralization and magnetite

*continued on next page*

## Kiska Metals Corp.

TSX-V: KSK

PRESIDENT AND CEO: Jason Weber

CHAIRMAN: Geoffrey Chater

VICE PRESIDENT, EXPLORATION:

Mark Baknes

Properties with mineral(s) explored –  
Gold-Copper-Silver – Whistler, Alaska  
Copper-Gold-Molybdenum – Copper Joe, Alaska  
Gold – Goodpaster, Alaska  
Copper-Gold-Silver – Thorn, British Columbia  
Copper-Gold – Kilyul, British Columbia  
Copper-Gold-Molybdenum – Falcon/Red-ton, British Columbia  
Gold-Copper-Silver – Grizzly, British Columbia  
Gold – Jake, British Columbia  
Gold-Silver – RDN, British Columbia  
Gold – Tide, British Columbia  
Gold – Williams Gold, British Columbia  
Iron Oxide-Copper-Gold – Wernecke Breccia, Yukon

**KISKA**  
METALS CORPORATION

CASH AND SHORT-TERM DEPOSITS: C\$21.95 million (June 30, 2011)

WORKING CAPITAL: C\$20.45 million (June 30, 2011)

MARKET CAPITALIZATION: C\$38.70 million (Sept. 26, 2011)

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Kiska Metals sees Island Mountain as a likely candidate to add enough gold and copper resources to begin considering the economic viability of building a mine at the Whistler property in Southwest Alaska.



**KISKA** *continued from page 37*

veining associated with potassic alteration. The upper interval, from 404 meters, cut 162 meters averaging 0.52 g/t gold, 13 g/t silver, 0.04 percent copper, 0.38 percent lead and 0.94 percent zinc (0.81 g/t gold equivalent). The lower interval, from 566 meters, returned 208 meters averaging 0.54 g/t gold, 4.3 g/t silver, 0.09 percent copper, 0.06 percent lead and 0.29 percent zinc (0.80 g/t gold equivalent).

WH11-033, drilled during the summer program about 100 meters west of hole 30, cut 348 meters averaging 0.53 g/t gold, 2.78 g/t silver and 0.08 percent copper (0.78 g/t gold-equivalent) from a depth of 480 meters.

While the long sections of mineralization at Raintree West are encouraging, the 300- to 350-meter depth of the ore encountered here to date has caused Kiska to re-evaluate this target as a likely candidate for adding economic ore to the reserves at Whistler.

Weber said the company has some ideas of where this mineralization may come closer to surface and the company will test these hypotheses with skid-mounted drill rigs once the snows return.

## Summer at Island Mountain

During the warmer summer months, Kiska shifted its attention to the more rugged mountainous terrain of Island Mountain and Muddy Creek, two gold-rich prospects situated in the southern half of the Whistler property.

Kiska sees Island Mountain, about 23 kilometers (14 miles) south of the Whistler deposit, as a likely candidate to add enough gold and copper resource to start considering the economic viability of the Whistler property.

"If you ask anybody in our group, this is probably where the next resource comes from at Whistler," Weber said. "We made the initial discovery here in 2009 with the first drill hole on the property."

The upper section of discovery hole IM09-001 cut 150 meters averaging 1.06 g/t gold equivalent (0.72 g/t gold, 2.37 g/t silver and 0.16 percent copper) and the lower 106.9 meters of the hole averaged 1.32 g/t gold-equivalent (1.22 g/t gold 0.69 g/t silver and .05 percent copper).

Through 2010, Kiska has drilled 15 holes at Island Mountain. The best hole to date is IM10-013 which cut 114.9 meters averaging 1.25 g/t gold, 4 g/t silver and 0.23 percent copper, beginning at a depth of 50.1 meters. This interval was

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contained within a larger drill intercept of 362 meters averaging 0.56 g/t gold, 2 g/t silver, and 0.11 percent copper beginning at a depth of 42 meters.

Hole IM11-018 – collared 100 meters west of IM10-013 – averaged 0.73 grams per metric ton gold, 2.50g/t silver, 0.11 percent copper (1.00g/t gold-equivalent) over 135 meters. Hole IM11-020 – drilled from the same set-up and steeper (below) hole 18 – cut 161 meters averaging 1 gram per metric ton gold, 2.29 g/t silver and 0.12 percent copper (1.28 g/t gold-equivalent) within a 344-meter interval that averaged 0.56 g/t gold, 1.62 g/t silver and 0.08 percent copper (0.75 g/t gold-equivalent).

With these holes, the mineralization at Island Mountain has now been intersected over a 450-by-350-meter area and to depths of 400 meters.

“These results demonstrate a broad and deep gold-copper system that is impressive in its strength and complexity,” said Baknes. “Island Mountain is emerging as a significant target at the Whistler Project.”

Rock and soil sampling at Island Mountain have defined a 2,000-by-1,500-meter geochemical footprint encompassing the Discovery Breccia that has only been partly drill tested and a second, comparable anomaly further to the north that has yet to be drilled.

A detailed magnetic survey, flown over the prospect in March, outlined two large and strongly conductive anomalies at Island Mountain, Tea Cup and Super Conductor. Tea Cup lies immediately south of the primary drill focus, whereas Super Conductor covers a large area measuring 1,100 meters by 2,100 meters on the east flank of Island Mountain in largely overburden covered terrain near the river.

Targeting Super Conductor, hole IM11-21 cut two gold-bearing intervals; 61 g/t gold-equivalent over 21 meters and 0.45 g/t gold-equivalent over 30 meters.

Weber said this anomaly near the foot of mountain will be accessible earlier in the season than the targets upslope and the company plans to conduct follow-up drilling here when they return Island Mountain in the spring.

Muddy Creek, an exciting gold target about 10 kilometers (six miles) northwest of Island Mountain, seems more akin to the 65 million year old mineralization at Millrock Resources Inc.'s neighboring Estelle project than the 75 million year old intrusive suite being explored at the Whistler Orbit and Island Mountain.

Muddy Creek's potential is underscored by the 4.72 g/t gold average grade of 150 rock samples collected over a 4-square-mile, or 10.5-square-kilometer, area. This geochemical work in conjunction with a geophysical survey has outlined seven prospects.

Kiska drilled three holes at this gold target during the summer season.

“That could be another standalone project for a junior company if we get some good results out of that drilling,” Weber said.

“For us the next steps here (Whistler) are building out on targets like Island Mountain,” the Kiska CEO said. “As we go forward here, we are making great strides in reaching that goal of the next 225 million tons (ore), and I think that bodes well for us as far as future development in this camp.”

## Alexco Resource Corp.

AXR: TSX/AXU/NYSE-A

PRESIDENT AND CEO: Clynton R. Nauman

EXECUTIVE VICE PRESIDENT & COO: Brad A. Thrall

VICE PRESIDENT, EXPLORATION: Alan McOnie, FAusIMM

Alexco Resource Corp. is a precious metals exploration company with a silver focus and growing environmental consulting and reclamation and mine closure services. 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.

Alexco achieved an important milestone early in 2011, reporting net income for the three months ended March 31, of C\$3.542 million, or C6 cents per share, on total revenues of C\$20.471 million, which reflected the company's first full quarter of commercial production at its silver-lead-zinc Bellekeno mine. The performance compared with a net loss of C\$1.529 million during the comparable period in 2010.

Through its first full quarter of commercial operation, the Bellekeno mine produced 3,477 metric tons of concentrate comprising 2,376 metric tons of lead-silver concentrate and 1,101 metric tons of zinc concentrate, recognized revenue of C\$18.8 million on sales of 3,083 tons of concentrate and yielded a gross profit of C\$9.5 million. Alexco wrapped up its 2010 field exploration program at its Keno Hill properties by mid-December, completing about 25,000 meters of surface drilling and 4,900 meters of underground diamond drilling at Bellekeno during calendar 2010.

Major areas of focus for the 2010 surface exploration program included the historical mine areas of Silver King, Lucky Queen, Onek and Flame & Moth, as well as “new” target areas including the McQuesten Valley and a mineralized structural zone near the historical Birmingham Mine. Alexco began a 2011 surface exploration program in March, anticipating spending about C\$8 million to complete some 15,000 meters of diamond drilling at a number of targets across the district. The company said it planned to spend about C\$10 million in advanced exploration at the Lucky Queen, Onek and Silver King mine areas in March, including about 1,500 meters of surface definition drilling in the vicinity of the historical Onek mine; some 1,500 meters of underground rehabilitation and development work at the historical Lucky Queen Mine, in advance of about 2,500 meters of underground definition drilling; and a review of underground ore definition and mining options at the historical Silver King Mine. The program was planned with the objective of enabling Alexco to make production decisions for each property either in late 2011 or early 2012. In July, Alexco reported initial resource estimates for the Lucky Queen and Onek properties. At Lucky Queen, the resource estimate included about 4.9 million and 2.7 million troy ounces silver in indicated and inferred resources, respectively. At Onek, the resource estimate included about 3.65 million and 15.4 million troy ounces silver in indicated and inferred resources, respectively. The company also said it began preliminary mine planning, engineering studies and/or metallurgical studies at both Lucky Queen and Onek in anticipation of a final decision on how to proceed at each property in the third quarter of 2011. In addition, Alexco is continuing to work on updating its resource estimate for the Bellekeno property, and finalizing plans to calculate a resource in the area of the historical Silver King Mine.

### CASH AND SHORT-TERM DEPOSITS:

C\$45.20 million (at March 31, 2011)

WORKING CAPITAL: C\$51.2 million (at March 31, 2011)

MARKET CAPITALIZATION: C\$484.4 million (Sept. 2, 2011)

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## North of 60 Mining News

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# NWT: A treasure house of opportunity

Minister offers insights on mining industry's 2011 exploration activities

By THE HON. BOB MCLEOD  
Special to Mining News

The vast landscape of the Northwest Territories is blessed with an abundance of resources. It is a land filled with opportunity, and much of the mineral wealth remains untapped. Mineral explorers and producers are making best efforts to unlock this potential and seizing the opportunities that await them. The Government of the Northwest Territories strongly supports responsible and sustainable mineral development that yields substantial economic benefits to NWT residents, communities and businesses.

Four mines are operational in the NWT: BHP Billiton's Ekati Diamond Mine; Rio Tinto - Harry Winston's Diavik Diamond Mine, DeBeers' Snap Lake Diamond Mine and North American Tungsten's Cantung Mine. Preliminary numbers for 2010 indicate that the diamond mining industry contributed C\$967 million to the gross domestic product of the NWT, nearly one-third of the territory's total. Estimates indicate that the three producing diamond mines are on track to produce over 10 million carats in 2011. A fourth mine, DeBeers - Mountain Province proposed Gahcho Kue diamond project, is currently undergoing an Environmental Impact Review. Once production begins, it is estimated that Gahcho Kue could produce as many as 49 million carats of diamonds during its lifetime.

But the NWT is not just a producer of diamonds. NWT mining companies are also focusing their attention on a variety of promising minerals and metals, including precious metals, base metals and rare earth elements.

Once the cornerstone of the NWT economy, gold is again a promising opportunity. Drilling began at Seabridge Gold's Courageous Lake project this year. This project represents one of the largest undeveloped reserves of gold in Canada. Courageous Lake, located 240 kilometers (149 miles) northeast of Yellowknife, is estimated to contain more than 4 million ounces measured and indicated reserves of gold. In addition, Tyhee Development Corp. recently released a prefeasibility study on the Yellowknife Gold Project, located 90 kilometers (56 miles) north of Yellowknife. This project could potentially produce more than 800,000 ounces of gold.

Located 85 kilometers (53 miles) north of Behchokö, NWT, Fortune Mineral's Nico Project also looks promising. The project contains over 21 million metric tons of proven and probable gold, cobalt and bismuth reserves. Currently moving through the environmental assessment process, this mine is projected to have a 15-year life span.

Avalon Rare Metal's proposed Nechalacho Project is one of the highest quality undeveloped rare earth element deposits in



BOB MCLEOD

the world. REEs have application in many progressive technologies, including: cell phones; rechargeable batteries; computer monitors; fuel efficient vehicles; and high powered lasers. Located 100 kilometers (62 miles) southeast of Yellowknife, this project has an estimated 57 million metric tons of indicated mineral resources, 226 metric tons of inferred mineral resources, and an estimated 18-year mine life. Avalon released an updated prefeasibility study in July 2011 and hopes to have the mine producing by 2013.

Canadian Zinc Corp.'s Prairie Creek Mine Project is entering the final stages of its environmental assessment. Located 90 kilometers (56 miles) north of Nahanni Butte, the Prairie Creek property hosts nearly six million metric tons of measured and indicated mineral resources, including zinc; lead; copper and silver. This project represents a significant opportunity for economic benefits in the Dehcho Region, and the rest of the NWT. Canadian Zinc Corp. has signed impact benefit agreements with Nahanni Butte Dene band and the Liidlii Kue First Nation in Fort Simpson, and a socio-economic agreement with the GNWT was signed in 2011, which will help to enhance these opportunities.

And Tamerlane Ventures plans to sample a 1-million-metric-ton bulk sample at the Pine Point Project in late 2011. This bulk sample is designed to test the viability of mining the other lead-zinc deposits on the property, which was formerly the Pine Point Mine operated by Cominco Ltd. until 1987.

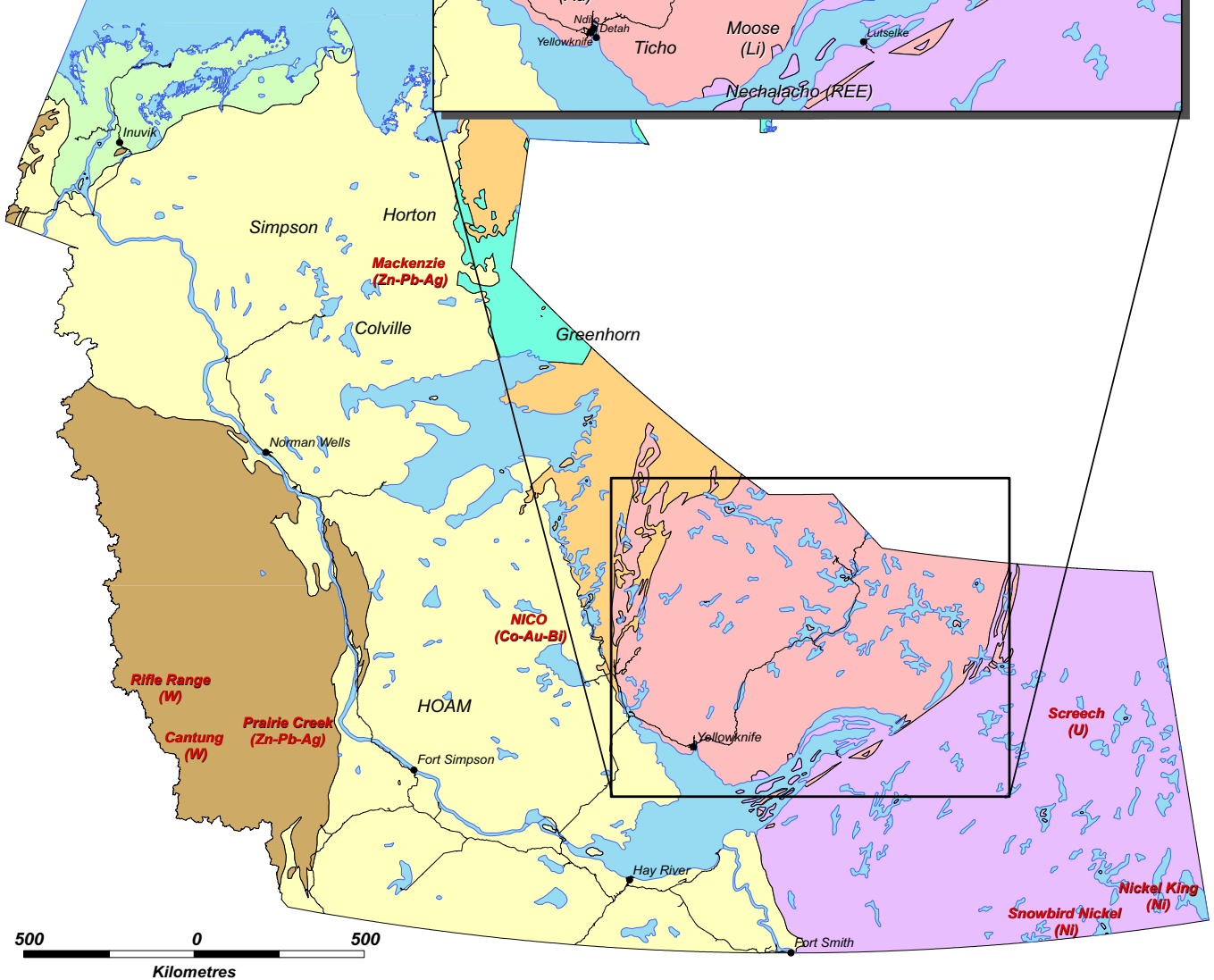
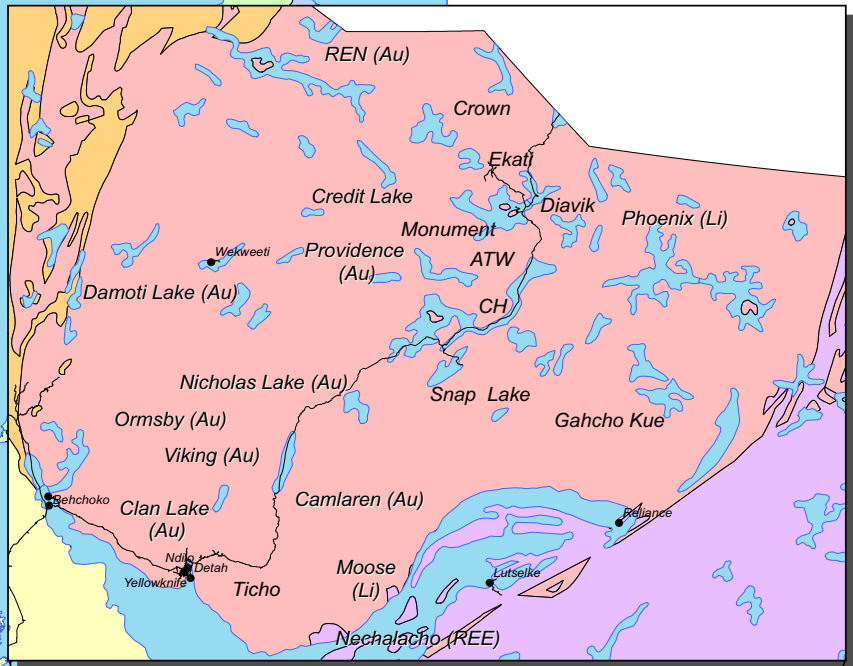
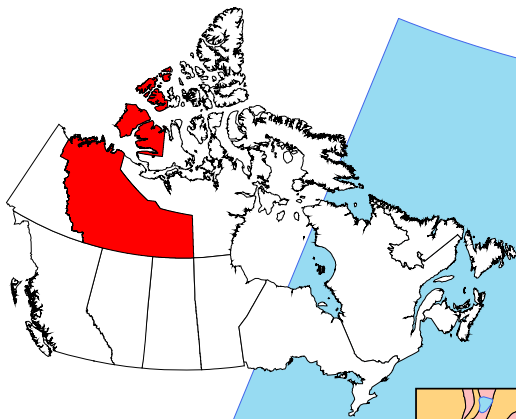
Many other exploration companies are investigating the NWT's mineral potential. The GNWT and the Government of Canada - through the Northwest Territories Geoscience Office - continue to produce new geological maps of highly prospective regions of the NWT. The NWT economy was founded on mineral development and the production of hydrocarbons and this treasure house of minerals and metals will ensure that the trend continues well into the future.

*The Hon. Robert R. McLeod is Minister of Industry, Tourism and Development for the Government of Northwest Territories.*



The three producing diamond mines in Northwest Territories are on track to produce more than 10 million carats in 2011.

GOVERNMENT OF THE NORTHWEST TERRITORIES





## 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., a member of the Strategic Exploration Group, is an exploration-stage company concentrating as much effort as possible on the Rackla Gold Project including Rau and Nadaleen geological trends situated at the northern edge of the Tintina Gold Belt in the Mayo Mining District of east-central Yukon Territory. The project encompasses more than 8,000 mineral claims and covers 1,600 square kilometers (about 618 square miles) in an east-west extending land package about 185 kilometers (114 miles) long by 15 kilometers (10 miles) wide. Atac May 31 reported commencement of a 40,000-meter drilling program at Rackla, part of a comprehensive C\$25 million exploration program utilizing eight diamond drills in 2011 and focusing on significant Carlin-type gold mineralization discovered in late 2010. Work planned included 200-250 holes – 35,000 meters at the Nadaleen Trend and Osiris area targets and 5,000 meters at the Rau Trend and Tiger area targets; definition and step-out diamond drilling to expand the Osiris, Conrad, Eaton and Isis zones within the Nadaleen Trend; and comprehensive geological mapping throughout the Rackla Gold Belt. Prospecting and silt and soil sampling of the majority of streams and ridges along the project will be used to identify any exposed mineralized zones similar to Osiris. Scout drill testing of new targets identified late in 2010 that were not tested due to onset of winter were carried out in June, and one drill and crew was solely allocated to test newly discovered targets throughout the 2011 exploration season.

Atac Aug. 30 reported assay results for the first five diamond drill holes from the Osiris zone as well as a new bedrock gold discovery within the Nadaleen Trend. Among the results, a 32.01-meter interval averaged 4.25 g/t gold and included 10.59 meters averaging 11.04 g/t gold. The company also said it discovered the Osiris North Zone by excavator trenching a sur-



ROBERT CARNE

face arsenic anomaly down to bedrock and exposing about 10 meters of the Osiris Shear System. Trench chip samples assayed up to 80.40 g/t gold over 1.80 meters. The Osiris North zone trench was truncated at both ends due to thick overburden, Atac added. While weather permitted, the company had two drills testing the higher elevation parts of the Osiris Shear system with a series of widely spaced drill locations along strike toward the Osiris North zone trench. Diamond drilling also was planned beneath the Osiris North Zone exposure and along the trace of the lower elevation portions of the Osiris Shear later in the field season for logistical reasons. In September, an additional drill was added to the two drills currently testing the Conrad Zone where hole OS-11-10 intersected 114.93 meters grading 3.15 g/t gold. Atac also said a sixth drill began to test priority exploration targets identified during 2011 sampling and prospecting in the Osiris area. In June, Atac reported a significant silver-lead-zinc discovery at the Ocelot target beneath a known but previously undrilled surface gossan. The target is located within the Rau Trend in the western portion of the Rackla project. In December, the explorer reported intersecting 32.64 meters averaging 8.91 gold in infill drilling at the Tiger Zone, also located within the Rau Trend. These results confirmed the high-grade gold mineralization and excellent continuity of the near-surface, blanket-like oxide portion of this deposit. No further drilling results have been reported for the Tiger Zone, but Atac anticipated completing a NI 43-101 resource estimate for the deposit in the third quarter of 2011. The company also explored five satellite oxide gold targets located within 5 kilometers (3 miles) of the Tiger zone, including the Cheetah and Puma targets. Atac was active at the Cheetah Zone as well as two other exploration targets in the Tiger zone area in July and August 2011. Three holes totaling 483 meters were drilled on Cheetah and two holes totaling 342 meters on the nearby, similar Puma target. Also, the Now gold soil geochemical anomaly was tested with three holes totaling 796 meters.

### CASH AND SHORT-TERM DEPOSITS:

C\$33.14 million (at June 30, 2011)

**WORKING CAPITAL:** C\$37.85 million (at June 30, 2011) (raised C\$22.07 million in private placements in August 2010)

**MARKET CAPITALIZATION:** C\$488.4 million (at Sept. 2, 2011)

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# Millrock projects draw attention

Partners spend \$10M on Alaska gold, copper discoveries made by junior

By SHANE LASLEY  
Mining News

**M**illrock Resources Inc. is artfully implementing the science of making grassroots gold and copper discoveries, proving the promise of these new finds and vending the prospects to other companies to do the heavy lifting of defining a deposit.

This business model is paying off for the project generator. Some US\$11 million is being spent on exploring its Alaska copper and gold prospects in 2011, with nearly US\$10 million funded by its project partners.

Senior miners Teck Resources Ltd. and Kinross Gold Corp. are amongst the companies Millrock has attracted the project its has generated in Alaska. Additionally, junior explorers Crescent Resources Corp., Brixton Metals Corp. and Ryan Gold Corp. have forged deals on Millrock properties across the state.

Millrock also said it invested about C\$1 million in regional project generation in 2011 and staked seven new properties that it may soon offer to other companies for earn-in agreements. Work also continued on existing projects for which Millrock has not yet secured an earn-in partner. For these projects, such as Fortymile, a gold project situated in a historic placer gold mining district at the border with the Yukon Territory, Millrock has developed numerous drill-ready targets.

"We have at least a dozen projects in the state; about half of them are presently optioned off to mining companies and junior mining companies," Millrock President and CEO Greg Beischer told Mining News.

Aside from Alaska, Millrock geologists have generated copper-gold prospects in Arizona. Partners Vale Exploration Canada Inc. and Inmet Mining Corp. are spending more than US\$5 million on exploring these potentially large porphyry projects.



GREG BEISCHER



Teck Resources joined Millrock Resources in exploring the Estelle Project, including an initial 1,500-meter drill program at the gold property located in the Kahiltna Terrane of Southwest Alaska.

### Teck steps up at Estelle

The most exciting of this year's exploration programs on Millrock properties in Alaska may be at Estelle, the project generators flagship project situated about 160 kilometers (100 miles) northwest of Anchorage.

Though Teck has until the end of 2012 to earn its initial 55 percent interest in Estelle, the Vancouver B.C.-based miner stepped up its budget for 2011 exploration at the expansive project to US\$3.46 – enough to earn this preliminary stake.

"We were really pleased when Teck

stepped up to the plate with what I consider to be a very substantial budget for a first-pass drilling program," Beischer said.

The four-hole, 1,500-meter drill program – which was kicked off in early August – provided for the first drilling at Estelle since the project generator picked up the expansive property in 2008.

"We have held off on drilling for two years to carry out a comprehensive, systematic, surface exploration program to select the best possible, well-defined drill targets," Beischer said.

This boots on the ground exploration

*continued on next page*

### 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-Copper – Humble, Alaska  
 Gold – Council, Alaska  
 Gold – Bluff, Alaska  
 Gold-Copper – Cristo Claim Group  
 Gold – Uncle Sam  
 Gold – Revelation  
 Gold – Fortymile, Alaska  
 Copper-Gold – Galiuro, Arizona  
 Copper-Gold – San Jose, Arizona  
 Copper-Gold – Dry Mountain

**CASH AND SHORT-TERM DEPOSITS:** C\$11.9 million (at June 30, 2011)

**WORKING CAPITAL:** C\$6.7 million (at June 30, 2011)

**MARKET CAPITALIZATION:** C\$28.9 million (at Sept. 27, 2011)

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Gold mineralization intersected during 2011 at Millrock Resources and Crescent Resources' Uncle Sam property in Interior Alaska appears to be an extension of the gold-rich zone discovered by Sumitomo Metal Mining at its Stone Boy prospect immediately to the south.

MILLROCK RESOURCES INC.

## MILLROCK *continued from page 43*

indicates that large, bulk-minable, intrusive-related or porphyry-style gold deposits could be lurking below the surface at Estelle.

Though Estelle lies in the heart of the Kahiltina Terrane – an assemblage that hosts enormous copper-gold deposits such as Northern Dynasty Ltd. and Anglo American plc's Pebble project and Kiska Metal Corp.'s Whistler property – the primary metal here seems to be gold.

Seven main gold zones – Shoeshine, Shadow, Discovery, Train, Oxide Ridge, RPM and Stoney – have so far been identified across the 246-square-kilometer (95-square-mile) land package.

Shoeshine and Oxide Ridge have been the primary focus of past exploration by Millrock.

Both prospects were identified by sampling the broken rocks collected at the base of steep slopes characteristic of this region of the Alaska Range. Testing this talus helped geologists dial in on the source of the gold-bearing rocks collected in the rubble that had eroded from the bedrock.

One of the holes drilled this year was at Shoeshine, a zone found in the southern portion of the claim block. Sampling conducted by Millrock geologists here in 2009 and 2010 has outlined a 300- by 1,000-meter anomalous zone.

The average grade of 49 samples collected from the rubble field in is 0.585 g/t gold. One sample of porphyry rock cut by sheeted quartz veinlets returned assays of 13.13 g/t gold. Numerous talus samples with grades in the 3 g/t to 5 g/t range also were collected.

Though assays are still pending, Millrock said arsenopyrite, chalcopyrite, pyrite and other sulfide phases were intersected over wide zones in the one hole drilled here.

The nearby Shadow and Discovery prospects were each tapped with one drill hole this year.

Historical exploration by Teck at Shadow includes a drill intersection of 3 g/t gold over 29.6 meters and a chip sample grading 18 g/t gold over 9.9 meters.

Millrock geologists believes Shoeshine and Shadow may be part of the same mineralizing system gold mineralized system stretching at least 1,000 meters.

Oxide Ridge, a prospect some 20 kilometer (12 miles) north of Shoeshine, was the target of one of the holes drilled in 2011. The average grade of 24 talus fines samples collected here in 2008 is 2.32 g/t gold. Millrock geologists had narrowed down the bedrock

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source of the gold mineralization found in the talus, providing a target for this year's drilling. Millrock said sulfide mineralization was observed over the entire 450-meter length of the hole with locally more intensely mineralized zones. Assays are still pending at the time of this report.

In addition to accelerating the exploration program at Estelle, Teck has increased its ownership of Millrock in 2011 to around 3.9 percent through an early exercise of warrants it acquired as part of the May 2010 Estelle option agreement.

### Upcoming Kahiltna projects

Millrock has generated additional gold and copper prospects in the Kahiltna Terrane, including Cristo claims, a large group of claims east of Estelle beyond Kiska's Whistler property.

This land package is anchored by Monte Cristo, a large tonnage intrusive-related gold deposit or gold-rich porphyry prospect, and St. Eugene, a prospect that hosts a copper-gold-molybdenum porphyry system initially discovered in the 1970s.

Over the course of the 2009 and 2010 field seasons, Millrock geologists collected 80 rock samples and 213 soil samples at the Cristo claims.

Rock and soil samples have outlined a 700-meter-long zone at St. Eugene with rock samples up to 1 percent copper and 2.1 grams per metric ton gold.

At Monte Cristo, rock samples with grades up to 4.2 g/t gold and talus fines samples returning assays up to 3 g/t gold. Millrock geologists have outlined mineralized zones on two ridges about 300 meters apart. The glacial debris area between these zones has yet to be tested.

Brixton – which hammered out a final option agreement on the Cristo claims in October, 2010 – can earn a 100 percent interest in the property by spending US\$5 million on exploration, paying Millrock US\$330,000 and issuing 2 million Brixton shares and million purchase warrants with an exercise price of C\$1 per share.

Brixton originally planned to drill Cristo this year but has opted instead to carry out additional mapping and geochemical surveys. In order to extend its option on the property, Brixton issued Millrock an additional 500,000 warrants.

Revelation, an intrusive-related gold prospect about 30 kilometers west of Estelle, is a third project Millrock has generated in the Kahiltna Terrane.

### Uncle Sam gets its share

Drilling at Millrock's Uncle Sam property in Interior Alaska has the appearance of being an extension of the gold-rich zone discovered by Sumitomo Metal Mining at its Stone Boy prospect immediately to the south.

Crescent Resources, which optioned Uncle Sam from Millrock late in 2010, kicked off the 2011 program at Uncle Sam with an early season an auger program designed to pull soil samples from the horizon beneath a thick cover of overburden. Additionally, the partners opted to carry out geophysical surveys to refine targets below this frozen blanket of windblown silt that covers the property situated some 65 kilometers (40 miles) southeast of Fairbanks.

The partners used this initial data to target a 2,100-meter core drilling program at the Wolf and Lone Tree prospects.

All four holes drilled at Wolf cut gold mineralization. WLF-001 cut 2.74 meters averaging 3.63 g/t gold, WLF-002 cut 11.46 meters averaging 4.86 g/t gold, WLF-003 cut 3.05 meters averaging 3.27 g/t gold and WLF-004 cut 2.13 meters averaging 1.81 g/t gold.

Five holes drilled at Lone Tree, which is located northwest of Wolf in the northern part of the Uncle Sam, targeted a strong gold in soil anomaly that measures approximately 4,000 meters in

length and up to 1,000 meters wide, was designed to expand upon the area of gold mineralization.

USC-011, drilled by Kennecott Exploration in 2001, cut 19.22 meters averaging 2.03 grams per metric ton gold here.

The exploration at Uncle Sam is being funded by Crescent and managed by Millrock is managing the exploration.

Crescent has an option to purchase a 100 percent interest in Millrock's rights to the property subject to a royalty. Millrock presently owns approximately 5 percent of the issued and outstanding common shares of Crescent.

### Kinross drills Humble

Kinross, another major that has teamed up with Millrock to explore Alaska, is currently estimated to spend around US\$1.5 million on exploration at the newly acquired Humble property in Southwest Alaska and another US\$400,000 at the Council gold project on the Seward Peninsula.

At Humble, formerly known as the Kemuk prospect, the partners have carried out a soil sampling and induced polarization geophysical surveys in preparation for a small drill program that started in mid-August.

"It is just the very first phase, but it is pretty exciting when you think about what could be there," Beischer said.

Humble Oil Company originally investigated this property for its iron potential, due to its extremely strong magnetic signature.

Core from this late 1950s drilling – stored in a facility in South-central Alaska – has provided Millrock geologists with a peek at what lies below the surface at Humble.

"What we know of the geology, it is really reminiscent of the Pebble deposit. We have got a strong geochemical anomaly. We have got ZTEM geophysical anomalies that are coincident with the geochem, and we know by the little bit of drilling that was done by the Humble Oil Company back in the 1950s that the right kind of rocks are down there," Beischer told Mining News.

In a September update, Millrock reported that while the surface work at Humble went well, drilling at the porphyry copper-gold prospect has been problematic, leaving some question whether the 2011 program would produce drill core for analysis.

In 2010, Kinross and Millrock struck a deal in which the major has the option to earn a 60 percent interest in an area of interest, which includes the Humble claim group, in return for spending US\$4 million in exploration expenditures by the end of 2013, paying the project generator US\$200,000 and reimbursing the junior for staking the claims. Kinross has the option to increase its ownership of the copper-gold prospect by incurring an additional US\$6 million in exploration expenditures by the end of 2016.

Millrock is currently managing exploration at Humble, a duty Kinross may elect to take over at any time.



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# Nunavut: Resources-rich, ready to develop

Majors set sights on immense mineral potential of vast northern territory

By THE HON. PETER TAPTUNA  
Special to Mining News

The world economy may continue to be shaky, but Nunavut has the resources to ensure continued growth. Nunavut is not only rich in mineral and renewable resources, it also has a young population eager to learn new skills and turn the territory into a significant exporter of mineral commodities.

Interest in Nunavut as a destination for mineral explorers remains strong in 2011, reflected by higher levels of spending from last year, and growing interest in advanced projects by major companies. With the increased level of activity and the addition of new projects, actual year-end expenditures are likely to exceed the C\$322 million forecast estimated by Natural Resources Canada early in 2011.

Major mining companies from around the world are focusing on Nunavut's mineral potential. Earlier this year we welcomed the



PETER TAPTUNA

world's largest steel producer, ArcelorMittal, to the territory. The Luxembourg-based company bought 70 percent of the Mary River iron ore project on Northern Baffin Island. Nunavut Iron Ore Acquisitions owns the rest of the project.

Mary River is among the largest undeveloped iron deposits in the world. ArcelorMittal is working on a draft environmental impact statement in support of its proposed development of the deposit. Mary River has the potential to operate for 40-plus years. This means at least two generations of workers can be employed there. The stability of this project will contribute to sustained economic growth in Nunavut. ArcelorMittal also has the financial means to bring this multibillion-dollar project into production. Under the present plan, pre-construction could begin as early as next summer.

In the Kivalliq region of Nunavut, one of the leading gold producers in the world, Agnico-Eagle Mines, is advancing its Meadowbank gold mine. The mine is in its second year of operation. In August Prime Minister Stephen Harper visited the mine site, which employs about 600 people - almost half of them Inuit from

*continued on page 48*

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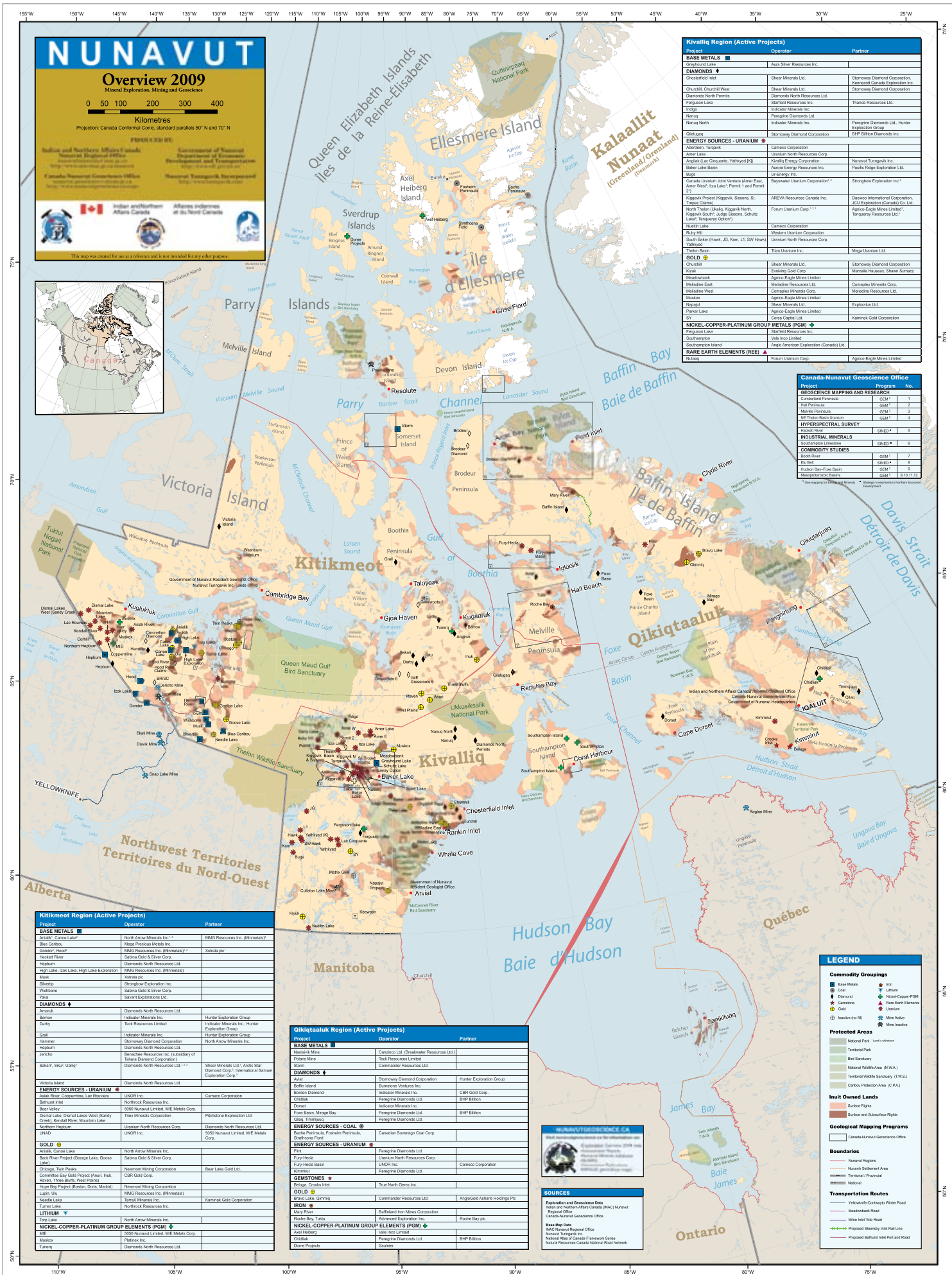


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NORTH COUNTRY GOLD CORP.

## 48 MINING EXPLORERS

# Explorer makes Arctic expedition

NovaGold considers copper subsidiary; expands Ambler district deposits

By SHANE LASLEY  
Mining News

**W**hile NovaGold Resources Inc.'s ultimate goal is to become a 1-million-ounce-per-year gold producer, the Vancouver B.C.-based junior is taking a fresh look at the enormous reserves of copper waiting to be mined at its Galore Creek project in British Columbia and its Ambler project in Northwest Alaska.

"Management believes the recently completed economic analyses of Galore Creek and Ambler clearly demonstrate that NovaGold's copper assets are considerably undervalued having regard to their size, favorable geopolitical location, projected long life and low operating cost," said NovaGold President and CEO Rick Van Nieuwenhuyse.

Moving these projects into a copper subsidiary is one option being considered to bridge this valuation gap.

Such a company would produce some 228 million pounds of copper at a weighted average of US\$83 cents per pound, assuming development of the projects based on the Galore Creek PFS and the Ambler PEA.

"We are effectively looking at our whole copper portfolio and deciding what is the best way to maximize that value for our shareholders," Van Nieuwenhuyse told Mining News.

While upper management consults the financial expertise of J.P. Morgan Securities LLC and RBC Capital Markets on the best mechanism for mirroring the worth of these world-class copper properties in the financial markets, the junior's geological team is adding to their intrinsic value through old-fashioned exploration.

## Arctic exploration

NovaGold's primary exploration endeavor in 2011 was at Ambler – a district-scale project that blankets some 68 kilometers (42 miles) of a belt of precious metals-enriched volcanogenic massive sulfide mineralization that stretches along the southern slope of the Brooks Range in Northwest Alaska.

Arctic – the crown jewel of a number of VMS deposits identified across this extensive land package – was one of the primary focuses of the US\$10 million program carried out in the Ambler District.

Arctic currently has an indicated resource of 16.8 million metric tons averaging 4.1 percent copper, 6 percent zinc. The deposit has an additional 12.1 million metric tons averaging 3.5 percent copper and 4.9 percent zinc in the inferred resource category.

A preliminary economic assessment prepared for Arctic early in 2011



RICK VAN  
NIEUWENHUYSE

## 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, 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, the company's flagship project, is emerging as one of the largest undeveloped rare earth elements resources in the world. It is located 100 kilometers (60 miles) southeast of Yellowknife, Northwest Territories. In 2010 Avalon said the Nechalacho deposit at Thor Lake ranked as the second-largest REE deposit in the world by reported total rare earth oxides and the third-largest contained-niobium deposit in the world by reported Nb2O5. An NI 43-101-compliant resource estimate established in 2010 was updated in January to incorporate data generated in the company's 2010 drilling of 106 holes covering 27,586 meters. The total inferred resource at Thor Lake is estimated to be 226.88 million tons averaging 1.3 percent TREO, 0.19 percent heavy rare earth oxides, with heavy rare earth oxides making up 14.33 percent of the total rare earth oxides estimated to be in the Nechalacho deposit at Thor Lake. The explorer has proposed spending C\$43.5 million to advance the project, including C\$19.5 million for exploration, upgrade drilling and geology. During the nine months ended May 31, Avalon spent nearly C\$12.86 million, up 28 percent from the C\$9.4 million it spent during the comparable period of the previous fiscal year. The majority (95 percent) of the latest expenditures were incurred on Thor Lake, primarily for drilling, metallurgical and market studies, environmental studies, permitting and community consultation. A winter drill program was completed April 28, and assays are pending.

Meanwhile, the company began geotechnical drilling in June with the initial objective of testing a proposed route for a production ramp from the planned plant site to the location of an underground crusher station. A second rig equipped to recover large diameter PQ core for bulk sample recovery began drilling in July with the objective of completing in-fill holes within the indicated mineral resources in the Basal Zone, focusing on the area where mining will be initiated. Results of this drilling are expected to reclassify additional indicated resources to the measured category. A bankable feasibility study for the Thor Lake project is targeted for completion in late 2012, and production startup is anticipated in 2015.

CASH AND SHORT-TERM DEPOSITS: C\$31.45 million (May 31, 2011)

WORKING CAPITAL: C\$30.68 million (May 31, 2011)

MARKET CAPITALIZATION: C\$292.5 million (Sept. 23, 2011)

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DONALD BUBAR

*continued on next page*



## NovaGold Resources Inc.

NYSE-AMEX: NG, TSX: NG

**CHAIRMAN:** Gerald McConnell

**PRESIDENT AND CEO:** Rick Van Nieuwenhuyse

**SENIOR VP AND COO:** Gil Leathley

**VP EXPLORATION:** Joe Piekenbrock

Properties with mineral(s) explored –

Gold – Donlin Creek, Alaska

Copper-Gold – Galore Creek, British Columbia

Polymetallic VMS – Ambler, Alaska



Gold – Rock Creek, Alaska

**CASH AND SHORT-TERM DEPOSITS:**

C\$106.29 million (August 31, 2011)

Working capital: C\$63.64 million (August 31, 2011)

**MARKET CAPITALIZATION:** C\$1.9 billion (Sept. 26, 2011)

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## NOVAGOLD continued from page 49

envisioned a 4,000-metric-ton-per-day-mine producing some 1.7 billion pounds of copper, 2 billion pounds of zinc, 291 million pounds of lead, 266,000 ounces of gold and 22 million ounces of silver over a 25-year mine-life.

"This preliminary economic assessment demonstrates the robust economics of developing one of the highest-grade VMS deposits in the world," Van Nieuwenhuyse said.

In addition to resource expansion and geotechnical drilling in support of developing Arctic, NovaGold's 2011 exploration in the region includes drilling at Bornite, a large under-explored copper deposit located about 27 kilometers (17 miles) to the southwest.

NovaGold gained access to Bornite through a partnership agreement with NANA Regional Native Corp., owners of the historical copper deposit.

The pact – which has been formalized under a letter of intent but not yet signed – is expected to include an exploration agreement that unites NovaGold's Ambler project – a 90,624-acre tract of state and federal mining claims – with NANA lands immediately to the south.

For NANA, the pending agreement will allow the Inupiat-owned Alaska Native regional corporation to be involved in the exploration and development of deposits on NovaGold's Ambler property. In return, NovaGold will get to explore the copper-rich Bornite deposit and other upper Kobuk region mineral prospects known to exist on NANA lands.

The Vancouver B.C.-based explorer also will gain access across NANA's lands, which encompass a key infrastructure corridor for development of the Arctic deposit.

The option of a joint venture partnership if any of the deposits advance to a production decision is also anticipated to be part of the agreement.

A historical resource calculated for Kennecott Exploration Co. estimates that Bornite contains 50 million metric tons averaging 1.2 percent copper with 454,000 metric tons grading up to 4 percent copper. The deposit also contains zinc, cobalt and germanium.

NovaGold carried out a 6,000-meter drill program at Bornite with the goal of updating and expanding this historical copper deposit. An NI 43-101-compliant resource is due out in the first half of 2012.

## Enhancing Galore

Following a July prefeasibility study that demonstrates robust economics for



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the development of Galore Creek, NovaGold and Teck Resources Ltd. are advancing an enhanced plan for northern British Columbia project that includes increasing the size of the copper-gold-silver reserves.

The project envisioned in the PFS is forecast to produce 6.2 billion pounds of copper, 4 million ounces of gold and 65.8 million ounces of silver over about an 18-year mine life with cash costs averaging US80 cents per pound of copper at base price case assumptions of US\$2.65 per pound copper, US\$1,100 per ounce gold and US\$18.50 per ounce silver and a foreign exchange rate of 1.11 CAD/USD.

"The key thing about Galore is the low cash costs of producing a pound of copper," Van Nieuwenhuyse points out Sept. 15.

Using July prices of US\$4.44 per pound copper, US\$1,613 per ounce gold and US\$40.34 per ounce silver and foreign exchange rate of 0.949 CAD/USD the average cash costs drop to about US42 cents per pound of copper.

The PFS configuration moves the 95,000-metric-ton-per-day mill to a valley adjacent to the Galore Creek Valley that hosts the deposit thereby increasing flexibility to enable open-pit mine expansion, higher mill throughput and additional exploration.

To accommodate the increased scale and scope of the operation outlined in the PFS, NovaGold and Teck are advancing an enhanced plan for Galore Creek that includes increasing the size of the copper-gold-silver reserves.

"In completing the prefeasibility study we recognized that is about 200 million tons of ore that wasn't coming into the mine-plan," Van Nieuwenhuyse explained.

The enhanced plan envisions upgrading these resources to reserves by expanding the pit to encompass resources located in the adjacent Bountiful zone.

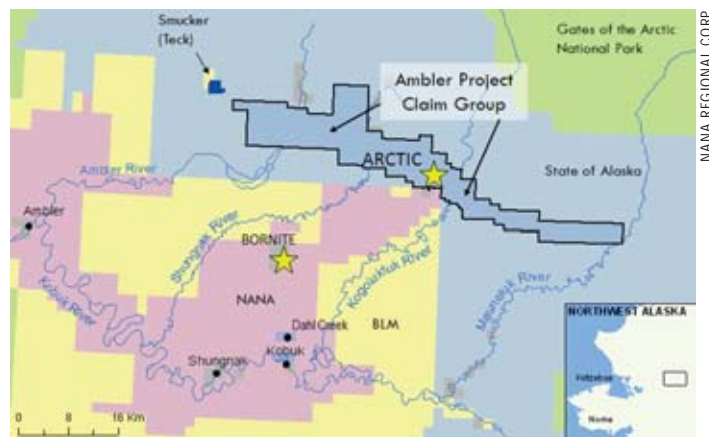
Currently, Bountiful contains and inter-mingled assortment of inferred, measured and indicated resources.

Galore Creek Mining Company – a partnership to advance the enormous copper-gold-silver project held equally by Teck and NovaGold – approved a C\$30.5-million budget to carry out further work at Galore Creek during the second half of 2011. This work includes infill drilling to convert inferred mineral resources to the measured and indicated categories, geotechnical drilling on the tunnel alignment and geotechnical drilling in pit-expansion areas.

The enhanced plan also considers the addition of a second semi-autogenous grinding mill in the fifth or sixth year of operations to keep the operation processing at the 95,000-metric-ton-per-day rate as harder rock types are expected to be encountered as the pit deepens.

The enhanced plan will also re-evaluate two other areas of the prefeasibility study: the use of a pipeline to transport concentrate to the highway; and alternative port facilities. Both issues are important elements for the project description and scope for permitting.

If put into production as contemplated in the PFS, the Galore



Creek mine is projected to be both the largest copper mine and the largest silver mine in Canada.

"The results of the prefeasibility study clearly indicate that Galore Creek is a very valuable asset," said Van Nieuwenhuyse. "The project's scale, long life, low operating costs and exploration upside make Galore Creek a significant value driver for the company."

Additional mineral resources occur at depth in the Central Zone and in four adjacent satellite deposits at Galore Creek

NovaGold said step-out and infill drilling of these deposits and several outlying prospects could add reserves to the Galore Creek mine-plan.

NovaGold recently acquired Copper Canyon Resources to consolidate the land position in the Galore Creek region.

The Copper Canyon deposit is located mid-way up the east

*continued on next page*



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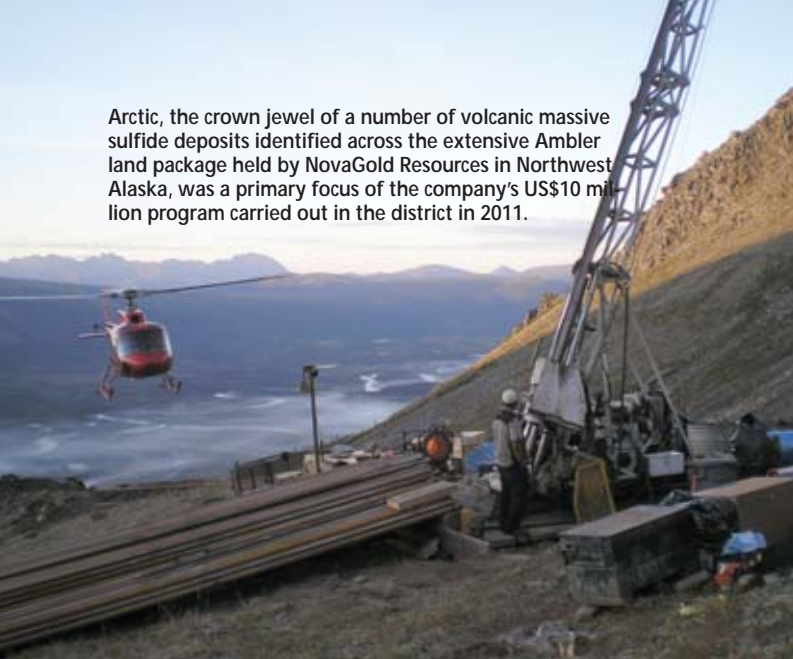
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Arctic, the crown jewel of a number of volcanic massive sulfide deposits identified across the extensive Ambler land package held by NovaGold Resources in Northwest Alaska, was a primary focus of the company's US\$10 million program carried out in the district in 2011.



NOVAGOLD RESOURCES INC.

#### NOVAGOLD *continued from page 51*

fork of Galore Creek, about two kilometers from the Central Zone and hosts an inferred mineral resource and multiple high-quality target areas.

"There are at least three porphyry systems that exist on the Copper Canyon project, only one of which has been evaluated," Van Nieuwenhuyse explained.

NovaGold has offered the Copper Canyon lands to Teck for inclusion in the Galore Creek Partnership.

#### 100-million-ounce Donlin Gold

Preliminary estimates released by NovaGold Resources Inc. in early September plants a US\$7 billion price tag on building the facilities needed to mine the some 38-million-ounce Donlin Gold deposit, or about US\$2.5 billion more than was calculated for a feasibility study completed in 2009.

After mulling over the 2009 development plan for Donlin Gold, Barrick Gold Corp. and NovaGold, equal partners in the project, decided to take the project back to the drawing board. This time around the assessment is considering the economics of powering the operation with natural gas, as opposed to the original plan of using diesel to generate the vast quantities of electricity needed.

"The cost of producing a kilowatt of power on-site with gas versus diesel is half," Van Nieuwenhuyse explained. "This is a huge mine; it will be consuming 85 megawatts of power, which is enough power for a city of 120,000 people."

In addition to lowering the cost of producing power, the deliv-

Preliminary estimates released by NovaGold Resources Inc. in early September plants a US\$7 billion price tag on building the facilities needed to mine the some 38-million-ounce Donlin Gold deposit, or about US\$2.5 billion more than was calculated for a feasibility study completed in 2009.

ery of fuel via a pipeline is logistically simpler and more reliable than the original plan of barging diesel to the remote site.

According to the preliminary estimates, it will cost US\$1 billion to build the natural gas pipeline from Cook Inlet 500 kilometers (300 miles) northwest to the proposed mine. The outstanding US\$6 billion of capital costs are for mine-development at the Kuskokwim area project.

Though the capital costs seem staggering, NovaGold and Barrick seem confident the 2011 feasibility study will outline a project with positive economics.

"The updated study is expected later this year and we anticipate permitting will commence shortly after that," Barrick Regional President, North America Greg Lang said a day after the estimated costs were announced.

"The fact that Barrick has expressed its desire to proceed with the permitting process to advance the project is a major plus for our company and our shareholders," said NovaGold President and CEO Rick Van Nieuwenhuyse. "We look forward to developing Donlin Gold into one of the largest and best gold mines in the world."

Adding to 33.6 million of gold reserves at Donlin, the deposit has about 8.7 million ounces of gold in resources and the pit is open at depth, to the east and along a 5,000-meter strike to the north.

"In addition to the already significant resources, the exploration potential is high. Several areas have already been identified, with the potential to extend the mine-life. There are almost 40 million ounces identified here and the deposit is open to the north and the east – and is only limited by the current drilling," Lang said.

During a Sept. 15 presentation at the Precious Metals Summit in Vale, Colorado, Van Nieuwenhuyse touted this exploration upside.

"I am an absolute believer that it will be a 100-million-ounce (gold) district before it is all said and done," the NovaGold CEO said.

He added, "The vision I have for Donlin Gold is: You will double the throughput from 55,000 to 110,000 (metric tons) and you will be producing well over 2 million ounces of gold annually for 50 years."

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# Teck looks North for new mines

Miner employs trilateral strategy to pursuit of copper, gold, zinc deposits

By SHANE LASLEY  
Mining News

From deploying its own geologists to make grassroots discoveries to partnering with junior explorers with strong geological know-how and enticing projects, Teck Resources Ltd. is seeking new high-quality deposits of zinc, copper and gold across Alaska and Canada's North.

"In terms of our overall exploration strategy, it has three parts to it: One is doing our own grassroots, regional exploration; the second arena we get involved with is joint ventures with junior companies; and the third way is doing equity placements in juniors which gives us certain rights in the future," Teck Resources VP of Exploration Fred Daley explained in a recent interview.

Applying this trilateral strategy, Teck's in-house exploration team roved the Yukon Territory and northern British Columbia in 2011 in search of promising copper and gold prospects, while savvy junior partners Millrock Resources Inc. and NGEx Resources Inc. were busy drilling their respective projects in Alaska and British Columbia.

In its hunt for zinc, Teck need look no further than the backyard of its Red Dog Mine in Northwest Alaska. The diversified miner continues to tap zinc-rich SEDEX deposits there and by applying modern techniques, the exploration team has developed new targets throughout the district.



MILLROCK RESOURCES INC.

## Teck Resources Ltd.

NYSE: TCK, TSX: TCK.B

# Teck

CHAIRMAN: Norman Keevil • PRESIDENT AND CEO: Don Lindsay  
VP EXPLORATION: Fred Daley

Properties with mineral(s) explored:  
Zinc-Lead-Silver – Red Dog District, Alaska  
Copper-Gold – Galore Creek, B.C.  
Copper-Gold – CJ, B.C.  
Gold – Estelle, Alaska  
Gold – Wolf, Yukon Territory

CASH AND CASH-EQUIVALENTS: C\$1.3 billion (June 30, 2011)  
WORKING CAPITAL: C\$2.7 billion (June 30, 2011)  
MARKET CAPITALIZATION: US\$23.9 billion (Aug. 25, 2011)

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Website: [www.teck.com](http://www.teck.com)

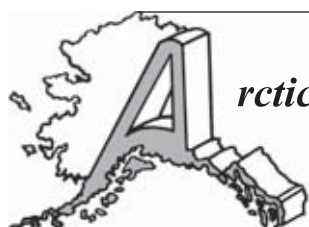
## Seeking gold

Although Teck sold off most of its gold assets in 2008 and 2009, the diversified miner is also prospecting Alaska and the Yukon Territory for new deposits to add to its aurum portfolio.

"We are active in the gold exploration and gold development business," Daley told Mining News.

In this pursuit of new gold deposits, Teck has forged an explo-

*continued on next page*



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**TECK** *continued from page 53*

ration alliance with Millrock Resources Inc. on the junior's Estelle project about 170 kilometers (105 miles) northwest of Anchorage, Alaska.

Though Estelle lies in the heart of the Kahlilna Terrane – an assemblage that hosts enormous copper-gold deposits such as Northern Dynasty Ltd. and Anglo American plc's Pebble project and Kiska Metal Corp.'s Whistler property – the primary metal here is gold.

"We, like several other companies, recognize the new exploration activity in that part of Alaska – some of the positive results that are coming out of other programs in the same district," Daley commented on this highly prospective region of Southwest Alaska.

After assessing several prospects in this district, Teck's technical team concluded that Millrock and its Estelle project provided Teck with the best opportunity.

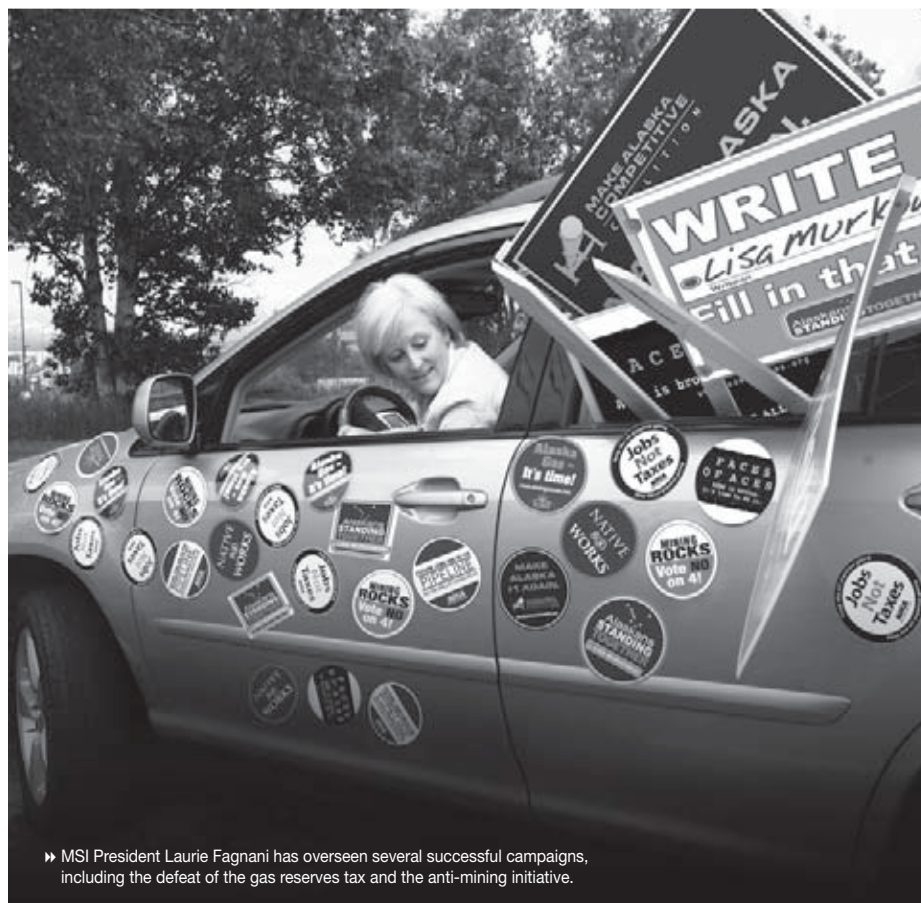
Since forging a partnership with Millrock Resources Inc. in 2010, Teck has advanced the gold prospect at a rapid rate – funding a US\$3.5 million exploration program in 2011. This program gains the senior a 55 percent stake in Estelle, a year ahead of schedule.

“We were really pleased when Teck stepped up to the plate with what I consider to be a very substantial budget for a first-pass drilling program,” Millrock President and CEO Greg Beischer said.

In addition to accelerating the exploration program at Estelle, Teck has increased its ownership of Millrock to around 3.9 percent through an early exercise of warrants it acquired as part of the May 2010 Estelle option agreement .

"We are happy with the way the investment and project has turned out," Daley said. "We are moving forward with trying to earn our second option there."

To date, seven main gold zones have been identified across the 246-square-kilometer (95-square-mile) land package. Four of which – Oxide Ridge, Shoeshine, Shadow and Discovery – were drilled in 2011.



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The 1,500-meter program, which pierced one hole into each zone, is the first drilling at Estelle since Millrock acquired the property in 2008.

Shoeshine and Oxide Ridge are gold mineralized zones Millrock identified by sampling the broken rocks collected at the base of steep slopes characteristic of this region of the Alaska Range. Testing this talus helped geologist dial in on the source of the gold-bearing rocks collected in the rubble that had eroded from the bedrock above.

Sampling this talus, Millrock outlined a 300- by 1,000-meter gold zone at Shoeshine. The average grade of 49 samples collected from the rubble field at this prospect in the southern portion of the Estelle claim block is 0.585 g/t gold. One sample of porphyry rock cut by sheeted quartz veinlets returned assays of 13.13 g/t gold.

The average grade of 24 talus fines samples collected at Oxide Ridge, situated some 20 kilometer (12 miles) north of Shoeshine, in 2008 is 2.32 g/t gold.

By 2010 Millrock geologists had narrowed down the bedrock source of the gold mineralization found in the talus, providing targets for the 2011 drilling.

The Kahiltna Terrane is not unfamiliar territory to Teck – predecessor, Cominco, investigated this region more than two decades ago. This historical exploration included drilling at Shadow, one of the targets of the 2011 program at Estelle. The historical exploration at Shadow includes a drill intersection of 3 g/t gold over 29.6 meters and a chip sample grading 18 g/t gold over 9.9 meters.

Referring to the past exploration in the Kahiltna Terrane, Daley explains, “Between Teck and Cominco, there is probably over 100 years of exploration data for B.C., Yukon and Alaska. So we have a terrific database for gold and base metals, providing us quite a collection of historical data we utilize for making decisions on exploration.”

Teck Resources continues to find zinc-rich SEDEX deposits near its Red Dog Mine in Northwest Alaska.

SHANE LASLEY



This century of knowledge is also helping to guide the search for gold in the neighboring Yukon Territory.

“Our work in the Yukon is gold-only, and a fair bit of it is going back into our historical exploration files and coming up with some very encouraging stream sediment anomalies for gold,” said the exploration vice president. “So, over the last two years we have gone back to the Yukon and staked a couple of large properties and this year we are following up with some soil surveys and additional rock sampling.”

Daley said the Teck exploration team is refining targets for a potential 2012 drill programs at its two large gold properties in the Yukon Territory.

*continued on next page*

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## BHP Billiton Group

**BHP:** ASX/NYSE

**CEO:** Marius Kloppers, PhD

**CFO:** Alex Vanselow

**PRESIDENT, DIAMONDS**

**AND SPECIALTY PRODUCTS:** Tim Cutt

BHP Billiton Group is a diversified global natural resources company that operates nine industry groups: petroleum, aluminum, base metals (including uranium), diamonds and specialty products, stainless steel materials, iron ore, manganese, metallurgical coal and energy coal. The major said greenfield exploration in 2011 has continued on copper targets in South America, Mongolia and Zambia; nickel and copper targets in Australia and diamond targets in Canada. For the 2011 fiscal year ended June 30, Billiton spent US\$683 million on minerals exploration. North of 60 in

North America, the company focused primarily on diamond production and exploration. In 2011 the miner spent US\$54 million on diamond exploration in the Northwest Territories and Nunavut. That's more than double the US\$21 million it spent on comparable projects in the same region in fiscal 2010. A notable exploration project is Billiton's joint venture activities with Peregrine Diamonds Ltd. which is aggressively exploring the Chidliak and Qilaq diamond projects 120 kilometers (75 miles) northeast of Iqaluit, the capital of Nunavut. The major contributed about C\$9.03 million in 2011 to the C\$17.7 million exploration budget for Chidliak. In May Billiton said it would initiate a pushback of the existing Misery open pit project at the Ekati Diamond Mine in the Northwest Territories. Billiton mined the Misery pit from 2001 to 2005. The estimated capital expenditure required to complete the execution phase of the project is US\$323 million (BHP Billiton 80 percent share). Of that amount, US\$29 million of pre-commitment capital was approved in 2010 to enable long-lead equipment to be brought in on the 2011 winter road. The company said it expected to begin stripping operations in October, with ore production anticipated in late 2015 and final output from Misery in mid-2017.

### CASH AND SHORT-TERM DEPOSITS:

US\$10.1 billion (at June 30, 2011)

**WORKING CAPITAL:** US\$10.0 million (at June 30, 2011)

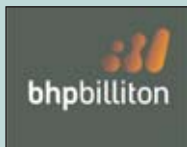
**MARKET CAPITALIZATION:** US\$70.47 billion (at Sept. 2, 2011)

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**MARIUS KLOPPERS**

**TECK** *continued from page 55*

## BC Porphyries

From grassroots exploration to studying the feasibility of building a mine at the colossal Galore Creek deposit, Teck's exploration in northern British Columbia is focused primarily on porphyry copper-gold systems.

"We recently staked three large properties, based on some prospecting a silt sampling we did earlier in the year. So, we will be going back to those next year with some full-scale property programs – mapping, sampling and geophysics," Daley said of Teck's grassroots exploration in northern British Columbia.

One of the primary targets of Teck's search here is CJ, a porphyry copper-gold project about 10 kilometers (6 miles) west of Highway 37 near Imperial Metals Corp.'s Red Chris project.

The senior miner, which optioned CJ from junior explorer NGEx Resources Inc. in August 2010, can earn a 51 percent interest in the project by spending C\$12 million by the end of 2014, a stake can be raised to 75 percent by spending an additional \$32 million by the close of 2020.

CJ currently has a measured and indicated resource of 153.3 million metric tons averaging 0.321 percent copper and 0.369 g/t gold, or about 1.09 billion pounds of copper and 1.82 million ounces of gold. There is an additional inferred resource of 23 million metric tons grading 0.26 percent copper and 0.31 g/t gold, for an additional 132 million pounds of copper and 0.23 million ounces of gold.

In order to expand this resource and to test other high-priority targets at CJ, Teck funded a C\$4.5 million exploration program in 2011 that includes about 5,000 meters of drilling, a 145-line-kilometer induced polarization survey and 125 line-kilometers of ground magnetics.

NGEx President and CEO Wojtek Wodnicki said, "We are very pleased that Teck plans an aggressive field program with a significant amount of drilling that is well in excess of the minimums required by our option agreement."

Teck also has an indirect interest at the Schaft Creek copper-gold project about 110 kilometers (70 miles) southwest of CJ, a project it optioned to Copper Fox Metals Inc. in 2002. Upon the junior completing a feasibility study for Schaft Creek, Teck has the right to buy back into this copper-gold-silver project by funding additional work here.

A prefeasibility study completed for Schaft Creek in 2008 outlines a mine pro-

ducing 4.76 billion pounds of copper, 4.5 million troy ounces of gold, 32.5 million troy ounces of silver, and 255.2 million pounds of molybdenum over a projected mine-life of 22.6 years. Copper Fox anticipate the completion of a feasibility study by year's end.

About 70 kilometers (45 miles) further southwest, Teck and NovaGold Resources Inc. are advancing Galore Creek toward a production decision. Following a July prefeasibility study for this copper-gold-silver project, the project partners have stepped up drilling here.

Proven and probable mineral reserves reported in the PFS total 528 million metric tons averaging 0.6 percent copper, 0.32 grams per metric ton gold and 6.02 g/t silver. The project is forecast to produce 6.2 billion pounds of copper, 4 million ounces of gold and 65.8 million ounces of silver over an 18-year mine life.

Galore Creek Mining Co., a partnership held equally by Teck and NovaGold, approved a C\$30.5-million budget to carry out further work at Galore Creek during the second half of 2011. Planned work includes infill drilling to convert inferred mineral resources to the measured and indicated categories, geotechnical drilling on the tunnel alignment and geotechnical drilling in pit-expansion areas.

The partners also will complete further environmental and engineering work in preparation for feasibility level studies.

During the second quarter of 2011, Teck invested the C\$373 million required to earn a 50 percent interest in the partnership. The project will advance with Teck and NovaGold equally funding further development.

If put into operation as contemplated by the partnership Galore Creek would likely be Canada's largest producer of both copper and silver.

## Zinc discoveries

While many of the other large zinc mines around the globe may be nearing the end of their reserves, Teck's Red Dog Mine in Northwest Alaska has enough ore to continue supplying the industrial metal to global markets for at least another 20 years, and the miner is actively seeking other SEDEX ore-bodies in the region.

Exemplified by Main, a deposit that averaged some 20 percent zinc over the two decades it provided ore to the mills at Red Dog, the SEDEX deposits in this distant corner of Alaska are renowned for their fantastically high zinc grades.

Scooping up the last of the Main Pit ore in 2011, Teck and its Red Dog partner, NANA

Regional Native Corp., are now mining Aqqaluk, an adjacent deposit that is anticipated to provide feedstock for the mills until 2031.

Though averaging a slightly lower grade than the ore mined over the past 20 years – the 51.6-million-metric-ton Aqqaluk deposit still offers 16.7 percent zinc and 4.4 percent lead, or 8.6 million metric tons of contained zinc and 2.3 million metric tons of contained lead.

“We have exploration people working on the infill and resource drilling at the new mining sites at Aqqaluk and Qanaiyaaq,” Daley said.

Anarraaq-Aktigiruaq, a deep zinc-rich prospect that lies about 11 kilometers (eight miles) northwest of Red Dog, is shaping up to be another massive zinc deposit with grades comparable to those currently being mined.

According to a 2004 report written for the Society of Economic Geologists, Anarraaq consists of a barite body, estimated to be as big as 1 billion metric tons, hosting a zone of massive sulfide zinc-lead-silver mineralization.

Teck discovered the deposit while drilling a large gravity anomaly in 1999, subsequently establishing an inferred resource of about 17.2 million metric tons grading 15.8 percent zinc, 4.8 percent lead, and 71 g/t silver.

Hole 1109, drilled at the north end of this 9,000-meter long geophysical target, intersected 4 meters averaging 29 percent zinc. Hole 1114 – drilled about 3,000 meters southeast – cut 14 meters grading 17 percent zinc, including 5 meters at 46 percent zinc. Another 4,000 meters south, hole 1150C cut 32 meters averaging 11 percent zinc, including 3.4 meters at 32 percent zinc.

Teck completed a 17-hole drill program at Anarraaq in 2010 and has one drill extending the known mineralization to the north during the 2011 drill season.

The company is also drilling a new region to the west of Red Dog called Noatak. Integrating modern geophysics, stream sediment sampling and detailed geological mapping – Teck has produced around 20 drill targets on these state of Alaska mining claims.

“We are not going to get them all done this year, it’s a pretty short field season at Red Dog, but we are going to try to get four or five of the new targets drilled this year,” Daley said.

This broad spectrum of exploration across Alaska, British Columbia and Yukon Territory exemplifies Teck’s objective of accessing “high quality, sustainable growth opportunities through the discovery or acquisition of top-tier mineral deposits.”

To meet this objective, Teck extends an open invitation via its website to prospectors and explorers.

“Teck has a team of exploration professionals focused on finding new mines and who will assess the potential of every opportunity presented, regardless of the stage of exploration. If you are interested in partnering with us, we are interested in hearing from you,” declares the miner.



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## Capstone Mining Corp.

CS: TSX

**PRESIDENT AND CEO:** Darren Pylot

**SENIOR VICE PRESIDENT AND COO:** Gregg B. Bush, B.Sc. (Metallurgical Eng.)

**VICE PRESIDENT, EXPLORATION:** Brad Mercer, P. Geo.

Capstone Mining Corp. is primarily focused on operating, expanding and exploring its assets, including mines or mine projects in Yukon Territory, British Columbia, Mexico and Chile. The Minto copper-gold-silver mine in central Yukon Territory and the high-grade Kutcho copper-zinc-gold-silver deposit in northwestern British Columbia are Capstone’s only properties north of the 60th parallel. At Minto, Capstone set the 2011 exploration budget at C\$12.9 million, including drilling using three rigs. By July, the company had completed the budgeted program for the year with 49 diamond drill holes covering 16,212 meters in the spring/summer phase of 2011 exploration and a total of 34,004 meters for the year. With its exploration success at Minto in 2010-2011, Capstone decided to initiate a Phase VI pre-feasibility study that is anticipated to be completed in early 2012 and is aimed at incorporating the Copper Keel/Wildfire area and the Area 2/118 deposit resources – all four areas are now known as the Minto



**DARREN PYLOT**



South Deposit – into the reserve base. It is anticipated that a final resource model for MSD will be completed in the third quarter of 2011 and a new resource estimate generated for inclusion into the Phase VI PFS. While most of the 2011 exploration supported an MSD resource model, additional regional drilling was conducted to test chargeability anomalies generated in a Titan-24 survey in 2010. With the MSD resource drilling and the 2011 exploration program finished two months early, Capstone considered approving additional funds to continue drilling to test other exploration targets on the property derived from geophysics and geological modeling. If approved, drilling was expected to resume in late August. The Minto Mine is projected to produce 39 million to 41 million pounds of copper contained in concentrates at a cash cost of C\$1.60 to C\$1.70 per pound of payable copper in 2011.

At the Kutcho Project, a new PFS was released in February and the company commissioned a property-wide, high resolution helicopter-borne Versatile Time Domain Electromagnetic survey that was completed in the second quarter, totaled 1,649 kilometers of flight lines spaced 100 meters apart, covering 14,700 hectares (36,324 acres). A diamond drill program to test anomalies generated by the VTEM survey began in early July and was expected to be completed by the end of August. Development activities in 2011 are continuing at Kutcho with the goal of obtaining all necessary permits for mine development by mid-2013. Capstone budgeted C\$2.2 million for exploration spending in 2011 on the project and focused on identifying and drill testing geophysical/geological targets identified in the VTEM survey starting with the highest priority VTEM anomalies located in the most prospective geology.

In keeping with its strategy of also growing through mergers and acquisitions, Capstone entered into an agreement in April with Far West Mining Ltd. to merge with the company by way of a plan of arrangement. Concurrently, Capstone entered a strategic partnership with Korea Resources Corp. Far West owns the Santo Domingo Project, a large-scale copper-iron-gold development project located in Region III, Chile, and KORES will assist Capstone in its development.

**CASH AND SHORT-TERM DEPOSITS:** C\$506.6 million (at June 30, 2011)

**WORKING CAPITAL:** C\$553.2 million (at June 30, 2011)

**MARKET CAPITALIZATION:** C\$1.18 billion (Sept. 7, 2011)

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# Yukon: Northern Star keeps shining in 2011

Modern mining exploration and development rush digs in for the long term

SPECIAL TO MINING NEWS

**Y**ukon Territory continues to be in the limelight with the previous years' gold exploration successes leading to definition of gold deposits in 2011. Gold is the leading commodity in terms of exploration, but silver, base metals and tungsten are the leading commodities in terms of mine development. A number of regions are continuing to attract high-profile attention with two of Yukon's operating mines expanding their reserves and new discoveries continuing throughout the territory. The year has been very exciting so far.

A new 'stake first, explore later' technique is now in play in Yukon. Where companies used to conduct regional reconnaissance-level prospecting and sampling before staking large properties, they now stake first, based on public data such as regional stream sediment data sets, and do the reconnaissance work after. Much of the exploration this year consists of reconnaissance exploration of the nearly 78,000 claims staked in the first half of 2011.

Another significant change in exploration strategy is the higher speed of information-gathering in the field. Utilizing on-site analysis methods such as portable geochemical analyzers and specialized software, companies can create digital three-dimension geochemical models in real time and use them to guide exploration programs. Drill targets can now be chosen quantitatively before assay data is received; what used to take several years to accomplish is now being done in one season.

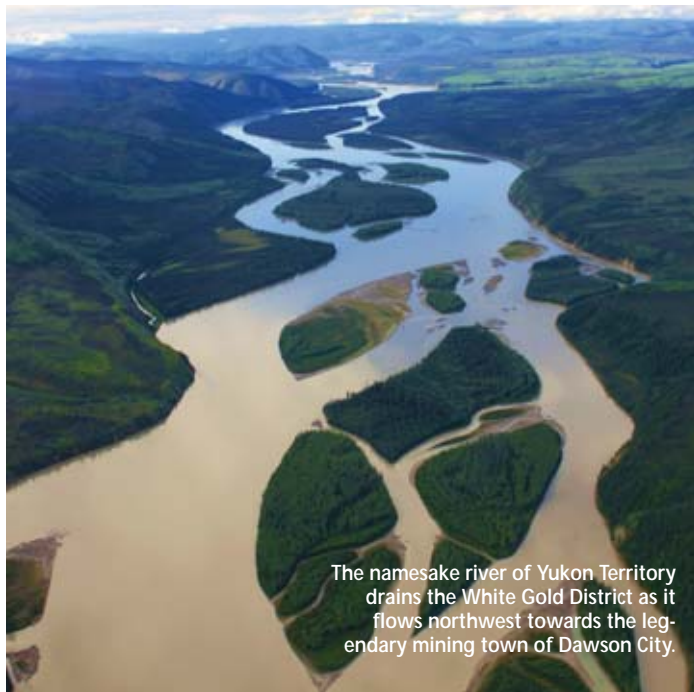
## Robust exploration

After Kinross Gold Corp.'s friendly takeover of Underworld Resources Inc. in mid-2010, Kinross defined an NI 43-101-compliant resource of 1.5 million ounces of gold in late-2010. Successful definition of the White Gold deposit two years after the 2009 discovery is a testament to the Kinross team and the potential of the White Gold area.

Kaminak Gold Corp. followed up last year's discovery on the Coffee property in the White Gold area with continued success, notably 74.9 grams per metric ton over 4 meters. Kaminak is working towards a NI 43-10-compliant inferred gold resource.

Much to the exploration community's delight, new discoveries in the area continue. For example, Pacific Ridge Exploration Ltd.'s first diamond drill hole on its Mariposa property intersected 2.44 g/t gold over a 38.9-meter interval that includes 6.44 g/t gold over an 11.1-meter interval.

Atac Resources Ltd. is also continuing its exploration success on the Rackla Gold Project which encompasses over 1,600 square kilometers (618 square miles) of quartz claims in central Yukon along the north margin of the Selwyn Basin. Highlights of this project include definition of a NI 43-101-compliant gold



SHANE LASLEY

resource at the Tiger Zone expected in late-2011; extensive diamond drilling of the Osiris Zone which lies 100 kilometers (62 miles) east of the Tiger zone and regional exploration between Osiris and Tiger zones. Recent results from this summer's drilling have been impressive; among them is 3.15 g/t gold over 115 meters.

Exploration companies that defined drill targets in 2010 are now actively drilling, while companies new to properties are undertaking extensive soil sampling programs; more than 200,000 soil samples are estimated for the White Gold area this year alone.

Companies such as Radius Gold Inc. and the Constantine Metal Resources-Carlin Gold joint venture staked ground along the margin of the Selwyn Basin last winter and are now conducting reconnaissance-level exploration and are defining drill targets for 2012.

## Mine development

Alexco Resource Corp. has made impressive progress on development of the Bellekeno mine, which officially opened in May. The mine is now fully operational and is on track to meet its 2011 silver production target of 2.5 million ounces. Further exploration success by Alexco at the Lucky Queen and Onek deposits has increased the total indicated resource on Alexco's

properties in the Keno Hill District by about 40 percent.

Capstone's Minto Mine has been in continuous production since 2007. An amendment to the company's mining license has been approved, which allowed Capstone to increase production to 3,600 metric tons of ore per day. Minto is also starting underground development with the aim of bringing underground production online late in 2011 or early in 2012. Thanks to recent exploration successes, the total mineral resource at the Minto Mine now exceeds 1 billion pounds of copper, which should extend the life of the mine well past its projected seven years.

Open-pit mining of Victoria Gold Corp.'s Eagle Gold deposit and underground mining of North American Tungsten Co. Ltd.'s Mactung deposit are both under assessment by the Yukon Environmental and Socioeconomic Assessment Board, which is part of the regulatory and permitting process for Yukon mines. Western Copper Corp. spent 2011 preparing for the assessment and permitting process for the Casino property in the southern Dawson Range. The Selwyn-Chihong Mining Ltd. joint venture spent 2011 preparing for the assessment and permitting process for development of the XY and Don deposits at the Selwyn Project in the Howard's Pass District. Selwyn-Chihong also started an advanced underground exploration program this year with the aim of getting a 30-metric ton bulk sample for metallurgical testing.

### Yukon's commitment

The Government of Yukon is committed to continually improving the investment climate by providing regulatory certainty. Supporting the exploration and mining industry continues to be a priority for the Yukon Geological Survey, and they have initiated or continued geological studies, such as



The discovery of Carlin-style gold mineralization has spurred several companies to seek similar ground along the margin of the Selwyn Basin in Yukon Territory.

SHANE LASLEY

bedrock mapping, in the Rackla area.

### The place to be

Success has been pervasive in every aspect of Yukon's growing mineral industry, including expanding resources at the operating Minto and Bellekeno mines, exploration in the White Gold area, the Rackla Gold Project and a host of other Yukon projects. Two mines are in the assessment process and several other Yukon projects are continuing their economic and environmental studies adding to the number of potential near-term mines. 2011 has been an exciting year with mining and exploration clearly establishing itself as one of Yukon's main industries for the foreseeable future.

*For more information on Yukon's mineral resources, visit: [Miningyukon.com](http://Miningyukon.com).*



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# YUKON EXPLORATION PROJECTS 2011

## MAP FEATURES

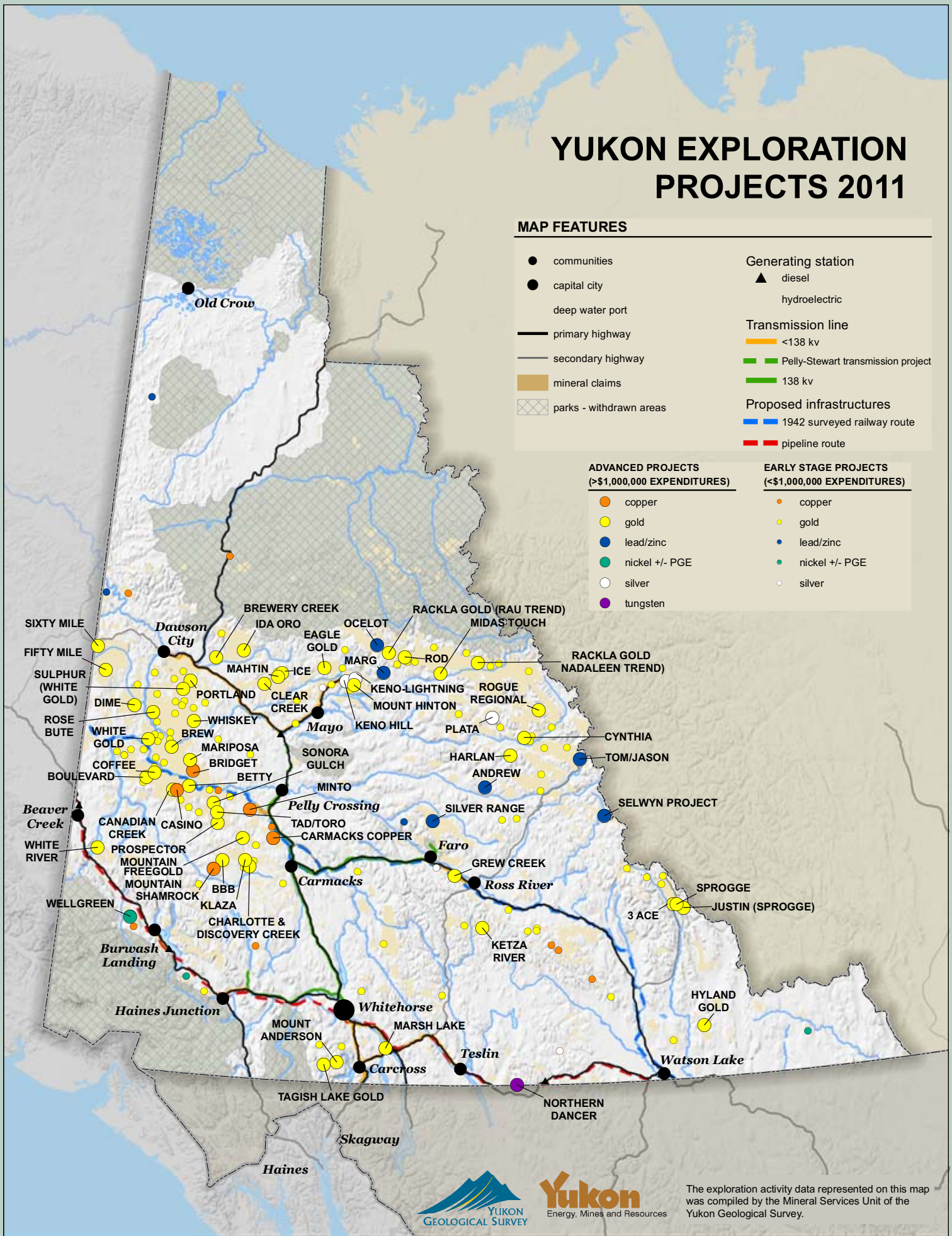
- communities
- capital city
- deep water port
- primary highway
- secondary highway
- mineral claims
- ▨ parks - withdrawn areas
- ▲ diesel generating station
- hydroelectric generating station
- Transmission line
  - <138 kv
  - Pelly-Stewart transmission project
  - 138 kv
- Proposed infrastructures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

### ADVANCED PROJECTS (>\$1,000,000 EXPENDITURES)

- copper
- gold
- lead/zinc
- nickel +/- PGE
- silver
- tungsten

### EARLY STAGE PROJECTS (<\$1,000,000 EXPENDITURES)

- copper
- gold
- lead/zinc
- nickel +/- PGE
- silver





# Explorers swarm Canada's Far North

Recent gold discoveries lure miners to Yukon staking, exploration rush

By ROSE RAGSDALE  
For Mining News

Throughout the 2011 field season, explorers pushed the envelope in Yukon Territory, scrambling to target and assess rapidly increasing numbers of deposits of gold, silver and base metals mineralization being identified as the exploration rush that overtook the region in 2009 stretched into its third consecutive year.

With gold prices climbing to new highs and a stable investment climate, the lure of the Yukon attracted miners and investors in numbers not seen in a century.

"Both Yukon and Nunavut are entering a period of sustained growth in their mining industries. New mines opened in both territories last year and more are scheduled to start up over the next decade," said Marie-Christine Bernard, associate director of The Conference Board of Canada. "In the Northwest Territories, however, the diamond extraction industry has reached maturity and production is expected to wane over the next four years, limiting economic growth."

"The economies of Canada's territories are prone to sharp rise-and-falls as mining projects move through the assessment, construction, production, and closure phases," Bernard said in a mid-2011 report. "All three territories face the cyclical nature of growth based on resources."

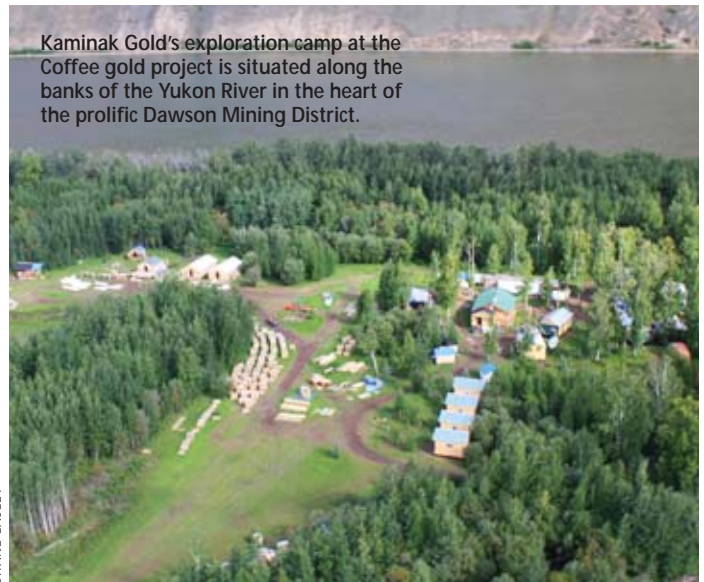
## Mining boom

After nearly a decade of mine development, Yukon's mining industry is entering a new boom cycle. Two new gold districts have recently emerged in Yukon: The Dawson Range gold district of West Yukon (includes Kinross Gold Corp.'s White Gold property and other related discoveries, such as Kaminak Gold Corp.'s Coffee property) and the Selwyn basin gold district, north and east of Keno Hill, (mainly comprising Atac Resource Ltd.'s massive Rau Gold property, which encompasses several new discoveries).

The Dawson Range gold district was the scene of a staking rush that began in 2009 and has resulted in more than 25 companies grabbing claims from the Carmacks area in the south, through the White Gold area, and northwest to the Yukon-Alaska border. At the Rackla Gold property, the newly discovered Osiris Zone is being described as a Carlin-style gold occurrence, a deposit style that geologists say has long been sought after in the Yukon. This discovery, within a structural trend and hosted in Selwyn basin stratigraphy, increases the gold potential of a vast area of the eastern Yukon. Staking in this area continued to be robust in 2011 and several companies acquired significant land positions targeting similar structural, stratigraphic and geochemical trends within the district. Numerous other areas of the Yukon with known gold potential are being re-evaluated; staking of

*continued on next page*

Kaminak Gold's exploration camp at the Coffee gold project is situated along the banks of the Yukon River in the heart of the prolific Dawson Mining District.



SHANE LASLEY



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### Chieftain Metals Inc.

CFB: TSX

**PRESIDENT AND CEO:** Victor Wyprysky

**CHIEF OPERATING OFFICER:** Keith Boyle, P.Eng, MBA

**EXECUTIVE VICE PRESIDENT:** Terrance Chandler, P. Geo

Chieftain Metals Inc., a minerals exploration company that went public in December, has its sights set on re-opening the Tulsequah Chief Mine, a precious metals-rich volcanic massive sulfide deposit on British Columbia's western border about 65 kilometers (40 miles) northeast of Juneau. In his former role as CEO of Redfern Resources Ltd., Chieftain Metals Executive Vice President Terrance Chandler spent some 20 years working on exploration, permitting and development of the Tulsequah Chief Project. Unable to survive a period of financial and regulatory uncertainty, Redfern, and parent company Redcorp Ventures Ltd., filed for bankruptcy in the Supreme Court of British Columbia in 2009. Chieftain Metals closed a deal to buy the defunct project's assets in September, giving Chieftain a clear title to 13 mineral claims, 25 crown-granted claims and four fee-simple lots that make up the Tulsequah property. In January, the junior closed an initial public offering on the Toronto Stock Exchange, grossing some C\$20 million for the young company, including proceeds of an over-allotment.

Chieftain Metals' first task as owner of Tulsequah Chief is to install a plant to treat the acidic metal-laden water flowing from historic copper-gold-silver-zinc-lead mines on the property, which has sat idle since Cominco Ltd. shut down production in 1957. In October Chieftain reported that the treatment plant was 85 percent complete and is expected to be operational in November. The balance of a C\$10 million phase-1 work program in 2011 at Tulsequah Chief focused primarily on exploration of the 14,220-hectare (35,123-acre) property. The Tulsequah deposit has an indicated resource of 6 million metric tons grading 1.42 percent copper, 6.44 percent zinc, 1.23 percent lead, 2.63-grams-per-metric-ton gold and 96 g/t silver. In addition, the deposit contains an inferred resource of 1.1 million metric tons grading 0.94 percent copper, 5 percent zinc, 0.93 percent lead, 1.63 g/t gold and 72 g/t silver. Big Bull, a deposit about 8 kilometers (5 miles) southeast of Tulsequah contains a smaller resource. Chieftain completed a preliminary economic assessment in June using a 2007 feasibility study as the technical basis. The PEA outlined the potential for 69,400 gold-equivalent ounces of production annually at a total cash cost (net of base metal by-product credits) of negative US\$365 per gold-equivalent ounce, based on 2,000 metric tons per day over a 9-year mine life.

In September Chieftain announced it has engaged Wardrop Engineering to complete a new feasibility study for Tulsequah that will update the construction execution plan and incorporate current capital and operating costs. Updated mine reserves that include some 21,000 meters of drilling completed in 2011 will be included with the study. One of the big hurdles that Chieftain Metals must overcome is getting metal concentrates to market. The revised plan will include an access road connecting the project to the British Columbia road system. Chieftain's website depicts an overland route that would connect the project to the town of Atlin, B.C. about 155 kilometers (96 miles) to the north. Completion of the feasibility study is expected in the first quarter of 2012, and will form the basis for initiating construction of the Tulsequah Chief project later in the year.

#### CASH AND SHORT-TERM DEPOSITS:

C\$12.29 million (June 30, 2011)

**WORKING CAPITAL:** C\$5.22 million (June 30, 2011)

**MARKET CAPITALIZATION:** C\$51.07 million (Sept. 23, 2011)

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[www.chieftainmetals.com](http://www.chieftainmetals.com)



Capstone Mining continues to make new discoveries and expand the resources at its Minto copper-gold-silver mine in west-central Yukon Territory.

SHANE LASLEY

### YUKON OVERVIEW *continued from page 61*

these areas, as well as areas with previously unrecognized gold potential, continued throughout the territory.

Base metal exploration in the Yukon has been overshadowed by the search for gold, but several base metal properties are being advanced and new discoveries are being made. In 2010, Capstone Mining's exploration program at the Minto Mine uncovered three new copper-gold-silver zones – Wildfire, Copper Keel NE and Inferno. Atac Resources Ltd. discovered the Ocelot silver-lead-zinc-indium showing on its Rau property while searching for gold. Strategic Metals met with drilling success on its Keg (Silver

Range Resources Ltd.) silver-zinc-lead-copper-tin-indium property north of Faro. The Casino copper-gold-molybdenum-silver porphyry deposit of Western Copper Corp. is at the pre-feasibility stage with a significantly increased resource reported in 2010. Overland Resources' Yukon Base Metal Project (Andrew/Darcy, zinc-lead-indium) is advancing through feasibility. Selwyn Resources successfully closed a C\$100 million joint venture transaction with Chihong Canada Mining Ltd. to form Selwyn Chihong Mining Ltd. in order to advance the huge Selwyn zinc-lead project in southeast Yukon.

Total exploration costs for 2010 hit a record C\$160 million in 2010 with gold capturing more than 58 percent of expenditures, silver 10 percent, copper and copper-molybdenum projects 12 percent, zinc-lead 15 percent, and other commodities (tungsten, molybdenum, uranium, nickel, rare earth elements, and iron) 5 percent.

Of the minerals being sought in 2011, explorers showed a decided preference for gold, 69 percent of all exploration targets in the Yukon, up from 58 percent a year earlier. Percentages last year of silver (10 percent), copper (10 percent), and nickel-PGE-molybdenum (5 percent) targets decreased this year to 8 percent, 7 percent and 1 percent, respectively. The number of lead-zinc projects remained unchanged at 15 percent.

The Yukon Geological Survey, meanwhile, undertook mapping and related field-based studies in eight areas in 2010, thereby sparking interest among explorers in new focal points for future investigation. Four of the projects constitute part of YGS' ongoing collaboration with the

Geological Survey of Canada under its Geomapping for Energy and Minerals, or "GEM," program. These include bedrock mapping and thematic studies under the Edges project in southwestern Yukon (Coast Belt and North Stevenson Ridge areas), targeted stratigraphic and sedimentological work in Eagle Plain/Peel Plateau, and final wrap-up of bedrock mapping in the Coal River area. Non-GEM activities included bedrock mapping in the southern Wernecke Mountains, surficial mapping in the north Dawson Range area, community-scale surficial mapping around Mayo and Pelly Crossing, and initiation of a new energy study in the Whitehorse trough.

The Yukon component of the Edges project concentrated on bedrock mapping in the Coast Belt this year. The mapping extended 2007-2009 mapping in the Windy-McKinley area southeastward to Aishihik Lake in the Ruby

Range. Highlights of the mapping include the delineation of a metamorphic gradient in the Kluane Schist that may have a relationship to gold mineralization, and the identification of porphyry and epithermal-style mineralization associated with the Ruby Range batholith and age-equivalent overlying volcanic rocks.

### Bigger, busier in 2011

With the busy summer field season getting under way, Yukon officials projected record numbers of mining companies spending record sums on mineral exploration programs scattered across the southern two-thirds of the territory.

Based on the industry's spending intentions in February, Natural Resources Canada projected C\$39.3 million would be spent in 2011 by the majors on exploration and deposit appraisal activities in the Yukon, while junior mining companies were expected to invest a total of C\$217 million on comparable activities.

Since then exploration spending projections have increased dramatically, according to the latest government figures. Expenditures by mineral explorers in Yukon is expected to nearly double in 2011, climbing to about C\$300 million by year's end.

Capstone Mining's Minto copper-gold-silver mine was Yukon's only fully operating hardrock mine in 2010; however, Alexco completed pre-production development of its underground silver-lead-zinc mine at Bellekeno, shipped the first concentrates to the Port of Skagway in early December and finishing commissioning a 400-metric-ton-per-day conventional flotation concentrator mill in early 2011.

Yukon Zinc Corp. also completed development of its Wolverine zinc-silver-lead-copper-gold deposit in the Finlayson Lake volcanogenic massive sulphide district. The Wolverine deposit contains an estimated reserve of 5.15 million metric tons of ore averaging 9.66 percent zinc, 0.91 percent copper, 1.26 percent

Yukon Zinc Corp.'s Wolverine zinc-silver-lead-copper-gold mine in the Finlayson Lake District of south-western Yukon Territory began commercial production in 2011.

SHANE LASLEY

lead, 281.8 g/t silver and 1.36 g/t gold, or enough for a 10-year mine life. Though it began partial production in late 2010, the Wolverine Mine is still ramping up toward its full 1,700-metric-ton-per-day production capacity, now anticipated in 2012. After an April 2010 mine collapse that resulted in the death of one mine worker, Yukon Zinc halted production while it conducted underground geotechnical engineering. This work slowed the timeline for full production.

Expenditures for a water treatment plant and other capital expenses continue at the Minto Mine as the company continues to make new discoveries, expands the resources at Minto and prepares for underground mining, and thereby extending Minto's current mine life. Mine development expenditures in 2010 for all three properties exceeded C\$150 million.

Among mineral explorers, some 80 companies submitted

*continued on next page*

## With a modern regulatory regime and an abundance of undiscovered mineral potential, Yukon is attracting attention from around the world.

### Join us on:

- **November 9 to 11, 2011** at the Alaska Miners Association 2011 Annual Convention and Trade Show in Anchorage, Alaska.
- **November 20 to 23, 2011** at the 39th Yukon Geoscience Forum and Trade Show in Whitehorse, Yukon.
- **January 22 to 26, 2012** at the Mineral Exploration Roundup 2012 in Vancouver, BC.
- **March 4 to 7, 2012** at the PDAC 2011 International Convention, Trade Show & Investors Exchange in Toronto, Ontario.

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**Yukon**  
Government



## YUKON OVERVIEW *continued from page 63*

plans to explore mineral properties in 2011, up about 14 percent from the 70 companies that chased Yukon prospects in 2010, according to the Yukon Geological Survey. Of this number, 96 percent are juniors, according to YGS economic geologist Lara Lewis. In 2010, the industry mounted 150 exploration projects, and that number was expected to increase significantly this season.

"The number of companies working in Yukon isn't really final because some companies from last year dropped their options and are no longer working in Yukon, and others haven't announced work programs," Lewis told Mining News in June.

Some 32 of the companies exploring active hardrock projects in the Yukon in 2011 will record expenditures ranging from C\$500,000 to C\$1 million, while 44 explorers were expected to shell out anywhere from C\$1 million to C\$5 million on exploration programs. At least another 16 companies budgeted more than C\$5 million, with a handful planning to spend more than C\$12 million.

The government also continued to encourage exploration by providing funding of C\$570,000 with its successful Yukon Mining Incentives Program in fiscal 2011-12. The funds assist individual prospectors, territory newcomers and successful juniors with a variety of grassroots, regional exploration and target evaluation projects. Based on investment commitments made by successful applicants in 2010-11, YMIP funds leveraged more than C\$5 million in exploration expenditures in 2010, representing a leveraging ratio of ~3:1 and enough promising results to trigger further exploration investments.

Claim staking, another measure of mineral exploration activity, soared off-the-charts, with 83,863 quartz claims staked in 2010 and nearly 85,000 more claims staked through July. By compari-

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After nearly a decade of mine development, Yukon's mining industry is entering a new boom cycle.

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son, the previous annual record, set in 2009, totaled 15,041 claims staked. Quartz claims in good standing in the Yukon rose to 158,419 by year-end 2010 and had exceeded 240,000 by mid-2011.

Despite the largest staking rush in history in the past two years, Yukon geologists say only a fraction of the total land available for mineral exploration in the territory has been staked.

For mining in the Yukon, 2011 is also a banner year with two new mines – Bellekeno, and Wolverine – joining the Minto Mine in extracting and processing minerals. Further, the White Gold, Whitehorse and Mayo mining districts continued to experience massive buildups in exploration investment. The resource boom also drove growth in the territory's service industry at rates not seen since the Klondike Gold Rush of the late 1800s. The retail and wholesale trade, and financial industries all experienced rapid expansion. Overall, real gross domestic product in Yukon was expected to jump 5.9 percent in 2011.

Mining in Yukon Territory took center stage in January at the annual Mineral Exploration Roundup Conference in Vancouver, B.C. Recognized as one of the top jurisdictions in the world for mining and exploration, Yukon has attracted unprecedented interest from industry stakeholders across the spectrum.

The majority of the projects planned for 2011 lie within close proximity to the recent White Gold, Coffee and Rackla Belt discoveries. However, a significant number of the programs underway or planned for this year are occurring elsewhere in the Dawson Range, in the Finlayson and Whitehorse mining districts and near MacMillan Pass and in Southeast Yukon.

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# Explorers seek mega-deposits

Many focus on White Gold, Selwyn Basin areas;  
others eye underexplored areas

By ROSE RAGSDALE  
For Mining News

**F**rontrunners in the Yukon mineral exploration rush in 2011 spent more than C\$12 million each, with at least one company pouring C\$25 million into its program. These companies include Atac Resources Ltd., Kaminak Gold Corp., Capstone Mining Corp., Alexco Resource Corp., Golden Predator Corp., Ryan Gold Corp. and Silver Range Resources Ltd.

At least another 14 companies shelled out more than C\$5 million each to search for precious and base metals, using virtually every modern exploration technique from sampling to drilling. Still, the entire group of big spenders explored only about one-fifth of the territory's 150-plus active mineral projects in 2011.

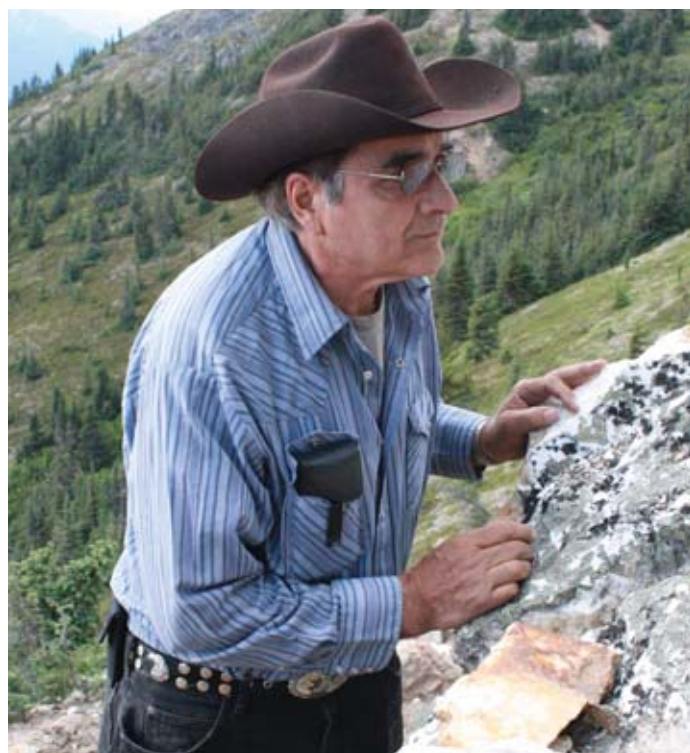
Atac Resources, for example, set eight drills to turning on its 185-kilometer (115-mile) long Rackla Gold property, which hosts the 2010 Osiris gold discovery. Extensive exploration carried out on Rackla in 2011 with up to C\$25 million in expenditures showed significant promise.

Atac reported Oct. 3 that diamond drilling in the nearby Conrad Zone extended its mineralization to a 400-meter strike length and remains open in all directions. The drilling confirms gold mineralization at the Conrad and Eaton zones coalesce into a larger Conrad zone.

Since tapping the Supremo zone on its Coffee Project in the White Gold district in May 2010, Kaminak Gold Corp. has drilled eight gold discoveries stretching across a trend that exceeds 10 kilometers (6 miles) in length. In addition, soil sampling is turning up new prospects ripe for exploration on the 150,000-acre (60,704-hectare) property.

Double Double Hole CFD-90, drilled into the Double Double Zone cut 4 meters averaging 74.9 grams per metric ton gold. Both of two follow-up assay results returned the same results as the original.

Kaminak believes the structure hosting the gold at Double



SHANE LASLEY

Alex McMillan inspects the outcrop at the 3Ace property where he discovered a quartz vein that assayed 4,280 grams per metric ton gold. Northern Tiger Resources, which optioned the property, drilled 10,000 meters here in 2011.

The advertisement features the company logo at the top, which includes a large blue 'C' and the text 'CONSTANTINE metal resources ltd. TSX.V CEM'. Below the logo is a banner that reads 'GOLD AND COPPER FOCUSED EXPLORATION IN PREMIER NORTH AMERICAN ENVIRONMENTS'. The main body of the ad is a collage of four images: two men standing outdoors, a close-up of gold bars, and a person working in a field. At the bottom, the website 'WWW.CONSTANTINEMETALS.COM' and phone number '(604-629-2348)' are listed, along with an email address 'INFO@CONSTANTINEMETALS.COM'.

*continued on next page*

The advertisement features a large green banner at the top with the text 'GO MODULAR WITH GREENSMART SHELTERS Faster. Better. Easier.' Below the banner are four images showing different types of modular shelters: a multi-story building, a single-story building, a skid camp, and an international shelter. To the right of the images is a block of text describing the benefits of Greensmart Shelters, including 'Exceptional comfort, long-lasting quality and custom-designed to suit your needs'. It also includes contact information: 'Call 800.561.3822', 'sales@shelterindustries.com', and 'www.greensmartshelters.com'.



### Colorado Resources Ltd.

**CXO:** TSX-V

**PRESIDENT AND CEO:**

Adam Travis, B.Sc. Geology

**EXECUTIVE CHAIRMAN:**

Larry Nagy, B.A. Geology

**EXPLORATION MANAGER - B.C. & YUKON:**

Linda Dandy, P.Geo.

Colorado Resources Ltd. focused on exploring mineral properties in northern British Columbia, Yukon Territory, El Salvador and Nicaragua. The company commenced surface exploration of the Oro Property located in the Macmillan Pass area, about 165 kilometers (103 miles) northeast of Ross River, Yukon, including detailed airborne geophysical work conducted in early July. Oro gold property consists of 330 contiguous claims covering 6,683 hectares (8,287 acres) with known "Carlin-style" gold occurrences. Colorado Aug. 12 reported completion of a helicopter-borne EM/magnetic survey with 2,000 line kilometers and collection of 7,000 soil samples, 300 silt samples, 500 rock samples collected to date along with ongoing geological mapping of favorable lithologies and structures and trenching programs. Based on results of the surface program, which was designed to confirm previously known mineralization and identify new targets on the remaining 27-kilometer (17-mile) area, the explorer planned a 2,500-meter drill program that included some drilling on the Sol property, one of three other properties it acquired in the Macmillan Pass area. The company also planned other exploration in 2011 including C\$100,000 in work on two of the Selwyn properties – Nid and Bach – consisting of soil sampling and early geophysical examination and a C\$100,000 on the Al Property located about 170 kilometers (105 miles) northwest of Whitehorse to follow up early-stage work completed in the 1980s.

In British Columbia, Colorado said it completed a 977-line-kilometer helicopter-borne EM/magnetic survey at its Heart Peaks gold and silver property located about 45 kilometers (28 miles) northeast of the past-producing Golden Bear Mine. The company also started preliminary geological mapping and sampling and expanded claims significantly on the property to more than 14,396 hectares (35,573 acres). At Heart Peaks, the company had planned a C\$300,000 work program for 2011. Colorado also said work on its Hit property in British Columbia, including geological mapping, trenching of a vein structure and channel sampling was underway. The company also planned further surface exploration and a 1,500-meter diamond drill program in 2011 with total estimated budget of C\$526,000. At its Red Sky Property, a 50-50 joint venture with Kinross Gold Corp., Colorado said by Aug. 12, it had completed 25 line kilometers of induced polarization geophysical survey which outlined a 600-meter-by-1,000-meter anomaly, and geological mapping and rock chip sampling is ongoing, while a diamond drilling program is being permitted. Red Sky (formerly the Redstone Property) is located about 150 kilometers (93 miles) west of Williams Lake south of the community of Redstone. Colorado acquired the property under an assignment agreement in March from Osisko Mining Corp., which recently acquired Brett Resources. Colorado was completing C\$500,000 in expenditures required under an exploration agreement with Kinross to fund the 50/50 JV earn-in.

**CASH AND SHORT-TERM DEPOSITS:**

C\$2.29 million (at March 31, 2011)

**WORKING CAPITAL:** C\$2.09 million (at March 31, 2011) (raised C\$16.32 million in private placements in April 2011)

**MARKET CAPITALIZATION:** C\$26.79 million (at Sept. 2, 2011)

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West Kelowna, B.C., Canada V4T 2N6  
Ph: 250-768-1511 • Fax: 250-768-0020  
www.coloradoreources.com



Assays from Golden Predator's 2011 drill program at its Brewery Creek gold property include a 74-meter intercept averaging 7.08 g/t gold.

SHANE LASLEY

### YUKON EXPLORERS *continued from page 65*

Double could be a high-grade extension of the Latte zone, located 800 meters to the west. Results of a magnetic survey suggest this zone could stretch for several kilometers.

Kaminak planned to spend C\$15 million on exploration in 2011, including a 40,000-meter drill program. Other gold zones identified on the property include Latte, Supremo, Kona and Connector, Macchiato and Cappuccino and Americano West.

Golden Predator Corp. is another junior with big ambitions when it comes to finding gold in the Yukon. The company is also racing toward becoming the territory's newest hardrock gold miner. The company committed C\$6 million of its C\$15 million exploration for 2011 to exploration of Brewery Creek, a former gold mine that produced 278,484 ounces of gold from 1996 through 2002. Initially, Golden Predator thought Brewery Creek had the potential to provide up to 1 million ounces of gold in areas in and around where Viceroy mined, but results of the 2011 drill program, including a 74-meter intercept averaging 7.08 g/t gold, has the explorer thinking much larger.

"We feel fairly strongly there is multimillion-ounce (gold) potential here," Golden Predator Chief Geologist Michael Burke told Mining News in August.

Initial production could come from ore on an abandoned heap-leach pad, from which the former owner, Viceroy Resources, recovered only about 60 percent of the some 400,000 ounces of gold it stacked on the pad. Golden Predator said it intends to bring the Brewery Creek Mine back in operation by 2014.

A focus early in the year on staking paid off for Golden Predator with a significantly larger claims package in the Yukon covering more than 10 percent of the quartz claims in the Yukon and more than 4,000 square kilometers, or 1,544 square miles. Golden Predator also planned to spend the lion's share of its remaining C\$9 million exploration budget at two other advanced projects, Clear Creek (C\$3 million) and Grew Creek (C\$2.5 million). All 11 holes drilled at Clear Creek encountered gold mineralization, including hole CC11-043, which cut 25.5 meters averaging 2.19 g/t gold from a depth of 15.0 meters. Of its six other advanced projects and three pipeline projects in the Yukon, the company's 20 or so geologists focused primarily

on mapping and geophysical work this season. The company also explored the Harlan gold property in east-central Yukon with a nine-hole drill program.

At the Ida Oro gold project, Ryan Gold planned to spend C\$6.5 million of its C\$15.6 million 2011 exploration program to test a 4,000-meter-by-1,000-meter geochemical anomaly that is co-incident with a magnetic low defined by airborne geophysics carried out in 2010, with 12,000 meters of drilling in 2011.

Ethos Capital Corp., a bold newcomer, is exploring five gold-prospective properties in the White Gold district, including the Betty and Wolf properties (802 claims covering about 16,228 hectares, or 40,023 acres) located 120 kilometers (75 miles) south of Dawson City, Yukon. Ethos planned extensive 2011 exploration on the properties with spending budgeted at C\$6 million. The junior launched a systematic field program in June, including soil sampling, airborne and ground geophysics, trenching, geology and prospecting, with diamond drilling on already-defined gold anomalies. By August, Ethos had reported encouraging results on the 152-square-kilometer (59 square miles) Betty Property.

Among other companies that mounted 2011 exploration programs at least C\$5 million:

Victoria Gold Corp is looking to begin construction of a heap leach operation in 2012 at its 5-million-ounce-plus Eagle Gold Project on the Dublin Gulch Property in central Yukon, with first gold anticipated in 2014. The company is spending about C\$10 million on 2011 exploration, with about one-third devoted to further work at the Eagle deposit, another a third on the area immediately surrounding Eagle, and the remainder being spent to seek new mineralization across the entire 400-square-kilometer (154-square-mile) property. Grab samples taken here returned assays as high as 1.8 g/t gold and 6,410 g/t silver. The Dublin Gulch property also hosts the Potato Hills Trend, a 7-kilometer-by-3-kilometer (4-mile-by-2-mile) band of significant multi-element mineralization.

Rockhaven Resources Ltd. at its Klaza gold-silver property in central Yukon 50 kilometers (32 miles) west of the town of Carmacks. With a budget of just over C\$6 million for 2011, Rockhaven worked to produce a mineral resource for Klaza with diamond and reverse circulation drilling scheduled into the fall.

Pacific Ridge Exploration Ltd. successfully completed its C\$3 million exploration program for 2011 on its properties in the White Gold district of Yukon. With a focus on the Mariposa Property, including 6,000 meters of diamond drilling in 41 holes, grid-based soil sampling, ground and airborne geophysics, and geological reconnaissance work, the junior reported cutting gold mineralization in nine of the 10 holes for which it had received results by Sept. 28 of an 18-hole drill program in the



Atac Resources set more than six drills to turning on its 185-kilometer (115-mile) long Rackla Gold property in 2011, including this one at its Osiris gold discovery.

SHANE LASLEY

Skookum Main target. Pacific Ridge said the results warrant further drilling in 2012. The company also explored its other holdings in the district, including geochemical and airborne geophysical surveys on the Eureka Dome Property, and geological reconnaissance on the Gold Cap Property.

Tarsis Resources Ltd. continued work on its 2010 grassroots copper-gold-silver discovery at its White River Project in the underexplored southwest corner of Yukon Territory. Far from the areas where most of Yukon's mineral explorers crowded in 2011, White River is situated about 30 kilometers (19 miles) east of the Alaska border and 10 kilometers (6 miles) north of the Alaska Highway. The project is showing potential to host large-scale mineralization. Assay results received in early August – including one select sample containing 4.41 grams per metric ton gold, 0.47 percent copper and 391 g/t silver – confirm the property's potential.

Apparently spurred by Tarsis' work in the region, Teck Resources Ltd. has staked two claim blocks immediately to the southeast of the White River property.

Northern Tiger Resources Inc. may offer a glimpse of how under-explored the territory really is at its 3Ace project in Southwest Yukon.

*continued on next page*



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### Constantine Metal Resources Ltd.

CEM: TSX-V

PRESIDENT AND CEO: Garfield MacVeigh

CHAIRMAN: Wayne Livingstone

VICE PRESIDENT, EXPLORATION: Darwin Green

While Constantine Metal Resources Ltd. considers Palmer – a volcanogenic massive sulfide project near Haines in Southeast Alaska – its principal asset, the explorer's 2011 focus is on its gold assets in the Yukon Territory and Ontario. Quick to recognize the significance of Atac Resources Ltd.'s discovery of Carlin-style gold mineralization in the Yukon, Constantine formed a joint venture with Carlin Gold Corp., with the goal of seeking similar deposits in the region. Combining Constantine's savvy in the north and Carlin Gold's experience with exploring the Carlin-trend in Nevada, the partners moved quickly to secure ground with potential for similar discoveries. By June the partners had control of 12 claim blocks covering some 1,000-square-kilometers (385-square-miles) of the Selwyn Basin. The Constantine-Carlin JV put together a 2011 exploration program designed to rapidly evaluate drill targets. By September Constantine reported that around 12,000 soil, silt and rock samples had been collected as part of this program. Based on initial lab results, the company said it has identified several areas prospective to host Carlin-style mineralization, including a gold and arsenic anomaly that stretches for some 6,500 meters across the joint venture's Tut property. The partners said the field work has also turned up intrusive-related gold targets. The Constantine-Carlin JV is refining targets for drilling in 2012.



In 2010 Constantine picked up Trapper, an early-stage gold prospect in the Atlin Mining District of northwestern British Columbia. Later that year the company optioned the property to Ocean Park Resources Ltd., who completed a C\$4.9-million exploration at the property in 2011. Historical work at Trapper, carried out in the 1980s by Chevron Minerals of Canada, outlined a gold anomaly that stretched for more than 1,000 meters. Out of the some 700 samples taken, 13 yielded values greater than 1 g/t gold and two sites yielded values greater than 8 g/t gold. A work program carried out in 2008 by Richfield Ventures Corp. validated these findings. Prior to vending Trapper to Ocean Park, Constantine completed its own mapping and sampling program, which extended Chevron's findings in the area known as the Main zone by 1,000 meters. Ocean Park has further extended this trend. Prior to the more than 8,000-meter program completed by Ocean Park in 2011, Trapper had never been drill-tested. Though assay results were still pending at the time of this report, up to one millimeter flakes of visible gold observed in hole TG-11-011 is a good indicator of the tenor of mineralization being tapped during this inaugural drilling at Trapper.

Munro-Croesus – a 1,028-acre property that covers the legendary Croesus high-grade gold mine about 75 kilometers (46 miles) east of Timmins, Ontario – was another target of Constantine's gold-focused exploration in 2011. A 7,280-meter drill program carried out at the legendary property included a close-spaced pattern of holes testing for high-grade chutes within recently identified vein structures. In addition to seeking exceptionally high-grade gold near the historical mine, the company also tested other targets on the surrounding land package.

Focusing its resources on its gold properties, Constantine's exploration at its Palmer VMS project was limited. An inaugural resource calculated for the property in 2010 estimates the Southeast Alaska property has an inferred resource of 4.12 million metric tons averaging 2.01 percent copper, 4.79 percent zinc, 0.30 grams per metric ton gold and 31 g/t silver.

Constantine also owns 100 percent interest in the Phoenix gold property in Ontario and the Hornet Creek VMS project in Idaho.

**CASH AND SHORT-TERM DEPOSITS:** C\$3.45 million (April 30, 2011)

**WORKING CAPITAL:** C\$4.1 million (Sept. 20, 2011)

**MARKET CAPITALIZATION:** C\$19.24 million (Sept. 20, 2011)

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www.constantinemetals.com

### YUKON EXPLORERS *continued from page 65*

"Some people might think the Yukon is a mature exploration district but Alex (McMillan) was able to walk in from a road and find an outcropping quartz vein that runs 5,000 grams per ton gold, so I think that bodes well for all of the money that is being spent in the Yukon and there being additional new discoveries," Northern Tiger President and CEO Greg Hayes told Mining News. The chunk of quartz the First Nations prospector carried the 2 kilometers (1.2 miles) down the mountain to the Cantung Mine Road contains 4,820 g/t gold to be exact.

Northern Tiger conducted a 10,000-meter drill program at 3Ace this year. In addition to drilling, a C\$6 million exploration program included extensive soil and stream sediment sampling, mapping and geophysical surveys. A larger campaign is planned for 2012.

Northern Freegold Resources Ltd. continued to explore the gold-rich Revenue Zone porphyry system in 2011 at its Freegold Mountain Project in central

Yukon. The junior reported impressive drill results in late September, including a 304.8-meter intersection of gold, copper and molybdenum mineralization in the Revenue zone. Based on an evaluation of historic and 2010 drill-hole data from the Revenue zone's gold-rich porphyry system, the target deposit was defined in February as 40 million to 110 million metric tons containing 700,000 to 1.1 million ounces gold, 5 million to 10 million ounces silver, 130 million to 280 million pounds copper and 9 million to 18 million pounds molybdenum. The Revenue target deposit extends for 1,500 meters in an eastward direction, and from surface to a depth of 250 meters. It is open laterally and at depth. Northern Freegold said the goal of the 2011 drilling on the Revenue zone is to upgrade the target deposit to inferred resources, and to expand it.

### Backlogged assays

With more companies digging away on properties across the territory, an avalanche of samples nearly overwhelmed laboratories in Whitehorse and Vancouver, B.C., resulting in huge backlogs for assay analyses and a dearth of important data from early-season exploration reaching the miners during critical weeks at the height of the summer. As a result, many of the companies had to rely on unconventional methods for sample and core analyses, such as X-ray fluorescence, to help guide their exploration efforts during the latter weeks of the field season.

Argus Metals Corp., which is exploring the Hyland Gold Project located in the Selwyn Basin of eastern Yukon Territory, reported encouraging drill results in September, including a

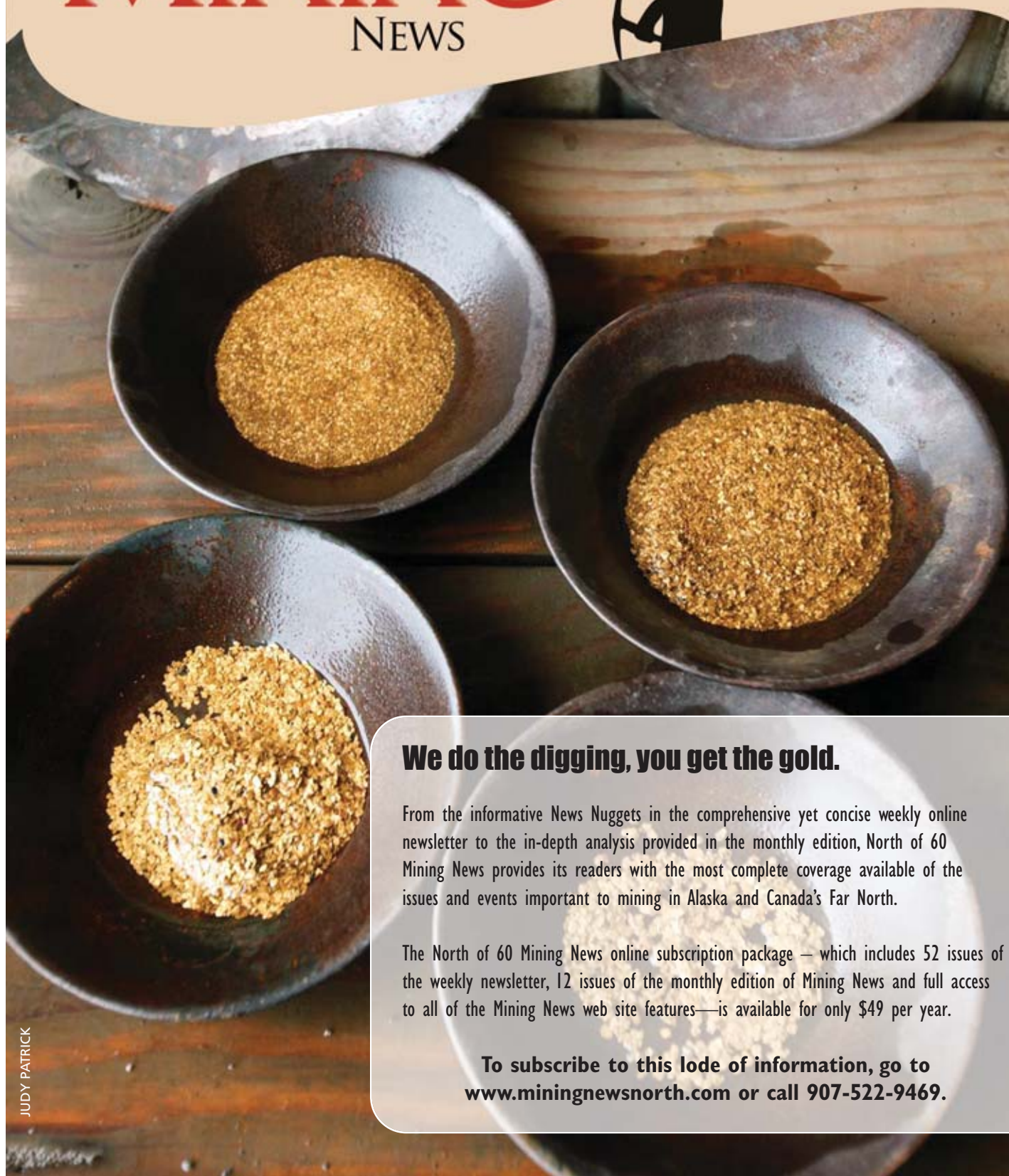
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New faces in the Yukon this year could fill a chapter in Who's Who in junior mining, including several well-known prospectors such as Adrian Fleming, who led Underworld Resources when it made the White Gold discovery in 2008, and Chuck Fipke, whose tenacious prospecting is credited with sparking Canada's diamond mining boom in the 1990s.

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*continued on page 70*

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JUDY PATRICK





Kaminak Gold cut four meters averaging 74.9 grams per metric ton gold at the Double Double zone of its Coffee property in the White Gold District of west-central Yukon Territory.

SHANE LASLEY

## YUKON EXPLORERS *continued from page 68*

39.4-meter interval averaging 0.80 g/t gold and 3.28 g/t silver starting at a depth of 71.6 meters from hole HY-11-29; and a 42.2-meter interval averaging 0.78 g/t gold and 2.38 g/t silver and including 9.2 meters of 1.79 g/t gold and 0.36 g/t silver, starting at a depth of 143.8 meters from hole HY-11-31. The junior also conducted property-wide geochemical mapping and sampling programs. The explorer said it used portable XRF analytical equipment to identify areas of interest for immediate prioritization and follow-up programs, and in two cases, resulted in exploration drilling.

Numerous acquisitions and name changes this year has transformed the landscape. "For example, Universal Uranium is now Expedition Mining. Copper Ridge is now Redtail Resources. Hinterland Resources is changing its name to Stakeholder Gold. New Pacific Metals (a company with major ownership by a Chinese silver producer) acquired Tagish Lake Gold Corp., but the operation is being run by Tagish Gold as a subsidiary," Lewis explained.

NovaGold Resources Inc.'s recent purchase of Copper Canyon Resources gives it ownership of the Kiwi gold property off the North Canol Road in central-eastern Yukon, which the company planned to drill this year.

Solomon Resources Ltd. staked multiple large claim groups in Southwest Yukon in 2011 with an eye toward future exploration. Solomon President and CEO Randy Rogers said ongoing work by

the Yukon Geological Survey has drawn new attention to the Klune Front Ranges and nearby Ruby Range, and recent staking activity suggests that junior exploration companies looking to acquire new and prospective ground outside of the heavily staked Dawson Range and Selwyn Basin Gold Districts of the Yukon are turning their attention to this region.

In addition, Solomon explored its 309-claim Ten Mile Creek property located about 30 kilometers (19 miles) north-northwest of Kinross' White Gold project and 60 kilometers (37 miles) north of Kaminak's Coffee property. Solomon holds an option from Radius Gold Inc. to earn a 51 percent interest in the Ten Mile Creek property.

A handful of explorers advanced silver-rich projects, primarily within or near the historic Keno Hill Silver district where Alexco's Bellekeno Mine and numerous other properties are located in east-central Yukon.

Monster Mining Corp., for example, reported encouraging results from trench sampling at its flagship Keno-Lightning property.

Monster also conducted surface exploration program at Keno-Lightning, a property that comprises 329 quartz claims covering about 6,650 hectares (16,432 acres). It hosts eight known Yukon Minfile occurrences and is located in the Keno Hill silver district, which produced more than 200 million ounces of silver between 1913 and 1989.

## Newcomer invasion

New faces in the Yukon this year could fill a chapter in Who's Who in junior mining, including several well-known prospectors such as Adrian Fleming, who led Underworld Resources when it made the White Gold discovery in 2008, and Chuck Fipke, whose tenacious prospecting is credited with sparking Canada's diamond mining boom in the 1990s.

Fleming's new company, Smash Minerals Corp., explored the Whiskey Gold Property in the White Gold district with an extensive C\$4.3 million inaugural program consisting of a helicopter-borne magnetics survey, ridge sampling, grid soil sampling, geological mapping and prospecting, plus trenching and drilling.

Fipke is chairman of Cantex Mine Development Corp., a junior that explored the Car and Lin properties in the southeast Rackla Belt near Atac Resources' property, using Fipke's patented heavy mineral technologies to analyze samples from the properties.

A swarm of Yukon newcomers made impressive gains during the year.

Tectonic Minerals Corp. / Comstock Metals Ltd. is exploring the QV claims located 78 kilometers (about 48 miles) south of Dawson City in the White Gold district north of and contiguous with claims held by Kinross' Golden Saddle deposit at the White Gold Project. The junior optioned the QV claims, which now cover 10,374 hectares (25,634 acres) in 494 claims with additional staking by Comstock this summer, from prospector Shawn Ryan. The company conducted additional soil sampling on the property this year and hired 2010 Prospector of the Year Jean Pautler, P.Geo, to write an NI 43-101 report on the QV Claims. Pautler identified east-west trending quartz veins on outcrops on the property that Tectonic/Comstock describes as being Golden Saddle-type structures. The 2011 work is aimed at developing drill targets for the spring of 2012.

Aben Resources Ltd. optioned from Eagle Plains Resources Ltd. the Rude Creek South gold, copper and molybdenum property north of Dawson, Yukon; Rusty Springs silver-lead-zinc property in the Dawson Range and several other properties in a possible extension of the Rackla Belt in MacMillan Pass. Aben's estimated budget for its 2011 exploration programs on Yukon properties is



**ALASKA**



**LABORATORY**

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Prophecy Platinum Corp. is exploring the Wellgreen and Burwash platinum group elements-nickel-copper properties. In late September, the company reported encountering 457 meters of mineralization borehole WS11-188 that average 0.47 percent nickel-equivalent (including 0.72 g/t platinum + palladium + gold) from surface to the footwall contact. Within this larger swath of mineralization, the hole encountered a high-grade section of 17.8 meters of 3.14 g/t platinum + palladium + gold, 1.03 percent nickel, 0.74 percent copper (1.77 percent nickel-equivalent).

Colorado Resources Ltd. staked the Oro Property within the possible extension of the Rackla Belt near MacMillan Pass and recently agreed to purchase three properties — Sol, Nid and Bach — in the Macmillan Pass area, a fourth property — Al — located in the Aishihik Lake area northwest of Whitehorse.

Wolverine Minerals Corp. optioned 21 properties from Strategic Metals, including some in the Finlayson Lake area and others in the Dawson Range.

Bearing Resources intended to explore properties located near Golden Predator Corp.'s Clear Creek gold project and Northern Tiger's 3Ace gold project in Southeast Yukon, which drew considerable attention in 2010 after reporting impressive gold assays in grab samples and subsequent drilling (Bearing holds a 100 percent interest in the Flume property, of which a 75 percent interest is currently optioned to Ryan Gold Corp.);

Caribou Copper Resources agreed to earn in to options held by Alix Resources Corp on five Yukon properties owned by Strategic Metals, including the Hartless Joe and Byng gold-silver properties northeast of Whitehorse (The Corky and Meloy copper-gold properties with potential for molybdenum and the Vault gold property are all located northwest of Haines Junction).

Hawkeye Gold & Diamond Inc. agreed to acquire a 100 percent interest in each of the Dart, Mint and Top properties from the YES Exploration Syndicate Inc. (The prop-

A large blue drilling rig is positioned on a grassy hillside. The rig has a tall, dark, lattice-like structure extending upwards. In the background, there are rolling green hills and mountains under a clear sky. The rig is situated on a patch of brown, disturbed earth, likely from drilling operations. Another smaller rig is visible in the distance to the right.

Two rigs systematically drill the main region of Rockhaven Resources' Klaza gold-silver project in central Yukon 50 kilometers (32 miles) west of the town of Carmacks.

erties host gold-associated younger volcanics within the Carmacks Caldera and are located in the Aishihik Lake area northwest of Whitehorse).

Mill City Gold Corp. recently optioned the Mount Hinton Property in the Keno Hill mining district from Rockhaven Resources Ltd., also plans to explore the Tombstone Gold Project near Dawson.

Gold World Resources optioned the Mount Anderson Property, a volcanics-associated gold-silver, polymetallic property similar to the former producing Skookum gold mine, according to Lewis.

Great Bear Resources optioned a 75 per cent interest in the Ike Selwyn Basin Gold Project from Argus Metals in the Hyland district near Atac Resources' Carlin-type gold discovery in eastern Yukon.

Kestrel Gold is exploring the King Solomon Dome Property in the White Gold mining district south of Dawson after optioning it from longtime Yukon prospector Bernie Kreft.

Ontario explorer White Pine Resources optioned the Money and Tender properties in the Dawson Range from prospector Shawn Ryan.

SHANF I ASIFY



# Mining explorers continued

## BRITISH COLUMBIA & YUKON TERRITORY

### Eagle Plains Resources Ltd.

EPL: TSX-V

**PRESIDENT AND CEO:** Timothy J. Termuende, P.Geo.

**CHIEF FINANCIAL OFFICER:** Glen Diduck, CA

**VICE-PRESIDENT EXPLORATION:** Charles C. Downie, P.Geo.



TIM TERMUENDE

Eagle Plains Resources Ltd. is a mineral exploration and development company holding 45 gold, silver, uranium, copper, molybdenum, lead, zinc, gypsum and rare earth elements properties in Western Canada, 14 of which are under option agreements with third parties. The junior reported one of its busiest exploration seasons in with a budget of just under C\$10 million for 2011. By mid-year the company had entered into three new option agreements, continued with exploration on its precious and base metal Iron Range Project in southern British Columbia and started 2011 summer exploration at projects with partners in British Columbia, Saskatchewan, Yukon Territory and Northwest Territories. In August, Eagle Plains also entered into two further option agreements on properties in British Columbia.

Though gold, silver and base-metal prices have experienced dramatic upswings in recent months, the company said markets continue to be relatively unresponsive. Despite this, the company remains active on the exploration front, with wholly-owned mineral exploration and geologic consulting subsidiary TerraLogic Exploration seeing unprecedented activity. A large number of exploration programs are either planned or currently under way on Eagle Plains' projects, many of which are funded by third-party interests. The company also successfully negotiated a number of new option/joint-venture partnerships recently, adding stability and limited cash-flow to its balance sheet. Given the uncertainty inherent to the exploration industry and the even more turbulent economic situation globally, the company's management said it will stick to its business plan, which focuses on benefiting from wide exposure to potential exploration success and further commodity swings.



**CASH AND SHORT-TERM DEPOSITS:** C\$ 4.66 million (June 30, 2011)

**WORKING CAPITAL:** C\$7.55 million (June 30, 2011)

**MARKET CAPITALIZATION:** C\$24.97 million (Sept. 9, 2011)

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www.eagleplains.com

## YUKON TERRITORY

### Ethos Capital Corp.

ECC: TSX/ETHOF: OTCQX/1ET: FRANKFURT

**PRESIDENT AND CEO:** Gary Freeman

**CHIEF OPERATING OFFICER:** Peter Tallman, P.Geo.

**CHIEF FINANCIAL OFFICER:** Peter Wong, C.A.

Incorporated in British Columbia in 2007, Ethos Capital Corp. worked primarily on a couple of silver-zinc-lead projects in Mexico before coming to the Yukon. In November 2010, the company obtained an option to acquire a 100 percent interest in the Betty and Wolf properties located 120 kilometers (75 miles) south of Dawson City, Yukon. The two prospective gold properties are comprised of 802 claims (about 16,228 hectares) first identified by successful target generator Shawn Ryan, along with 16 contiguous claims staked in 2011. In March, Vancouver, B.C.-based Ethos acquired exploration rights to more properties – Bridget, Hen and Hayes – through option agreements with Ryan and staked an additional 1,460 claims that are adjacent to the Betty and Bridget properties. After raising a spectacular C\$14.874 million in gross proceeds through private placements closed in May, Ethos reported field preparations for extensive 2011 explo-

ration with spending budgeted at C\$6 million.

The junior launched a systematic field program in June, including soil sampling, airborne and ground geophysics, trenching, geology and prospecting, with diamond drilling on already-defined gold anomalies. Located in the White Gold district, the Betty and Wolf claims are located respectively northeast and southwest of, and on trend with Kaminak Gold Corp.'s Coffee Property. The primary targets on the Wolf and Betty properties are near-surface, bulk tonnage gold settings analogous to gold deposits at Kinross Gold Corp.'s White Gold Project, discovered in 2008, and the 2010 Coffee discovery.

By August, Ethos had reported encouraging results on the 152-square-kilometer (59 square miles) Betty Property, which covers about 15 kilometers (10 miles) of the highly prospective Coffee Fault, including discovery of gold targets at the Buck Zone and Mascot Creek area on the Betty Property with ridge and spur soil sampling that revealed significant gold soil anomalies. The soil sample site on the Buck Zone contains abundant quartz clasts which may be indicative of eroding quartz veins hosted in the bedrock below. A grab sample (580604) of sub-crop consisting of a silicified, pyrite-arsenopyrite-bearing felsic intrusion cut by quartz veins was 10 meters north of the soil site and returned 2.1 grams per metric ton gold and 1,113-parts-per-million arsenic. Additional rock samples of sub-crop were collected systematically from hand excavated pits spaced 10 meters apart within a 20-meter by 10-meter grid adjacent to the original 597 ppb gold soil anomaly. All five rock samples are composed of oxidized, altered felsic intrusions with variable quantities of quartz veins. All of the samples returned anomalous 324- to 1,113-ppm arsenic; 4- to 46-ppm antimony; 0.2- to 0.5-ppm mercury, and 212- to 674-ppm barium.

Ethos Aug. 29 reported gold analyses from soil samples up to 1,149 ppb gold at Mascot Creek, and said it staked a further 126 claims adjoining the Betty Property to the south and east. This brought the company's total land package to 5,089 claims on five properties covering an area of 1,063 square kilometers (410 square miles) in the emerging White Gold District. Ethos said results to date indicate potential for significant gold mineralization in the newly identified Mascot Creek area. The company immediately conducted follow-up exploration to define targets and a 5,000-sample soil survey consisting of 100-meter spaced lines with soils collected every 50 meters. About 1,500 meters of trenching and pitting also was completed on the ridge west of Mascot Creek and the backhoe was moved to begin work on the 1,149-ppb gold anomaly east of Mascot Creek. Ethos said it planned to continue soil sampling, up to 32,000 samples in 2011, and conduct follow-up trenching into October. As soil targets are confirmed by trenching, the drill pad construction continued through the end of September.

**CASH AND SHORT-TERM DEPOSITS:** C\$17.0 million (August 2011)

**WORKING CAPITAL:** C\$17.61 million (at June 30, 2011)

**MARKET CAPITALIZATION:** C\$484.4 million (Sept. 2, 2011)

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## ALASKA

### Fire River Gold Corp.

FAU: TSX-V/FVCGF: OTCQX/FWR.F: Frankfurt

**CHAIRMAN:** R. David Russell

**PRESIDENT AND COO:** Richard Goodwin

**CHIEF GEOLOGIST:** Jeff Levell

Fire River Gold Corp. fired up the mill at its Nixon Fork Mine July 4, placing the Vancouver B.C.-based junior on the short list of Alaska hardrock gold producers. Though the 150-metric-ton-per-day operation is much smaller than its peers, gold grades in the 1-ounce-per-metric-ton range helps make up for some of what the mine lacks in stature. When running at its full capacity, the reinstated operation is expected to churn out around 50,000 ounces of aurum a year. About half of Fire River Gold's



revenue from Nixon Fork, which is located some 35 miles (56 kilometers) northeast of McGrath, is from the sale of 1,000-ounce doré containing 60 percent gold and 30 percent silver. Additional cash flow is being generated from the sale of a gold-rich copper concentrate. The company shipped the first batch of this concentrate in mid-September. The US\$1.8 million advanced payment for this 42.6-metric-ton for this shipment marks the first payment from the renewed operations at Nixon Fork.

Nevada Goldfields Inc. constructed and operated the mill at Nixon Fork from 1995-1998. That company reported recovering 137,749 ounces of gold and 2.1 million pounds of copper, with additional silver credits during roughly three-plus years. It shuttered the mine in 1999. The gravity and flotation circuits recovered some 80 percent of the gold during this past operation and Fire River is reporting similar recoveries. The addition of a carbon-in-leach cyanide circuit is expected to boost the recoveries to around 96 percent. With all three circuits in operation and the mill is running at its full 150-metric-ton-per-day potential, Nixon Fork is expected to produce some 3,800 ounces of gold per month throughout the winter. By late spring of 2012, Fire River plans to ratchet up production again to 250 metric tons per day by re-processing tailings from the historical mining. The tailings pond contains some 140,000 metric tons of pre-milled material estimated to average 7.6 g/t gold, most of which is expected to report to the cyanide circuit. Fire River Gold will only run the tailings — which are locked up in ice during the cold Interior Alaska winter — through the mill during the summer months.

The underground workings at Nixon Fork are divided into two unconnected mines, Crystal and Mystery. Based on re-assaying more than 10,000 meters of drill core left behind by the previous operator, Nixon Fork has underground resources of slightly more than 190,000 metric tons averaging 27 g/t gold — enough ore to keep the 150-ton-per day mill operating for four years. Much of the underground drilling completed during the past year focused on confirming and expanding the deposits in the upper portion of Crystal, which is nearest the mill. Enough ore has been delineated in this initial mine area to feed the mill between six and eight months. Drilling in the lower portion of Crystal has returned encouraging results and is expected to add to the minable high-grade ore available in this area. While mining the upper portions of Crystal, crews are driving a shallow ramp to Mystery Mine about 600 meters to the northeast and ramping down to the lower portions of Crystal. Mystery currently has an indicated resource of 28,400 metric tons averaging 23.7 g/t gold. The underground connection will not only provide easier access to this 20,900 ounces of the yellow metal, but also will provide a drill platform for the Southern Cross, J5A and 3100 zones — three promising targets between the two mines. Fire River targeted these regions with surface drilling in 2011 and is completing a more comprehensive evaluation of these ore-bodies from underground.

**CASH AND SHORT-TERM DEPOSITS:** C\$15.49 million (April 30, 2011)

**WORKING CAPITAL:** C\$11.51 million (April 30, 2011)

**MARKET CAPITALIZATION:** C\$43.13 million (Sept. 18, 2011)

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## ALASKA

### Freegold Ventures Ltd.

TSX-V: FVL

**PRESIDENT AND CEO:** Kristina Walcott

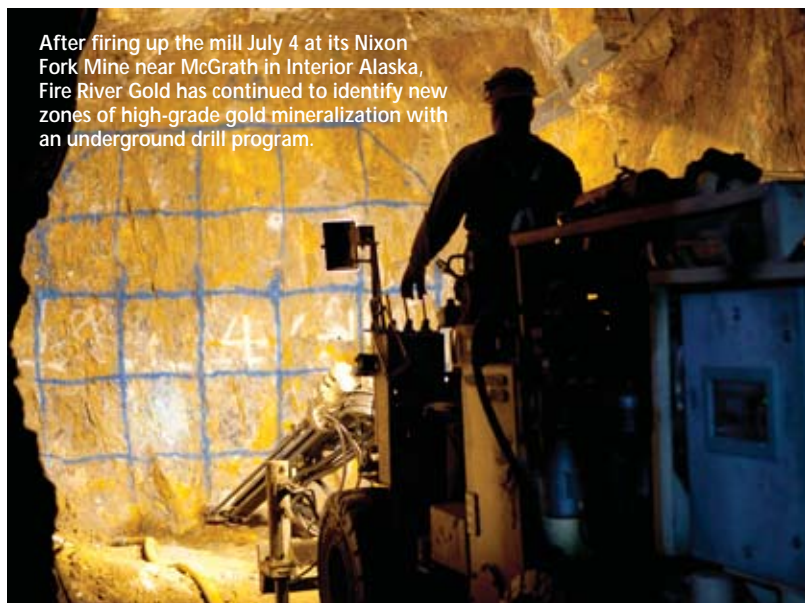
**CHIEF FINANCIAL OFFICER:** Gordon Steblin

**VICE PRESIDENT, EXPLORATION AND DEVELOPMENT:** Alvin Jackson



Freegold Ventures Ltd. — a junior focused on gold exploration in Alaska — got a jump on the 2011 exploration season with the February start of a 6,166-meter phase-1 drill program at its Golden Summit project in the Fairbanks Mining District. 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 8 kilometers (5 miles) to the south. A resource completed for Golden Summit in March estimates the project's Dolphin zone contains and indicated resource of 7.79 million metric tons averaging 0.695 grams per metric ton and an inferred resource of 27.01 million metric tons averaging 0.606 g/t, both at a 0.30 g/t gold cut-off. The 27 holes of the phase-1 program were designed to upgrade and expand this resource. The best hole reported from the program was GSDC-

After firing up the mill July 4 at its Nixon Fork Mine near McGrath in Interior Alaska, Fire River Gold has continued to identify new zones of high-grade gold mineralization with an underground drill program.



FIRE RIVER GOLD CORP.

11-47, which cut 516.2 meters averaging 0.52 g/t gold, including 149.2 meters averaging 1.03 g/t gold. Freegold launched a phase-2 drill program at Golden Summit in August. One of the areas to be evaluated is the Goose Creek area, where historical drilling intersected 4 g/t gold over 48 meters and 29 g/t silver over 56 meters. No drilling has been completed in this particular area since 1997.

The Vinasale gold project — found on the northern end of the Kuskokwim Gold Belt about 26 kilometers (16 miles) south of McGrath — was another key target of Freegold's 2011 exploration. An NI 43-101 resource calculated in March outlines an inferred resource at Vinasale of 37.3 million metric tons averaging 1.11 g/t gold at a cut-off of 0.5 g/t. A 3,500-meter drill program that began in June is aimed at upgrading and this 1.33-million-ounce gold resource hosted in the property's Central zone. Highlights from the 12 holes drilled in 2011 include: Hole VM11-08 cut 66.8 meters averaging 1.06 g/t gold; VM11-09 cut 115.8 meters averaging 1.48 g/t gold; and VM11-12 cut 57.5 meters averaging 3.94 g/t gold. The company said the 300-meter-by-400-meter area that hosts the resource remains open in three directions and at depth. An induced polarization survey conducted at Vinasale this summer outlined a significant geophysical anomaly was defined in the North East zone where limited previous drilling has indicated mineralization of similar character to the Central Zone about 1,200 meters southwest. The company said this area will be the focus of a planned 10,000-meter drill program in 2012.

Freegold also conducted a small exploration program at its 19,000-acre Rob gold project located 20 miles (32 kilometers) east of Sumitomo Metal Mining Co., Ltd.'s Pogo gold mine. The program involved mapping, sampling, and a diamond drill program to expand upon previously intersected high-grade zones and to test other strong geochemical anomalies over bulk-tonnage targets which have not been tested to date. The targets tested in 2011 include the Michigan zone, where grab samples returned values up to 971 grams per metric ton gold. Previous prospecting in the Michigan area identified a large stockwork vein system over a 1,070-by-760-meter area. Other target areas include the Blue Lead area where sampling of the vein zone returned values of up to 871 g/t gold. Drilling at the Grey Lead Zone in 2007/2008 returned several high-grade intercepts including 5.3 meters grading 15.8 g/t; 5.7 meters grading 19.2 g/t; and 3.4 meters grading 43.2 g/t gold. Hilltop, a new prospect located 183 meters southeast of the Grey Lead, is another target of the 2011 exploration. Grab samples from the target returned values of 18.7 g/t gold with elevated levels of bismuth and tellurium similar to that seen in the Grey Lead Vein. Historical sampling in this area returned values of up to 101 g/t gold.

**CASH AND SHORT-TERM DEPOSITS:** C\$3.51 million (June 30, 2011) (C\$3.9 million; raised after June 30)

**WORKING CAPITAL:** C\$1.81 million (June 30, 2011)

**MARKET CAPITALIZATION:** C\$42.91 million (Sept. 20, 2011)

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## Full Metal Minerals Ltd.



TSX-V: FMM

PRESIDENT: Michael Williams

CEO AND VICE PRESIDENT, EXPLORATION: Rob McLeod

Full Metal Minerals Ltd. – which spun its Fortymile zinc property into a new company – has narrowed its focus to copper and gold exploration in Alaska. Pyramid, a copper-gold-molybdenum porphyry project situated on the Alaska Peninsula of Southwest Alaska, was primary target of the Vancouver, B.C.-based junior's 2011 exploration. Full Metal and Chile-based project partner Antofagasta Minerals S.A., carried out a 2,575-meter drill program at Pyramid to expand upon the success of a 1,670-meter program completed in 2010. 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). The best intersection of the 5-hole program was PY 10-05. Starting at 6.4 meters this hole cut 194.8 meters grading 0.63 percent copper, 0.14 grams per metric ton gold and 0.02 percent molybdenum (0.82 percent copper equivalent). The 12-hole drill program in 2011 continued to expand on the porphyry mineralization at Pyramid. PY11-017 – drilled 60 meters northeast of PY10-05 – cut 117.54 meters averaging 0.60 percent copper, 0.081 g/t gold and 0.024 percent molybdenum (0.81 percent copper-equivalent). The best intercept of 2011 came in PY11-016 which intersected 155.94 meters averaging 0.71 percent copper, 0.179 g/t gold and 0.018 percent molybdenum (0.97 percent copper equivalent). This hole was shut down in strong mineralization, with the final 7.94 meters averaging 0.78 percent copper, 0.124 g/t gold and 0.03 percent molybdenum. This hole was drilled in the far southeastern corner of a 1,100-by-900-meter outlined by drilling, suggesting a grade and hydrothermal vector in this direction.

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 on an island about 40 kilometers (25 miles) south of Pyramid – was also the target of partner-funded exploration in 2011. This property – which 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. Redstar Gold Corp. – which signed an agreement with Full Metal in June giving it the right to earn up to a 75 percent interest in the Unga-Popov – began drilling the project in September. The 2011 drill program focused on confirming and expanding the historical high-grade gold mineralization.

Full Metal is also busy looking for the lode source of two prolific placer mining districts in the Tintina Gold Belt, Circle and Fortymile. Unlike similar placer gold camps in the Livengood, Fairbanks, and Dawson mining districts, no significant lode source has been identified in these two districts. In May the junior announced it staked 23,747 hectares (56,680 acres) of



Antofagasta Minerals S.A. and Full Metal Minerals geologists inspect core from Pyramid, a porphyry copper-gold project that the partners are exploring on the Alaska Peninsula.

FULL METAL MINERALS LTD.

state mining claims within the Circle placer mining district, located about 130 kilometers (80 miles) northeast of Fairbanks. To locate the source of more than 1 million ounces of placer gold recovered here Full Metal geologists carried out extensive reconnaissance mapping and soil gridding program on the company's four large claim blocks in the district. The junior is carrying out a similar program during its second year at the Rolling Thunder project in the Fortymile, a district that has produced more 500,000 ounces of placer gold. Full Metal – which shared its managers and geologists with Underworld Resources Inc. during that junior's exploration of White Gold – is applying 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 100 kilometers (60 miles) to the northwest and the Circle District another 200 kilometers (125 miles) in that direction.

The Fortymile property – a zinc-rich carbonate replacement-style massive sulfide deposit found in the same region as the Rolling Thunder project – was moved into Full Metal Zinc in 2011. This new zinc-focused junior carried out a 4,000-meter drill program at Fortymile in 2011. This program continues to expand LWM, a zone of continuous zinc-lead-silver mineralization extending 950 meters along strike and 300 meters down dip has been the primary. The potential of this mineralized zone is highlighted in holes LWM07-04 – which cut 44.6 meters averaging 15.9 percent zinc, 5.3 percent lead and 76.6 g/t silver and 0.19 percent copper; LWM07-09 – which cut 6.48 meters averaging 31.6 percent zinc, 11.3 percent lead, 464.2 g/t silver and 1.41 percent copper; and LWM10-68 – which cut 4.4 meters averaging 23.71 percent zinc, 23.63 percent lead, 314 g/t silver and 0.07 percent copper. The deposit is open for expansion to the northwest, an area where difficult drilling conditions due to frozen overburden has hindered drilling in the past.

**AERIAL PHOTOS**

**REMOTE SENSING**

**MAPPING**

**GIS**

**DATABASE**

**E-TERRA, LLC | 800 E DIAMOND BLVD. | SUITE 3-650 | (907)562-1500 | SALES@E-TERRA.COM | WWW.E-TERRA.COM**



Golden Predator's aggressive drill program at Brewery Creek has successfully expanded the Bohemian-Schooner Zone at the flagship property located about 55 kilometers (35 miles) east of Dawson, Yukon Territory.

Full Metal's 85,750-acre Pebble South property is under an option agreement to the Pebble Partnership, co-owned by Northern Dynasty Minerals Ltd. and Anglo American plc. The Pebble owners can earn a 60 percent interest in the junior's adjacent claims by completing US\$3 million in exploration expenditures over three years. 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.

**CASH AND SHORT-TERM DEPOSITS:** C\$5.64 million (May 31, 2011)  
**WORKING CAPITAL:** C\$4.83 million (May 31, 2011)  
**MARKET CAPITALIZATION:** C\$15.25 million (Sept. 22, 2011)

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## YUKON TERRITORY, BRITISH COLUMBIA & 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):** Michael G. Maslowski

Golden Predator Royalty & Development Corp. was spun out with the precious metal assets of Golden Predator Mines Inc. in 2009. Launching a C\$15 million exploration campaign in 2011, the company has followed up on aggressive 2010 exploration of large precious metal projects in Yukon Territory with an eye to becoming a gold producer.

Golden Predator holds an extensive Yukon property position comprising more than 5,700 square kilometers (2,200 square miles), including three advanced projects, six pipeline projects and an extensive property package in the emerging Selwyn Basin District of the eastern Yukon. The company continued drilling its flagship Brewery Creek project where it has successfully expanded the Bohemian-Schooner Zone and announced a significant discovery at the Sleeman Zone. The explorer now believes Brewery Creek could host a multi-million-ounce gold resource, and is eyeing gold production at Brewery Creek by 2014. Golden Predator is also investigating the potential for gold recovery from the existing heap leach pad at Brewery Creek.

Drilling also continued at Grew Creek where favorable results have been reported and at the recently acquired Harlan Project where it aims to drill 1,500 meters in nine holes this season. During the final months of 2011, the company said it will focus on completing initial resource estimates for Grew Creek and Clear Creek and updating an existing resource estimate for Brewery Creek. It also will continue to collect soil and stream sediment samples on its extensive, recently staked Selwyn Basin properties. Golden Predator also monetized its silver properties by disposing of them to Silver Predator Corp., and currently holds a 17.78 percent interest in Silver Predator. In addition, Golden Predator entered into a letter of intent with Wolfpack Gold Corp. and Seabridge Gold Inc. to dispose of certain of its U.S. assets. The company also sold its Tonkin Springs Property interest for C\$5.85 million and closed a C\$22.77 million bought-deal private placement in March. It also benefits from a gold royalty portfolio with average



**WILLIAM  
SHERIFF**

annual revenues exceeding C\$1 million.

**CASH AND SHORT-TERM DEPOSITS:** C\$19.69 million (May 31, 2011)  
**WORKING CAPITAL:** C\$23.64 million (May 31, 2011)  
**MARKET CAPITALIZATION:** C\$136.59 million (Sept. 9, 2011)

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## BRITISH COLUMBIA

### Imperial Metals Corp.



**III:** TSX  
**CHAIRMAN:** Pierre Lebel  
**PRESIDENT AND COO:** J. Brian Kynoch, P.Eng.  
**VICE PRESIDENT, EXPLORATION:** Patrick M. McCandless, P.Geo.

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 located 56 kilometers northeast of Williams Lake, in central British Columbia, a 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; along with other development-stage mineral properties in Nevada and southern British Columbia. Imperial's plans for 2011 included exploration at its Mount Polley, Red Chris, Ruddock Creek and Sterling properties.

Ongoing exploration at Mount Polley in 2011 focused on defining underground higher grade mineralization at the Boundary zone, and further testing of the mineralized zones in the vicinity of the Springer pit. By June 30, two surface diamond drills and one underground diamond drill had completed surface drilling of 12,290 meters in 21 drill holes in the WX, C2, Cariboo and Springer areas and 4,020 meters were cored in 29 drill holes from underground at the Boundary zone. Surface exploration remains focused on targets within the C2 and Cariboo areas, and further underground development is planned for the Boundary zone now that the initial phase of underground drilling is complete. Imperial Aug. 23 said the underground diamond drilling was successful in delineating a block of breccia-hosted copper/gold mineralization at the Boundary zone. The results included 35.0 meters of breccia-hosted mineralization in hole NDU11-189 grading 4.80 percent copper, 2.76 g/t gold and 39.17 g/t silver, including 9.1 meters of 7.97 percent copper, 3.45 g/t gold and 71.06 g/t silver. The company also said it temporarily halted further underground exploration as its operation team prepared to conduct further underground ramping and level excavation to confirm an appropriate underground mining method for the block. Imperial said the drilling at the Boundary zone indicates that high-grade mineralization occurs in a number of distinct breccia zones that are relatively small compared to the other zones at Mount Polley. The company's field staff began a more detailed surface exploration program on a tighter grid in hopes of



**BRIAN KYNOCH**



**PATRICK  
MCANDLESS**



identifying other high-grade breccia bodies in the area that may have been overlooked by wider-spaced exploration. Additional surface and underground drilling is planned as part of the company's ongoing exploration program.

At Red Chris, a drill program was completed that investigated the mineralization located beneath the planned open pit. Two diamond drills were in operation until May 7, completing a total of 11,650 meters of diamond drilling. Results from 40 deep diamond drill holes completed between June 2010 and May 2011 were expected to be finalized by the end of September, after which an updated mineral resource is to be calculated for Red Chris. In 2010, Imperial updated the mineral resource estimate for Red Chris, adding 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 project's mineral resource as of Sept. 30 was 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. The current focus at Red Chris is on permitting, engineering, procurement and development. Engineering for a 30,000-metric-ton-per-day mine has started. The contract to complete the detailed design has been awarded to AMEC. Two major pieces of used equipment, a 12,000-horsepower, 34-foot-diameter SAG mill and a 40-cubic-yard P&H 2800 electric shovel, have been purchased from Northgate's Kemess mine. Once assays from all the 2010 and 2011 diamond drilling are received, a new resource estimate will be completed for Red Chris. This is expected to be completed in the fourth quarter 2011. The acquisition of the minority interest in American Bullion Minerals Ltd. in June 2011 gives Imperial 100-percent ownership of the Red Chris project. Funding for the American Bullion acquisition and equipment purchases from Kemess was provided by an expanded, C\$75 million line of credit from the Bank of Montreal and by cash flow from Mount Polley.

At the Huckleberry Mine where financial results continue to make a significant impact on Imperial's results, the company's 50 percent share of the mine's income from operations totaled C\$4.9 million in the quarter ended June 30, up dramatically from C\$100,000 a year earlier. Huckleberry's profitability climbed on the strength of higher copper prices and lower revenue revaluations offset by lower sales volumes. An application for an amendment to Huckleberry's Mines Act permit was submitted to allow for development and operation of the Main Zone Optimization pit, an expansion of the Main Zone pit that could add up to 8 years to Huckleberry's mine life. The amendment was anticipated to be approved by the province in the third quarter 2011. A Titan 24 Magnetotellurics and IP/ Resistivity survey consisting of four lines covering 9,300 meters was completed to test potential deep copper mineralization below the Main Zone Optimization pit design as well as previously established copper and aeromagnetic anomalies. Follow-up rock chip sampling and diamond drilling is planned to test the resulting IP anomalies.

**CASH AND SHORT-TERM DEPOSITS:** C\$11.1 million (June 30, 2011)

**WORKING CAPITAL:** C\$57.3 million (June 30, 2011)

**MARKET CAPITALIZATION:** C\$722.92 million (Sept. 30, 2011)

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## BRITISH COLUMBIA

### Jayden Resources Inc.

**JDN:** TSX

**CEO:** David Eaton

**PRESIDENT:** Robert P. Felder, MSc, CPG

**VP EXPLORATION & DEVELOPMENT:** Robert Perry, MSc, CPG

Jayden Resources Inc. is a mining exploration company engaged in resource exploration and project development focused on Silver Coin, an advanced-staged project in the Stewart Camp of northern British Columbia. Since 2004, Jayden and joint venture partner Mountain Boy Minerals Ltd. have conducted extensive exploration for gold and silver at Silver Coin as well as environmental, metallurgical and resource studies. Jayden completed a drill program in September 2010 with the objectives of confirming historical drill results, filling in undrilled portions of the mineralization, extending the mineralization to the north of the existing resource and ob-

taining fresh core for continued metallurgical testing. Based on this new drilling, the company contracted Minarco Mineconsult to complete an updated NI 43-101-compliant technical report and preliminary economic analysis with an updated resource, which was issued in March. Jayden has conducted most of its exploration on its properties using third-party geological consultants and subcontractors.

The company budgeted C\$5 million for the 2011 exploration program at the 1,255-hectare (3,101 acres) Silver Coin, including 15,000 meters of new drilling, with the goal of bringing the project to prefeasibility in 2012. Jayden Sept. 8 reported completing 98 holes totaling 14,892 meters, ahead of schedule and under budget. Assays on 44 of these holes showed continued strong results, including 2.50 grams per metric ton gold and 10.27 g/t silver over 11.6 meters, including 16.3 g/t over 0.6 meters in hole SC11-362, and 2.82 g/t gold over 13.4 meters, including 6.07 g/t over 2.6 meters in hole SC11-370. Jayden President Bob Felder said, "The current assays continue to demonstrate the strength of mineralization at Silver Coin." The company plans to take advantage of this excellent productivity and extend the drilling program by 3,000 meters or about 15-20 additional holes. Much of this new drilling is designed to test areas outside of the project's currently defined resource. Excellent exploration potential remains to the north, north-west and south of the existing resource at Silver Coin, and will be tested in this year's drilling.

On Sept. 16, the company reported completing the spending requirement of C\$4 million to earn an additional 10 percent interest in the Silver Coin project, bringing its ownership share to 80 percent. Jayden also reported Sept. 26 that it entered into an asset purchase agreement with Nanika Resources Inc. to acquire Nanika's 45 percent interest in mineral claims INDI 9-12, which are adjacent to and form part of the Silver Coin project. The INDI Claims cover about 750 hectares (1,853 acres). INDI 9, located to the east of the Silver Coin Property, was drilled jointly during 2006 by Nanika, Mountain Boy Minerals Ltd. and Jayden. The results of the drill program carried out during 2006 suggest INDI 9 contains mineralization consistent with the other mineral claims comprising the Silver Coin Property. Upon completion of the acquisition of Nanika's interest, Mountain Boy also will transfer 6.95 percentage points of its 26.95 percent interest in the INDI Claims to Jayden.

**CASH AND SHORT-TERM DEPOSITS:** C\$1.47 million (at June 30, 2011)

**WORKING CAPITAL:** C\$990,007 (June 30, 2011)

**MARKET CAPITALIZATION:** C\$23.81 million (Sept. 23, 2011)

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## YUKON TERRITORY

### 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 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 about 16 discovery-stage projects elsewhere in North America, including several gold-silver projects in northwestern British Columbia and some half-dozen early stage non-diamond projects in Nunavut. Kaminak has focused recently on its 15-kilometer-by-5-kilometer Coffee Gold Project located in the White Gold District of west-central Yukon. The company's C\$15 million phase 1 exploration program for 2011 marks the second year of drilling at Coffee where it reported eight gold discoveries in 2010. In addition to collecting 10,000 soil samples, the junior focused on 40,000 meters of diamond and reverse circulation drilling across the property, reporting numerous intercepts by August with assays yielding up to 74.9 grams per metric ton gold over 4 meters starting at a depth of 105 meters in the Double Double Zone and continuous high-grade, near-



**ROB CARPENTER**



**JOHN ROBINS**

About US\$8 million of Kinross Gold's 2011 exploration budget was earmarked for seeking new sources of gold in the vicinity of its Fort Knox gold mine about 35 kilometers (22 miles) north of Fairbanks in Interior Alaska.



surface and oxidized gold, particularly in the Supremo Zone. Kaminak said gold-in-soil data and geophysical/structural interpretations suggest the Supremo gold-bearing structures extend towards the Connector and Latte gold zones, and northward toward the Macchiato/Cappuccino zones, for a possible potential strike length exceeding 2.5 kilometers (1.5 miles).

In addition, Kaminak is building a 15-kilometer- (9-mile-) long gravel road that will connect the Coffee Camp and airstrip to the main drill areas of Latte, Connector, Double Double and Supremo. The road was expected to be completed by the end of the third quarter and will allow the company to extend future drill seasons and reduce aircraft costs. The company also said it is planning to continue to carry out exploration of its mineral properties and to evaluate new prospects and opportunities.

**CASH AND SHORT-TERM DEPOSITS:** C\$25.53 million (June 30, 2011)

**WORKING CAPITAL:** C\$24.62 million (June 30, 2011)

**MARKET CAPITALIZATION:** C\$136.59 million (Sept. 9, 2011)

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## ALASKA & YUKON TERRITORY

### Kinross Gold Corp.

**KGC:** NYSE/K: TSX

**CHAIRMAN:** John Oliver

**PRESIDENT AND CEO:** Tye Burt

**DIRECTOR OF NORTH AMERICA EXPLORATION:** Al Kirkham



From the humble beginnings of a greenfield copper-gold project in Southwest Alaska to adding years of gold production to its Fort Knox Mine in the heart of the Tintina Gold Belt, Kinross Gold Corp. is spending some US\$17 million in search of valuable minerals in the Yukon Territory and the

neighboring Far North state. About US\$8 million of Kinross' 2011 exploration budget was earmarked for seeking new sources of gold in the vicinity of Fort Knox in Interior Alaska. The Toronto-based miner's success in expanding the reserves at this operation is exemplified by the 5-millionth ounce of gold poured there early in 2011. When Kinross began mining at Fort Knox in 1996, the deposit had 4.1 million ounces of proven and probable gold reserves; upon reaching the 5-million-ounce milestone, the major estimated some 3.5 million ounces of the yellow metal remained. Kinross believes this is enough ore to operate the mill into 2017 and feed a recently built heap-leach pad at the mine until 2021. To continue the growth of the reserves, Kinross has drills defining ore in the phase-8 expansion areas of the pit at Fort Knox.

The Gil gold property, located about 8 kilometers (5 miles) east of Fort Knox, is another potential source of ore to extend the life of the mine. Kinross, which has held a longstanding partnership with junior explorer Teryl Resources Corp. at the Gil gold property, entered into an agreement in September to buy out the junior's 20 percent stake in the project. The agreed purchase price for Teryl's interest in Gil is a US\$2.5 million advance royalty payment upon the closing of the deal; a C\$1.5 million advance royalty payment upon commencement of commercial production from the property; and a 1 percent royalty of net smelter returns until C\$15 is received and thereafter a 0.5 percent NSR royalty for the remainder of the life of the mine. Over the term of their 80-20 partnership, 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 per ton, or 404,000 ounces of gold. In March, Teryl reported an NI 43-101-compliant pre-feasibility resource estimate for the Gil joint venture property that outlines a heap leach resource of 514,916 ounces of gold contained in 19.86 million tons of mineralized rock. A cut-off grade for a hypothetical heap leaching operation at the Gil is expected to be 0.51 grams per metric ton gold, which corresponds to the heap leach cut-off grade currently being used at Fort Knox. A grade cut-off for material that could be sent to the mill is 0.77 grams per metric ton gold. Teryl said total gold resources at Gil for a run-of-mill scenario are 309,304 ounces of gold contained in 8.51 million short tons of ore.

Kinross spent about US\$7 million in 2011 on a 14,000-meter drill pro-



gram at its White Gold and JP Ross projects in Yukon Territory. The gold miner said this year's drilling at the White Gold project focused on the Arc, West Saddle and McKinnon targets on the White Gold property and at JP Ross, a 312-square-kilometer (121-square-mile) land-package located some 35 kilometers (22 miles) north of White Gold, the company investigated the Sabotage, Frenzy and Rebecca targets. The 40-kilometer- (25-mile-) long JP 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. Frenzy is a gold-in-soil anomaly on the JP Ross property 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 deposit on the White Gold property and has a similar geochemical signature. As a comparison, the Golden Saddle soil anomaly measures 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 former White Gold/JP Ross owner Underworld Resources Inc. Soil samples collected at Sabotage ranged from trace to 132 ppb gold, averaging 23 ppb of the yellow metal.

Kinross also continues to be focused on establishing mutually-beneficial partnerships with promising junior exploration companies. 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 strategic 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. The strategic partners have not revealed any new prospects turned up in 2011. Kinross forged alliances with Millrock Resources Inc. to explore to properties in Alaska, Council and Humble. The 2011 exploration at Council – a project that includes more than 900 square kilometers (350 square miles) of gold properties in the Council Mining District about 100 kilometers (60 miles) east of Nome, Alaska – was limited to mapping and sampling in preparation for an anticipated drill program in 2012. Humble is a porphyry copper-gold project with attributes similar to those at the Pebble deposit some 130 kilometers (80 miles) east. An early season map-

ping and geochemical survey prepared the project for a drill program that began in August. In September, Millrock reported that the drilling was progressing poorly and it was questionable whether the program would produce drill core for assaying. Kinross also owns a 19.1 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 probable reserves of 1.75 million ounces of gold plus an indicated resource of 4.8 million ounces of gold. In addition to working toward the completion of a feasibility study for Eagle Gold, Victoria Gold President and CEO John McConnell said the company is spending around C\$10 million on exploration with about one-third being spent at the Eagle deposit, another third in the area immediately surrounding Eagle Gold, with the remainder being spent on regional exploration. The company is particularly excited about a discovery exploration crews have made at Rex Peso, a regional prospect about 4 kilometers (2.5 miles) of the Eagle Gold deposit. Grab samples taken here returned assays as high as 1.8 g/t gold and 6,410 g/t silver.

**CASH AND SHORT-TERM DEPOSITS:** US\$2.41 billion (June 30, 2011)

**WORKING CAPITAL:** US\$1.53 billion (June 30, 2011)

**MARKET CAPITALIZATION:** US\$17.29 billion (Sept. 23, 2011)

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## NUNAVUT

### Kivalliq Energy Corp.

**KIV:** TSX-V

**CHAIRMAN:** John Robins

**CEO:** James R. (Jim) Paterson

**PRESIDENT:** Jeff Ward




Kivalliq Energy Corp. spent 2011 pursuing an aggressive C\$17 million exploration program targeting up to 35,000 meters of drilling in two phases on its flagship Angilak Property in central Nunavut. The junior explorer also encountered significant challenges raising capital after a pall settled over uranium stocks when an earthquake and tsunami damaged a Japanese nuclear power plant March 11.

Kivalliq was created in early 2008 when Kaminak Gold Corp. spun off its uranium assets. It is the first company in Canada to sign a comprehensive agreement with the Inuit to explore for uranium on Inuit Owned Lands in the northern territory. Research by Kivalliq determined that the Angilak property is host to more than 150 historic mineral showings, in addition to the historic Lac Cinquante Uranium Deposit, which is Canada's highest-grade uranium deposit outside of Saskatchewan's Athabasca Basin. By sampling about 25 of the showings, Kivalliq confirmed historic assays, located new showings and identified several property-wide trends. Encouraging results for uranium, silver, copper, gold and rare earth elements were obtained, which suggest that the 270,000-acre (121,033 hectares) property also has good potential for a range of other deposit types including: lode gold, IOCG and other uranium-associated mineralization.



In 2010, Kivalliq identified through prospecting nine high-priority target areas for future exploration at Angilak and began 2011 by completing a NI 43-101-compliant inferred resource estimate for Lac Cinquante of 14.15 million pounds in 810,000 metric tons averaging 0.79 percent U3O8 (at 0.2 percent cut off). The explorer began drilling at Angilak in April with two diamond drill rigs and one reverse circulation exploratory rig, and initiated ground geophysical surveys. The diamond drilling mainly focused on resource expansion east and west of the Lac Cinquante deposit, while RC drilling explored the Blaze Zone. In June, Kivalliq reported high-grade uranium-copper-silver-molybdenum assays, including 1.01 percent U3O8 over 25.4 meters, from the Blaze zone. A second phase of exploration began in July, and Kivalliq since has reported more encouraging assays from Blaze as well as core results from western and eastern extensions of the Lac Cinquante deposit. Kivalliq's geological team considers both the Western Extension and Eastern Extension zones to be part of the same northwest-southeast trending geological structure which hosts the Lac Cinquante uranium resource.


By Aug. 25, the company had drilled 17,425 meters in 115 diamond drill holes and an additional 5,146 meters in 70 RC holes, and airborne and ground geophysical crews, as well as a prospecting crew, worked to ad-



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vance the target areas defined in 2010 and generate new targets across the property. Kivalliq reported no work in 2011 on other uranium assets in Nunavut, but noted that exploration permits for the 197,797-acre (80,048 hectares) Washburn Property located on Victoria Island in Nunavut expired in January. The junior plans no further work on the property.

**CASH AND SHORT-TERM DEPOSITS:** C\$15.7 million (at June 30, 2011)

**WORKING CAPITAL:** C\$13.6 million (at June 30, 2011)

**MARKET CAPITALIZATION:** C\$49.05 million (Aug. 31, 2011)

## NORTHWEST TERRITORIES

### Merc International Minerals Inc.

**MRK:** TSX-V

**CHAIRMAN:** John McBride

**PRESIDENT AND CEO:** David Wiley

**CHIEF GEOLOGIST:** Michael J. Byron, Ph.D.

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 January the company entered into an option agreement to acquire a 100 per cent interest in 15 mining leases and 3 mining claims located within the underexplored Indin Lake Greenstone Belt of Northwest Territories directly west and northwest of the company's Damoti Lake Gold Project. The newly staked ground has significantly expanded gold exploration targets within an area that lies along the West Bay – Indin Lake Fault Zone, a regional structure that extends over 200 kilometers (125 miles) from the shores of Great Slave Lake to areas north of the Indin Lake Greenstone Belt.

This fault zone contains both the historic Giant and Con gold mines (which together reported 13 million ounces of production) to the south and the Colomac Gold Mine (about 500,000 ounces of production) within its northern extent. Merc believes this structure has played a major role in the development and localization of the Indin Lake gold mineralization; much the same role as that of other large regional fault zones, such as the Destor-Porcupine Fault's influence on gold deposit formation within the Timmins Gold Camp. The Indin Lake Greenstone Belt remains one of the few underexplored historic gold camps in Canada.

By April Merc had staked 107 additional mining claims (193,791 acres or 78,425 hectares) which link the Indin Lake claims under option, and thereby consolidated much of the Indin Lake Gold Camp's ground. Merc now controls the majority of the prospective Indin Lake Greenstone belt in this historic gold camp with a total ground position, including the Damoti Lake project, of 209,763 acres (84,888 hectares). The junior launched a 7,000-meter diamond drill program in the Indin Lake Gold Camp in March, along with an extensive prospecting and mapping program on several high-priority deposits and mineralized showings along the Leta Arm Fault.

On May 31, Merc reported completion of phase 1 of the 2011 program (4,319 meters), which focused on the Treasure Island deposit and the Diversified, and North Inca properties. Merc said the work confirmed historic reports of gold along a contact region; tested and extended existing zones in all dimensions; and confirmed new zones at depth. The explorer said it believes significant opportunities exist within a 500-meter-wide mineralized structure that runs between and beyond the North Inca property to the south and Lexindin to the north, a distance of 2.5 kilometers (1.5 miles).

In June Merc reported significant gold mineralization in drilling results from on Treasure Island, North Inca and Diversified. By September, the explorer said its drilling and prospecting results this season moved the company closer to defining an ore body within a mineralized corridor spanning at least 10 kilometers (6 miles). Further, the intersection of mineralization at the historic #3 Deposit encouraged Merc to believe the Diversified and North Inca deposits are part of the same structure and are connected along strike. The company also reported completing airborne magnetometer and VLF surveys that it expects to identify new exploration targets bearing the same signatures as areas of known mineralization on the properties. Merc said it spent C\$2.5 million on exploration in the nine months that ended April, primarily related to the start of its exploration program in the Indin Lake Gold Camp. The company also said it intended to satisfy a remaining spending commitment of C\$4.25 million from a 2010 flow-through financing on its Indin Lake Gold Camp through its planned 2011 exploration activities.

In 2010 the company focused on the Damoti Lake project where exploration results outlined broad zones of near-surface gold mineralization with associated high-grade cores. Merc said additional drilling and exploration at Damoti Lake will be contingent upon the incorporation of current drill results into an expanded geological model with the Indin Lake Gold Camp data to assist in target generation.

**CASH AND SHORT-TERM DEPOSITS:** C\$7.24 (April 30, 2011)

**WORKING CAPITAL:** C\$6.33 million (April 30, 2011)

**MARKET CAPITALIZATION:** C\$20.09 million (Sept. 23, 2011)

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## BRITISH COLUMBIA

### New Gold Inc.

**NGD:** TSX/NGD: AMEX

**EXECUTIVE CHAIRMAN:** Randall Oliphant

**PRESIDENT AND CEO:** Robert Gallagher

**VICE PRESIDENT, EXPLORATION:** Mark Petersen

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Northern Tiger Resources spent some C\$6 million on exploration in 2011 at the 3Ace project in southeastern Yukon Territory where an outcropping quartz vein has produced a sample that assayed 4,280 grams per metric ton gold.

SHANE LASLEY

New Gold is an intermediate gold producer with cash flow positive operating assets in the United States, Mexico and Australia and development projects in Canada and Chile. The company's portfolio includes the Blackwater Project in central British Columbia, which it acquired through the acquisition of Richfield Ventures Inc. in June. Blackwater has a resource estimate including 1.8 million ounces of indicated gold resources and an additional 2.0 million ounces of inferred gold resources. Since acquiring the project, New Gold said it has been very active in preparing for its continued exploration and development, including C\$2.1 million in exploration expenditures at Blackwater in the second quarter.

On June 15, the company announced an expanded drill program that will see the company drill between 40,000 and 50,000 meters, or about 100 holes, in the second half of 2011. New Gold successfully retained the ma-

jority of the project's geologic staff and consultants. Site safety and environmental standards consistent with New Gold standards were established and the company commenced the implementation of a sustainability program including proposed sourcing from local communities and related discussions with local First Nations, government and regulatory officials. A 5th drill rig was added on June 15, and more than 6,200 meters of drilling was completed in June (16 holes). An upgrade of a 17-kilometer access road to the site was initiated, and New Gold commenced installation of a C\$16 million upgraded 100-person operations camp, including associated infrastructure. Work also continued on an environmental baseline program and tradeoff studies on potential site layouts. In August, New Gold reported drill results including intersecting 278 meters grading 2.78 g/t gold in hole BW-179, starting at 83 meters depth.

New Gold Vice President, Exploration Mark Petersen said the drill results are a continuation of the company's efforts to identify the edges of the deposit, while also focusing on infill drilling in the core of the already established resource. "We are excited about the results, in particular the higher grades seen in holes 176 and 179 and the extension of significant gold grades to the southwest as identified in hole 180," he added. On Sept. 19, New Gold reported an updated NI 43-101-compliant mineral resource estimate for the Blackwater Project, including an indicated gold resource of 165 million metric tons grading 1.01 g/t containing 5.4 million ounces of gold; and an inferred gold resource of 39 million metric tons grading 0.94 g/t containing 1.2 million ounces of gold. New Gold Oct. 17 said it agreed to acquire Silver Quest Resources Ltd. in a transaction valued at more than C\$156 million. The deal will give New Gold 100 percent interest in the Blackwater Project, including Silver Quest's 25 percent share in the northern Davidson Property, and 100 percent interest in Silver Quest's nearby Capoose gold and silver property, which covers more than 41,000 hectares (101,311 acres) about 25 kilometers (16 miles) west of the Blackwater Project. In addition, New Gold will purchase a 9.9 percent stake, or about 3.5 million shares of a newly created Yukon Territory-focused company, McIntyre Minerals Inc. for C78 cents per share. Silver Quest shareholders will hold the remaining 90.1 percent interest in McIntyre.

**CASH AND SHORT-TERM DEPOSITS:** C\$490.4 million (June 30, 2011)

**WORKING CAPITAL:** C\$483.9 million (June 30, 2011)

**MARKET CAPITALIZATION:** C\$5.32 billion (Sept. 23, 2011)

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## 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:** Grigore 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-kilometers-long greenstone belt as a whole, and conducted additional drilling and mapping. Diamond drilling operations are ongoing in 2011 with an expanded drill program of about 95 kilometers.

Newmont began construction of an exploration decline at Doris North in late 2010 to facilitate underground exploration and current development continues in favorable ground conditions. The decline is expected to reach an ore face in the third quarter of 2011. The major spent US\$79 million at Hope Bay during the six months that ended June 30, compared with comparable expenditures of US\$35 million during the same period in 2010. Newmont budgeted a total of C\$300 million in capital and explo-



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ration expenditures on the project in 2011.

**CASH AND SHORT-TERM DEPOSITS:** US\$ \$1.40 billion (at June 30, 2011)

**WORKING CAPITAL:** US\$100 million (for Hope Bay in 2011)

**MARKET CAPITALIZATION:** C\$3.41 billion (Aug. 26, 2011)

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## NUNAVUT

### North Country Gold Corp.

**NCG:** TSXV

**PRESIDENT AND CEO:** John Williamson, P. Geol.

**VICE PRESIDENT AND CFO:** Sean Mager

**VICE PRESIDENT, EXPLORATION:** Peter Kleespies,  
M.Sc., P.Geol.



Sixteen months after being spun out by CBR Gold Corp. (now Niblack Mineral Development Inc.) with assets in Canada and Australia and C\$4.7 million in working capital, North Country Gold Corp. was making significant headway in advancing exploration of its Three Bluffs Gold Project in the Committee Bay Greenstone Belt in Nunavut. North Country owns mineral rights to at least 216 active mineral claims and 14 mineral leases covering 229,462 hectares (567,000 acres), including the 300-kilometer (186 miles) long and 5- to 50-kilometer- (3-31 miles) wide greenstone belt, which hosts the 4.1-kilometer (2.5 miles) Walker Lake Trend where the Three Bluffs Deposit is located. North Country believes the greenstone belt is prospective for multiple 2-million- to 5-million-ounce gold deposits and so far, has identified at least five potential mining centers on the property – West Plains, Four Hills-Cop, Anuri-Raven and Inuk in addition to Three Bluffs. The junior is currently focused on Three Bluffs where it targeted 30,000-50,000 meters of core and reverse circulation drilling for 2011 as well as initiating future engineering and infrastructure development.

The Three Bluffs deposit 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 (1.27 million metric tons 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. During the 12 months that ended Feb. 28, North Country incurred mineral property expenditures of about C\$10.6 Million, and by Aug. 19, has spent another C\$24.8 million on successful spring and summer exploration programs with completion of fieldwork and demobilization scheduled for early September. By Aug. 9, the company had reported intersecting more high-grade gold to depth and along strike, west of the current resource area at the Three Bluffs and Three Bluffs West zones, increasing the strike length of the core Three Bluffs zones to more than 1,300 meters. Drilling also confirmed the presence of mineralization over an additional 700 meters of strike between the Three Bluffs West and Antler zones.

**CASH AND SHORT-TERM DEPOSITS:** C\$4.7 million (at Aug. 19, 2011)

**WORKING CAPITAL:** C\$4.4 million (at Aug. 19, 2011)

**MARKET CAPITALIZATION:** C\$103.03 billion (Aug. 26, 2011)

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## YUKON TERRITORY

### Northern Freegold Resources Ltd.

**NFR:** TSX

**PRESIDENT & CEO:** Tim J. Termuende, B.Sc., P.Geol.

**CHAIRMAN:** John Anderson

**EXPLORATION MANAGER:** Allan Armitage, P.Geol.

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. 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.

An aggressive C\$5.7 million exploration program on the Freegold Mountain Project has been under way since mid-May aimed at completing 16,000 meters of diamond drilling, deep-penetration Titan 24 Induced Polarization surveys, soil geochemical surveys, and geological mapping and sampling. Work focused on upgrading the gold-copper-silver-molybdenum Revenue Zone from target deposit to inferred resource; diamond drilling, if warranted, on the Stoddart copper-gold-molybdenum zone; potential expansion and further definition of the existing indicated and inferred resources at the Nucleus gold-copper-silver deposit (currently 1.1 million ounces gold indicated and 630,000 oz gold inferred); and exploration and possible definition drilling of the Tinta Zone.

Northern Freegold's managers believe the Revenue target deposit, the Nucleus deposit and the Stoddart zone are all part of a large-scale gold-rich porphyry system, which extends in an east-west direction for more than 6 kilometers (4 miles). The system has the potential to host multimillion-ounce gold resources with multibillion-pound copper resources similar to other porphyry deposits in the region. Northern Freegold also owns other Yukon properties and the 2,000-acre Burro Creek gold-silver property in Arizona where it has estimated 122,000-ounce indicated and 82,000-ounce inferred gold-equivalent resources. The company was negotiating the sale of Burro Creek this summer for about C\$4 million, and the transaction was expected to close in November.

**CASH AND SHORT-TERM DEPOSITS:** C\$2.73 million (at June 30, 2011)

**WORKING CAPITAL:** C\$469,537 (at June 30, 2011; raised more than C\$8.37 million in financing in August 2011)

**MARKET CAPITALIZATION:** C\$33.76 million (Sept. 9, 2011)

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## 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 and underexplored regions southeastern and central Yukon. The company also has an exploration alliance with Capstone Mining Corp.'s subsidiary, Minto Explorations Ltd.

In 2011, Northern Tiger divided more than C\$7 million in exploration resources among these properties, spending C\$6 million to explore the 3Ace project in southeastern Yukon (optioned in April 2010 from longtime Yukon prospector Alex McMillan) and the adjacent Sprogge property, which it optioned in March from Alexco Resource Corp. and Newmont Canada Corp. The junior planned 10,000 meters of diamond drilling primarily on the Main Zone and the Green Zone West, preliminary testing of up to five additional targets on 3Ace and Sprogge, and an extensive surface exploration program with soil, silt and rock sampling; airborne and ground geophysical surveys; trenching; prospecting; and mapping. It was anticipated that some of the new targets generated from this work will be drill tested as part of the 2011 program. Northern Tiger also completed construction of a new 45-person camp at the 3Ace property.

By September, the company said it had identified a new bedrock gold occurrence at 3Ace about 1.2 kilometers northwest of the Main zone. A grab sample from the new area returned 11.2 grams per metric ton gold. The 2011 exploration program was designed to demonstrate the gold potential of the project and to set the stage for even larger exploration program in 2012. At the Sonora Gulch Project located in west-central Yukon, the company budgeted C\$1 million for 2,500 meters of exploration drilling in 2011. The junior has identified a 9-square-kilometer (3.5 square miles)





Ocean Park Ventures is exploring a zone of intense carbonate alteration at the Trapper gold project in northwestern British Columbia.

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## ALASKA & BRITISH COLUMBIA

### Ocean Park Ventures Corp.



**OCEAN PARK**  
VENTURES CORP.

OCP: TSX-V

**PRESIDENT AND CHAIRMAN:** Paul Matysek

**VICE PRESIDENT OF EXPLORATION:** Chris Taylor

Ocean Park Ventures Corp. emerged on the mineral exploration scene in 2010 with a US\$6.2 million exploration program at the 900-square-kilometer (350-square-mile) Chisna gold-copper project in eastern Alaska about 105 kilometers (65 miles) south of the town of Tok. While the junior returned to this property for a late-season drill campaign, the company's primary focus in 2011 was on Trapper, a northern British Columbia gold prospect it optioned from Constantine Metal Resources Ltd. in December, 2010. Prior to Ocean Park's program, Trapper had never been drilled. Ocean Park Vice President of Exploration Chris Taylor was drawn to the property from data generated during an early 1980s geochemical investigation of Trapper (known then as Inlaw) by Chevron Minerals of Canada, subsequently confirmed and expanded by Richfield Ventures Corp. and Constantine. Visiting the project early in the 2011 season, Ocean Park realized that the gold-mineralized system could be significantly more extensive than the preliminary data indicated.

In July, Ocean Park set one drill in on Trapper's Main zone, a 2,000-meter-by-250-meter geochemical anomaly outlined by Chevron and expanded by Constantine. Results from 21 grab samples taken in 2011 by Ocean Park geologists along the core of an iron-carbonate altered trend that includes the Main zone averaged 1.12 g/t gold, with one sample assaying 10.25 g/t gold. These results increase the footprint of gold-rich mineralization by over 1,000 meters and encouraged the company to expand the focus of its exploration to include flying an induced polarization survey over the entire property and extending the scope of its geological coverage. The company set two drill rigs on the property to test five

gold anomaly at Sonora Gulch with significantly elevated gold values that indicated eight priority targets for additional exploration, including the Amadeus, Nightmusic and Gold Vein anomalies. The Gold Vein Zone, a 1.4-kilometer-(1 mile) long geochemical anomaly averaging 161 parts per billion gold-in-soils was the primary focus of the 2011 exploration which was completed in July. During the season, Northern Tiger also completed additional surface exploration including prospecting, sampling, mapping and geophysical surveys on its five Minto-style properties in the Dawson Range; on the Birman and Korat properties in the White Gold district and on the gold-rich Deet Property located 85 kilometers, or 53 miles, northeast of Whitehorse. The Deet property is located at the headwaters of the Livingstone Creek placer gold camp, which reportedly has produced more than 14,000 ounces of placer gold since 1905.

**CASH AND SHORT-TERM DEPOSITS:** C\$8.63 million (April 30, 2011)

**WORKING CAPITAL:** C\$8.74 million (April 30, 2011)

**MARKET CAPITALIZATION:** C\$36.59 million (Sept. 9, 2011)



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Optioning the Trapper project from Constantine Metals Resources Ltd. in December 2010, Ocean Park Ventures spent nearly C\$5 million in 2011 on exploration of the gold property. The program included the first-ever drilling on the property located about 100 kilometers (60 miles) northwest of Telegraph Creek, B.C.





Overland Resources Senior Geologist Sheila Ulansky shows zinc-rich core from past drilling at the Andrew deposit in southeastern Yukon Territory.

SHANE LASLEY

mineralized areas over a trend that the company said has been extended to more than 8,000 meters. Though core was still awaiting analysis at the backlogged assay labs, up to one millimeter flakes of visible gold observed in hole TG-11-011 is a good indicator of the tenor of mineralization being tapped during this inaugural drill program at the northern British Columbia property.

Ocean Park's C\$4.95 million budget for 2011 exploration at Trapper is more than enough to satisfy the C\$4.75 million of work needed to earn an initial 50 percent interest in Trapper. The junior can up its stake in the property to 70 percent by spending an additional C\$5 million in exploration. In August Ocean Park optioned Metla, a gold property located five kilometers (3 miles) south of the Trapper gold project in northwest British Columbia. Pursuant to the terms of the agreement, Ocean Park paid C\$25,000 upon signing and will issue 100,000 common shares to the vendors. Work conducted at Metla by Cominco Ltd. in 1987 includes a grab sample returning 68 g/t gold. The average grade of 339 float samples collected by the company was 4.47 g/t gold. Ocean Park further solidified its land position by staking an additional 13,500 hectares of mining claims contiguous with the Metla property, and about 1,400 meters south of the Trapper claims.

Exploration at Chisna in 2011 focused on the Golden Range prospect. The explorer said bedrock values of up to 50.4 grams per metric ton gold and soil values of up to 6.5 g/t gold have been found along a 9-kilometer-, or 5.6-mile-, long zone of extensive gossanous iron carbonate alteration at the Golden Range target. More than 300 rock and grab samples collected from this prospect in 2010 average 0.6 g/t gold, with a high of 50.4 g/t gold. Out of 176 soil samples taken across the same area, 71 samples returned greater than 0.10 g/t gold with an average of 0.23 g/t gold and a high of 6.53 g/t gold. To further refine targets for a drill program that started in August, Ocean Park conducted a detailed geochemical survey over Golden Range. By September the company had assay results from 897 grab and chip samples taken from an 8-square-kilometer (3-square-mile) area at Golden Range. These assays have ranged from below detection limits to 79.8 g/t gold, with an average of 1.37 g/t gold. With this initial work, Ocean Park has outlined seven target zones to be tested with the 17-hole program carried out this year.

Ocean Park can earn an initial 51 percent interest in Chisna from Corvus Gold Inc. by spending US\$20 million on exploration by 2015. It can increase its stake in the expansive property to 70 percent by completing a positive feasibility study within 5 years of the initial earn-in. The company is also working to earn an interest in the Adelita porphyry copper-gold

project in Mexico.

**CASH AND SHORT-TERM DEPOSITS:** C\$12.6 million (at June 30, 2011)

**WORKING CAPITAL:** C\$11.9 million (at June 30, 2011)

**MARKET CAPITALIZATION:** C\$40.9 million (at Sept. 21, 2011)

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## YUKON TERRITORY

### Overland Resources Ltd.

**OVR:** ASX

**MANAGING DIRECTOR:** Hugh A. Bresser

**CHAIRMAN:** Michael Haynes

**CHIEF FINANCIAL OFFICER:** Beverley Nichols

Overland Resources Ltd. is aggressively advancing the Yukon Base Metal Project and in particular the high-grade Andrew and Darcy zinc deposits towards production. The Yukon Base Metal Project contains a JORC Code (Australia) compliant resource of 11 million metric tons at 5.8 percent zinc and 1.0 percent lead with a 2 percent zinc cut-off applied. The company also seeks to consolidate its position in Canada by securing additional base metal projects to add to the company's strong portfolio of exploration and development projects. Over the past 12 months Overland realized significant milestones during the past year including an upgrade in mineral resources, an increase in land position and advancement of work toward mine permitting.

The company considerably expanded its ground position in the Yukon Territory by staking new claim blocks surrounding the Andrew and Darcy zinc deposits and two new areas, the Junction Project to the west and the Riddell Project to the east. Overland now has interests in some 1,200 quartz mining claims covering more than 260 square kilometers (161 square miles) of highly prospective terrain in the underexplored Selwyn Basin of Yukon Territory. The company successfully completed 36 diamond drill holes for approximately 3,600 meters by the end of 2010. This drilling included the installation of 11 water monitoring wells and the completion

of 25 exploration holes focused on resource expansion at the Darcy Zinc Deposit and Darin Prospect. Highlights of the drilling include 19.0 meters averaging 8.4 percent zinc and 8.0 meters averaging 19.4 percent zinc. Drilling doubled the strike extent of the Darcy Zinc Deposit was doubled to over 400 meters and the full extent of the deposit remains to be defined.

At the Darin Prospect, 1,500 meters southeast of the Darcy Zinc Deposit, the company also intersected thick zones of mineralization including 20.5 meters at 3.6 percent zinc, 10.5 meters at 3.6 percent zinc, and 21.2 meters at 4.8 percent zinc. Overland said these results provide evidence of an extensive mineralized system at the Darin Prospect. A new resource estimate incorporating the 2010 drilling results doubled for the Darcy deposit and provided an inaugural resource for the Darin deposit. Total resources for the project climbed to 11.05 million metric tons averaging 5.8 percent zinc and 1 percent lead. Mineralization at all three deposits remains open along strike and at depth. Overland said it expects the Yukon Base Metal Project's resource base to continue to increase with additional drilling. During April 2011 the company mobilized field crews and upgraded the camp facilities to accommodate 50 persons in preparation for a 10,000-meter diamond drilling program. Two drill rigs commenced work at the project in May and by Sept. 15, completed 32 diamond drill holes covering more than 7,000 meters have been completed. Assays have been returned from the first six of these holes, including 16.0 meters at 8.0 percent zinc; 13.0 meters at 4.7 percent zinc, and 6.3 meters at 9.1 percent zinc. To fund the accelerated exploration program, environmental baseline data collection, completion of the pre-production and mine permitting submission documentation, Overland undertook a private placement of 47.5 million shares in the spring of 2011 that generated C\$11.875 million.

**CASH AND SHORT-TERM DEPOSITS:** C\$9.85 million (June 30, 2011)

**WORKING CAPITAL:** C\$11.9 million (April 15, 2011)

**MARKET CAPITALIZATION:** \$35 million (January 2011)

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## NUNAVUT

### Peregrine Diamonds Ltd.

**PGD:** TSX

**CHAIRMAN & CEO:** Eric Friedland

**PRESIDENT:** Brooke Clements

**VICE PRESIDENT, EXPLORATION:** Peter Holmes



Since 2007, Peregrine has discovered new Canadian diamond districts, Chidliak and Qilaq on southern Baffin Island, Nunavut, and Nanuq in the eastern Arctic region of Nunavut. The company also holds a 72 percent interest in the WO Property in Northwest Territories where it has established an independent, NI 43-101-qualified, indicated mineral resource of 18.2 million carats in the DO-27 kimberlite and owns several early stage exploration projects in the Northwest Territories, Nunavut and Manitoba. In 2011 Peregrine focused on exploring the Chidliak, Qilaq and Cumberland projects on Baffin Island and at the Nanuq and Nanuq North projects in the Eastern Arctic region of Nunavut. During the quarter that ended June 30, Peregrine reported discovery by drilling of seven new kimberlites, CH-52 to CH-58, on the Chidliak Project, bringing to eight the number of kimberlites discovered on the 8,580-square-kilometer (3,313 square miles) property since April and to 58 total kimberlites discovered at Chidliak since August 2008. Seven of 35 diamondiferous kimberlites identified, so far, on the property have characteristics consistent with economic diamond mining potential in Arctic settings. Chidliak, located about 120 kilometers, or 77 miles, northeast of Iqaluit, Nunavut's capital, is a joint venture between Peregrine (49 percent) and BHP Billiton (51 percent).

The March-September 2011 exploration season at Chidliak, budgeted at C\$17.7 million in spending, involved up to 13,000 meters of core and reverse circulation drilling, collection of a mini-bulk sample of about five



**ERIC FRIEDLAND**



**BROOKE CLEMENTS**

metric tons by core drilling from the CH-31 kimberlite, collection of a 20-metric-ton mini-bulk sample from the surface of the CH-28 kimberlite, completion of a 12,000 line-kilometer heli-borne magnetic-electromagnetic geophysical survey, ground geophysical surveys over anomalies selected from the 2008, 2010 and 2011 airborne geophysical surveys, indicator mineral sampling, prospecting, initiation of preparations for a multi-kimberlite 2012 bulk sampling program, and continuation of environmental baseline studies. Peregrine was the operator of the 2011 exploration program and its anticipated share of the exploration spending was about C\$9.3 million.

At the adjacent 4,370-square-kilometer (1,687 square miles) Qilaq Project, a 3,700 line-kilometer airborne electromagnetic/magnetic survey was completed in June and ground magnetic geophysical surveys were completed in June and July over 10 anomalies selected from the survey. Also, 122 till samples were collected and several metals prospects were evaluated. In August, the company reported discovery of Q3, the third kimberlite on the Qilaq project. The Q3 kimberlite was discovered when a magnetic low anomaly with an estimated surface expression of 2.5 hectares (6.2 acres), as determined by ground geophysics, was tested by the drilling of three angled reverse circulation holes, two of which ended in kimberlite. Peregrine said it anticipated spending C\$1 million on 2011 exploration at Qilaq, in which it has a 100 percent interest, except for a 1-kilometer area that borders Chidliak in which it shares ownership with BHP Billiton. At the 5,270-square kilometer (2,035 square miles) Cumberland Project about 100 kilometers (62 miles) north of Chidliak on the Cumberland Peninsula of Nunavut, Peregrine planned a C\$300,000 program of sampling, mapping and prospecting for 2011. The junior owns a 100 percent interest in the Cumberland property.

At the 2,360-square-kilometer (911 square miles) Nanuq Project 300 kilometers (186 miles) north-northeast of Rankin Inlet, a summer exploration program of drilling, sampling and ground geophysics was underway in June with anticipated 2011 spending of about C\$2.0 million. At the adjacent 330-square-kilometer (127.4 square miles) Nanuq North Project, a limited drill program was scheduled for 2011 with anticipated exploration expenditures of C\$250,000 of which Peregrine's share is C\$125,000. Peregrine also planned to incur about C\$500,000 in expenditures on 2011 exploration programs at the Lac de Gras East and West properties in Northwest Territories as a follow-up to geophysical work performed in 2008.

**CASH AND SHORT-TERM DEPOSITS:** C\$16.1 million (at June 30, 2011)

**WORKING CAPITAL:** C\$16.4 million (at June 30, 2011)

**MARKET CAPITALIZATION:** C\$150.2 million (Aug. 25, 2011)

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## BRITISH COLUMBIA

### Pretivm Resources Inc.

**PVG:** TSX

**PRESIDENT AND CEO:** Robert A. Quartermain, BSc (Hons), MSc, P.Geo, DSc,

**CHIEF DEVELOPMENT OFFICER:** Joseph J. Ovsenek, J.P. Eng., LLB

**CHIEF EXPLORATION OFFICER:** Kenneth C. McNaughton, M.A. Sc., P.Eng.

Pretivm Resources Inc. is a mineral exploration company that is advancing the Brucejack Project, located 65 kilometers (40 miles) north-northwest of Stewart, B.C. and the Snowfield Project, which borders Brucejack to the north, in northern British Columbia. Combined, these projects are among the largest undeveloped gold resources in the world. Pretivm followed up a 70,000-meter exploration program in 2010 with another 70,000 meters of drilling in 2011 at the high-grade gold Brucejack Project, which comprises six mineral claims totaling 3,199.28 hectares (7,905 acres) in area. In May Pretivm reported agreements with Seabridge Gold Inc. to cooperate in advancing both the Brucejack and Snowfield projects and Seabridge's KSM Project, which together represent the largest undeveloped gold resource in North America with a bulk-tonnage opportunity of 34 million ounces of gold in all categories. Of note, Pretivm also agreed with Seabridge to complete an engineering study examining the economics of combining the Snowfield Project and Seabridge's KSM Project as a single operation.

The Snowfield Project is comprised of one mineral claim with an area of 1,267.43 hectares (3,132 acres). This study is expected to be completed



In 2011 Pure Nickel and joint venture partner Itochu Corp. explored two platinum group element-rich horizons encountered at the Alpha Complex in 2010 at the Man project in Southcentral Alaska.



PURE NICKEL INC.

in the fourth quarter. In June the company announced positive results from a NI 43-101-compliant preliminary economic assessment for the high-grade gold and silver resources identified to date at Brucejack. Highlights of the PEA include annual average production for the first 10 years of 173,200 ounces of gold and 1.12 million ounces of silver, a mine life of 16 years, with average processing of 1,500-metric-tons-per-day; and an estimated capital cost, including contingencies, of US\$281.7 million. The assessment's base case estimated the pre-tax net present value (5 percent discount) of the project at US\$662 million and its internal rate of return at 27.1 percent, using US\$1,100-per-ounce gold and US\$21/oz silver.

Throughout the 2011 field season, Pretivm reported impressive drill results at Brucejack, including the highest-grading gold intersection to date on the property. Selected intercepts include 0.6 meters in hole SU-115, in the Valley of the Kings Zone with uncut grades of 18,755 grams-per-metric-ton gold and 9,312 g/t silver (2.0 feet averaging 547.1 ounces per ton gold and 271.6 oz/t); and 1.0 meters in hole SU-230, uncut grades of 7,420 g/t gold and 3,800 g/t silver (3.3 feet averaging 216.4 oz/t gold and 110.8 oz/t silver). The bonanza-grade intercept in hole SU-230 noted above was intersected within a 6.5 meter interval with cut grades of 76.8 g/t gold and 478.5 g/t silver (uncut grades of 1,349 g/t gold and 740 g/t silver). This interval is located about 40 meters from the high-grade interval from hole SU-195 with uncut grades of 5,740 g/t gold and 2,750 g/t silver over 0.5 meters. Both holes were drilled on the eastern-most section of the Valley of the Kings Zone, which remains open to the east and down dip. Drill results from other zones on the Brucejack property continue to encounter

high-grade gold within broader intervals of significant gold values. A highlight is hole SU-215 in the Galena Hill Zone, which intersected 55.0 meters grading 4.7 g/t gold and 47.5 g/t silver, including 0.5 meters with uncut grades of 462 g/t gold and 311 g/t silver. By Sept. 29, Pretivm had completed 164 holes totaling 68,000 meters at Brucejack. Assay results for 34 holes were outstanding, of which 29 were for holes drilled in the Valley of the Kings zone. Pretivm said it would complete another eight exploration holes totaling 4,000 meters, and an additional 2,000 meters of geotechnical and condemnation drilling in support of a feasibility study. The drill program was expected to conclude by the second week in October, and an update to the mineral resource estimate for Brucejack was to be completed in the fourth quarter.

**CASH AND SHORT-TERM DEPOSITS:** C\$35.95 million (June 30, 2011)

**WORKING CAPITAL:** C\$35.30 million (June 30, 2011)

**MARKET CAPITALIZATION:** C\$886.84 million (Sept. 23, 2011)

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## ALASKA

### Pure Nickel Inc.



**NIC:** TSX

**PRESIDENT AND CEO:** David McPherson

**CHAIRMAN:** R. David Russell

**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. Though drilling at Pure Nickel and Itochu's Man project continues to cut long sections of nickel mineralization, two other metals – platinum and palladium – grabbed the spotlight during the 2010 exploration season at Man. The Japanese firm approved a US\$4.8 million budget for 2011 to follow up on two platinum group element-enriched horizons encountered in the property's Alpha Complex.



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Larry Hulbert, Pure Nickel's chief consulting geologist, said the geochemistry of the horizons at Alpha is comparable to the PGE-enriched layered intrusions found at the Bushveld Complex of South Africa where he worked and studied for five years while earning a PhD in geology. The upper stratum was intersected in four of the six holes drilled in the Alpha Complex and Horizon 2 was observed in two holes drilled about 2,700 meters apart. These parallel horizons appear to run east-west along the Alpha Complex and dip to the south. Hole 36, the last hole of the 2010 season, cut 165.9 meters averaging 253 ppb (0.253 g/t) platinum plus palladium. Horizon 2, included in this intercept, returned assays of 318 parts per billion (0.318 g/t) platinum and palladium over 24 meters. The disseminated sulfides, which averages 2.47 percent sulfide, was also observed in hole 28 about 2,700 meters to the west. Though PGE mineralization has captured the explorer's attention at Man, the project's enormous land package has no shortage of precious and base metals targets to investigate. In addition to the nickel-copper-PGE targets found throughout the claim block, the northern portion of the property has gold potential.

Pure Nickel said it has received permits for a fall or winter exploration program at its Salt Chuck property on Prince of Wales Island in Southeast Alaska. Historically, Salt Chuck Mine produced some 300,000 metric tons of ore, reported by US government summaries (1948) to average 0.95 percent copper, 1.96 grams per metric ton palladium, 1.12 g/t gold and 5.29 g/t silver. The mine was the largest producer of palladium in the USA during its era of production. The temperate climate on Prince of Wales Island is favorable for year-round drilling.

**CASH AND SHORT-TERM DEPOSITS:** C\$2.77 million (at May 31, 2011)

**WORKING CAPITAL:** C\$2.55 million (at May 31, 2011)

**MARKET CAPITALIZATION:** C\$7.95 million (at Sep. 23, 2011)

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## YUKON TERRITORY

### Rockhaven Resources Ltd.



RG: TSX-V

**CHIEF EXECUTIVE OFFICER:** Matthew A. Turner

**CHIEF OPERATING OFFICER:** Ian J. Talbot

**VICE-PRESIDENT OF BUSINESS DEVELOPMENT:** Marc G. Blythe, P.Eng.

Rockhaven Resources Ltd. explores for metals and minerals with a particular emphasis on gold, silver and lead. It currently holds interests in 11 mineral exploration properties, all of which are located in Yukon Territory. In mid-May, Rockhaven began drilling 12,000 meters of diamond drilling with three rigs as part of its 2011 phase 1 exploration program at the Klaza Property located in the Mt. Nansen gold camp about 50 kilometers (31 miles) west of Carmacks in central Yukon. The Klaza property hosts four parallel, 5- to 50-meter-wide, structural zones of epithermal-type gold-silver mineralization. The individual zones have been traced by excavator trenching and drill holes over strike lengths of 500 to 1,000 meters, and all are open to extension. In addition, Rockhaven conducted 6,000 meters of excavator trenching and detailed soil sampling program concurrently with the 2011 drill program on the main Klaza gold-silver zones.

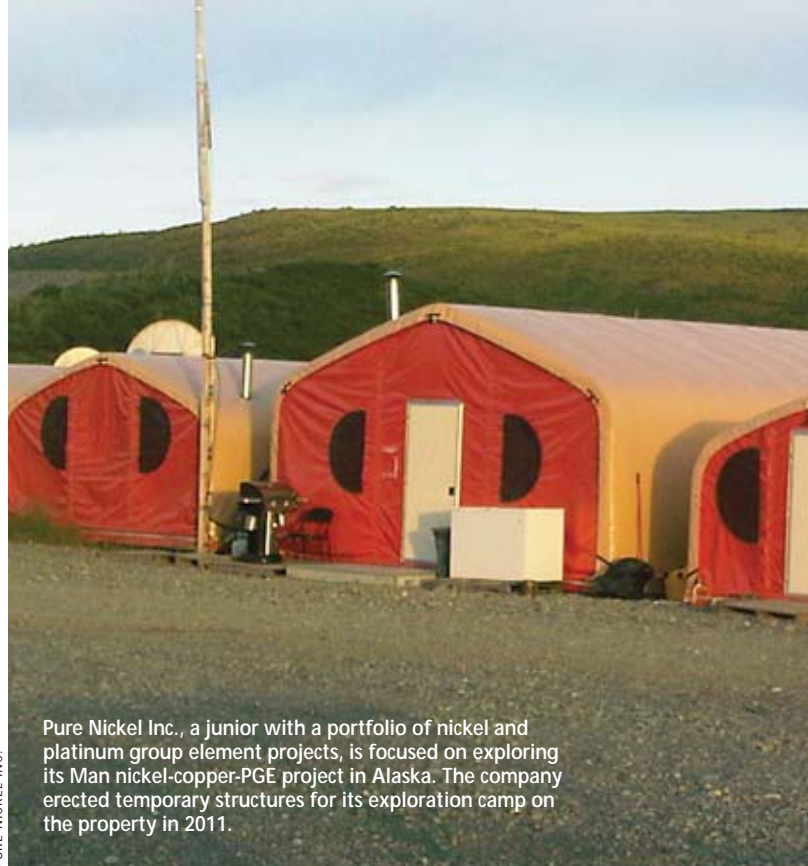
The company also granted Mill City Gold Corp. an option in May to acquire a 100 percent interest in the Mount Hinton gold property located within the historic Keno Hill Silver District. Rockhaven carried out early-stage exploration at Mount Hinton in 2010 that yielded encouraging results. Mill City advised Rockhaven that it would carry out an excavator trenching program as the initial phase of its 2011 work program on the Mount Hinton property. In December Rockhaven also sold its interest in its several other Yukon properties to Silver Predator Corp.

**CASH AND SHORT-TERM DEPOSITS:** C\$ 9.0 million (July 11, 2011)

**WORKING CAPITAL:** C\$8.43 million 8,429,572 (April 30, 2011) (raised C\$6 million in May 2011 in private placement)

**MARKET CAPITALIZATION:** C\$48.56 million (Sept. 9, 2011)

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Pure Nickel Inc., a junior with a portfolio of nickel and platinum group element projects, is focused on exploring its Man nickel-copper-PGE project in Alaska. The company erected temporary structures for its exploration camp on the property in 2011.

## BRITISH COLUMBIA

### Romios Gold Resources Inc.

RG: TSX-V/RMIOF:NASDAQ OTC/D4R:FE

**PRESIDENT AND DIRECTOR:** Anastasios (Tom) Drivas

**CHIEF FINANCIAL OFFICER:** Michael D'Amico, CA

**VICE PRESIDENT, EXPLORATION AND GEOLOGIST:** Thomas Skimming, P. Eng.

Romios Gold Resources Inc. 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. The company will undertake an aggressive exploration program beginning in late May 2011 on its Trek, Dirk and Newmont Lake properties. The program, estimated to cost about C\$6.0 million, will consist of approximately 11,800 meters of diamond drilling on the Trek, Dirk, and Newmont Lake properties, with geophysical surveys on the Trek, Andrei and Dirk properties. In addition, systematic prospecting and geochemical sampling will be carried out along the 35 kilometer long Stikine VMS belt located on Romios' property.

Drilling in 2010 expanded and confirmed the area of mineralization on the Trek Property to about 700 meters by 550 meters to a depth of 450 meters, and based on encouraging drilling results, and the company concluded the Trek property may host a large copper-gold porphyry deposit. Romios intended to continue to aggressively explore the Trek property with additional drilling in 2011. A Quantec Titan 24 survey identified a large deep conductor 500 meters long, 300 meters wide and 200 meters high across all three lines in the North zone. This conductor remains open to the North and the South. This new feature located east and below the previous drilling and occurred from 500 to 675 meters below surface, was the main target for future drilling. The conductor provides an opportunity to add significant tonnage to the North Zone. The analysis and interpretation of the DC, IP and MT results also identified several chargeability anomalies above the deep conductive zone. These anomalies coincide reasonably well with the copper and gold mineralization encountered in the





Ryan Gold's 2011 drill program at Ida Oro tested a large gold-in-soil anomaly coincident with a magnetic-low at the property located about 90 kilometers (55 miles) east of Dawson City.

SHANE LASLEY

existing 23 holes drilled on the North Zone to date. Romios planned to drill test these anomalies this summer.

On the Tangle Zone, three pronounced IP anomalies were identified by the Titan survey. These are located above a deep conductive zone which is the main drill target at the Tangle zone. The IP anomalies and the deep conductor correlate well with grab samples highly anomalous in copper and gold, which were collected over the Tangle zone, and a significant soil copper-gold geochemical anomaly identified in the same area. Romios intended to test this zone in its summer 2011 drill program. The copper-gold mineralization on the Trek property occurs within breccia zones, faults, and as fracture filling and disseminations within andesitic-type volcanic rocks. The results of drilling and Titan 24 surveys to date suggest the presence of one or more planar bodies of copper-gold mineralization with pronounced southwest-northeast trends and thicknesses up to 100 meters that coincide with southwest-northeast trending vertical gradient, airborne magnetic anomalies.

The 8,200-meters that Romios planned to drilled on the Trek property's North zone in 2011 was designed to expand the pervasive porphyry-style copper and gold mineralization. It also tested the significant opportunities for added tonnage at the North zone identified by previous drill campaigns and will target a large, deep conductor located below and adjacent to the previous drilling, which was identified by recent Quantec Titan-24 geophysical surveys. Ground geophysical surveys consisting of 2.4 line kilometers and down-hole induced polarization, resistivity and magnetics surveys, and TEM loop geophysical surveys are planned in early June to further refine the exploration and infill drilling of the North Zone. Four holes totaling 2,000 meters will additionally be drilled to test for mineralization at Trek's Tangle zone, where a deep conductive anomaly identified during the 2010 Titan-24 survey is the main drill target. The anomaly correlates well with grab sample assays and a significant soil copper-gold geochemical anomaly. Romios Sept. 26 reported assay results from the initial portion of the 2011 drill program on the Trek Property including a new mineralized area has been discovered below the North Zone within pyrite-chalcopyrite-tetrahedrite cemented breccias.

Romios also planned exploration that potentially would include 400 meters of drilling for the Newmont Lake property at the Ken Zone, and a pre-assessment study for future development of the Northwest Zone resource. In addition, Romios planned to conduct geochemical sampling and systematic prospecting along the 35-kilometer-long Stikine VMS belt. In September, Romios exercised its option to earn the remaining 25 percent interest in the Newmont Lake Property owned by Gulf International Minerals Ltd. for C\$2 million to be satisfied through the issuance of about 4.283 million common shares of the company to Gulf. As a result, Romios now holds a 100 percent interest in the Gulf Claims subject to a 1.5 percent net smelter returns royalty in favor of Gulf.

At the Dirk Property, the explorer planned to drill 1200 meters designed to evaluate the significance of the extensive, high-grade copper-gold-silver mineralization encountered on the property where surface sampling has identified extensive veinlets and stringers of bornite, covellite and trace amounts of chalcopyrite. Romios said BC Ministry of Forests,

Mines and Lands geologists postulated in early 2011 that the Dirk property and the VMS belt discoveries, of which Romios is the primary tenure holder, are "unprecedented opportunities to expand the Golden Triangle to the north, from the Eskay Creek, Snip, and Rock and Roll deposits, towards the large copper-gold-silver porphyries in the neighboring Galore Creek area," which includes Romios' Trek property and the NovaGold/Teck Resources' Copper Canyon property. Romios Sept. 9 said its 2011 drill results on the Dirk Property "clearly demonstrate that significant sulphide mineralization is present at various levels from surface to depth. We are eagerly awaiting assays and are hopeful that the results indicate the Dirk Property could host a major, new mineralized porphyry system."

In March, Romios also staked 19 additional claims totaling 8,112 hectares (20,045 acres) called the Andrei property to cover the extensions of this copper-gold-silver-zinc mineralized volcanogenic massive sulphide belt to the northwest of the Newmont Lake property. Romios plans to conduct exploration consisting principally of geological mapping, ground geophysical surveys, sampling and diamond drilling to further develop the Dirk, Newmont Lake, and Andrei properties in the near future.

**CASH AND SHORT-TERM DEPOSITS:** C\$3.76 million (March 31, 2011)

**WORKING CAPITAL:** C\$3.76 million (March 31, 2011; C\$1.28 million raised in April and May 2011)

**MARKET CAPITALIZATION:** C\$53.91 million (Sept. 23, 2011)

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## YUKON TERRITORY

### Ryan Gold Corp.

**RYG:** TSX-V

**CHAIRMAN:** Murray John

**PRESIDENT:** Shawn Ryan

**CEO:** Michael Skead, MAusIMM

**VICE PRESIDENT EXPLORATION:** Ian Gendall, Pr. Sci. Nat.

Ten-year-old junior, Valdez Gold (Yukon) Inc., merged with Ryan Gold Inc. in December to form Ryan Gold (Yukon) Inc., an international natural resource company focused on identifying and successfully defining and developing mineral deposits in Canada, the United States and other geologically attractive and politically stable investment climates. In April the new company signed purchase, royalty and employment agreements with Shawn Ryan, its new president who formerly owned Ryan Gold Inc. The deal included the purchase of 50 properties comprising about 6,558 quartz claims covering 132,697 hectares (327,894 acres) located on various

prospective geological terrains throughout Yukon Territory through acquisition of Ryan's 70 percent interest in the properties and all of the issued shares of 45127 Yukon Inc., which owned the remaining 30 percent interest. Ryan also owned all of the shares of 45127 Yukon.

With the completion of the amalgamation and subsequent financings, Ryan Gold reported plans to embark on an aggressive 2011 exploration program with a preliminary budget of C\$15.4 million, which was subject to change based on ongoing exploration results. The budget included about C\$4.1 million for Ida Oro, C\$1.5 million for Fifty Mile, C\$3.7 million for Mahtin, C\$1.4 million for Nug, C\$300,000 for Flume, C\$300,000 for Bluff, C\$2.2 million for various other projects, and C\$1.8 million for corporate overhead.

The major focus of Ryan Gold's 2011 exploration program is drilling and grid, ridge and spur sampling at the Ida Oro project, and initial regional mapping and airborne geophysical surveys on the Fifty Mile, Kluane, Nug, and PDM projects. Additional staking is also being completed to augment the company's land position in and around key existing project areas and on new projects. Exploration began June 13. An airborne magnetic and radiometric survey, totaling approximately 24,500 line kilometers, commenced in late July after being delayed for several weeks by inclement weather and abnormal solar magnetic storms. The survey is part of the first stage of follow-up exploration to ridge and spur soil sampling previously completed by Shawn Ryan. Targets identified in these programs were expected to be followed-up by more detailed soil sampling, reconnaissance mapping and, where possible, surface sampling and trenching in late 2011 and 2012. The company envisioned collecting up to 85,000 soil samples. Through this aggressive exploration program, the company's objective is to have at least three other projects drill-ready for the 2012 exploration season.

In July, Ryan Gold said field work at Ida Oro was progressing well and the company remained on-target to commence an initial drill program in August, with results expected in late September. In 2010 a soil sampling program completed on Ida Oro revealed a significant (> 100 parts per billion gold) gold-in-soil anomaly over a 4-kilometer-by-1-kilometer (2.5 miles by 0.62 mile) area. The company said detailed mapping this summer confirmed the potential of the Ida Oro soil anomaly to be a very large target. Work on the company's other regional projects also progressed despite challenging wet weather conditions. The company conducted regional reconnaissance mapping and limited trenching in both the Fifty Mile and Kluane project areas; and with its joint venture partner Millrock Resources Inc., completed a two-phase detailed mapping program of the Bluff Property in western Alaska. Ryan Gold said it anticipated generating at least three other projects for drilling in the summer of 2012 from the regional work. Though primarily focused on projects in the Yukon and Alaska, Ryan Gold also entered into an option agreement with AuRico Gold Inc. (formerly Gammon Gold Inc.) that gives Ryan Gold the right to acquire the Los Jarros and Jarros Norte Properties in Mexico.

**CASH AND SHORT-TERM DEPOSITS:** C\$ 60.08 million (June 30, 2011)  
**WORKING CAPITAL:** C\$59.6 million (June 30, 2011)  
**MARKET CAPITALIZATION:** C\$154.69 million (Sept. 9, 2011)

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## 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 is an emerging precious metals company with the objective of becoming a mid-tier gold producer. The company is focused on the acquisition, exploration and development of mineral resource properties prima-



SHAWN  
RYAN



MICHAEL  
SKEAD



rily in Nunavut with its flagship Back River gold project and the prospective 3,000-square-kilometer, (1,158 square miles) Wishbone grassroots exploration project. The company also has interests in exploration properties in the Red Lake gold camp in Ontario and has negotiated an option on Xstrata's Cook Lake property in northern Manitoba.

In June, Sabina agreed to sell the Hackett River silver-rich volcanogenic massive sulphide project in Nunavut and part of the Wishbone project to the zinc division of Xstrata Canada Corp. for \$50 million cash and a retained silver production royalty equal to 22.5 percent of the first 190 million ounces of silver product and 12.5 percent of silver output, thereafter. Sabina is currently exploring several targets at both Back River and the Wishbone Gold Project.

The junior reported two new gold discoveries Aug. 25 in early assay results from 2011 exploration of the properties. Nine drills were operating at the end of August, including seven rigs exploring untested targets within the 5-kilometer (3 miles) corridor containing Back River's Goose, Llama and Umwelt deposits on the Goose property, and two rigs turning on the Wishbone property. At Aug. 25, a total of 160 holes and 51,000 meters of core had been drilled in 2011 at Back River (Goose and George deposits), and 6,830 meters in 26 holes had been drilled at the Wishbone Gold project. Many assays from both projects were still pending. Sabina planned to drill 68,000 meters at Back River in 2011 at a cost of about C\$37 million. At June 30, Back River's four known deposits – Goose, George, Umwelt and Llama – had indicated resources totaling 9.88 million metric tons grading 8.33 grams per metric ton (2.66 million ounces) gold and inferred resources of 5.6 million metric tons grading 8.65 g/t (1.56 million ounces) gold. At Wishbone, Sabina budgeted about C\$7 million for 2011 exploration, including drilling about 10,000 meters.

**CASH AND SHORT-TERM DEPOSITS:** C\$141.9 million (at June 30, 2011)  
**WORKING CAPITAL:** C\$93.5 million (proceeds from March 2011 financing)  
**MARKET CAPITALIZATION:** C\$780.6 million (Aug. 26, 2011)

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## BRITISH COLUMBIA & NORTHWEST TERRITORIES

### Seabridge Gold Inc.

SEABRIDGE GOLD

**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 in 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 much lower than it is today, Seabridge acquired 100 percent interest in eight advanced-stage gold projects in North America. As the price of gold has moved higher over the past several years, the company has commenced exploration programs and engineering studies at several of these projects. Seabridge is currently focused on the KSM (Kerr-Sulphurets-Mitchell) property in northwestern British Columbia, which is one of the world's largest undeveloped gold/copper projects, and the Courageous Lake property located in the Slave Province, an extensive geological terrain in the Northwest Territories.

In September, Seabridge reported results of a second tranche of 2011 infill drilling at the Courageous Lake Project are likely to expand the project's multimillion-ounce gold resource, increase the average grade and upgrade inferred resources to higher categories. Assays from the latest 13 core holes continue to confirm the project's resource model with some intercepts proving to be wider and better grade than predicted. In August, Seabridge also reported encouraging results from an initial 10 core holes of infill drilling program in the FAT (Felsic Ash Tuff) Deposit at Courageous Lake. Seabridge said its C\$16 million exploration program for 2011 at Courageous Lake was designed to generate the data required to complete a preliminary feasibility study by the second quarter of 2012. By June 30,



ANTHONY WALSH





Seabridge said its C\$16 million exploration program for 2011 at its Courageous Lake gold project in Northwest Territories was designed to generate the data required to complete a preliminary feasibility study by the second quarter of 2012. Here Seabridge has stored drill core from the FAT (Felsic Ash Tuff) Deposit at Courageous Lake.

SEABRIDGE GOLD

the company has spent C\$5.9 million on the project. The drilling component of the 2011 program had four main objectives: Upgrade inferred resources within the current FAT deposit pit plan by infill drilling, potentially qualifying them as reserves in the PFS; complete geotechnical drilling required for pit slope and water management planning in the PFS; condemn areas where project facilities will be located; and look for new targets along the 53 kilometers (33 miles) of the Matthew's Lake greenstone belt held by Seabridge. Assays were reported for 23 infill core holes totaling 7,460 meters drilled. Assays for an additional 25 infill holes totaling a further 6,060 meters drilled were pending.

Assays are also awaited for two promising new exploration targets drilled for the first time this year. Seabridge President Rudi Fronk said management is confident that the drilling upgraded a significant portion of the inferred resources that lie within the proposed pit and that those resources will be converted to reserves in the planned PFS. "In addition, we are intrigued by the two new targets we drilled south of the FAT deposit," Fronk added. An updated NI 43-101-compliant resource estimate for the Courageous Lake project that will incorporate the 2011 infill drilling results is expected late this year. The project's current NI 43-101-compliant resource estimate, at a 0.83 gram per metric ton cutoff, includes 90.17 million metric tons averaging 2.34 g/t gold in measured and indicated resources for 6.78 million ounces in contained gold and 63.05 million metric tons averaging 2.24 g/t gold in inferred resources for 4.54 million ounces in contained gold.

Earlier this year, Seabridge completed a revised preliminary feasibility study for its KSM (Kerr-Sulphurets-Mitchell) Project, which is Canada's largest undeveloped gold project. The revised study demonstrates a higher net present value with enhancements to cash flows, reserves and the project's 37-year mine life. Seabridge reported proven and probable reserves for KSM, including the Iron Cap Zone discovered in 2010, totaling 2.2 billion metric tons grading 0.55 g/t gold, 0.21 percent copper, 3.04 g/t silver and 53.2 parts per million molybdenum for 38.5 million ounces gold, 9.985 billion pounds copper, 214 million ounces silver and 257 million pounds molybdenum. The company completed seven drill holes drilled in the Sulphurets deposit at KSM and in July, said the results exceeded expectations with wide intersections containing gold grades well above the KSM average. The company said a key objective of its 2011 program at KSM was to upgrade about 3 million ounces of higher grade inferred gold resources at the Sulphurets and Kerr deposits to proven and probable reserves. These resources are currently classified as waste in the 2011 PFS. Fronk said the newly identified mineralization should increase reserves and could be exploited in the earlier years of production, which would enhance its economic impact. In September,

Seabridge also reported that five geotechnical holes drilled in the Mitchell deposit at KSM could dramatically reshape the project's design, improve its economics and reduce its potential impact on the environment. Golder Associates, an independent consultant specializing in underground mining, recommended the five holes in assessing the potential for a cost-effective panel cave operation at the Mitchell deposit to reach the deeper portions of the deposit from underground following an initial phase of open-pit mining as outlined in the project's current PFS. The five holes support the potential for cost-effective panel caving to access the deeper Mitchell material while substantially reducing strip ratios and waste rock volumes. Seabridge said the holes confirm the initial caving assumptions of competent rock in both the ore and development zones. Each of the holes also returned very long runs of excellent grade down to the levels which Golder Associates has proposed for underground development. Seabridge said the consultant will now upgrade its preliminary design using the geot-

technical and other data provided by the five holes.

**CASH AND SHORT-TERM DEPOSITS:** C\$60.7million (June 30, 2011)

**WORKING CAPITAL:** C\$58.1 million (June 30, 2011)

**MARKET CAPITALIZATION:** C\$1.01 billion (Sept. 23, 2011)

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## YUKON TERRITORY

### Selwyn Resources Ltd.



**SWN:** TSX-V

**PRESIDENT AND CEO:** Harlan D. Meade

**CHAIRMAN:** Wade Nesmith

**VICE PRESIDENT, EXPLORATION:** Jason Dunning

Selwyn Resources Ltd. primary focus remains the exploration and development of the properties that make up the Selwyn Project in Yukon Territory, which it owns 50-50 with Chinese-owned Chihong Canada Mining Ltd. The Selwyn Project located primarily in eastern Yukon Territory hosts large tonnages of zinc-lead mineralization that extends across the border into Northwest Territories. The project has the potential for large-scale production, and could provide a secure supply of zinc and lead to meet the future needs of markets in Asia and beyond. Known mineralization on the Selwyn property exceeds 154.35 million metric tons grading 5.35 percent zinc and 1.86 percent lead of indicated resources, and 234.15 million metric 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 16 million metric tons grading 10.25 percent zinc and 4.23 percent lead in indicated resources, and 26.7 million metric tons grading 8.81 percent zinc and 2.81 percent inferred resources. In August 2010, Selwyn and Chihong finalized the joint venture agreement and formed Selwyn Chihong Mining Ltd. to manage the project. Chihong's C\$100 million investment in the Selwyn project is aimed at financing completion of a bankable feasibility study for the project and obtaining initial licenses required to mine the XY and Don deposits. By June 30, exploration and definition drilling in the 2010/2011 program at the Selwyn project was complete with a total of 66,756 meters drilled in 176 drill holes using six diamond drill rigs.

The companies Sept. 6 said drill results of part exploration and part definition drilling that continue to support the potential for extend the XY West deposit, which has a 350-meter-by-250-meter central core block with an average thickness of 15 meters. Recent drilling in the most northwest fault block could extend the new mineralization to 600 meters beyond the initial XY West mineral resources. The JV also started a metallurgical drilling program with two drills in June to acquire samples for bench-scale testing. This program was ex-



HARLAN MEADE



JASON DUNNING

pected to be completed in September. Although the primary goal of this work is to collect metallurgical samples, each drill hole will include detailed geological and rock mechanics information. The JV also started an advanced underground exploration program this year with the aim of getting a 30-metric ton bulk sample for further metallurgical testing. The main components of exploration costs for the Selwyn Project, including actual spending incurred by the joint venture during the first six months of 2011 totaled about C\$22.1 million.

In early 2011, Selwyn also reported its acquisition of ScoZinc Ltd., which owns the Scotia zinc-lead mine in Nova Scotia, providing the company with a second opportunity for growth and the potential for production revenues in 2012.

**CASH AND SHORT-TERM DEPOSITS:** C\$9.84 million (at June 30, 2011)

**WORKING CAPITAL:** C\$10.17million (at June 30, 2011)

**MARKET CAPITALIZATION:** C\$77.57 million (Sept. 9, 2011)

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## NUNAVUT

### Shear Minerals Ltd.



SRM: TSXV

**PRESIDENT AND CEO:** Pamela D. Strand, M.Sc, P.Geol.

**EXECUTIVE CHAIRMAN:** Julie Lassonde-Gray

**VICE PRESIDENT, EXPLORATION:** Jennifer Burgess

Shear Minerals Ltd., a company focused primarily on diamond exploration and development in the Canada's Far North, has undergone a profound transformation in the past 12 months from early-stage explorer to would-be producer. Shear currently has a portfolio of nine diamond projects in Nunavut, Northwest Territories and Alberta, eight of which are drill-ready.

In August 2010, Shear purchased the defunct Jericho Diamond Mine and related assets in Nunavut from Caz Petroleum Inc. for 80 million shares and C\$2 million in cash. Located 420 kilometers (261 miles) northeast of Yellowknife, NWT, Jericho has an existing indicated diamond resource of 1.88 million carats and an inferred resource of 1.13 million carats. An internal audit confirmed a sample grade of 11.3 carats per metric ton from 308.8 kilograms of kimberlite concentrate from recovery reject tailings at the Jericho mine with 52 macro diamonds representing 3.5 carats recovered from a small sample collected from the stockpile. Jericho is a past-producer (2006-2008) of 780,000 carats from 1.2 million metric tons of kimberlite and more than C\$200 million in infrastructure.

Shear holds a 100 percent interest in the 53,825-hectare (133,000 acres) Carat property, which surrounds and is contiguous to the Jericho mine. The area has five known kimberlites within 10 kilometers trucking distance to the mine, two unresolved high-interest kimberlite float occurrences, five unresolved kimberlite indicator dispersion trains, and a number of untested geophysical targets. In February Shear approved C\$4.6 million for a phase 1 work plan for exploration and development at Jericho in 2011. In July, the company began diamond recovery and plant feed test along with pit dewatering at the mine. It also commenced exploration of the Carat property after staking another 34 claims covering 31,263 hectares (77,250 acres). Working in partnership with Mineral Services Canada of North Vancouver, B.C., Shear's in-house geology team also completed a study that defined 20 indicator mineral dispersion trains in and around Jericho that are not easily explained by known kimberlites and compelling evidence of potentially undiscovered kimberlites on the property. In addition, the company drilled five holes, of which four intersected kimberlite outside the current geological model, suggesting upside tonnage potential.

Shear also considered a brief 2011 summer exploration program including prospecting, collection of additional till samples, ground geophysical surveying, and data compilation with interpretation. Once full results have been interpreted, drill targets will be prioritized for future drilling.

By June 30, Shear had incurred C\$3.5 million in total exploration expenses, including work on the Tak Project (formerly "Rockinghorse") in Northwest Territories. In March, the company reported results from processing a mini-bulk sample from the Anuri kimberlite at the Tak project in which it holds a 75 percent interest in partnership with Rio Tinto Ltd. An overall sample grade of 0.35 cpt was recovered from 25.6 dry metric tons of Anuri kimberlite using a 0.85-millimeter bottom cut-off confirmed his-

toric results. The diamond results are from 17 HQ core holes drilled at the Anuri kimberlite in 2007 by previous operators, and historic results suggest a recoverable diamond grade between 0.24 cpt and 0.44 cpt, based on modeled diamond size/frequency distributions of much smaller samples treated by caustic fusion. Shear said future plans for the Anuri kimberlite will be assessed after the diamonds are examined by Rio Tinto. The junior also indicated that it might conduct a summer/fall prospecting program on its North Slave Properties and a possible late season field prospecting program in conjunction with ongoing camp maintenance at the Churchill Diamond Project in Nunavut. Shear is exploring the Churchill project in a 62-38 percent partnership with Stornoway Diamond Corp. The junior said it had no exploration plans for its other properties in 2011.

**CASH AND SHORT-TERM DEPOSITS:** C\$5.06 million (at May 31, 2011)

**WORKING CAPITAL:** C\$3.3 million (at May 31, 2011)

**MARKET CAPITALIZATION:** C\$14.23 million (at Sept. 2, 2011)

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## YUKON TERRITORY

### Silver Quest Resources Ltd.

SQI: TSX-V

**PRESIDENT AND CEO:** Randy Turner, P.Geo

**CFO:** Christopher Mitchell, P.Eng.

**VICE PRESIDENT, EXPLORATION:** David Pawliuk, P.Geo

Silver Quest Resources Ltd. is focused on exploring for silver and gold on its numerous property holdings, ranging from early stage grassroots to advanced stage resource delineation and expansion projects scattered across central British Columbia and Yukon Territory. In late March, Silver Quest and Richfield Ventures Corp. executed a joint venture agreement in which the junior has a 25 percent interest in the Davidson property on the

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Blackwater Gold Project in central British Columbia. The companies approved a 20,000-meter drilling program and a 2011 exploration budget of C\$8.6 million (C\$1.8 million for Silver Quest). On June 1, New Gold Inc. acquired Richfield and became majority owner and operator of the Blackwater project. Silver Quest and New Gold since have reported encouraging drilling results and a number of environmental and engineering studies underway in 2011. Further, New Gold Oct. 17 said it will acquire Silver Quest in a multifaceted deal that values the smaller company's shares at C\$1.32 each, or more than C\$156 million. The transaction also included the formation of a new company, McIntyre Minerals Inc., which will focus primarily on Silver Quest's Yukon properties.

A recent resource estimate for the Blackwater Project pegs Silver Quest's portion (25 percent) of the Davidson property resource, at an average grade of 0.92 grams per metric ton gold, as 83,000 metric tons for 2,500 ounces in the indicated category and 11.57 million metric tons for 340,000 ounces in the inferred category. The company anticipated incurring total 2011 expenditures of about C\$4.1 million and C\$7 million on its B.C. and Yukon properties, respectively. Initially, progress was slow due to heavy snow packs and unseasonably cool, wet weather, but conditions improved and the company reported good progress on various projects at midsummer.

At the Capoose polymetallic project located on the Nechako Plateau about 185 kilometers (115 miles) by road west southwest of Prince George, B.C., Silver Quest planned a program of soil sampling to better define a significant 1.2-kilometer-by-0.5-kilometer (0.74-mile-by-0.31-mile) gold in soil anomaly discovered in 2010 geochemical soil sampling. Geochemical rock sampling and prospecting also were planned for the 2011 field season with the objective of developing a diamond drill target within the anomaly area. Silver Quest also reported completion in January of initial metallurgical studies on a composite sample of mineralized material from four diamond drill holes within the Capoose deposit with encouraging results. Geochemical rock sampling and prospecting at Capoose was planned for the 2011 field season, with the objective of developing a diamond drill target within the anomaly area. By August, Silver Quest had completed an airborne (helicopter) geophysical survey covering 3,350 line kilometers and a Titan 24 induced-polarization survey. Reconnaissance geochemical till sampling was carried out and diamond drilling was in progress Aug. 30 at the project to complete a planned 6,000-meter program.

In Yukon Territory, Silver Quest is exploring the Boulevard Property located about 35 kilometers (22 miles) south of Kinross Gold Corp.'s Golden Saddle discovery and contiguous to Kaminak Gold Corp.'s Coffee Project in the White Gold district to west-central Yukon. The Boulevard claims plus recent additional staking brings the property to 771 mining claims covering about 15,700 hectares (38,795 acres). Gold mineralization at Boulevard is associated with quartz carbonate veins in chlorite biotite schist. With soil sampling in 2010, the company identified the Boulevard Trend, a 20-kilometer (12.4 miles) long trend comprised of numerous gold, arsenic, antimony and molybdenum in soil geochemical anomalies. Silver Quest commenced geochemical soil sampling at Boulevard in June, and had collected at least 5,000 soil samples by September. The company also completed detailed geological mapping, surficial terrain mapping and airborne magnetic and radiometric surveys on the project. A 6,000-meter drill program was underway in September to test targets generated by 2011 field work. All soil samples were analyzed on site using a portable X-Ray Fluorescence device.

The company reported plans to continue exploration of its Dawson Range properties, a package of 11 claim blocks that together contain 238

quartz mining claims that it purchased in December 2009. Planned summer 2011 exploration on the

Dawson Range properties included further geochemical sampling, prospecting and geological mapping. Follow-up trenching, directed towards defining diamond drill targets, also was planned on selected properties, including the recently acquired Rude Creek and Poker Gold properties.

Silver Quest also targeted the Bouvette and WIT claims in east-central Yukon. The Bouvette block contains 100 mining claims located about 55 kilometers (34 miles) northeast of Keno City that adjoin the Rau Gold Project of Atac Resources Ltd., where drilling intersected 8.91 g/t gold across 32.64 meters in 2010. Government surveys indicate that Bouvette has geological characteristics similar to the Rau Project's Tiger Zone area. The WIT block, which Silver Quest optioned in March, contains 304 mining claims. Located about 30 kilometers north of Keno City, WIT covers prospective volcanic rock units, and sediments collected from streams draining the property area contain anomalous concentrations of gold, silver, tungsten, copper and zinc. Planned summer 2011 exploration on these Keno-area properties included geochemical sampling, prospecting and geological mapping, directed towards defining diamond drill targets.

Silver Quest also reported encouraging exploration results on its gold prospective Prospector Mountain Property located 90 kilometers (56 miles) northeast of Carmacks, where it has an option agreement with Tarsis Resources Ltd. Prospector Mountain is comprised of 271 contiguous mineral claims covering about 5,500 hectares (13,591 acres). Rock sampling commenced in early June, with about 800 samples collected. Detailed geological mapping, and airborne magnetic and radiometric surveys and a diamond drilling program of 1,588 meters (12 holes) were completed between mid-July and mid-August. The drill program was designed to test targets generated from 2010 assay results, and from an evaluation of the 2011 airborne geophysical survey data.

Silver Quest collected about 3,750 geochemical soil samples from its 12 White Gold District properties in a regional exploration program. Airborne magnetic and radiometric surveying also was performed at the Rude Creek, Poker and Henderson properties. Moreover, the company said it succeeded in removing several economic impediments to further exploration of its Tsacha property, which will allow for significant exploration during the 2011 field season of the 3Ts property located about 120 kilometers (75 miles) southwest of Vanderhoof, B.C. By Aug. 30, a total of 1,645 meters of diamond drilling had been completed at 3Ts in 10 holes with assay results pending.

**CASH AND SHORT-TERM DEPOSITS:** C\$8.68 million (Feb. 28, 2011)

**WORKING CAPITAL:** C\$5.95 million (May 31, 2011; raised C\$12.32 million in gross financings in July)

**MARKET CAPITALIZATION:** C\$107.58 million (Sept. 9, 2011)

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## YUKON TERRITORY

### Silver Range Resources Ltd.


**SNG:** TSX-V

**PRESIDENT AND CEO:** W. Douglas Eaton, B.A., B.Sc.

**CHAIRMAN:** Bruce A. Youngman, B.Sc.

**CHIEF FINANCIAL OFFICER:** Larry Donaldson, C.A.

The spin-out of Silver Range Resources Ltd., which was completed in August, was designed to increase value for shareholders of Strategic Metals Ltd., the junior exploration company that formerly held Silver Range as a wholly owned subsidiary. By creating a new precious metal-focused company, Strategic hoped to advance bulk tonnage targets at the silver-enriched Silver Range Project and gold-rich Mint Project, both located in Yukon Territory. This summer, Silver Range conducted a comprehensive exploration and drilling program at the project, which is located about 30 kilometers (19 miles) north of the town of Faro in the Faro District of south-central Yukon. During the 1970s and '80s, the Faro District was the site of the largest open-pit lead-zinc-silver mining operation in Canada, and the area still has excellent but now under-utilized infrastructure. With up to 25,000 meters of drilling and C\$14 million in planned expenditures, the Silver Range program was designed to follow up on encouraging 2010 results from the Keg Zone and test five additional large-scale target areas



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for bulk tonnage silver-zinc-lead-copper mineralization.

At the Keg Zone, widely-spaced 2010 drilling intersected broad intervals of porphyry-style, disseminated and stockwork mineralization in all four holes. This drilling partially tested a 550-meter strike length of a 4-kilometer (2.5 miles) long by several hundred meters wide geochemical and geophysical anomaly. Systematic geological mapping, prospecting, and geochemical surveys also were undertaken over the entire 700-square-kilometer (270 square miles) project to identify new target areas. In September, Silver Range agreed to purchase 13 mineral claims known as the JRV claims from an arms-length private company. The JRV claims are surrounded by claims that have been staked by Silver Range. They are located in the core of the Snap Zone, which lies in the southeastern part of the Keg property. Silver Range also reported results from the program's first five diamond drill holes. Highlights of this drilling include hole Keg-11-09, which returned 70.55 grams per metric ton silver together with significant lead-zinc-copper-tin-indium values over 104.70 meters. This extended the Keg Main Zone a further 100 meters to the east for a known strike length of 650 meters. Drill hole Keg-11-07 returned 30.99 g/t silver together with significant lead-zinc-copper-tin-indium values over 141.24 meters. Work at the Silver Range project is being conducted by Archer, Cathro & Associates (1981) Ltd.

**CASH AND SHORT-TERM DEPOSITS:** C\$16.25 million (at June 30, 2011)  
**WORKING CAPITAL:** C\$16.61 million (at June 30, 2011)  
**MARKET CAPITALIZATION:** C\$39.28 million (Sept. 23, 2011)

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## BRITISH COLUMBIA

### Silvercorp Metals Inc.

**SVM:** TSX/SVM: NYSE  
**CHAIRMAN AND CEO:** Rui Feng, Ph.D., Geology  
**PRESIDENT & COO:** Myles J. Gao, P. Geo.  
**CHIEF FINANCIAL OFFICER:** Maria Tang, CA, CPA

Silvercorp Metals Inc. is engaged in the acquisition, exploration, development and mining of high grade, silver related mineral properties in China and Canada. Silvercorp is the largest primary silver producer in China through the operation of its four silver lead zinc mines at the Ying Mining District in the Henan Province of China. In Canada, Silvercorp is preparing to apply for a Small Mine Permit for the Silvertip high-grade silver lead zinc mine project in northern British Columbia to provide a platform for further growth and geographic diversification. Silvertip has undergone a number of surface and underground drill programs and geophysical surveys since 1955 and is in the advanced exploration stage. The company acquired the property located just south of the British Columbia/Yukon Territory border in February 2010 from Silver Standard for C\$15 million, paid 50 percent in cash (C\$7.5 million) and 50 percent in common shares of Silvercorp. The project, which is accessible by a 25-kilometer (16 miles) road from the Alaska Highway, covered about 216 square kilometers (83.4 square miles) in 63 contiguous claims and 26 fractional claims, when Silvercorp acquired it, but the company has since staked additional land around the project, increasing its size to more than 200 claims covering more than 800 square kilometers (309 square miles).

For 2011, Silvercorp budgeted C\$2 million to complete an ongoing environmental assessment study, to prepare and submit an application for a Small Mine Permit, and to complete a feasibility study for the project. The company also earmarked at least C\$1 million in 2011 for a surface drilling program of up to 5,000 meters, of which 3,000 meters were completed by October. Silvercorp began an analysis of the silver, lead, and zinc-rich exhalite mineralization hosted in the deposit, which is a series of overlapping pods of silver, lead, and zinc-rich bands with average thickness of 10.5 meters. The company planned to further test the exhalite distribution and grade, and explore for satellite mineralization around the known deposit based on strong geophysical anomalies. In addition, Silvercorp is exploring the new DM Zone of silver-lead-zinc mineralization about 8 kilometers (5 miles) to the south. Drilling at the DM zone will test the down-dip extent of this mineralization and along the strike extension.

In July Silvercorp reported a significantly higher resource estimate for Silvertip based on 10,913 meters in 36 diamond drill holes completed by the company in fall 2010. Using a 200-grams-per-metric-ton silver-equiva-

lent cut-off, the update estimates an indicated resource of 4.17 million metric tons grading 261 g/t silver, 4.87 percent lead, and 8.50 percent zinc, containing in situ 35 million ounces silver, 203,050 metric tons lead, and 354,327 metric tons zinc. In addition, the inferred resource includes 0.91 million tons grading 278 g/t silver, 4.80 percent lead, and 9.60 percent zinc with in situ metal resources of 8.1 million ounces of silver, 43,358 metric tons of lead, and 87,406 metric tons of zinc.

Silvercorp also reported encountering problems from anonymous postings on the Internet that the company says are designed to manipulate its stock price. The company Sept. 22 filed a lawsuit in New York County Supreme Court charging defendants Chinastockwatch.com, Jerry Katz, Alfredlittle.com, Alfred Little, Simon Moore, and several "John Doe" defendants with spreading "false, defamatory and fraudulent" information about Silvercorp on the Internet and in letters to the media and regulators. Silvercorp charged that the defendants did so to drive down the price of Silvercorp's stock in order to make their short positions in the stock more profitable.

**CASH AND SHORT-TERM DEPOSITS:** C\$230.5 million (June 30, 2011)  
**WORKING CAPITAL:** C\$207.9 million (June 30, 2011)  
**MARKET CAPITALIZATION:** C\$1.38 billion (Oct. 4, 2011)

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## BRITISH COLUMBIA

### Skyline Gold Corp.

**SK:** TSX-V  
**EXECUTIVE CO-CHAIRMAN:** Robert V. Matthews, C.A.  
**EXECUTIVE CO-CHAIRMAN AND CEO:** Clifford A. Grandison  
**CHIEF OPERATING OFFICER:** James (Jim) Sparling, P.Geo, MBA

Skyline is a junior mineral exploration company currently focused on its principal asset, the Iskut Property in the heart of the Golden Triangle of northwestern British Columbia. The Iskut Property is adjacent to the historic Snip Gold Mine initially operated by Cominco Ltd., then Homestake Canada Mining Co. During its operation, from 1991 to 1999, the Snip Mine produced 32.093 million grams of gold (1.03 million ounces), 12.183 million grams of silver (392,000 ounces) and 249,276 kilograms of copper (548,000 pounds) from about 1.2 million metric tons of ore. Another prolific area producer is Barrick Gold Corp.'s former producing Eskay Creek Gold Mine, located 40 kilometers (25 miles) to the east. Skyline has successfully advanced Iskut's Bronson Slope Deposit through a preliminary assessment with a resource estimate that carries a measured, indicated and inferred metal inventory. Future exploration at Bronson Slope may expand all three of these resource categories. Exploration field work was anticipated to start in late June.

Over the past year, Skyline has added to its significant mineral tenure position in the area and is aware of a number of previously identified and under-explored targets within its expanded land base. The work completed to date has highlighted the Snip Mine-Bronson Slope corridor as well as the Bug Lake and Snip North/Gorge areas as the first to undergo field exploration in 2011. There are a significant number of other known targets and more will likely be identified as the compilation of existing geological information advances throughout the year. The company's focus now will be to thoroughly review the existing data, and prioritize these targets for follow-up exploration work. Skyline also believes there is good potential to locate additional inventories of both high-grade gold and large tonnage base-metal mineralization from new

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After optioning the Whiskey project from Shawn Ryan in September 2010, Smash Minerals conducted an extensive soil sampling program to target an initial drill program at the White Gold District property late in 2011.

SMASH MINERALS CORP.

## YUKON TERRITORY

### Smash Minerals Corp.

SSH: TSX-V

PRESIDENT AND CEO: Adrian Fleming

CFO: Darryl Cardey

DIRECTOR: Steve Swaffield

DIRECTOR: Greg Fekete



Smash Minerals Corp. is a new junior exploration company undertaking gold exploration in Yukon Territory. Smash is headed by Adrian Fleming, formerly of Underworld Resources Inc., which is credited with discovering the 1-million-ounce-plus Golden Saddle gold deposit at its White Gold Project in the Yukon in 2008 and sparking the first modern gold rush to the Klondike. Drilling in 2009 by Underworld significantly expanded Golden Saddle and in early 2010 the junior was acquired by Kinross Gold Corp. In March, Smash raised nearly C\$ 6.4 million in an initial public offering to help fund exploration of its 4,177-claim, early-stage Whiskey Project in what is now called the White Gold District. The company optioned the Whiskey claims, which cover an area of 846 square kilometers (327 square miles) covering the placer gold-rich Black Hills and Barker creeks in September 2010 from Yukon prospector Shawn Ryan and is pursuing an aggressive, two-phase exploration campaign in 2011 to follow up on a geochemistry program and geological data analysis last year. Phase 1 of 2011 exploration includes helicopter geophysics (magnetics and radiometrics), prospecting, geological mapping, additional ridge and spur soil sampling, grid soil sampling and stream sediment sampling at a total cost of about C\$2.9 million. The phase 2 program is contingent upon the results received from phase 1 exploration, but is expected to cost C\$2.54 million and include additional grid soil sampling, geological mapping, trenching and up to 3,000 meters of core drilling. In late August, Smash reported the start of diamond drilling to test gold targets it has identified with geophysics and grab samples at Whiskey. The drilling is expected to continue into late September, testing five targets that may be reprioritized as additional assay results are received.

**CASH AND SHORT-TERM DEPOSITS:** C\$166,913 (at April 30, 2011)

**WORKING CAPITAL:** C\$5.09 million (at April 30, 2011; raised C\$ 7.75 million in a private placement in August 2011)

**MARKET CAPITALIZATION:** C\$17.50 million (Sept. 9, 2011)

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## 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

Over the past 15 years, Strategic Metals Ltd. has assembled an impressive portfolio of some 160 mineral properties and royalty interests in Yukon, British Columbia and western Northwest Territories. These properties collectively host a widely diverse suite of metals. The junior exploration company is directing its research and exploration activities toward prospects with potential for porphyry, skarn and shear-hosted gold and/or copper; stockwork and carbonate replacement-style gold; vein and carbonate replacement-style silver-lead-zinc; volcanogenic and sedimentary exhalative copper, zinc, lead, silver, gold; and/or specialty metals such as tin, tungsten, vanadium and rare earth elements. In order to maximize the value of its property portfolio, Strategic continually seeks optionees or purchasers for its properties.

Strategic currently has 84 properties under option to other companies. The junior follows a multifaceted business model designed to build value by various means, including grassroots project generation and selective drilling aimed at major discoveries. Its activities in 2010 included the spin-out of two gold-focused subsidiaries and participation in the creation of Silver Predator Mines Inc. with Golden Predator Corp. and Rockhaven Resources Ltd. and the optioning of 21 of its more than 60 gold properties to

exploration targets.

The company has acted aggressively in acquiring additional property and expanding its geological team with technically strong and seasoned explorationists. Skyline is particularly interested in exploring its most recent acquisition, the Iskut Joint Venture property. Four distinct types of mineralization have been identified at Bronson Slope including gold-copper porphyry type mineralization; high-grade structurally controlled gold and silver mineralization with varying amounts of base metals; shear-hosted gold, chalcopryrite, sphalerite and galena; and mineralized breccias zones associated with intrusions. The current and future exploration objective for the company's expanded land package is to delineate a gold resource that exceeds 5 million ounces. The Bronson Project preliminary assessment technical report has been fully reviewed by the current team; it is currently envisioned that higher grade ore as front-end mill feed is necessary to enhance the near-term economics of developing the Bronson Slope deposit. Aeromagnetic and soil anomalies indicate attractive targets which could expand the deposit.

Skyline aggressively explored the Iskut property during the 2011 field season, selecting three high-quality drill targets within the Snip-Bronson trend and testing a new discovery called the Fuchs site Zone. Drilling commenced Oct. 5. The company also undertook a C\$4 million non-brokered financing to fund the first phase of exploration work to be carried out in 2011.

**CASH AND SHORT-TERM DEPOSITS:** C\$1.17 million (at April 30, 2011)

**WORKING CAPITAL (DEFICIT):** C\$1.25 million (April 30, 2011; raised C\$4 million in June 2011)

**MARKET CAPITALIZATION:** C\$32.50 million (Sept. 23, 2011)

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Wolverine Minerals Corp. In September 2011, Strategic had about C\$30 million in cash, zero debt and marketable shares of other resource companies with a total value exceeding C\$100 million. During the field season, the company conducted diamond drilling at three of the properties comprising its Midas Touch gold project in east-central Yukon. It also conducted surface exploration on these and about 20 other properties in Yukon and Northwest Territories.

On Aug. 9, 2011, Strategic also finalized a plan of arrangement in which it spun out Silver Range Resources Ltd., formerly a wholly-owned subsidiary, as a publicly traded company. The Midas Touch project is located alongside Atac's Rackla Gold Project. Strategic budgeted C\$3 million for exploration of Midas Touch in 2011, and earmarked additional funds contingent upon positive results. In September, the company reported initial results from more than 12,500 soil and silt geochemical samples collected in the program have returned sizeable pathfinder +/- gold geochemical anomalies in a number of areas. Preliminary prospecting followed up only a few of the many geochemical anomalies and has already discovered three new zones of strong orpiment/realgar mineralization. Strategic also reported expansion of the properties to encompass more than 980 square kilometers (378 square miles) of prospective stratigraphy for Carlin-style mineralization, and that results to date from drilling at the Crag and newly-discovered Crag East areas are consistent with the upper portions of sizeable Carlin-style systems, with further drilling required to depth. In addition, the company said initial drilling at the Rod prospect has returned silver-lead-zinc mineralization grading 101.91 g/t silver, 4.76 percent lead and 4.44 percent zinc over 8.31 meters.

Strategic also explored or planned to work on about 14 other properties in Yukon. Each of the properties is expected to receive some form of surface exploration. The focus at most of the properties will be to identify general areas for more detailed follow-up. Systematic soil geochemical surveys and/or hand trenching are planned at the King, Sayyea, Arm and Rye properties. The company also completed helicopter-borne ZTEM and magnetic surveys in January on the Buzz property located in southern British Columbia within a porphyry belt that includes the Prosperity Deposit of Taseko Mines Ltd. to identify promising targets that will require follow-up surface work and probably diamond drilling.

**CASH AND SHORT-TERM DEPOSITS:** C\$32 million (Aug. 29, 2011)

**WORKING CAPITAL:** C\$ \$124.3 million (June 30, 2011)

**MARKET CAPITALIZATION:** C\$135.92 million (Sept. 23, 2011)

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## ALASKA

### Sumitomo Metal Mining Pogo LLC

**PRESIDENT:** Nori Ushirone

**POGO GENERAL MANAGER:** Chris Kennedy

**POGO CHIEF GEOLOGIST:** Paul Jensen

Looking beyond just replacing the more than 1,000 ounces of gold per day that it is recovering at its Pogo Mine, Sumitomo Metal Mining Pogo LLC – a partnership held 85 percent Sumitomo Metal Mining Co. Ltd. and 15 percent by Sumitomo Corp. – is seeking out other gold and silver deposits in Interior Alaska. This regional exploration was underscored by the gold-silver-antimony mineralization cut by the Japanese firms at their Stone Boy project about 60 kilometers (40 miles) west of Pogo. From 2008 through 2010 the Pogo Mine owners drilled 29 holes in the Naosi prospect of Stone Boy, 27 of these intersected quartz veins mineralized with gold, silver and antimony. This drilling is highlighted by a 7.92-meter intercept in hole DH-35 that averages 7.8 grams per metric ton gold, 19.7 g/t silver and 0.1 percent antimony; and DH-55 which intersected 22.83 meters grading 4.2 g/t gold, 48 g/t silver and 0.17 percent antimony. Sumitomo Metal Mining reports its drilling cut two zones dubbed N-1 and N-2. DH-53 cut two distinctive zones – a 1.22-meter intercept averaging 4.3 g/t gold, only about 2 g/t silver and nor reported antimony; and a second 0.91-meter section with 2.3 g/t gold, 1,065 g/t silver and 7.37 percent antimony. The quartz veins are thought to be gently dipping to the west and extend over 1,500 meters in the strike direction and over 500 meters in the dipping, and are assumed to consist of more than two quartz veins with a thickness of around one to five meters each. Millrock Resources Inc. is reporting a gold-bearing structure with a similar strike and orientation at the Wolf prospect of its Uncle Sam project about 2,000 meters to the northwest.

WLF-002, the best of four holes reported by the junior in July, cut 11.46 meters averaging 4.86 g/t gold. Sumitomo Metal Mining said its ongoing exploration at the Naosi prospect involves tracing the mineralization in extensions and parallel veins, infill drilling to confirm the resource and regional surveys seeking similar prospects in the area.

At the Pogo property the Sumitomo partnership completed around 23,000 meters of drilling in 2011, the vast majority of which was surface drilling. In March the privately held company reported that production at Pogo averaged 2,467 metric tons per day in 2010. Out of the 900,585 metric tons of ore milled, 383,434 troy ounces of gold was produced at a cost of US\$449 per ounce. Sumitomo Metal Mining Pogo said its exploration program focused on surface and underground drilling in the immediate mine area. A total of 21,632 meters of road-based and helicopter-supported surface drilling in 76 holes was completed. Additionally, the company completed 1,737 meters of underground drilling in 10 holes. Aerial photography, LIDAR and geophysical surveys and soil sampling of the Pogo property and adjacent ground were also part of the exploration program. The project owner said Pogo's current mine-life extends to 2017.

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## ALASKA

### Ucore Rare Metals Inc.



**TSX-V: UCU**

**PRESIDENT AND CEO:** James McKenzie

**VICE PRESIDENT, PROJECT DEVELOPMENT:** Harmen Keyser

**CONSULTING GEOLOGIST:** James Barker

With the winds of soaring rare earth element prices in its sails, Ucore Rare Metals Inc. is maneuvering its Bokan Mountain Project in Southeast Alaska toward becoming a domestic source of dysprosium, terbium and other heavy rare earth metals. In March, Ucore reported the first NI 43-101-compliant resource estimate for the HREE-rich deposit situated at the southern end of Prince of Wales Island. At a 0.5 percent total rare earth oxide cut-off, Bokan hosts an inferred mineral resource of 3.7 million metric tons grading 0.75 percent total rare earth oxides, with 39 percent of the TREO being the higher value heavy rare earth oxides. This comes to about 10,584 metric tons heavy rare earth oxides within 27,420 metric tons of TREO. Ucore President and CEO Jim McKenzie Sept. 30 told an audience at the Alaska Strategic and Critical Minerals Summit held in Fairbanks that the in-situ value of the metals at Bokan at current REE prices exceed US\$3,000 per metric ton, pushing the total value of the deposit above US\$10 billion. Though Bokan is a relatively early-stage exploration project, Ucore believes it can bring a REE mine into operation there by 2016. The proposed mine has the advantage of being small in scale and has the support of both the Alaska Legislature and Congress. With an initial resource in-hand, Ucore is targeting completion of a preliminary economic assessment by year's end for construction of a heavy rare earth metal mine and milling facility capable of processing between 500 and 1,000 metric tons of ore per day. To meet this goal, the company budgeted US\$8 million for the requisite drilling, environmental baseline studies, engineering and metallurgical work. The some 15,000 meters of drilling carried out in 2011 aims to expand and upgrade the resource at the REE-enriched Dotson Zone. Ucore also has commenced scoping work for a proposed subsurface adit to enhance the understanding of the deposit at depth. The company is targeting underground development and bulk sampling in 2012.

"Our highest priority is on the advancement of a prospective mine as quickly as possible. This means targeting more than three times the amount of drilling that we've undertaken in prior years, more sub-surface work via a proposed adit, and the acceleration of metallurgical work to generate effective ore separation and processing regimes," Ucore President and CEO Jim McKenzie said in May. "Our overall objective is to take the project to bankable feasibility within 24 months; an aggressive but very achievable target, given Bokan's remarkable advantages of superior access, prior workings, and prior successful metallurgical findings already on hand."

While advancing Bokan to feasibility, Ucore is looking for other REE opportunities in Alaska. In May, the company blanketed an 11,400-acre (4,614-hectare) area prospective for placer deposits of REEs, tin, tungsten and zirconium in the Ray Mountains of Interior Alaska with mining claims. The company said assay results from initial geochemical analyses of field-





Ucore Rare Metals is preparing its Bokan Mountain Project in Southeast Alaska to potentially become an important domestic source of dysprosium, terbium and other heavy rare earth metals.

UCORE RARE METALS INC.

concentrated heavy mineral samples collected from the region indicate mineral concentrates containing five percent to more than 30 percent combined valuable metals, with a total rare earth element content ranging from one percent to eight percent. The samples additionally show heavy REE generally ranging from 20 percent to 30 percent of total REEs, including dysprosium, which ranges from 2 to 5 percent of the total REE content. The company said most of the initial samples were collected directly from surface exposures, and the heavy mineral content can be expected to increase at greater depths within the alluvium. The rare metal placers of the Ray Mountains contain REE as monazite and xenotime, tin as cassiterite, tungsten as wolframite, and zirconium as zircon. Minor amounts of niobium and tantalum also have been identified. Ucore notes that heavy mineral placers, unlike hardrock deposits, can be effectively concentrated via conventional gravity separation and processing methods using only water as the separation medium. Additionally, the technology to process a monazite-xenotime placer concentrate for contained REEs has long been known elsewhere in the world and poses no new metallurgical challenges. Ucore carried out an initial reconnaissance geological program at the Ray Mountains project in 2011.

**CASH AND SHORT-TERM DEPOSITS:** C\$12.49 million (June 30, 2011)  
**WORKING CAPITAL:** C\$11.27 million (June 30, 2011)  
**MARKET CAPITALIZATION:** C\$73.4 million (Oct. 3, 2011)

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## YUKON TERRITORY

### Victoria Gold Corp.

**VIT:** TSX-V  
**PRESIDENT AND CEO:** John McConnell  
**VICE PRESIDENT- YUKON:** Mark Ayranto  
**VICE PRESIDENT- EXPLORATION:** Ted Wilton



Victoria Gold Corp., (formerly Victoria Resource Corp.), is a gold exploration company focused on advancing to production the Eagle Gold Deposit on its Dublin Gulch property in central Yukon Territory. Victoria also continues to explore key projects in the Yukon and Nevada to build on its current global mineral inventory of 7.7 million gold ounces.

Dublin Gulch, located near the town of Mayo about 375 kilometers (233 miles) north of Whitehorse, covers an area in excess of 400 square kilometers (154.4 square miles). The Eagle deposit hosts a NI 43-101-compliant mineral resource of 4.8 million indicated ounces in 222 million metric tons are averaging 0.68 g/t gold and 1.5 million inferred ounces in 78 million metric tons are averaging 0.60 g/t gold. A positive pre-feasibility study, using US\$900 gold, was completed in early 2010 advising development of the deposit as an open-pit valley leach operation with average annual production of 170,000 ounces of gold at a total cash cost of about \$500 per ounce with an initial capital cost of C\$280 million, based on probable reserves of 1.75 million ounces gold. Dublin Gulch also hosts the Mar

tungsten 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 WO<sub>3</sub> grading 0.30 percent.

In 2011, Victoria has worked to complete a feasibility study for the Eagle deposit and conducted a C\$9 million exploration program, including diamond drilling, on the broader Dublin Gulch property where gold, silver, and base metal mineralization are present in numerous areas. Victoria is currently seeking permits to develop the Eagle deposit and the feasibility study is expected to be completed in the fourth quarter. In August, Victoria reported discovery of the new Rex Peso silver and gold target at Dublin Gulch. First-pass geologic mapping and rock-chip sampling uncovered widespread gold, silver, arsenic and antimony mineralization at Rex Peso, which is located about 4 kilometers (2.5 miles) west of the Eagle deposit. Grab sampling (rock-chip) has returned significant gold, silver and trace element assays up to 1.8 grams per metric ton gold and 6,410 g/t silver. The Rex Peso target appears to be a significant westerly extension to the Potato Hills mineral trend, which was delineated by the company more than a year ago. Ongoing 2011 exploration drilling at Dublin Gulch, which is expected to continue through early December, is intersecting significant gold mineralization near the Eagle deposit and at other targets across the project area. This work ranges from an early in-fill program in the Eagle deposit to "step-out" drilling of targets north of the Eagle deposit (Eagle North and Steiner) and continued exploration drilling of a mineralized area (Popeye) in the Potato Hills mineral trend that was first tested in 2010. Reconnaissance-scale exploration is under way throughout the project area, and core drilling is in progress in the area of the Olive and Shamrock prospects, which are situated within the prospective Potato Hills Trend. Victoria also signed a benefits agreement with the First Nation of Na-Cho Nyak Dun covering Eagle and ongoing exploration in the NND's traditional territory.

**CASH AND SHORT-TERM DEPOSITS:** C\$18.36 million (at May 31, 2011)  
**WORKING CAPITAL:** C\$15.69 million (at May 31, 2011)  
**MARKET CAPITALIZATION:** C\$149.59 million (Sept. 9, 2011)

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## YUKON TERRITORY

### Wolverine Minerals Corp.

**WLW:** TSX-V  
**PRESIDENT AND CEO:** Thomas A. Doyle  
**CFO AND SECRETARY:** Logan B. Anderson, ACA (New Zealand)  
**VICE PRESIDENT, EXPLORATION:** James M. Dawson, M.Sc., P.Eng.

Wolverine Minerals Corp. is engaged in the acquisition, exploration and potential development of mineral resource properties in the Yukon where the company hopes to capitalize on the northern territory's rapid emergence as a leading venue for mineral exploration in Canada.

In December Wolverine acquired an option for a 100 percent interest in 21 gold prospects in the Yukon owned by Strategic Metals Ltd., covering more than 325 square kilometers (125 square miles). The properties, now called the Wolverine Gold Project, are prospective for orogenic-style gold mineralization. The company also agreed to purchase the 16-claim, 325-hectare (803 acres) Vivi property in the Simpson Range area of the Yukon's Watson Lake Mining District in January from the estate of prospector, J.P. Ross, and the 48-claim, 1,003-hectare (2,478 acres) Andy property in the Logan Mountains area of the district for the cost of staking. In addition, Wolverine staked 658 claims covering about 13,754 hectares (33,986 acres) in the Dawson Range Project area, and 194 claims covering about 4,055 hectares (10,020 acres) in the Finlayson Lake Project area.

All told, Wolverine now controls some 525 square kilometers (203 square miles) of claims in the Yukon. It also contracted Archer Cathro & Associates (1981) Ltd. to manage and conduct its exploration programs. Wolverine had spent C\$776,527 on exploring its properties by June 30 and reported plans to spend up to C\$5.0 million on exploration in 2011. In early August, Wolverine said initial-stage exploration on six Yukon properties was complete. On Aug. 29, it reported initiating a trenching program to follow up on tracing a 745-meter mineralized zone where 13 reconnaissance samples assayed up to 6.29 grams per metric ton gold and 25.7 g/t silver. The company also said it moved a small bulldozer/backhoe to the site and trenching is well under way.



**CASH AND SHORT-TERM DEPOSITS:** C\$4.18 million (at June 30, 2011)  
**WORKING CAPITAL:** C\$5.98 million (at June 30, 2011)  
**MARKET CAPITALIZATION:** C\$17.48 million (Sept. 9, 2011)

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## ALASKA

### Zazu Metals Corp.

TSX: ZAZ

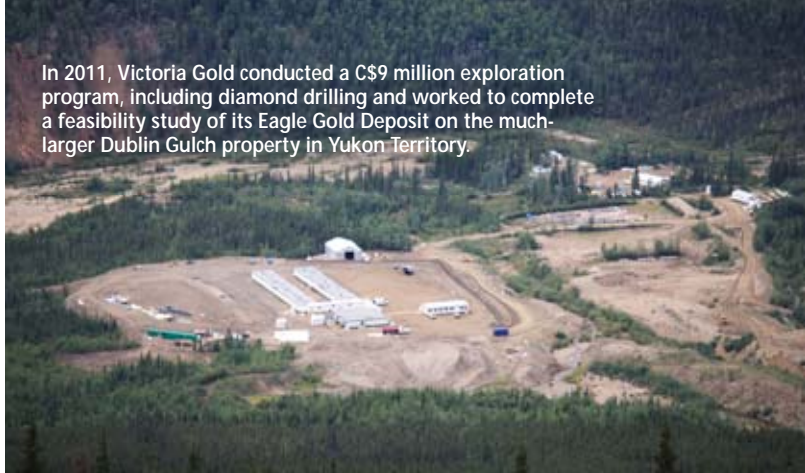
**CHAIRMAN AND CEO:** Gil Atzmon

**VICE PRESIDENT, CORPORATE DEVELOPMENT:** Matt Ford

**VICE PRESIDENT, EXPLORATION:** Joe Britton



VICTORIA GOLD CORP.



Analysts predict growing demand in Asia markets coupled with the expected closure of several of the world's largest zinc-producing mines will result in a global shortage of the industrial metal in the coming years. Zazu Metals Corp. hopes zinc mined from its Lik Project located about 22 kilometers (14 miles) northwest of Teck Resources Ltd.'s Red Dog Mine, will help fill this forecasted shortfall. "A consolidation in the zinc industry is definitely under way," said Zazu Metals CEO Gil Atzmon. "Zazu's goal is to have the Lik deposit in operation in time to deliver into this supply deficit."

The ore-body at Lik is divided into two deposits separated by a fault – the near-surface Lik South and the deeper Lik North. Lik South has an indicated resource of 18.74 million metric tons grading 8.08 percent zinc, 2.62 percent lead and 52.8 grams per metric ton silver; plus an inferred resource of 1.23 million metric tons grading 6.80 percent zinc, 2.12 percent lead and 35 g/t silver. Lik North contains an additional inferred resource of 5.18 million metric tons grading 9.65 percent zinc, 3.25 percent lead and 51 g/t silver. A preliminary economic assessment completed by Scott Wilson Roscoe Postle Associates Inc. in 2010 indicates that mining the near-surface Lik South deposit is viable. 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. The 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. 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 agree-

ment 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 at Lik Project. Zazu has the exclusive right to increase its stake to 80 percent by spending US\$25 million on the project by 2018. Lik has drawn the attention of Lundin Mining, a diversified base metals mining company with operations in Portugal, Sweden, Spain and Ireland. In February, Zebra Holdings and Investments S.A.R.L., a company owned by a trust settled by the late Adolf H. Lundin, invested C\$7.97 million to buy a 19.99 percent stake in Zazu. With sufficient money in the bank, Zazu launched an aggressive program in June to advance a feasibility study on Lik South and complete drilling on Lik North in 2011.

In early August Zazu received the results from the first two holes of the 2011 program, both drilled at the northern end of the Lik South deposit. Starting at a depth of 54.3 meters, DDH 205 cut 25.8 meters averaging 7.06 percent zinc, 2.63 percent lead and 20.9 g/t silver. A second intercept in DDH 205 cut 28.2 meters averaging 4.1 percent zinc, 5.65 percent lead and 38.4 g/t silver from 98.5 meters. DDH 206 intersected 21.5 meters averaging 10.8 percent zinc, 2.59 percent lead and 46.7 g/t silver. In September, Zazu released assay results from four holes drilled in the area where Lik South deposit transitions to the deeper Lik North. The best intercept of the batch, in hole DDH 210, was 16.8 meters averaging 11.2 percent zinc, 3.02 percent lead and 70.1 g/t silver, from a depth of 84.2 meters.

**CASH AND SHORT-TERM DEPOSITS:** US\$10.29 million (June 30, 2011)

**WORKING CAPITAL:** US\$9.56 million (June 30, 2011)

**MARKET CAPITALIZATION:** C\$53.43 million (Sept. 28, 2011)

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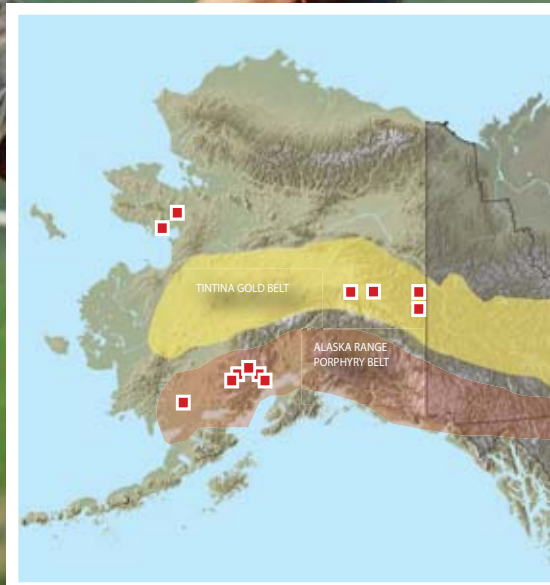


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