

July 2015



A roundup of mining
activity across Canada



CANADIAN mining ROUNDUP

Exploration and feasibility studies

Centerra confirms gold within pit boundary at Hardrock project

A drill campaign at Toronto-listed Centerra Gold and Premier Gold Mines' Hardrock project, in north-western Ontario, has continued to identify gold mineralisation within the current optimised pit boundary. The campaign, which comprised 62 drill holes for 17 428 m, was designed to test specific portions of Premier's July 2014 resource block model for the Hardrock deposit and gain a better understanding of the distribution and grade of the gold mineralisation in the deposit.

Once the complete set of assay results has been returned, the geological information will be added to the Hardrock drill hole database and incorporated into an updated resource block model for the Hardrock deposit. Meanwhile, work continues on various technical studies, environmental- and social-impact assessments, and on obtaining the necessary permitting to mine the deposit. A feasibility study is expected to be completed later this year or in early 2016.

Iamgold reports high-grade gold at Monster Lake from winter programme

Mining and exploration company Iamgold has intersected high-grade gold at its Monster Lake project, in Quebec, during its 2015 winter drilling programme. The drilling programme was aimed at assessing several target areas defined through compilation work and modelling completed by the exploration team.

The programme has significantly added to Iamgold's understanding of the geology of the area and successfully intersected gold mineralisation associated with the Monster Lake Shear zone (MLSZ) to the north-east of the 325-Megane zone. These results combined with ongoing surveys will help the company focus on the best sectors of the MLSZ and satellite structures. The 2015 winter diamond drilling programme was completed in April and totalled 7 782 m from 21 diamond drill holes.

Integra offers C\$1m to find next big gold discovery at Sigma-Lamaque

TSX-V-listed Integra Gold has given the term 'data mining' a new meaning with the launch of its Integra Gold Rush Challenge, a form of crowd sourcing, which the company hopes will lead it to the next big gold discovery at its Sigma-Lamaque gold property, in Val-d'Or, Quebec. The company's acquisition of the Sigma-Lamaque mine last year brought with it 6 TB of prospecting data spanning 75 years, which the miner wants to make publicly available to 'digital prospectors', who could win a share of C\$1-million. Integra explains that it has spent the past six months compiling this information, which, once completed, will be released to the public in a consolidated database.

Rambler drilling extends Ming mine's gold, copper mineralisation

TSX-V- and Aim-listed Rambler Metals & Mining's exploration campaign over the past nine months at its flagship Ming copper/gold mine, in Baie Verte, Newfoundland and Labrador, has extended the resource, with the results to be included in a prefeasibility study (PFS) on the project. The junior miner has completed 4 544 m of diamond drilling in the 1807 zone, successfully extending the high-grade copper zone. The deepest drill hole extended the resource model for the 1807 zone by 100 m more than the deepest reserve level at the 630L zone and drilling along strike to the west had extended the zone an estimated 40 m beyond previous plans. The newly defined mineralisation is being modelled for inclusion in the 2016 financial year budget and PFS with the Lower Footwall zone.

Wallbridge looking to advance Ontario project

TSX-listed Wallbridge Mining is working to attract new partner financing to advance its nickel, copper and platinum-group metals Parkin properties project, in Ontario, following mechanical stripping and fieldwork. The fieldwork has exposed six areas with massive, semimassive and net-textured sulphide mineralisation at the surface expression. The individual mineralised lenses range from 2 m to 10 m in width, have a strike length of up to 25 m and occur along a 700 m strike length of the Parkin Offset dyke. Pressure washing and detailed mapping of the exposed areas are also currently under way and will be followed by systematic



channel sampling. Meanwhile, the company has also made a minimum initial cash payment of \$100 000 to JSE-listed Impala Platinum (Implats') to maintain the option of purchasing Implats' entire remaining 49.6% interest in the Parkin development joint venture at a substantial discount to Implats' \$7.2-million past expenditure by making cash payments over five years.

Zenyatta reports positive PEA for Albany graphite project

Thunder Bay, Ontario-based explorer Zenyatta Ventures has published a positive preliminary economic assessment (PEA) on its flagship Albany hydrothermal graphite project, near Hearst. Consulting engineering firm RPA prepared the PEA with milling input from SGS Canada.

The \$411.47-million Albany project will entail an openpit mine and 3 000 t/d processing plant with a 22-year life. The deposit is open at depth, with the potential for extending operations further underground. Albany will produce about 30 000 t/y of high-purity (greater than 99.9%) graphitic carbon. It will produce about \$4.8-billion in gross revenue over the mine life and have an after-tax average annual cash flow of \$110-million. The base case scenario calculated an after-tax net present value at a 10% discount of \$438-million and an after-tax internal rate of return of 24%.

Operations

First Nickel to close Ontario mine

The Lockerby base metals mine, in the Sudbury basin of Ontario, will be placed on care and maintenance or closed during the third quarter, after all remaining nickel ore above the 6 800-foot-level has been exhausted. Owner and operator First Nickel says the weak nickel prices have rendered the mine uneconomic and prompted it to immediately suspend a ramp development programme required to continue accessing deeper reaches of the ore deposit. Nickel prices are trading at near five-year lows of about \$6/lb, after a systematic price decline from highs of more than \$13/lb in 2010. Weaker demand from slowing growth in China and resulting high inventory levels have precipitated subdued prices worldwide.

Public comment sought on Mount Polley restart application

The British Columbia provincial government is seeking public input to help ensure that Imperial Metals has in place a modern long-term remediation and restoration plan for the ill-fated Mount Polley mine by early next year, as government considers allowing a temporary restart of the operation.

The provincial government has already received significant public input on the restart application by Mount Polley Mine Corporation and says a decision will be made shortly. The temporary restart evaluation process is separate and distinct from the longer-term environmental remediation and restoration process.

Thompson Creek to shut molybdenum mine

The British Columbia-based Endako molybdenum mine will be placed on care and maintenance from July 1, with dual-listed miner Thompson Creek Metals citing the continued weakness in the molybdenum market. The NYSE- and TSX-listed company took the decision together with joint venture partner Sojitz Moly Resources, which has agreed to shutter the mine terminating the positions of 270 employees. Thompson Creek suspended operations at Endako at the end of last year. It estimates that its share of total costs at the Endako mine for 2015 will be about \$20-million. This includes temporary suspension costs through to July 1, expected care-and-maintenance costs for the remainder of the year and one-time severance costs to reduce the workforce. The company holds a 75% interest in the Endako operation and Sojitz the remaining 25% interest.

Labour and safety

Cameco workers accept collective agreement

About 100 unionised employees at Cameco Fuel Manufacturing's operations, in Port Hope and Cobourg, Ontario, have voted to accept a new collective agreement. The employees, represented by the United Steelworkers Local 14193, agreed to a three-year contract that includes a 7% wage increase over the term of the agreement. The previous contract expired on June 1.



Federal project supports women in mining

The federal government of Canada has announced support for a new project to help women advance within the country's mining industry. The Mining Industry Human Resources Council (MiHR) will receive \$495 102 for their three-year project that will include a Gender Champions Task Force, comprising mining executives, to identify and address the barriers faced by female employees in their companies. The MiHR will develop a number of tools and resources – such as gender-based training, inclusion policies and equitable hiring procedures – which will be implemented and tested in these companies. The resulting tools and best practices will be shared with industry stakeholders.

HudBay strikes collective agreements with most of Manitoba workforce

The members of United Steelworkers (USW) Local 7106 and USW Local 9338 have ratified new three-year collective agreements with Canadian base metals producer HudBay Minerals, representing about 67% of its Manitoba workforce. Representing about 1 090 unionised employees at its Manitoba operations, USW Local 7106 represented production workers at the Manitoba operations and USW Local 9338 represented office and technical workers.

Corporate

Alamos, AuRico shareholders vote in favour of merger

The shareholders of Canadian miners Alamos Gold and AuRico Gold have voted overwhelmingly in support of the proposed \$1.5-billion merger of the companies, which will create a new midtier gold producer. When the deal closed, a reconstituted Alamos will hold a diversified portfolio of assets in stable jurisdictions, underpinned by two top-tier producing mines – Young-Davidson, Canada, and Mulatos, Mexico – as well as a significant pipeline of high-quality development projects. The deal is expected to close by July 2. AuRico shareholders voted 98.8% in favour of the transaction, while 90.6% of Alamos shareholders supported the transaction.

First Nickel under TSX delisting review

TSX is reviewing the eligibility of mining and exploration company First Nickel's common shares for continued listing on the TSX. The exchange is reviewing whether First Nickel met its continued listing criteria in terms of the company's financial condition and operating results, whether First Nickel has adequate working capital and an appropriate capital structure, and if the share price of First Nickel's common shares has been so reduced as to not warrant continued listing. First Nickel is being reviewed under the TSX's remedial review process and had 120 days to comply with all requirements for continued listing. If the company could not meet the requirements of the TSX on or before October 28, First Nickel's common shares would be delisted 30 days from that date.

Iron Ore Company of Canada fined under Fisheries Act

A Canadian subsidiary of global mining major Rio Tinto has been fined C\$30 000 for unauthorised dumping of effluent into fish-bearing water. The Newfoundland and Labrador Provincial Court has ordered the Iron Ore Company of Canada to pay a fine after pleading guilty to offences under the Fisheries Act related to the Metal Mining Effluent Regulations. In October 2012, the company failed to notify an inspector of having deposited effluent into fish-bearing water without approval. The effluent was deposited into the Luce lake, in Labrador City.

Paladin gets federal nod to gain majority ownership of Canada project

The Canadian federal government has approved Australia-based Paladin Energy's application to gain majority ownership of a proposed uranium mine in Newfoundland and Labrador. The Non-Resident Ownership Policy requires a 51% resident ownership to be maintained in all uranium mining assets, unless it could be demonstrated that no local partners could be found to participate in the project. The governments of Newfoundland and Labrador and Saskatchewan; the Australian government; and Canada's uranium mining sector supported Paladin's proposal. The proposed Michelin mining project, located in the Central Mineral Belt of Labrador, has also been subject to a national security review that has identified no concerns. Paladin estimates that the Michelin



project could create up to 750 jobs during the construction phase and up to 350 jobs during the operational phase, with the local Aboriginal communities to also benefit from investments in infrastructure development and training.

Royal Nickel chooses Swedbank to advise on \$600m bond financing

Base metals project developer Royal Nickel Corporation (RNC) has appointed Swedbank Norway (Swedbank) as adviser for a senior bond financing of about \$600-million, with a five-year maturity, to develop its Dumont nickel project, in Quebec. Swedbank will work closely with RNC to arrange the senior project bond finance facility and support RNC's efforts in international markets to secure the further equity and other capital required to complete the financing.

Sandstorm Gold acquires royalty package

Sandstorm Gold has acquired a royalty package from Pacific Ridge Exploration for \$500 000, lifting the mine financier's portfolio to 72 streams and royalties. The package includes a 1.65% net smelter return (NSR) royalty on the Spectrum gold property, located in north-western British Columbia and owned by Skeena Resources, as well as a 1% NSR royalty on Pacific Ridge's Eureka Dome and Gold Cap properties, in the White Gold district, in the Yukon territory. Pacific Ridge has also transferred to Sandstorm its right to buy down royalties on its Mariposa and Sophie properties, in the Yukon.

General

Extractive Sector Transparency Measures Act comes into force

Canada's new rules governing extractive sector transparency came into effect in July, forcing all extractive companies subject to the Act to report payments including taxes, royalties, fees and production entitlements of \$100 000 or more to all levels of government in Canada and abroad. The resulting enhanced transparency is expected to help reduce instances of corruption by enabling citizens worldwide to hold their governments accountable for how they allocate and spend mining revenues. It will also help to ensure

that these revenues contribute to sustainable development and poverty reduction.

Feds move forward with implementing Canada/Quebec Offshore Accord

The Conservative Canadian federal government has tabled a 'Notice of Ways and Means Motion' to introduce a Bill to implement the Canada–Quebec Offshore Accord, representing an important milestone for responsible resource development in the Gulf of St Lawrence. The proposed legislation will ensure that Quebec benefits from revenues, including royalties and many taxes and fees, derived from developing oil and gas resources. According to the federal government, the Gulf of St Lawrence and surrounding areas have the potential for about 39-trillion cubic feet of gas and 1.5-billion barrels of oil, based on preliminary geological studies of the area.

Gold mining puts \$171bn into global economy – World Gold Council

The global gold mining industry collectively contributed \$171.6-billion-plus to the global economy in 2013, which is more than the combined gross domestic product (GDP) of Ecuador, Ghana and Tanzania, or close to half of the GDP of South Africa or Denmark. The World Gold Council report on the social and economic impacts of gold mining, which it produced with international economics consultancy Maxwell Stamp, also found gold mining companies to be a major source of income and economic growth for host countries, with an important role in supporting sustainable socioeconomic development.

Globally, gold mining companies directly employed more than one-million people in 2013, with 4.2-million more people employed as a result of the industry's suppliers and support services.

Growth, productivity headwinds biggest threats to mining – EY

Procyclical behaviour and short-term-focused shareholders have moved to the top of EY's ranking of business risks facing mining and metals companies globally, the professional services firm has revealed in its 'Business risks in mining and metals 2015-2016' report. The top ten business risks for mining and metals companies today, compared with the top ten risks identified by the survey in



2008 – at the peak of the economic supercycle – stood in stark contrast and underlined the cyclical nature of the sector. Just three of the top ten risks from 2008 ranked in the top ten this year, while productivity and access to capital maintained a top-three ranking on the risk list, at number two and three, respectively – each down one spot from last year.

New entrants to the top ten risk list include cybersecurity and innovation, while businesses are further aware of business risks emerging in the form of skills shortages, productivity, access to capital, resource nationalism, the social licence to operate, price and currency volatility, capital projects and access to energy.

MAC elects new chairperson

The Mining Association of Canada (MAC) has elected Cameco's senior VP and COO of global uranium supply, Robert Steane, its new chairperson for a two-year term. Steane replaced Shell Canada VP of oil sands operations Zoë Yujnovich, who served as chairperson from June 2013.

Canadian companies active elsewhere

Aquila Resources confirms intent to apply for US project permits

The proponent of the Back Forty project in Michigan, in the US, expects to apply for regulatory permitting before the end of this year. TSX-listed Aquila Resources has confirmed that it has filed a letter of intent with the Michigan Department of Environmental Quality. Aquila also plans to submit the linked air, water and wetland permit applications with the mining permit application. The company hired local engineering firm Foth Infrastructure & Environment to assist in the preparation of the permit applications.

Aureus achieves first gold pour at Liberia project

West African gold producer Aureus Mining has successfully completed the first gold pour at its New Liberty gold project, in Liberia, moving the

project into the advanced commissioning phase and rendering it on track to reach full-scale commercial production in the third quarter of the year. The project's hot and cold commissioning phases are continuing to progress as scheduled. The plant will ramp up to full design throughput levels of 95 000 t/m of ore in a phased approach.

Banro lifts DRC project's reserves 59%

Gold producer Banro has lifted the compliant reserve base at its flagship Twangiza mine, in the Democratic Republic of Congo (DRC), by 59% and extended the mine life to 14 years. The Twangiza proven and probable reserves have increased 59% to 1.64-million ounces of gold, contained in 22.38-million tonnes of ore, grading 2.28 g/t gold, and included nonoxide materials in the reserve pit shell, which have been proven economically treatable with the existing plant.

The TSX- and NYSE MKT-listed miner exploits the 210-km-long Twangiza-Namoya goldbelt, in the South Kivu and Maniema provinces of the western DRC, where its four core projects comprise Twangiza, Namoya, Lugushwa and Kamituga.

Caledonia reaches development milestones at Zimbabwe mine

Zimbabwe-focused Caledonia Mining has reached certain important milestones as part of efforts to increase production at its 49%-owned Blanket mine to 80 000 oz/y by 2021. The dual-listed gold miner completed the development of a tramming loop 750 m below the surface, as well as the sinking of the No 6 Winze shaft. The tramming loop is expected to contribute to increasing production at the mine to 42 000 oz/y of gold by the end of this year. Preparations for equipping the No 6 Winze shaft have also begun, with the shaft to be fully equipped by the end of July, after which horizontal development towards the two main resource bodies will start. First production from the shaft is scheduled for January 2016 and will reach the target rate of 500 t/d in May 2017.

Eldorado Gold completes positive feasibility study on Brazil project

Eldorado Gold has completed a feasibility study on its Tocantinzinho gold project, in northern Brazil, attaching a net present value at a 5% discount of \$245-million to a project that would



cost \$466-million to build. Conducted by Eldorado and subsidiary Brazauro Recursos Minerais, the feasibility treatment estimates an internal rate of return of 13.5%.

The study demonstrates that the project will be economical at a gold price of \$1 250/oz. According to the current mine plan, the project will produce 1.7-million ounces of gold over its 11-year life, using conventional openpit mining methods. The operation will mine a total of 41.1-million tonnes of ore with a strip ratio of 3.5:1 over the mine life. The report estimates recoveries of 90.1% for primary ore and 75% for saprolite ore, using a simple comminution, flotation and leaching process.

First Quantum to earn into Western Australia copper/molybdenum project

Gold and base metals explorer Caravel Minerals has signed a farm-in agreement with metals and mining company First Quantum Minerals (FQM) to further develop its Calingiri copper/molybdenum project, in Western Australia. Under the agreement, FQM – a cornerstone investor in ASX-listed Caravel – could contribute A\$3.6-million to ongoing exploration activities to earn a 50.1% interest in the project. The agreement represents the third investment by FQM in the project, demonstrating its confidence in the project's economic potential.

Flinders to close Swedish operation until graphite prices improve

Ten months after starting production at its Woxna graphite mine and processing facility, in central Sweden, TSX-V-listed Flinders Resources will shutter the operation in anticipation of better prices. Declining global flake graphite demand so far this year has pushed prices to a four-year low of less than \$700/t. The plant is undergoing a scheduled maintenance shutdown and will not restart meaningful production until market conditions have improved. This, Flinders hopes, will allow the company to reduce its expenditure to less than C\$150 000 a month and maintain the company's competitive advantage by continuing to run the Woxna operation on a 'production-ready' basis.

ICL completes Allana Potash acquisition, gains strong position in Ethiopia

Israel-based agriculture, processed food and engineered materials markets orientated firm

ICL has completed its C\$137-million acquisition of Canadian explorer Allana Potash. The closing follows approval by Allana's security holders and Ontario's Supreme Court of Justice of ICL's offer for 83.78% of Allana's outstanding shares that it does not already own. In 2014, ICL acquired 16.22% of Allana for C\$25-million. Allana holds a concession to mine potash at the Danakhil mine, in Ethiopia's Afar National Regional state. The project is estimated to yield up to one-million tonnes of muriate of potash a year for 25 years, based on a feasibility study conducted by Allana and completed in February 2013.

Ivanhoe reaffirms commitment to sell 15% in DRC project to government

TSX-listed Ivanhoe Mines has reiterated its commitment to sell further interest of up to 15% in its Kamoa copper project, in the Democratic Republic of Congo (DRC), to government. This is despite the fact that the sale will dilute China-based Zijin Mining Group's and Ivanhoe's interest in Kamoa Copper SA – the holder of the Kamoa copper project exploitation permits, or mining licences. Zijin plans to buy a 49.5% share interest in Kamoa Holding, the transaction of which will close on July 31, and will possibly arrange project financing for Kamoa's first phase.

Largo's Brazil mine gathers momentum

Brazil-focused vanadium producer Largo Resources' Maracas Menchen mine has generated record output during May. The Bahia-state project produced 487 t of vanadium pentoxide in the month, the highest since production started in August last year, and also set a new daily production record of 23 t. This is about 87% of the plant's Phase 1 design capacity and a 7% increase from the 21 t/d record, or 81% capacity, reported last March. Largo expects to hit Phase 1 output in the third quarter.

Lucara says Lesotho government processing sale of Mothae diamond stake

The government of Lesotho is processing the sale of 75% of the Mothae diamond development in Lesotho by Toronto- and Botswana-listed Lucara Diamonds. Lucara, which mines at Karowe in the Orapa diamond field in central Botswana, is selling its 75% Mothae stake to Paragon Diamonds for \$8.5-million. The Lesotho government holds the remaining 25% shareholding in Mothae, which has



an indicated resource of one-million carats and an inferred resource valuation of \$1-billion.

MBAC's Itafos in legal hot water that could scupper strategic review

Brazil-focused project developer MBAC Fertilizer subsidiary Itafós Mineração is facing two lawsuits that could derail progress made with the company's strategic review process. The TSX-listed company is defending itself against claims laid by the Brazilian Labour Public Ministry and the Arraías City Hall against certain of the company's assets in the country. MBAC is challenging certain rulings rendered thus far and says that protocols to rehire employees will be followed once the strategic review process is complete. The company and its lenders are evaluating proposals and defining next steps after it placed its flagship Itafós Arraías operation on care and maintenance earlier this year and offered employees severance packages.

McEwen exceeds production expectations at Mexico mine

NYSE- and TSX-listed McEwen Mining has beaten the top-end of its second-quarter production guidance, marking the third consecutive quarter of record output at the El Gallo mine, in Sinaloa state, Mexico. This is despite McEwen reporting, early in the second quarter, that armed robbers stole about 900 kg of gold-bearing concentrate from the El Gallo 1 operation. Several days before the end of the second quarter, McEwen reported production of 15 600 oz of gold equivalent, with year-to-date output at about 31 000 oz of gold equivalent. The increased gold output is driven by the combination of higher grades mined in the pit and improved gold recoveries, not dissimilar to that of the first quarter of this year.

Nautilus Minerals agrees to stretch PNG State JV-partner options

Papua New Guinea (PNG) will have another six months to exercise stock options that Canadian marine mining leader Nautilus Minerals has granted to its joint venture (JV) partner in the Solwara 1 offshore project. Under terms of a December 11 JV accord, the country's nominee Eda Kopa (Solwara) took an initial fully funded 15% interest in the project, with the option to take up to a further 15% interest within a year, upon making certain cash payments. The option is exercisable in a series of three 5% lots

within 6, 9 and 12 months, respectively, from when the deal was signed. Should Eda Kopa not exercise any of the lots within the relevant time period, the option and any later options will be deemed lapsed. Nautilus has agreed to the extension to facilitate further discussion between the company and the State nominee. The company is pioneering the concept of mining the ocean bed for copper, gold, zinc and silver.

Nevsun internal audit under way as report alleges forced labour in Eritrea

A United Nations (UN) report has implicated base metals producer Nevsun Mining in using forced labour at its high-grade Bisha copper mine, even as an internal company audit is under way. TSX- and NYSE-listed Nevsun is awaiting the results of a follow-up audit on its human rights programmes at the Bisha mine shortly. The UN report, commissioned by the office of the high commissioner for human rights, follows after three Eritreans filed a lawsuit against Nevsun in the Supreme Court of British Columbia on November 20, alleging forced labour. According to the report, a Human Rights Council inquiry commission heard one of the witnesses testify that after being raped and tortured by Eritrean military personnel, she was asked where she worked. When she showed her 'Nevsun' company identification card, they released her and apologised, saying it was a mistake. Nevsun is implementing the recommendations of an independent human rights impact assessment it commissioned in 2013 and published in April last year at Bisha.

North American Nickel negotiating port deal in Greenland

Greenland-focused explorer North American Nickel (NAN) is in negotiations with a subsidiary of Swedish Iron producer LKAB Minerals to acquire the strategically important Seqi port, on the south-west coast of Greenland, that will give it a strategic geographic advantage in the emerging mining region. As NAN works towards building a resource model at its flagship Maniitsoq nickel/copper/cobalt/platinum group metals project, in south-west Greenland, the port deal could place the company in a better position to negotiate additional land acquisitions in the area to leverage important synergies related to controlling such significant infrastructure in



the region. There are several other potential projects located along the west coast of Greenland that could one use of the port to export ores and concentrates. Other junior explorers are also active in the region such as Greenland Resources, Greenland Minerals & Energy and Hudson Resources.

Northern Dynasty wins small victory in suit challenging pre-emptive EPA enviro veto

The US federal court has ruled that the lawsuit in which Alaska-focused explorer Northern Dynasty Minerals alleges that the US Environmental Protection Agency (EPA) violated the Federal Advisory Committee Act (FACA) in advancing the EPA's Bristol Bay Watershed Assessment study and the subsequent pre-emptive veto process under Section 404(c) of the Clean Water Act (CWA), will move forward. Judge Russel Holland has rejected an EPA motion to dismiss the Pebble Partnership's FACA case.

Northern Dynasty's subsidiary, the Pebble Limited Partnership (PLP), last year filed the legal action arguing that without a permit application outlining plans to develop the Pebble polymetallic deposit in hand, the EPA's CWA Section 404 (c) regulatory process exceeded the federal agency's authority and violated federal laws. The PLP's complaint explained that, while the EPA had the authority under the CWA to veto Section 404 'dredge' or 'fill' permits issued by the US Army Corps of Engineers, if it determined that the permitted activity posed an unacceptable risk of adverse effects to aquatic resources, it had to do so based on an actual mine permit application specifying a specific disposal site and specific fill material. Judge Holland granted the EPA's motion to dismiss claims that the federal agency 'established' two of three advisory committees, but allowed the case to proceed regarding claims that the EPA 'utilised' these committees.

OceanaGold gains fourth New Zealand mine as Newmont formalises pact to sell

US gold producer Newmont Mining has formalised a \$106-million deal that has increased ASX- and TSX-listed OceanaGold's operating mines in New Zealand to four. The Waihi gold mine is about 150 km south-east of Auckland on the Oceania nation's North Island and will expand OceanaGold's

output by about 100 000 oz/y. Both companies' boards have accepted the deal, which, subject to satisfying conditions precedent and regulatory approval, is expected to close in the third quarter.

Orex Minerals and Agnico Eagle Mines close Swedish joint venture deal

Canadian exploration firm Orex Minerals has closed a joint venture deal with miner Agnico Eagle Mines to develop the Barsele gold project, in Sweden, which is billed as one of Scandinavia's best mineral projects. Agnico acquired a 55% interest in a corporate entity that owns the project for \$6-million, with a further \$2-million payable by Agnico Eagle in cash or shares at its discretion on each of the first and second anniversaries of the closing. As part of the transaction, Agnico Eagle committed to spend \$7-million on the project over three years and will earn a further 15% interest in the corporate entity if it completed a prefeasibility study. Under the terms of the transaction, Orex was also granted a 2% net smelter royalty on future output from the project. This could be repurchased by Agnico at any time for \$5-million. Agnico will also have a majority of board seats and will be the operator of the project for customary compensation.

Rockwell to focus on production profile as Saxendrift output decreases

As South Africa-focused Rockwell Diamonds' Saxendrift mine nears the end of its economic life, the miner will focus on rebuilding the production profile at its existing Middle Orange River (MOR) operations, redeploying assets to newly acquired operations and expediting work on development projects. Saxendrift volumes were up 11% year-on-year to 536 000 m³ in the three months to May 31, led by improved plant and mining fleet efficiencies, with carat production up 9% year-on-year. The company is planning for a reduced operation of 130 000 m³ a month for the remainder of the operation's mine life. Production volumes at Niewejaarskraal fell 72% year-on-year as the company suspended operations to review the geology and research opportunities to optimise the processing plant's performance. MOR carat sales were up 3% year-on-year to 3 068 ct, but MOR diamond sales, excluding beneficiation, were down 13% year-on-year to \$5.4-million owing largely to the mix of goods between the operations and the timing of sales. Total sales were down 24%



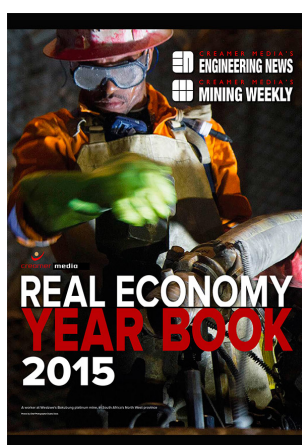
to \$6.7-million, owing to less goods from royalty contractor miners after the sale of the Tirisano operations.

True Gold's Karma project construction back on track

Project developer True Gold Mining, which is building the \$131.5-million Karma gold project, in Burkina Faso, has ramped up construction at the mine and is on schedule for first gold pour by March 2016. The Canada-based company restarted construction in May after temporarily suspending construction activities at Karma in January, after

several hundred members from two surrounding communities marched on the mine, threatened employees and damaged equipment. True Gold recently struck an accord with the Burkina Faso government and representatives of the community of Ramatoulaye in support of the mine. The company has also appointed David Laing as COO to oversee the technical completion of construction and the transition into production at the Karma project. Laing joined True Gold from base metals streaming company Quintana Resources, where he was COO and led the origination and executed stream financing transactions.

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