

Mining in British Columbia and Yukon and a Look at Vancouver: North America's Exploration Hub

TABLE OF CONTENTS

Introduction.....	p58
Exploration.....	p59
Production and Development.....	p64
Yukon.....	p68
First Nations.....	p71
Vancouver.....	p72

This report was researched and prepared by Global Business Reports (www.gbreports.com) for Engineering & Mining Journal.

Editorial researched and written by Laura Brangwin and Eduardo Arcos.

For more details, please contact info@gbreports.com.

Cover photo courtesy of Copper Mountain



Introduction

British Columbia and Yukon: Looking closer to home

Commodity boom and bust cycles over the past decade have made investors in the mining sector increasingly wary. Whereas as recently as 2011 majors and juniors would fearlessly embark on property acquisitions overseas – often overlooking geopolitical risks and long-term economic hurdles – they are now in the hunt for projects offering safety and certainty to their investments. It is under this paradigm change that British Columbia (B.C.) and Yukon have re-emerged as two of the world's most attractive mining jurisdictions. According to the annual survey of mining companies conducted by the Fraser Institute, B.C. and Yukon rank 27 and 15, respectively, among the world's most attractive mining jurisdictions for investments, beating world renowned mining destinations such as Colorado, California or South Africa.

British Columbia has no shortage of mineral wealth: it hosts vast gold and copper porphyry deposits, together with equally impressive coal, silver, nickel and molybdenum reserves. Moreover, this mountainous province offers a favorable legal framework, competitive and improving infrastructure, a highly skilled labor force, and a stable political and economic environment. These strengths are contributing to renewed interest in the province, as companies based in B.C. and the rest of Canada look back home for opportunities under new market conditions. Completion of long-awaited infrastructure projects during the downturn years has also contributed to an uptick in exploration activity in the province, mainly the

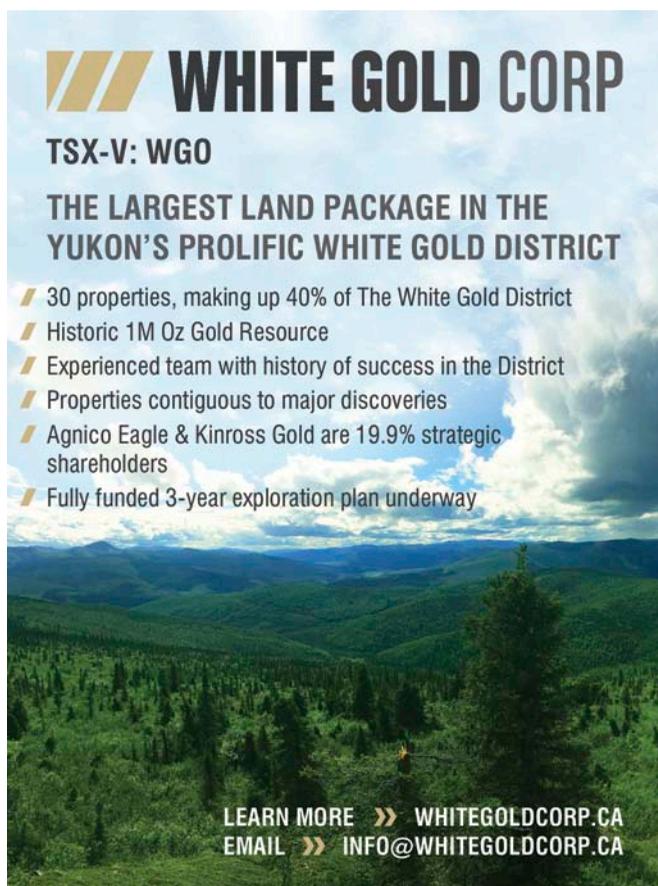
Northwest Transmission Line and the Iskut extension, which has resulted in major developments in the so-called Golden Triangle of northwestern B.C., boosting competitiveness and reducing operational costs. Exploration is not confined to the Golden Triangle. In the Highland Valley area, home of the great copper porphyry deposits that B.C. is traditionally known for, several noteworthy projects are gaining traction. Huge exploration potential lies in the province: only 0.05% of land in B.C., a province with a land area of roughly 1 million km², is used for mining purposes, evidencing the immense potential for the industry.

North of B.C. lies the vastly unexplored territory of Yukon, where innovation in exploration and drilling techniques has made mining activity increasingly feasible year-round. Moreover, Yukon possesses noteworthy competitive advantages. Land holding costs amount to only \$100 per claim annually, making the territory extremely appealing for project generators and prospectors. On the infrastructure front, both the federal and Yukon governments have placed emphasis on the construction of highways and roads across the territory, devoting roughly 27% of all infrastructure investments to these types of projects, thereby enhancing the territory's connectivity. These strengths have successfully lured majors into Yukon. Only over the past year, Vancouver-based giant Goldcorp acquired Kaminak Gold through a \$500 million transaction, Agnico Eagle and Kinross each acquired a strategic 19.9% share of White Gold Corp, the largest landholder in the prolific White Gold district with a management team including Yukon prospector legend Shawn Ryan, while Newmont and Barrick announced agreements to explore and develop major projects with Goldstrike Resources and Atac, respectively. This rush of majors has raised hopes for a new golden era of mining in this northern territory.

This report also looks into Vancouver, Western Canada's largest city, long hailed as the world's mineral exploration capital. At the peak of the commodity price boom, this urban area of roughly 2.5 million inhabitants housed more than 1,200 mineral exploration companies, with presence in over 100 countries. A lot has changed since then. As of late 2016, the number of juniors housed in Vancouver's skyscrapers has been reduced to roughly 800 and some of these so-called survivors are still struggling to operate under the 'new normal' market conditions. Despite this protracted bearish market, Canadian companies remain the global leaders in mineral exploration expenditures and Vancouver is home to the world's largest cluster of exploration companies, with projects ranging from graphite in neighboring Alaska to major gold deposits in the remoteness of the Malian desert.

British Columbia: Renewed exploration activity and mining excellence

Over the past three years, attention has largely centered on the struggles of British Columbia's mineral exploration sector, as the number of juniors established in the province has decreased by roughly 30%, thereby reflecting the state of the global mining industry during this time period. Nonetheless, exploration projects in B.C. have silently moved forward and are increasingly garnering attention from investors both local and overseas, drawn by the advantageous conditions that this jurisdiction offers.



WHITE GOLD CORP
TSX-V: WGO

THE LARGEST LAND PACKAGE IN THE YUKON'S PROLIFIC WHITE GOLD DISTRICT

- /// 30 properties, making up 40% of The White Gold District
- /// Historic 1M Oz Gold Resource
- /// Experienced team with history of success in the District
- /// Properties contiguous to major discoveries
- /// Agnico Eagle & Kinross Gold are 19.9% strategic shareholders
- /// Fully funded 3-year exploration plan underway

LEARN MORE >> WHITEGOLDCORP.CA
EMAIL >> INFO@WHITEGOLDCORP.CA

Exploration

The start of a busy season



Camp at Skeena Resources' Spectrum GJ property located in British Columbia's Golden Triangle. Photo Courtesy of Skeena Resources.

After leaving behind what was a harsh winter in British Columbia, the industry is preparing for what promises to be the busiest drilling season over the past four years. It is no news that exploration activity has seen brighter days, but improving financing conditions, major infrastructure developments, and government incentives have helped juniors and producers push their exploration programs forward.

Market developments over the past 12 months and forecasts for the upcoming year have also helped buoy investors' sentiment. Copper, which accounts for roughly 8% of B.C.'s exports, has ex-

perienced a surge of over 30% in its price since hitting an all-time low of \$1.94/lb in January 2016. Analysts expect copper prices to continue to strengthen throughout 2017 and are even more bullish in the long run, as global demand for electric vehicles accelerates, together with China and India's middle class expansion. Gains in gold prices, currently hovering above the \$1,200 mark, have also attracted exploration dollars to B.C.'s prolific northwest, a region of striking beauty and immense gold reserves. Following four years of steep declines, coking coal prices have rebounded since 2016,

COMMANDER RESOURCES LTD.
TSX.V: CMD

CANADA FOCUSED PROJECT GENERATOR

Properties Available for Option
Extensive Royalty and Investment Portfolio

info@commanderresources.com
www.commanderresources.com

SKEENA RESOURCES LTD.

**REDISCOVERING LOST TREASURE
IN THE GOLDEN TRIANGLE OF
BRITISH COLUMBIA**

Tel: +1 604 684 8725 Email: info@skeenaresources.com
Web: skeenaresources.com

TSX.V: SKE

MINING IN BRITISH COLUMBIA AND YUKON

reaching levels last seen in 2012 amid supply concerns from Australia and policy changes from the Chinese government. Even more encouraging is the performance of zinc. Following a gain of 60% in 2016, this commodity has continued its honeymoon with the markets, buoyed by limited supply and higher global demand. These developments have raised the economic feasibility of projects in B.C. From copper porphyry environments to high-grade gold deposits, exploration activity is heating up in this jurisdiction, raising expectations for the new discoveries that the industry desperately needs.

The 2015 completion of the Northwest Transmission Line, a 229 KW project extending 344 km from the Skeena substation near Terrace to a new installation at Bob Quinn Lake, has boosted prospects for the wider northwestern region of B.C., an area that is known for housing some of the province's most important mines, mainly the Premier Gold mine, Snip and Eskay Creek mines. A spur line, the Iskut extension was completed in 2015, extending further north to the Tatogga Lake Substation. Together, these projects represented an investment of over CAD\$900 million and are expected to attract industrial development to this previously remote area, particularly from the mining sector.

Government incentives, namely the mining flow-through share tax credit, which allows individual investors to claim an income tax credit of up to 20% when buying shares in mining exploration companies in B.C., has also been largely beneficial for juniors and has helped sustain exploration activities during the downturn



Geophysical survey. Photo courtesy of Commander Resources.

The so-called Golden Triangle in northwestern B.C. will host the most extensive drilling programs in the province. Over the past decade, this region has attracted the bulk of exploration investments and has seen major projects move forward, such as IDM's Red Mountain, Pretivm's Brucejack and Seabridge's KSM.

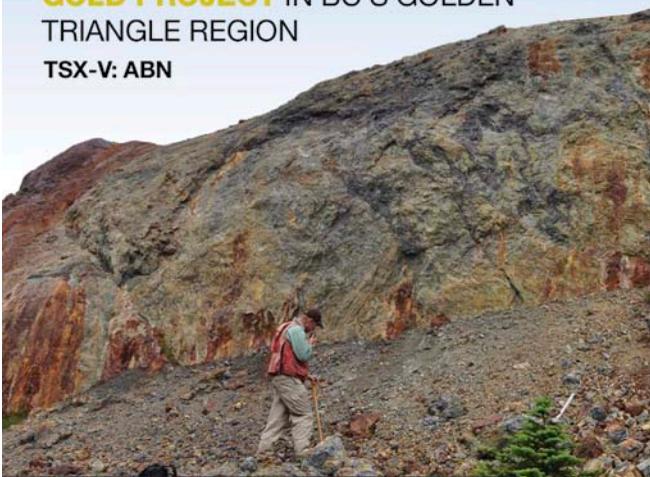
Ascot Resources' plans for this season include 120,000 meters of surface drilling to establish an initial 2 to 3 million oz. high-grade gold resource at its Premier/Dilworth property. An additional 20,000 meters of underground drilling will explore grassroots targets in the northern portions of the property. Ascot's program will be one of the most extensive in the province this year, with the company eyeing an eventual 10 to 20 million oz. gold resource. The property's privileged location, together with significant resource potential and the company's advantageous assets, led to a \$20 million investment from Eric Sprott last year. This investment altered



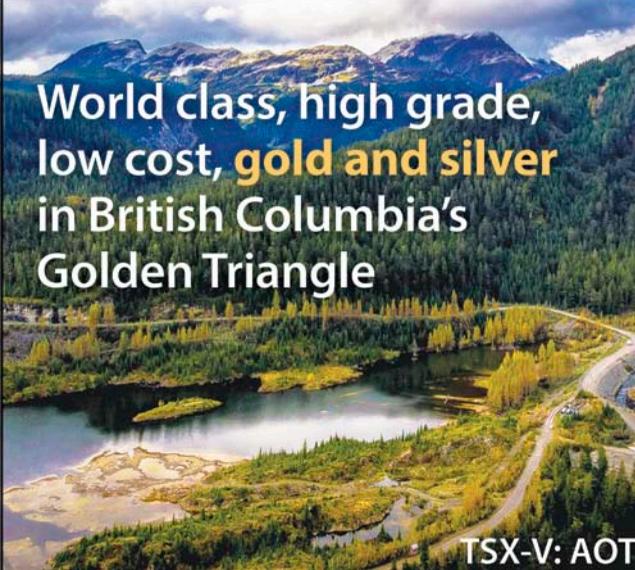
Aben
RESOURCES LTD.

DEVELOPING THE FORREST KERR
GOLD PROJECT IN BC'S GOLDEN
TRIANGLE REGION

TSX-V: ABN



Aben Resources Ltd.
Suite 1610 - 777 Dunsmuir Street, Vancouver, BC, Canada V7Y 1K4
Tel: 1 (604) 687-3376 Toll Free: 1-800-567-8181 Fax: 1 (604) 687-3119
Email: info@abenresources.com Website: abenresources.com
For investor questions please contact: Don Myers, Corporate Communications



**World class, high grade,
low cost, gold and silver
in British Columbia's
Golden Triangle**

TSX-V: AOT



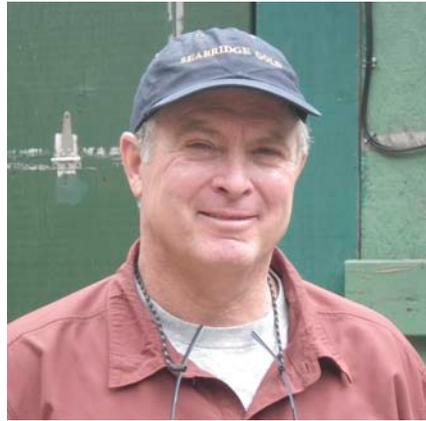
ASCOT
RESOURCES

1550 - 505 Burrard Street
Vancouver, BC V7X 1M5
T. 778-725-1060
F. 778-725-1070
contact: Lisa Chapman at
lchapman@ascotgold.com
www.ascotgold.com

MINING IN BRITISH COLUMBIA AND YUKON



Robert Evans, CFO and director, Ascot Resources.



Rudi Fronk, chairman and CEO, Seabridge Gold.

Ascot's plans at Premier/Dilworth and showcases the region's attractiveness for investors. "Before the Sprott investment, our only realistic way forward was to define a reserve on a small portion of the property, go into production on that and use the resulting revenue to explore the rest of the property. Now, we have the luxury of being able to keep exploring first, which is less dilutive and our preferred route...we think that with the underground drill program we can come up with a near term high-grade underground operation. This will be our focus for 2017," declared Robert Evans, CFO and director at Ascot Resources.

Nearby, positive results continue for Seabridge at its KSM project. With reserves reaching almost 39 million oz. of gold and just over 10 billion metric tons (mt) of copper, Seabridge is now looking to expand its Iron Cap zone at KSM, already the world's largest undeveloped gold project. Results at Iron Cap from 2016 yielded

a gold grade of 60% higher than the existing gold reserve grade and a copper grade 20% higher than the current copper reserve grade. New discoveries this season will continue to add value to Seabridge's shareholders, an important focus for the company throughout the development of KSM. "Our strategy is designed to provide maximum leverage to the gold price. We do that through the concept of increasing our gold resource ounces on a per share basis. If we raise funds for drilling or acquisitions, we expect to offset the equity dilution with accretion to ounces. We have been successful on this objective for almost 18 consecutive years," stated Rudi Fronk, chairman and CEO at Seabridge.

Earlier stage projects will also enjoy a busy season. OK2 is expected to complete approximately 3,500 meters of RC drilling and perform preliminary diamond drilling of up to 2,000 meters on the West Zone of its Pyramid property, located north of the Golden Triangle region. The company has already spent roughly \$4 million in exploration work, using the most successful techniques for porphyry exploration in the Quesnelia Terrane, where the province's largest copper-gold porphyry deposits are located. OK2 will also conduct a detailed evaluation of its Kinskuch property, consolidated in October 2016. On taking the project forward, James Currie, president and COO commented: "Small work programs were done at Pyramid every year starting from 2013, but because of adverse mining conditions, most of the funding came from the officers and directors of the company, as well as friends and family. Every work program has resulted in the discovery of new mineralization and we now realize

PACIFIC EMPIRE
A PROSPECT GENERATOR COMPANY FOCUSED
ON THE DISCOVERY OF GOLD-RICH COPPER
DEPOSITS IN BRITISH COLUMBIA

The company's strong portfolio of assets is a result of continuous generative work conducted since the company's inception in 2012. By integrating the project generator business model with low-cost Reverse Circulation drilling, the company is able to leverage its portfolio by identifying, and focusing on, the highest quality projects for partnerships and advancement.

CONTACT: BRAD PETERS
+1 (604) 356-6246 brad@pemcorp.ca www.pemcorp.ca

OK2
MINERALS

EXPLORING THE GOLDEN TRIANGLE

Two copper gold porphyry projects in B.C.'s world class Golden Triangle

Highly experienced management team with a proven track record

Experienced mine finders and mine builders

TSX-V: OK
www.ok2minerals.com

**MINING IN BRITISH COLUMBIA
AND YUKON**

that Pyramid is a large copper-gold porphyry system.”

Likewise, Aben Resources expects a busy drilling season at its Forrest Kerr property. Previous exploration work at the property had focused on finding a VMS style of deposit but the region has opened up to structurally controlled hydrothermal high-grade quartz systems, following Pretivm’s success at Brucejack. Over 100 holes have been drilled in the three properties that now make up Forrest Kerr. Aben has already assembled this information into a single data compilation study and this year’s drilling program intends to concentrate on three areas to confirm results from previous work, which includes a historic hole that intercepted 22.4 g/mt gold over 11 meters in the northern area of the property. Jim Pettit, president and CEO at Aben, highlighted the importance of previous work performed in properties across B.C., as well as the advantages of operating in the province: “[B.C.] offers stability, which is a key point, together with the geography. Another advantage is the quality of the people that you find. If you are going to perform exploration work, you definitely want to find projects that have a history and lots of data, which you can remodel and use for future work. It is important to have projects with



James Currie, president and COO, OK2 Minerals.

background, as pure grassroots projects are tough to sell unless there is a very strong market sentiment.

The importance of historical data, readily available and integrated by the British Columbia Geological Survey, remains a major advantage for juniors and prospect generators in the province at a time when data is increasingly considered as an asset of utmost importance for decision making prior to acquisitions and investment decisions. In this regard, Robert Cameron, president and CEO of Commander Resources noted: “Our business model is particularly effective in British Columbia because the government



Jim Pettit, president and CEO, Aben Resources.

has datasets available that we leverage to find new projects, which is lacking in most jurisdictions...the provincial government is also very supportive through providing mining infrastructure and developing new geoscience databases.”

Commander Resources has four mineral assets in B.C., of which the October Dome gold skarn property is the most advanced. Furthermore, the company’s most advanced royalty is the Boundary Zone of its Mount Polley project, currently held by Imperial Metals. Commander owns 90% of that royalty, although production is not scheduled until 2026.

Following the downturn in the industry, prospectors and developers are looking at innovative ways to add value to their project portfolio in order to attract investors and secure partnerships. Pacific Empire Minerals has successfully done so by acquiring its own RC drill and adding value to its properties in the form of drill data. “We are always looking for partnership opportunities but one of the challenges for prospect generators is deal flow and deal terms. Because of current market conditions, it can be challenging to secure partnerships, but we believe that by adding significant value to certain assets we will be able to achieve favorable terms with multiple partners. To accomplish this, we intend to add value in the form of drill data. For this, we purchased an RC drill. We believe that during 2017 we will be able to identify our best targets for partner-funded advancement in 2018,” declared Brad Peters, president at Pacific Empire Minerals.

Although the Golden Triangle area is still dominated by juniors, majors are starting to become more active in the region, either by new partnerships or existing royalties. Barrick Gold has worked with Skeena resources since the latter acquired the Snip gold project in March 2016. In this regard, Walter Coles, president and CEO at Skeena, commented:



**EXPLORING BRITISH COLUMBIA WITH
INNOVATIVE PARTNERSHIPS AND CREATIVE IDEAS**

EXPLORATION PARTNERSHIPS

Ermitaño • Cumobabi • Ball Creek

SEEKING PARTNERS

Llano del Nogal • Cerro Cascaron • Axe

EVRIM RESOURCES CORP.

910-850 West Hastings Street, Vancouver, BC, Canada V6C 1E1

T: (604)248-8648 info@evrimresources.com www.evrimresources.com TSX.V:EVM

MINING IN BRITISH COLUMBIA AND YUKON



Walter Coles, president and CEO, Skeena Resources.



Paddy Nicol, president and CEO, Evrim Resources.

"Barrick Gold inherited the asset when they acquired Homestake Mining Company in 2001...[Barrick] is not interested in a mine that might only produce 100,000 to 150,000 ounces per year, but they will get royalty payments if we go into production. Also, if we make a new discovery over 2 million oz., Barrick has the ability to buy back 51% of the company at three times our cumulative expense. The deal was structured as a win-win for both companies."

Skeena Resources envisages a drilling program of 15,000 meters of surface and underground drilling at Snip this year, which should lead to an initial 43-101 resources estimate in late 2017.

Another major development in this regard is Antofagasta's entry to the region. The London-based major has signed a joint venture with Evrim Resources to develop the Ball Creek property, located just 60 km. southwest of Imperial Metals' Red Chris mine. Elaborating on the terms of the deal, Paddy Nicol, president and CEO at Evrim

noted: "The terms of the joint venture deal with Antofagasta are mutually beneficial. They are receiving 500 sq. km. of prospective ground in the Golden Triangle. It is a 13-year deal and if Antofagasta goes to the end of that term, there is an average of \$3 million in expenditures each year. They will earn up to 70% over that time and Evrim will be the operator of the project for the first five years. The deal really shows that major joint venture partners can be brought into the region, as they are the first major company to enter in the past decade."

Fortunately, exploration activity is far from confined to the Golden Triangle, as companies look at projects throughout the

province benefitting from existing infrastructure, closeness to operating sites and vast potential. These characteristics can be found at ML Gold's Pinnacle Reef property. The company signed an option agreement with Pacific Empire Minerals to perform exploration work on the property, previously known as Later. Since then, ML Gold has performed an IP survey in the property, yielding a perfect donut-shape anomaly, typically associated with large porphyry systems. "The property contains a 7 x 6 km IP chargeability anomalous area, with an alkali gold-rich copper porphyry target, similar to the discoveries that led to Red Chris and Mount Milligan. We have identified the structure at the center of the pyrite halo system of 2 km wide, which will be the primary target for exploration. We are fully funded to perform our drilling program this summer, which consists of four 700 meter NQ core holes," stated Andrew Bowering, chairman and director at ML Gold Corp.



Drill equipment recently completed for Pacific Empire. Photo courtesy of Pacific Empire.



ML GOLD
Corporation

EXPLORATION. OPPORTUNITY. DISCOVERY.





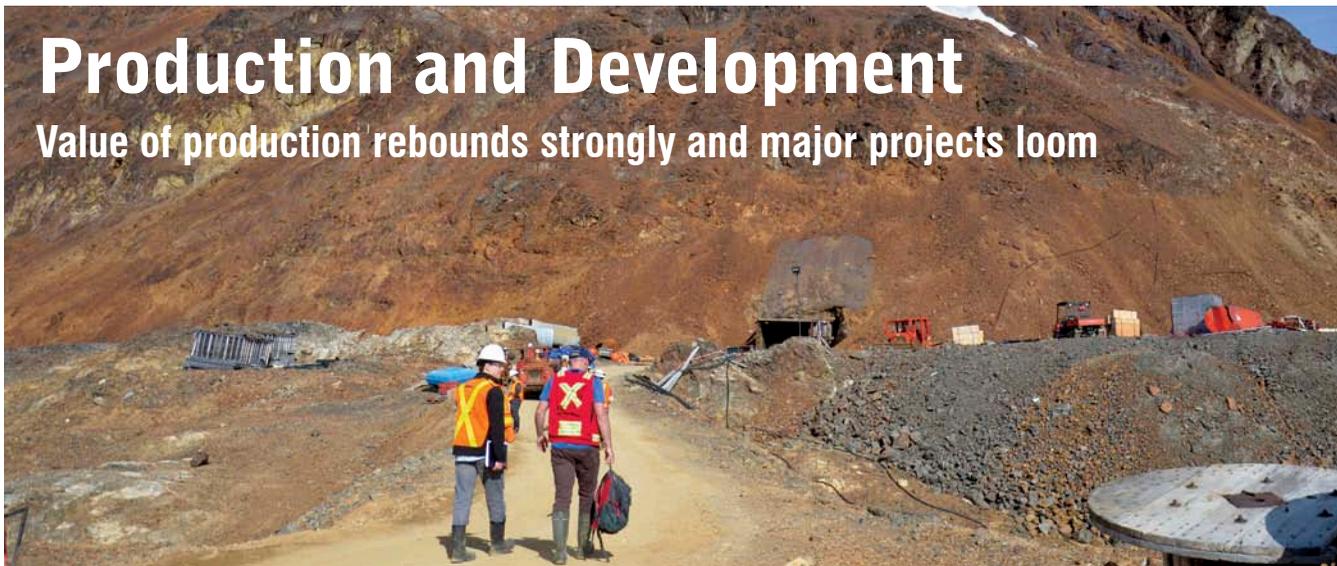


ML Gold is currently exploring Pinnacle Reef property in British Columbia, Canada, and its newly acquired Palmetto gold project in Nevada, USA.

www.mlgoldcorp.com **TSX-V:MLG**

Production and Development

Value of production rebounds strongly and major projects loom



Portal to Red Mountain's underground gold deposit. Photo courtesy of IDM Mining.

In line with surging exploration activity, production figures for British Columbia have experienced an important uptick over the last year. The British Columbia Ministry of Energy and Mines estimates the total value of mine production for 2016 at CAD\$7.1 billion, representing a 21% increase year-on-year and the province's highest annual figure since 2012. This uptick in the value of mineral

production contributes to the positive turnaround in business sentiment as majors are beginning to reap the benefits of higher commodities prices. B.C.'s main commodities, coal and copper, comprised 46% and 31% respectively of the province's total mining output. Meanwhile, gold has gained ground and now represents 10% of B.C.'s mining output by value, up from 7% two years prior.

Likewise, exports of metallic mineral products from British Columbia increased by 9% during 2016, reaching CAD\$4.8 billion and representing over 12% of the province's total exports. Additionally, coal exports posted strong growth of 33%, reaching CAD\$4.2 billion and representing almost 11% of B.C.'s total exports, mainly driven by strong demand from Asia. In fact,

COPPER MOUNTAIN
MINING CORPORATION
www.cumtn.com TSX:CMMC

A CANADIAN COPPER/GOLD PRODUCER

Copper Mountain's flagship asset is Copper Mountain Mine, a long life, large-scale, open pit copper/gold operation. The mine is located just 300 km from the port of Vancouver, in the mining-friendly jurisdiction of British Columbia, Canada. The mine has achieved continuous efficiencies with increased productivity and reduced costs and now focuses on accretive growth.





Jim O'Rourke, director and CEO, Copper Mountain.

roughly 60% of British Columbia's metallic minerals and coal exports were shipped to destinations across the Pacific in 2016.

A turnaround in fortunes

Overall, eight metal mines and seven coal mines are currently in production in British Columbia. Of these, one metal mine and five coal mines are operated by the Vancouver-based giant Teck Resources. Teck's Highland Valley Copper mine, the largest open-pit copper mine in Canada, has produced in excess of 120,000 mt/y of copper since 2014. The company announced in late 2016 that its wholly owned subsidiary, Teck Highland Valley Copper Partnership, had entered an exploration and material purchase agreement with junior company Nicola Mining at the latter's nearby Thule Copper property. In the coal-rich southeastern British Columbia Teck operates the Coal Mountain, Elkview, Fording River, Greenhills and Line Creek coal mines.

Substantial coal potential also lies in northeast British Columbia, a region that boasts competitive infrastructure vital for coal producing areas such as major railway links. In line with industry trends, asset consolidation in the region is expected, with majors looking to increase supply as markets continue to pick up.

Teck has greatly benefitted from a marked surge in the price of steelmaking coal during 2016, which rose from below \$80/mt to above \$300/mt in November last year. Since then, however, prices have dropped and have fluctuated between \$150 and \$200 during 2017. Teck was the best performing stock in the Toronto Stock Exchange in 2016 and the company announced that the annual profit attributable to shareholders for 2016 had reached \$1.1 billion, up from \$188 million in 2015.

Teck has not been the only company benefitting from a major shift in fortunes over the past year. At Copper Mountain

Mining Corp., an average production of 41,200 mt/day was achieved during the last quarter of 2016, while its benchmark capacity was 35,000 mt/day. Moreover, the company was cash flow positive during the past year and was able to pay \$35 million towards debt. The company implemented several technological changes in the utilization of trucks and modified its pit design to utilize short hauls to increase productivity. These developments led to the reduction of operational costs to \$1.25 per mt. Moreover, Copper Mountain also has noteworthy exploration potential at its site, having replaced everything it has mined in reserves already. Speaking about the company's production deal with Mitsubishi Metals and the advantages of operating in Canada given the current exchange rate versus the U.S. dollar, Jim O'Rourke, director and CEO at Copper Mountain, noted: "We have a very good relationship with Mitsubishi. Our life of mine concentrate is shipped to their smelters and, through our agreement, we are paid LME prices and get benchmark TC/RC rates...We went out of our way to make sure that we were buying as much as we could with Canadian dollars and this worked out really well. Roughly 80% of our cost base is in Canadian dollars, including wages and power."

Bright prospects as major projects loom

Additional operating metal mines in British Columbia include Centerra Gold's Mount Milligan, Taseko's Gibraltar mine, New Gold's New Afton and Imperial Metals' Red Chris, Huckleberry and Mount Polley mines. Aside from Teck, Conuma Coal and Hillsborough Resources also operate coal mines in the province.

Furthermore, major projects in different stages of development have contributed to the buzz in the sector. The first is Pretivm's Brucejack, a high-grade (16 g/mt gold) underground mine, with proven and probable mineral reserves at its Valley of Kings deposit of 8.1 million oz. gold and an estimated mine life of over 18 years. Pretivm's success in developing the Brucejack mine has encouraged companies looking to advance B.C.'s next breakthrough project and the mine is expected to commence production this year.

Another widely followed success story comes from Seabridge Gold, with its KSM project receiving approval from provincial and federal authorities. KSM has an expected mine life of 51 years and capital costs are estimated at US\$5.5 billion.

Like Pretivm and Seabridge, IDM Mining is currently developing its flagship Red Mountain project in the Golden Triangle. The



OPERATIONAL CASH FLOW WITH SIGNIFICANT EXPLORATION UPSIDE



Nicola Mining Inc. is a public resource mining company with a successful management team experienced in consolidating and unlocking asset value of high-potential assets:

Merritt Mill Tailings Facility & Mineral Claims

Thule Copper Property

Treasure Mountain Property

TSX-V:NIM

info@nicolamining.com nicolamining.com

MINING IN BRITISH COLUMBIA AND YUKON

company has capitalized on existing infrastructure and work performed in the property and is eyeing a 1,000 mt/d operation with production of 80,000 oz/y gold. Red Mountain's proximity to the town of Stewart makes transportation and operational costs more competitive, adding to the already economic viability of the project. Additionally, the company has enjoyed constructive relations with the local Nisga'a First Nation thereby facilitating the development process. IDM is expected to announce a construction decision in the last quarter of 2017 at the earliest. Reflecting on the company's developments in 2016, Robert McLeod, president and CEO at IDM, declared: "2016 was a transformative year for the company. We raised US\$20 million... Raising money for this project has not been easy because of the conditions of the markets but there is significant interest from our shareholders, particularly as these projects in Canada are rare. There is tremendous exploration potential as well, which we will continue to perform."

Over the coming year, more mines are projected to come out of care and maintenance as commodity prices increase and their gains appear more sustainable. It is important to note that the B.C. government, together with the Mining Association of British Columbia, scaled up efforts during the



Robert McLeod, president and CEO, IDM Mining.

mining downturn to prevent more mines going into care and maintenance by enacting a five-year deferral program for power costs at mine sites, an extremely welcome development for the industry and communities heavily reliant on mining activity throughout the province. Moreover, the financing community has noted a turnaround in investments as Jason Neal, global co-head of mining and metals group at BMO Capital Markets notes: "Thus far in 2017, companies are focusing less on balance sheets and more on income statements and growing their businesses...we also anticipate more IPOs over the next two years."

Nicola Mining is a company well placed to profit from further mines going into production as it possesses a newly built mill among its assets, as well as mine and milling permits. Together, these have the potential of serving as a consolidator for small gold and silver mine projects elsewhere in the province, as an amendment to the mill permit allows the company to receive material from any point in B.C. Peter Espig, CEO at Nicola Mining declared: "We are the only milling facility in British Columbia that owns its land freehold. Aside from owning the approximate 900 acres of industrial zoned land, permitting was expedited because the entire site is brownfield. These factors were instrumental in expediting the amendment to our M-68 mine permit. Environmental impact studies can cost millions of dollars and they often dissuade investors because there is no guarantee of getting a permit. Indeed, since then we have been able to secure multiple milling and mining partnerships with high-grade properties."

A similar approach has been adopted by Avino Silver and Gold Mines, a company with over four decades of experience in British Columbia. Avino holds the Bralorne property in southwestern B.C., where it has raised and fortified the existing tailings dam and installed a microfiltration water treat-

RED MOUNTAIN UNDERGROUND GOLD PROJECT

THE RIGHT GOLD PROJECT IN A PROLIFIC MINING DISTRICT

SHORT TIMELINE TO PRODUCTION

FEASIBILITY STUDY (FS) TO BE DELIVERED IN Q2 2017

PROJECT PERMITTING WELL ADVANCED

AVERAGE M&I GRADE **8.7 G/T AU**; AVERAGE THICKNESS **16M**

SIGNIFICANT EXPLORATION UPSIDE

STRONG MANAGEMENT AND TECHNICAL TEAM



ALEX HORSLEY
Corporate Communication/IR
p: 604.773.7269
c: 604.618.3058
e: ah@idmining.com
TSX-V: IDM
OTCQB: IDMMF

ment plant as part of the environmental assessment process. The company has further properties in the region with the aim to consolidate assets. "We have other properties in that area as there were all kinds of little mines. We think there is still opportunity to find mill feed that would be processed at the centralized mill in Bralorne...Of course, there are risks but we are mitigating them by spreading out costs, which is an approach we took in Mexico and worked successfully," declared David Wolfen, president and CEO at Avino.

Throughout the downturn, equipment and services providers have remained innovative to provide the adequate solutions for the sector, in order help clients mitigate risks and reduce operational costs through client-focused solutions. Besides innovations on modularity and commonality of parts to improve technical service and support, equipment provider RMS-Ross has focused on providing tailored-made recovery systems. "It is important to ensure that our customer's expectations are in line with ours, so the equipment that we provide is used in the best manner and that the recovery system is designed around properly conceived mineralogical test work. The main goal is to help customers advance their projects in the most efficient and effective



DEROCKER, washed oversize rock exiting articulating deck 2. Photo courtesy of RMS-Ross.

manner possible for their success," stated Scott Plummer, president at RMS-Ross.

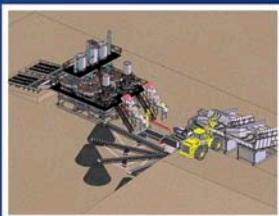
With outstanding natural beauty and a long tradition of environmental activism, British Columbia has placed special emphasis on environmental regulations, particularly after the 2014 Mount Polley tailings dam disaster. In this regard, environmental services providers are helping clients in the sector to mitigate risks from every stage of the mining life cycle, helping them understand and comply with stricter government

regulations. "The Mount Polley breach certainly put a spotlight on dams and the potential impacts of dam failures... In British Columbia, the government has made risk analyses of dams a top priority and expects the engineering and operations aspects of tailings facilities to be well understood... The government wants to understand the risks associated with dams in earlier stages of a project than they did ten years ago," explained Marc Wen, senior partner at Environmental Resources Management (ERM).

RMS-ROSS CORPORATION



Designer, manufacturer and distributor of an extensive range of quality mining equipment and systems.



44325 Yale Road West, Chilliwack, BC Canada V2R 4H2
+1 (604) 792 5911 info@rmsross.com www.rmsross.com

TSX.V, NYSE/MKT – Symbol ASM
avino.com



SILVER & GOLD MINES LTD

Resilience. Innovation. Enterprise.
A Proven Model for Growth

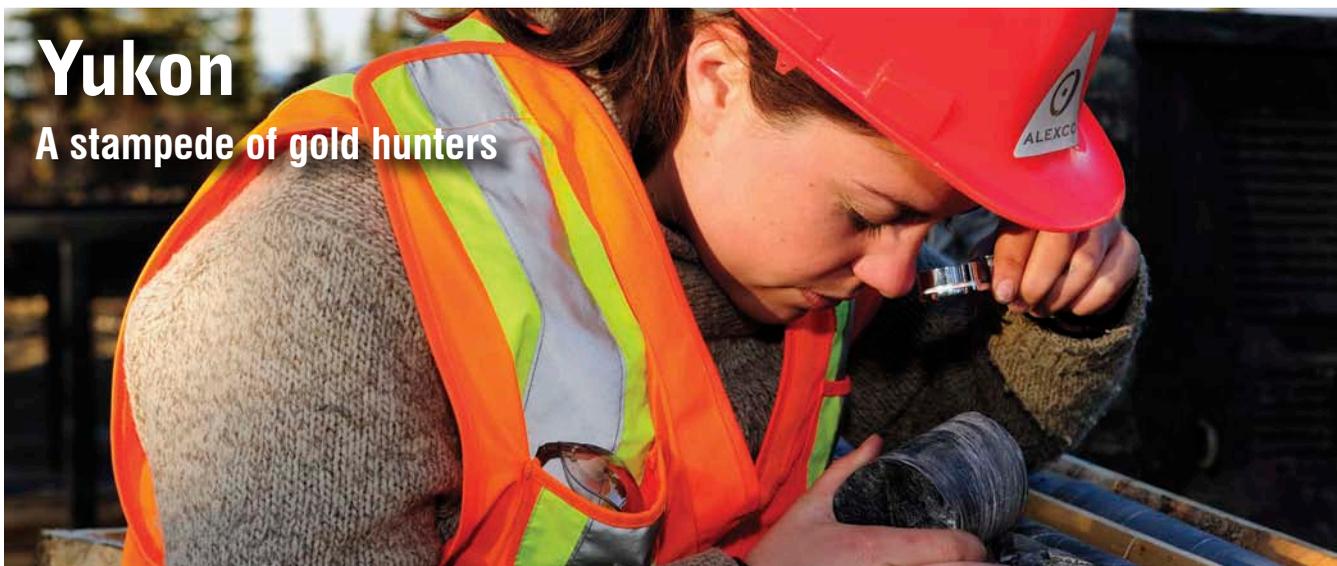
Expanding and modernizing the Bralorne Mine, historically one of British Columbia's richest gold operations.

Avino is a successful miner operating in Mexico and Canada.

2016 Net Income \$0.05 per share.

Yukon

A stampede of gold hunters



Keno Hill Silver District. Photo courtesy of Alexco

For decades, Yukon has failed to live up to its mining potential. This territory, roughly as large as Spain, currently hosts only one major operating mine - Capstone's Minto copper mine. Despite its widely acknowledged mineral wealth, companies have been reluctant to invest heavily in Yukon as they focused on overseas acquisitions during the boom years and cited high op-

erational costs in this territory during the downturn.

However, recent developments suggest that a paradigm change is in the works. Vancouver-based giant Goldcorp acquired Kaminak Gold in July 2016. Its Coffee Gold project is a high-grade, heap leach project and Goldcorp is currently in the process of reviewing and optimizing Kaminak's

feasibility study along with developing infrastructure. Another major with an established presence in Yukon is Kinross Gold, which together with Agnico Eagle acquired a strategic share of 19.9% of White Gold Corp, which owns roughly 40% of the prolific White Gold district, with an estimated 1 million oz. in gold reserves. More recently, Newmont announced an agreement to spend \$53 million to explore and develop Goldstrike Resources' Plateau property, while Barrick announced an agreement with Atac resources to acquire up to 70% of its Orion project. This stampede of investments has raised prospects for the mining industry in Yukon, which may ultimately deliver the economic opportunities and development that the territory needs.

The White Gold District, located south of the historic mining town of Dawson, has experienced notable interest from prospectors and majors alike. Therefore, it was no surprise when Agnico Eagle and Kinross decided to take a stake in White Gold Corp., a newly created company with a talented exploration team led by the renowned prospector Shawn Ryan, credited for the discovery of Golden Saddle. White Gold Corp. holds the largest land package in the district and has ambitious plans for the future: "The company has 21 projects and our budget allows us to identify targets in all of them. We have a budget of \$15 million to drill 200 holes a year over the next three years. We plan to re-evaluate the entire district and not to focus on one specific property. If we find something substantial we will return with a new program on that property. The business plan of systematically evaluating every project is what attracted Agnico

Victoria
GOLD CORP

TSX-V: VIT

BUILDING CANADA'S
NEXT GOLD MINE
EAGLE GOLD

FULLY PERMITTED
200,000
oz Au/year
FIRST Au POUR 2018

vitgoldcorp.com

Eagle. There should be at least one deposit but there is a high probability of two or three deposits, based on our research,” stated Shawn Ryan, chief technical advisor at White Gold Corp.

Victoria Gold will devote further exploration funds at Olive-Shamrock, while simultaneously preparing for construction at its Eagle Gold project. “We acquired the Dublin Gulch property in 2009 and since then, have devoted most of our efforts on developing Eagle. Only in the last couple of years we have looked at the wider regional potential. We have now identified through geochemistry and geophysics about 15 km of mineralized trend with numerous targets. Two years ago we focused on an area called Olive-Shamrock, which now has a reserve of which some is included in the feasibility study. This year we will spend a further \$6 million on exploration: \$3 million at Olive-Shamrock and an additional \$3 million doing preliminary exploration work at additional targets we have identified,” declared John McConnell, president and CEO at Victoria Gold.

Victoria has attracted interest from renowned investors the likes of Tom Kaplan’s Electrum Group and Sun Valley Gold, which together invested \$24 million in what will be Yukon’s next operating mine in 2018.

Alexco is another well-established player in Yukon that has had a very eventful year. In 2016, the company consolidated its silver resources in the Keno Silver District, having published updates to its resources to produce an updated preliminary economic assessment and mine plan. Among the highlights are eight years of mine life, averaging grades of 443 g/mt silver, which will be one of the best in class silver operations in the world, producing an average of 3.5 million oz. silver over that 8 year period. Speaking about the company’s prospects, Clynton Nauman, president and CEO at Alexco, noted: “ I like to think that Alexco is the leading candidate for exploration success in the Yukon. We are solid, systematic explorers and we have been rewarded with the discovery of the Flame and Moth and Bermingham deposits in the recent past. In fact, our exploration team has added about 23 million oz. to our indicated resource base at 800 g/mt silver in the last three years with discovery costs hovering around 50 to 55 cents per oz.”

Project generators are certain about Yukon’s golden future and have consolidated strong property portfolios during the downturn, foreseeing the arrival of majors and juniors over the coming years. Such is the case of Strategic Metals, a project generator company with one of the most diversified asset portfolios in this territory. “Strategic Metals has acquired over 100 projects in the Yukon as well as a few in British Columbia and the Northwest Territories. Our properties are particularly attractive because we own 100% of them and have no underlying NSRs. While we ultimately aim to sell our projects before the drilling phase, we do have the permit-



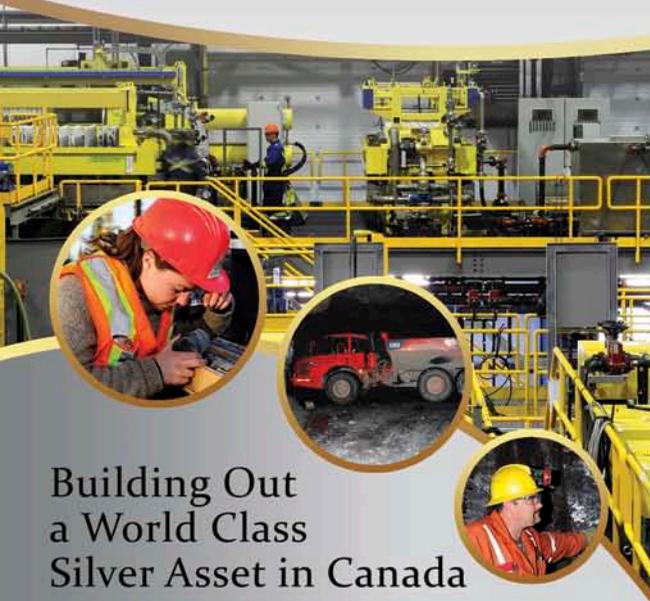
John McConnell, president and CEO, Victoria Gold.



Clynton Nauman, president and CEO, Alexco.



ALEXCO



Building Out a World Class Silver Asset in Canada

Alexco owns the Keno Hill Silver District in Canada’s Yukon Territory, historically one of the highest grade silver districts in the world, producing more than 200 million ounces of silver at an average grade of approximately 1,250 grams per tonne (“g/t”) silver. Alexco commenced commercial production in the Keno Hill Silver District in 2011, producing approximately two million ounces of silver and more than 20 million pounds of lead and zinc concentrate per year into 2013 when production was suspended in the face of collapsing silver and base metal prices. Since then, Alexco has made two significant exploration discoveries and renegotiated a number of third party agreements. The Flame & Moth and Bermingham deposit discoveries have added more than 20 million ounces of silver at an average grade of 800 g/t silver to Alexco’s indicated resource base in the district. These additions have led to a new and expanded multi-mine production plan reflecting significantly increased resources, a longer life and reduced all-in sustaining costs. In 2017 Alexco is focused on moving the district back to an operations start-up in the second half of 2018 by initially executing an advanced underground exploration program at its Bermingham deposit, followed by underground development of the Flame & Moth deposit along with recommissioning of all surface plant and infrastructure. In addition, in 2017 Alexco will continue with surface exploration programs in proximity to existing resources in anticipation of adding to a growing resource base.

Employing a unique business model, Alexco also provides mine-related environmental services, remediation technologies and reclamation and mine closure services to both government and industry clients through the Alexco Environmental Group, its wholly-owned environmental services division.

TSX: AXR
NYSE-MKT: AXU www.alexcoresource.com



Strategic
metals Ltd.

TSX-V:SMD



**Yukon's Project
Generator
Gold, Silver,
Copper, Zinc
and more**



**Get your drill
ready, fully
permitted project
from a team with
a track record of
discovery**



ting in place to drill up to 3,000 holes or 500,000 m if we see the value in taking our projects further than initially intended. The longer we stayed in the Yukon during the downturn, the more we saw favorable projects opening up. We have begun to feel an uptick in 2017 and we have had a lot of interest in our properties, but we are waiting for the upswing to mature to get more value. Once we make a sale, there will be a domino effect. Success breeds success," declared Douglas Eaton, president and CEO at Strategic Metals.

With attention shifting north, B.C.-based juniors are starting to re-assess opportunities and re-start projects in Yukon. A case in point is Aben Resources, a Vancouver-based junior eager to kick-start exploration

at its Justin property. "I was not planning to perform a lot of work on Justin but this has changed since there is renewed interest in Yukon and Justin is a great property. We drilled 12 holes and hit in 10 of them. We plan on doing geochemical and geophysics work and put it all together," declared Jim Pettit, president and CEO at Aben.

Yukon possesses noteworthy competitive advantages. First Nations disputes, a frequent source of concern for investors in neighboring British Columbia, are rare in Yukon. These strengths, together with high-grade gold deposits scattered over tens of thousands of square kilometers, will continue to play to Yukon's advantage opening a new chapter in the territory's history that should be closely followed.



Walking the GT Probe in White Gold District. Photo Courtesy of White Gold.

First Nations

A future of cooperation

Together, British Columbia and Yukon are home to 212 First Nations, jointly concentrating the greatest diversity of aboriginal cultures in Canada and representing roughly one-third of all First Nations in the country. This great diversity and heritage are a source of regional pride and showcase the cultural richness of these jurisdictions.

Given the region's long history of mining, relations between First Nations and the industry date a long way back with highs and lows over time. In British Columbia tensions between the mining sector and First Nations have been particularly scrutinized, often disregarding the progress in negotiations over time and the changing approach of companies toward First Nations groups. Efforts to ameliorate relationships have involved provincial and federal governments, namely the B.C. Treaty Process, with roughly 70% of First Nations engaged.

The governments of Canada and Yukon have settled 11 agreements, three of which are outstanding, with First Nations. Land claims in this territory provide First Nations with access, rights and obligations to land and resources, providing more certainty regarding land management and resource development. Although sources of tension with the mining industry have arisen in the past, disputes are rare, thereby facilitating the entry of companies to this territory.

Mining companies recognize the importance of engaging with First Nations and local communities and understand that cooperation is beneficial for everyone involved. In certain areas of British Columbia and Yukon labor shortages can cause delays in taking projects forward and therefore fos-

tering trained and skilled labor becomes of utmost importance. Speaking about this, David Wolfin, president and CEO at Avino Silver and Gold Mines, said: "To address the labor shortage, over the last two years, we have focused our attention on education and training. In conjunction with North Island College, Sandvik, and with funding coming from the provincial and federal government, we have successfully held two underground mining training courses for members of the local First Nations communities. Thus far we have had 22 graduates complete the program and we have begun hiring them at the mine."

With mining companies becoming increasingly aware of the importance of engagement with First Nations from the early stages of a project, EPCMs and consulting companies rank First Nations relations as one of their main competitive advantages. "ERM is seeing greater demand for services with social components. With projects becoming more complex, their social dynamics are more important than ever, particularly when it comes to stakeholder and indigenous interests. Industries understand better today that having early dialogue with First Nations and other local communities can positively impact their relationships and benefit their projects down the road," declared Marc Wen, senior partner at ERM.

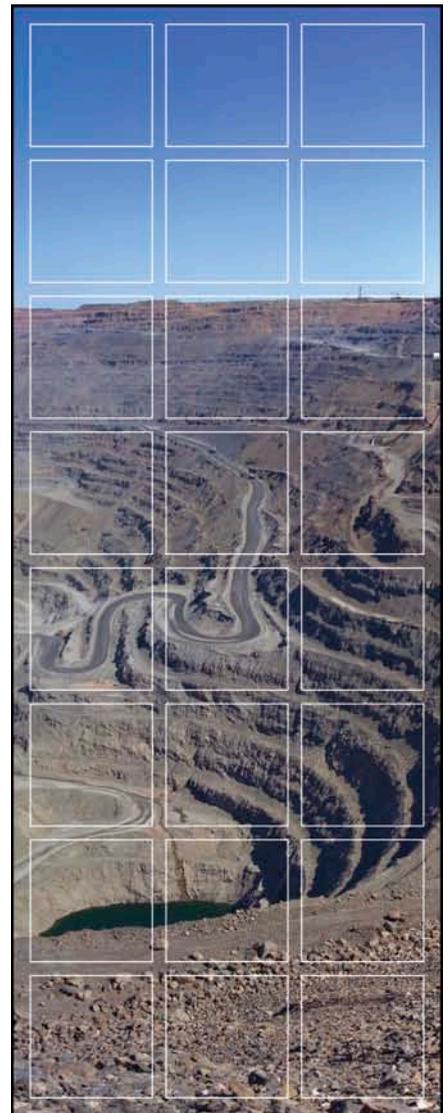
Security of investments, legal certainty and stability are B.C.'s and Yukon's main competitive advantages. The fact that First Nations are increasingly receptive of mining projects fosters encouraging prospects for the industry and these communities, thereby pointing to a prosperous future for both parties.



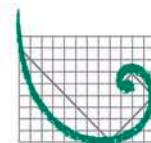
David Wolfin, president and CEO at Avino Silver and Gold Mines.



Marc Wen, senior partner at Environmental Resources Management (ERM).



The world's leading global provider of EHS, risk and social consulting services



ERM

www.erm.com

The business of sustainability

Vancouver

North America's Exploration Hub

At first glance, Vancouver is one of the world's most aesthetic cities, surrounded by snow-capped mountains and with a unique geography featuring peninsulas and islands surrounded by the cold waters of the Pacific Ocean. Besides its remarkable natural beauty, this booming city houses the largest concentration of mineral exploration companies in the region and in fact, the world, with Vancouver-based companies hosting the largest share of mineral exploration projects in North America. It is commonly said that whenever activity picks up along downtown Vancouver's tree-lined avenues, mining projects worldwide soon follow. Of the 976 mining companies listed in the TSX Venture exchange, mostly comprising juniors, over 60% are headquartered in British Columbia, with the vast majority based in Vancouver.

Canada's mining preeminence is particularly evident in Mexico, where companies have invested and operated since the country opened its doors to the global

mining industry in the 1990's. Canada remains the largest foreign investor in Mexico's mining sector, with projects scattered across its territory, from the desert of Sonora to the tropical forests of Guerrero.

Vancouver-based Endeavour Silver serves as a landmark example of the fruitful relationship between Mexico and Canada in regards to mining investments. The company arrived in Mexico in 2003 because there was a flat 30% tax structure and the government was open to facilitate business for the sector. Although since then a 7.5% royalty on profits has been introduced, the Mexican government is still hailed for its receptiveness and the ease of expediting permits. Endeavour Silver remained proactive throughout the bull market and emerged from the downturn with three development projects in its pipeline to fuel production growth over the next three years. The company announced a preliminary economic assessment for El Compas, located in the state of Zacatecas, in March

and is currently awaiting its explosives permit to break ground at the end of the second quarter. El Compas is a small but very high-grade project, with a low \$10 million capex and a short six month development timeline. Moreover, in April the company released a pre-feasibility study on Terronera, located in the western state of Jalisco. Endeavour expects to break the ground in the third quarter of 2017 and commence production at the end of 2018. Terronera has an initial 7.5 year mine life and has the potential to become the company's largest mine when operational. Speaking about the company's prospects, Bradford Cooke, CEO at Endeavour Silver, declared: "We plan to build three new mines and grow our production by 50% over the next three years. The new mines will not only expand our production, they are also higher quality mines, so this should help drive operating costs down to the lowest quartile in the silver sector. All-in sustaining costs (AISC) for El Compas are expected to be about \$9.5 per oz. silver. Last year, the company's AISC costs were around \$12.5 per oz. silver. These two new mines will have a big impact on turning Endeavour into a more efficient producer. Last but not least, we want to reload the development pipeline with some new larger projects so we have longer mine lives and investors can take comfort in owning shares of a company with a great future."

With a shared border of 5,525 miles, Canada and the United States are two closely linked economies and the mining industry clearly showcases this trend. Canadian companies are increasingly looking



MINERAL MOUNTAIN
SOURCES LTD.

TSX.V: MMV

**EXPLORING FOR A
TIER 1 GOLD SYSTEM**

Mineral Mountain is an advanced explorer with focus on development of gold projects with "camp Scale" potential, within cost effective, politically friendly, mining friendly regions of the United States. We are currently exploring world class gold projects located in South Dakota, USA, along the Homestake gold trend. The Homestake mine was one of the most successful gold deposits in the Western Hemisphere and we believe the belt to be prospective for several more world class deposits.

MINERAL MOUNTAIN RESOURCES
Suite 401- 1195 West Broadway Vancouver, BC, Canada, V6H 3X5
Phone: 604-714-0111 Fax: 604-714-1119 info@mineralmtn.com www.mineralmtn.com



Bradford Cooke, CEO, Endeavour Silver.

south of the border as they become mindful of investments in safe and stable jurisdictions such as the United States, one of the most advanced mining jurisdictions in the world but with great potential, particularly along underexplored regions in the Midwest and Alaska's vastness.

Trilogy Metals already holds a 43-101 resource on its Arctic and Bornite properties in Alaska. At 36 million mt of 6% copper equivalent, Arctic is one of the highest-grade open pit copper projects in the world. Trilogy plans a \$7 million drilling program this summer and envisages a pre-feasibility study by the first quarter of 2018. Trilogy entered into a 50/50 JV with South32 to develop Bornite, envisaging a \$10 million investment per annum over the next three years. Bornite contains roughly 6 billion lb of copper at 1% open pit and 3% underground. Speaking about the company's strategy to maintain shareholder value, Rick Van Nieuwenhuyse, president and CEO at Trilogy, noted: "Trilogy Metals' strategy, in short, is to execute our plan. We will continue working toward our pre-feasibility study on Arctic and we will look forward to some exciting drilling results at Bornite later this year. Investors can look forward to a lot of news-flow from this year's activities."

In the mainland United States, companies are increasingly looking at assets in developed jurisdictions with a long tradition in mining, such as Nevada or South Dakota. One such company is Mineral Mountain Resources, which currently holds one of the most extensive gold districts in the country. Since 2012, Mineral Mountain focused on an area locally called the Rochford Gold District, centered about 26 km south of the renowned Homestake mine, which was continuously mined for 135 years. Over the years, the company consolidated a large contiguous land package and has since performed the first high-resolution airborne Mag-Em survey in the area. Remarkably, the company was able to consolidate the land package and existing data dating from the early 1900s during the worst period of the downturn. However, as market conditions have improved, Mineral Mountain is now poised to move forward with an aggressive exploration plan, comprising 20,000 meters drilling in 2017, divided equally between the Standby mine deposit and the South Cochrane trend. Based on initial exploration work, the company believes that the Rochford district hosts a Tier 1 gold system with more than one economically feasible deposit. Nelson Baker, president and CEO at Mineral Mountain,

elaborated on the strengths of the project: "After Nevada, the Homestake Gold Trend is the second largest gold-producing area in the United States. Over the past year, we have been offered several opportunities to joint venture our 100% owned Rochford project, but we prefer to enhance the value of this project by drilling our most advanced Homestake-style target...For over a century, the global mining industry viewed the Homestake mine as a unique event. Our research and database compilation since 2012 in the Rochford district clearly dispels that theory. We believe we have five separate Homestake-style gold trends located within our present land package that could host large-scale deposits."

Following four years of a bleak mining environment, activity has notably picked up in British Columbia, Yukon and overseas. These two jurisdictions will continue to lead the sector for years to come. From operational excellence to exploration dynamism and global reach, if one is to understand the world's mining industry, it is imperative to look at these western Canadian jurisdictions meticulously. Fortunately, the mining community from downtown Vancouver to the historic city of Dawson has found renewed optimism, generating similar waves globally.



Exploring, Developing, Producing

Endeavour Silver is a mid-tier precious metals mining company that owns three high grade, underground, silver-gold mines in Mexico. Since 2004 the company has grown from no production to 9.7 million ounces of silver equivalent production in 2016. We find, build and operate quality silver mines in a socially, economically and environmentally responsible manner to create real value for all stakeholders.

Endeavour
SILVER 

TSX: EDR NYSE: EXK

ENDEAVOUR SILVER CORP.

1130-609 Granville Street

PO Box 10328 Vancouver, BC V7Y 1G5

Toll Free: 877.685.9775

Phone: 604.685.9775 Fax: 604.685.9744

info@edrsilver.com edrsilver.com