Livengood Gold Prospect

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Summary

The Livengood Project is located on a large gold resource located along the Trans Alaska Pipeline (http://en.wikipedia.org/wiki/Trans-Alaska_Pipeline_System), about 70 miles north of Fairbanks. Talon Gold Alaska Inc. (a subsidiary of Canadian-based International Tower Hill Mines (http://www.ithmines.com/project/livengood_alaska/)) is exploring the deposit, focusing on an outcropping called “Money Knob”, estimated, as of August 2011, to contain up to 20.6 million ounces of gold (http://www.ithmines.com/_resources/pdfs/nr_2011_08_23.pdf).

Exploration and placer mining (/Issues/MetalsMining/GoldMiningMethods.html) have taken place in this area since at the least the 1970’s but the current deposit has only recently been examined in detail. Because the deposit is located on the road system and near the power grid, commencing production is expected to be much easier than at remote deposits, such as the Donlin Creek prospect (/Issues/MetalsMining/DonlinCreek.html). International Tower Hill had been contemplating (http://www.cfec.state.ak.us/gpbycen/2008/00_ALL.htm) both a traditional mill similar to the nearby Fort Knox gold mine (/Issues/MetalsMining/

FortKnoxMine.html), as well as a heap-leach only operation with lower capital costs. However as of late 2011 they were focusing (http://www.mineweb.com/mineweb/view/mineweb/en/page103118?oid=134226&sn=Detail&pid=102055) only on the larger “mill only” option. This would require 70-80 MW of power (http://www.legis.state.ak.us/basis/get_documents.asp?session=26&docid=8598). The company has not yet determined whether they would draw power (/Issues/MetalsMining/Powering-Large-Mines-In-Alaska.html) from GVEA in Fairbanks or generate the power onsite. As of March 2012, discussions with GVEA were underway (http://newsminer.com/view/full_story/17966055/article-GVEA-eyes-possible-expansion-to-Livengood?instance=home_news_window_left_top_2) to run a 100 MW line from the existing grid.

The potential for acid mine drainage (/Issues/MetalsMining.html) at this site has not been determined, but the mine would use cyanide for gold extraction (/Issues/MetalsMining/GoldCyanidation.html).

Current Status

Exploration at the Livengood deposit is at an advanced stage, with a large drilling program having taken place during 2012. In July 2013, International Tower Hill released the results (http://www.ithmines.com/_resources/news/nr_2013_07_23.pdf) of their prefeasibility study and the generally poor results suggest (http://www.adn.com/2013/07/27/2995072/tim-bradner-livengood-mine-faces.html) that the project is infeasible in the current market. However, the company still hopes (http://

www.alaskajournal.com/Alaska-Journal-of-Commerce/September-Issue-4-2013/ITH-still-confident-Livengood-gold-mine-can-be-developed/) to move forward with the project.

Further Reading

> International Tower Hill Mines Ltd company website (http://www.ithmines.com/)

> June 2010 Summary Report on the Livengood project, Tolovana District, Alaska (SEDAR website) (http://www.sedar.com/GetFile.do?lang=EN&docClass=24&issuerNo=00005628&fileName=/csfsprod/data109/filings/01607187/00000002/m%3A\G_drive\DMA\V31429\arrangmt\livengd.pdf)