

# TRENCHES

## MINERAL, MINING & EXPLORATION NEWS

### YUKON'S SILENT RUSH MAKES NOISE

The last few years have been exciting for Yukon mineral exploration and development. The mining community has been abuzz with talk of Yukon's exciting discoveries and new mines. This year, the Yukon government expects exploration spending between \$90 and \$150 million.

And while the spotlight has been mostly on the White Gold district, another region saw enough potential to experience what could be called Yukon's "Silent Rush." ATAC Resources, who conducted the extensive exploration and staking operation in the area, has established the expansive Rau Gold property, 48 kilometres northwest of Keno City, Yukon.

"The Rau Gold property is made up of more than 6,300 claims, covering more than 1,300 square kilometres," says Graham Downs, ATAC Resources Chief Executive Officer. "It's one of the largest, if not the largest, contiguous gold properties in Yukon."

The initial steps of Yukon's Silent Rush began in 2006. Data from the Yukon government's Geological Survey and from exploration consultant Archer Cathro and Associates (1981) Limited provided the proponents with critical information to pursue the area for an extensive exploration program.

The combination of government and private sector information is often a real asset to exploration efforts in the territory. Archer Cathro has a long history of involvement in Yukon mineral exploration, operating in the territory since 1965. One of its founding members, Al Archer, is a director of ATAC. ATAC President Rob Carne has been working in Yukon since 1972 and was a principal with Archer Cathro from 1982 to 2002.

Another key player is Doug Eaton, a partner in Archer Cathro and the President/Chief Executive Officer of a sister junior mining company, Strategic Metals. "Doug initiated the staking in what became the Rau Gold property," says Downs. "He was the one who convinced ATAC to investigate this area. We have really benefitted from the brain power

and sage experience of these long-time geologists who've spent so much time working in Yukon."

In 2007, ATAC did additional soil and geochemistry work, following up with drilling in 2008 and 2009. The data collaboration and partnerships were showing positive results.

"In 2009, we budgeted to spend \$1 million," says Downs. "Our 2008 results had been good but we kept our plans relatively modest because we weren't sure what direction the markets were going to take. Then, our first hole showed 24.07 grams of gold per tonne over 28.04 metres, which is very significant. We then ramped up our 2009 program and ended up spending \$7 million."

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Yukon Government



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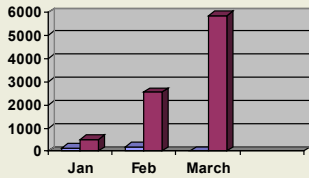
*A view of the  
Rau Gold  
property.*

## 2010 YUKON EXPLORATION AND MINING OUTLOOK

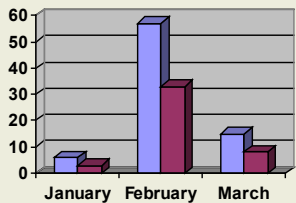
### Yukon Mining Statistics

- Quartz Claims in Good Standing – 79,456
- Placer Claims in Good Standing – 17,787
- Prospecting Leases in Good Standing – 118

Quartz Staking



Placer Staking



■ 2009  
■ 2010

*Exploration activity in the Eagle Zone property of Victoria Gold Resources.*

The mineral industry in Yukon is expected to have a banner year in 2010. With a number of regions continuing to attract high-profile attention and some new operating mines on the horizon, the upcoming year looks to be strong.

On the exploration front the big news was the friendly takeover offer by Kinross Gold Corporation for Underworld Resources, the company that owns and discovered the White Gold deposit, located 90 kilometers south of Dawson. Claim staking in the White Gold area, the Dawson Range to the south and the 60 mile area to the north has been robust in 2010 with many new companies involved in the staking rush.

Kinross is a Canadian based gold mining company that operates mines around the world including the Fort Knox Gold Mine near Fairbanks, Alaska. They were named one of the 50 top socially responsible corporations in 2009. The takeover offer by Kinross for Underworld Resources is an acknowledgement of the quality of the White Gold discovery, the exploration potential for more discoveries on Underworld's extensive claim holdings in the Dawson Range, and the attractiveness of Yukon as a competitive mining jurisdiction on the world scale.

Many additional companies have acquired ground in the White Gold area and exploration work in 2009 has resulted in several companies planning on drill programs this season. The first drill program is expected on the Coffee property of Kaminak Gold Resources where previous work has outlined an impressive gold in soil anomaly that when trenched produced significant results. The exploration community will be watching

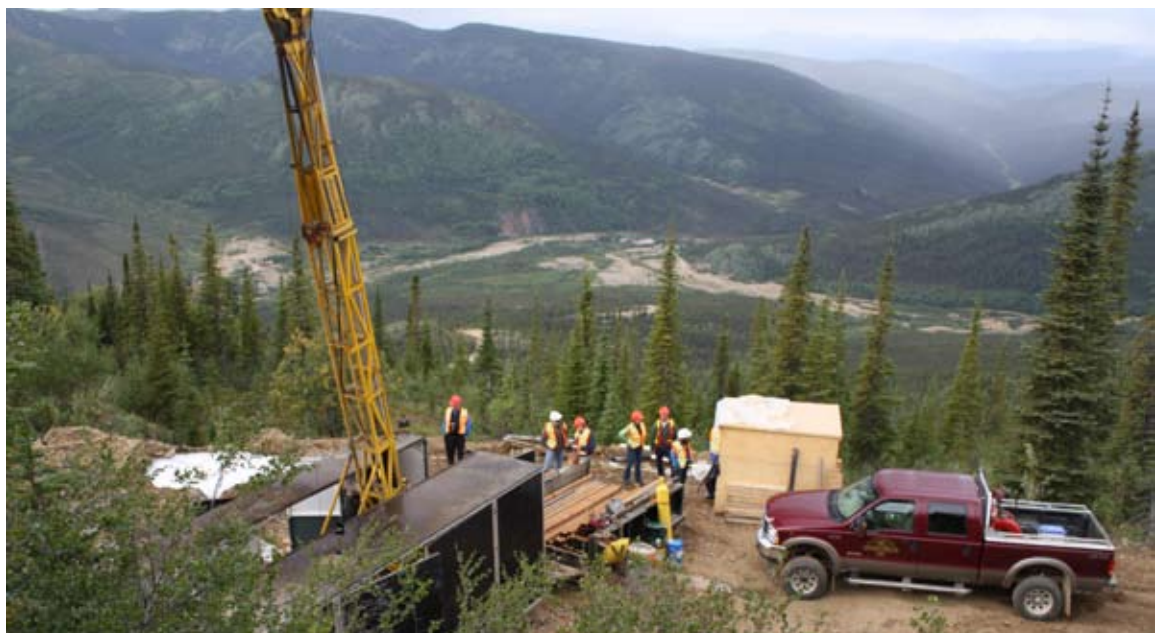
Kaminak and others conducting drilling in the White Gold area very closely to see if the region can produce another significant discovery.

The Rau property of ATAC Resources is a new discovery that has caught the attention of the exploration world. The property located to the north-east of Keno City has been experiencing lots of interest as the company has been conducting additional claim staking without much competition and has expanded the property to 6,642 claims, approximately 1300 square kilometers; larger than Hong Kong.

In another part of Yukon, impressive progress has been made on construction of the Wolverine Mine by Yukon Zinc Corporation. During the winter months up to 300 people have been working on the site and the mine is on schedule to achieve production this summer.

Alexco Resources enjoyed the mild Yukon winter and this allowed them to make considerable progress on construction of the Bellekeno Mine which will also achieve production in 2010 bringing the number of Yukon mines in full production to three.

Success has been pervasive in Yukon's mineral industry, including the operating Minto Mine, the mine development at Wolverine and Bellekeno, and the exploration at White Gold, Rau and a host of other Yukon projects. Several other Yukon projects will be continuing their economic studies adding to the number of potential near term mines. The year ahead is expected to be an exciting one with mining clearly establishing itself as one of Yukon's main industries. ■



Brian O'Hara

## EMPLOYEE PROFILE: MINERAL RESOURCES POLICY TEAM

This is the latest in a series of profiles of Yukon government employees whose roles provide valuable assistance and services to the exploration, mineral development and mining industries. In this edition we are highlighting the Mining Policy Team, based in Whitehorse, part of the Energy, Mines and Resources Mineral Resources Branch.

Kellie Emon is the Senior Minerals Development Advisor who came from the North West Territories. She has a background in geology which is a valuable asset when dealing with the many policy challenges in her job. Kellie played a key role in the *Quartz Mining Act* amendments. Kellie has a quick wit and finds humour in even the most monotonous of policy issues.

Mark Stephens is the Mining Policy Analyst and has lived in Yukon for 30 years. In those 30 years he has worked for Yukon Forest Service in Air

Operations, Yukon Highways as a surveyor and inspector, and the Yukon government Cabinet Offices. In between all that, he took time off to stay at home and raise his two girls. Mark is an outgoing and enjoyable member of the Minerals team and has a great sense of humour. Mark is very aware of the issues facing Yukon and he enjoys the challenge of keeping abreast of the fast moving industry and all of the exciting new discoveries.

Kelly Johnston is also a Mining Policy Analyst and has worked in various positions with Forestry, Field Operations and Lands for the Yukon government. Kelly joined Mineral Resources in 2003 as a Policy Advisor. She enjoys researching and finds it challenging. When she is not at work she likes to take part in traditional pursuits such as beading, quilting and crafts but what she loves the most is spending time with her daughter. ■

## Did you know...

- Total placer gold production in 2009 was 54,478 crude ounces
- The value of the 2009 gold production was \$48.23 million
- Approximately 86% of the gold was recovered in the Dawson Mining District
- Yukon had approximately 135 active placer mining operations in 2009 employing approximately 400 people



Yukon Government

*Kelly Johnston,  
Kellie Emon &  
Mark Stephens*

## 2009 ASSESSMENT AND PERMITTING YEAR IN REVIEW

The calendar year of January 1, 2009 to December 31, 2009 marked the fourth full reporting period since YESAA legislation came into effect.

In 2009, decision documents were issued on 36 placer projects and 20 quartz projects for a total of 56 completed project assessments. A total of 16 projects were still under review at the end of the reporting period, 10 of which required recommendations and 6 of which were in the decision document phase. Three quartz projects and two placer projects were completely withdrawn from the process.

From the 77 total number of mining projects in 2009: 48 authorizations and permits were issued, including 26 Mining Lands Use Approvals, 21 Water Licenses, and one Quartz Mining License. Approximately 87 per cent of all completed projects received approvals over the course of the year. Water Licenses were still pending for 11 projects.

From the 48 authorizations and permits issued: 28 were for placer projects and 20 for quartz projects.

For the full 2009 Assessment and Permitting review which includes review timelines please go to: [www.emr.gov.yk.ca/mining/](http://www.emr.gov.yk.ca/mining/) ■

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The 2009 results showed high gold grades and the proponent was able to expand the size of its mineralization. As a result, its 2010 program will be even larger, estimated to be worth at least \$12.5 million.

Drilling and exploration results are showing that much of the high-grade gold is being found at and near the surface, in oxide form. Both these factors make the gold easier to access and mine. The mineralization is a Nevada-type discovery, meaning it covers a large district and could be a prolific gold producer.

Over the last couple of years, as ATAC began to realize what it had on its hands, the company quietly increased the pace of staking to ensure it was able to secure a large parcel in the most promising areas. "The Underworld Resources White Gold discovery in west-central Yukon, south of Dawson City, was being made around the same time and it was in the spotlight," says Downs. "Meanwhile, we had found something just as exciting but it wasn't getting much attention, which was fine with us. It allowed us to proceed quietly with our staking in a non-competitive staking environment." Yukon's Silent Rush was underway.

The recent sale of Underworld Resources to Kinross Gold speaks volumes to those involved

with ATAC. "It shows there is an appetite for Yukon gold and that major companies such as Kinross are willing to invest in the North," says Downs. "Major companies are shifting their focus into mining-friendly jurisdictions such as Yukon. All of that is very encouraging for ATAC."

In addition to the 2010 drilling program, the proponent has also been busy developing good relations with communities affected by its project. It has met several times with the First Nation of Na-Cho Nyak Dun and has already worked with that First Nation on a road permit application. A number of First Nation people have been employed on the project, assisting with soil sampling and construction work.

Downs and other ATAC management have been working hard to ensure the markets know about the size and significance of the Rau Gold project. "We are being careful not to oversell the project, but we definitely stand behind it," says Downs.

The collaboration of data and experience, combined with the excitement and attention on another area, helped one company quietly stake what may be yet another successful gold bearing region in the Yukon. ■

### FROM THE TRENCHES

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Info Sources:  
William Lebarge, Yukon Placer Mining Overview 2009

Photo credits:  
Government of Yukon,  
Brian O'hara



Yukon Government

*Government and industry representatives meet at the camp of ATAC Resources Rau Gold Property.*