



Far North attracts more investment from the majors



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Prospector Shawn Ryan examining a rock at Underworld Resources' White Gold property in the Yukon in 2009. Photo by The Northern Miner.



POSTED BY: TRISH SAYWELL APRIL 25, 2017



Recent investments in the Yukon by **Barrick Gold** (TSX: ABX; NYSE: ABX), **Newmont Mining** (NYSE: NEM) and **Agnico Eagle Mines** (NYSE: AEM; TSX: AEM) underscore the allure of Canada's far north — where prospective ground and a bulletproof





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jurisdiction are proving to be a winning combination.



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Barrick's option agreement this month on **ATAC Resources'** (TSXV: ATC; US-OTC: ATADF) Orion project, 100 km northeast of Keno City, follows Newmont Mining's investment in March in **Goldstrike Resources'** (TSXV: GSR) Plateau project, 300 km east of Dawson City.



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Those deals follow Agnico Eagle's investment four months ago in **White Gold** (TSXV: WGO), which has staked more than 250,000 hectares in the Yukon's White Gold district, and **Goldcorp's** (TSX: G; NYSE: GG) C\$520 million acquisition in May 2016 of Kaminak Gold and its Coffee gold project, about 130 km south of Dawson City.

The investments are consistent with the strategies of the major mining companies to partner with junior explorers and identify and develop mining districts with exploration potential that will grow their net asset

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value per share. Politically stable jurisdictions like the Yukon are even more attractive to majors seeking to add high-quality ounces to their development pipelines.

“The majors like the fact that it’s Canada, a jurisdiction they’re comfortable in,” says David D’Onofrio, president and CEO of White Gold.

“They have pretty much all been burned in some capacity or another in foreign jurisdictions over the last five or ten years. These foreign jurisdictions look good at the beginning, but don’t always work out the way you think they will.”

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William Chornobay, Goldstrike’s chief operating officer, says the Yukon investments mark “the beginning of a new gold rush.”



Robert
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“The senior miners are looking for near-surface, high-grade gold discoveries that are becoming extremely hard to find,” Chornobay says in an interview. “The Yukon has

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vast expanses with excellent untapped mineral potential.”

D’Onofrio says Agnico Eagle was not the only major kicking the tires at White Gold. “There were other majors interested at the time, but Agnico seemed to be the ideal partner,” he says. “Pretty much all the majors are looking to get a toehold in that area, so it’s a sign of confidence that there could be more to come.”

TNM

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White Gold says it owns about 30% of the Yukon’s White Gold district, with over 14,648 claims across 23 properties. Preliminary exploration work has generated several highly prospective targets and the claim packages are bordered by sizeable gold discoveries owned by majors including

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Kinross Gold (TSX: K; NYSE: KGC), **Goldcorp**, and **Western Copper & Gold** (TSX: WRN; NYSE: WRN).

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Robert Carpenter, who founded Kaminak Gold, is a director on White Gold’s board, while Shawn Ryan, whose prospecting work in the Yukon has led



outlines plans for Pine Point zinc revival

to the discoveries of 7.5 million ounces of gold, is the company's chief technical advisor.



Teranga to build Banfora gold project in Burkina Faso



The Yukon River in the White Gold district in the Yukon. Photo courtesy of Shawn Ryan.



Atac and Barrick join forces in the Yukon

Ryan and Kathy Wood, his wife and business partner, made it big finding two large gold deposits near Dawson City. They optioned their first discovery, the White Gold project, 95 km southwest of Dawson City, to Underworld Resources in 2007, which was later acquired by Kinross Gold in a cash and stock deal worth \$139 million. The couple optioned their second discovery, the Coffee gold project, 130 km south of Dawson City, to Kaminak Gold in mid-2009. *The Northern Miner*



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named Ryan and Wood “Mining
Persons of the Year” in 2010.

Last September, Ryan agreed to option all of the remaining properties in the White Gold district (that were not in current joint ventures with third parties) to White Gold Corp., formerly known as G4G Capital. The properties range from grassroots targets where ridge and spur soil geochemical sampling could be used for follow-up exploration to more advanced targets where grid soil geochemical sampling, mapping and geophysical surveys and limited drill campaigns have been conducted.



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Guy Gosselin, Agnico’s vice-president of exploration, tells *The Northern Miner* that there are several things about White Gold that led it to take a 19.93% stake in the junior in December at \$1.20 per share. First, was the company’s enormous land position in an area of known gold deposits, and second, the technical team and its exploration track record.



The Northern Miner podcast – episode 56: Gold Miner's ETF and porphyry primer ft. Atac CEO

“We know there is gold in the area and we have the best people to find gold because it’s basically what Shawn Ryan and Rob Carpenter have done in that part of the world,” Gosselin says. “They have all the ingredients.”

“They already have a very large database of information on that large land package, and on top of that they have developed a cheaper way to explore with the RAB drilling process, so they can conduct a lot of work with a lot less money,” he continues. “They are moving less pieces of equipment, not using water to drill, so that makes their exploration process faster, and they are able to screen a lot of ground for less money than anyone else can do.”



Facts 'n' Figures: World copper mine production soars 5% in 2016,

“Shawn has been working in that part of the world for more than 20 years and has managed to put together a good strategy, so we’re in a fertile environment with top-notch quality people that will do a lot of work with the amount that we’ve invested, so I think, for us and them, it’s a win-win

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situation,” Gosselin adds. “They will do potentially twice as much work with the money we’re going to put into it than we could potentially even do ourselves, considering their skill-set.”



A foggy day in the Yukon’s White Gold district. Photo by Shawn Ryan.



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Ryan’s Drones to Drills technology, which he invented and owns through his company GroundTruth Exploration, enables White Gold to explore year round. The relatively inexpensive aerial drone surveys capture images that are combined to provide project scale imagery at an ultra-high resolution and at a low cost.



**Gold
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GroundTruth also developed the GT RAB drill – a remotely controlled

Ventures to acquire Battle Mountain Gold

tracked platform that is entirely pneumatically and hydraulically operated, drilling at a cost of about \$135 per metre, about 70% less than the typical \$450 per metre cost of diamond drilling.

“Shawn and his GroundTruth team are basically achieving exploration at a quarter of the cost and in a quarter of the time that they were doing five years ago, in 2011, so we’re able to cover a lot of ground,” says D’Onofrio.

UPCOMING EVENTS

Valuation of Mineral Projects Based on Technical and Financial Modelling

April 25 @

9:00 am -

April 28 @

5:00 pm

For its part, Agnico says, if a discovery is made, it knows how to build mines in the north, having been in Nunavut since 2007. “We have the skill-set to develop remote projects in that kind of location,” says Gosselin. “For us, it’s a continuation of what we undertook in Nunavut. All that part of northern Canada is highly prospective, and we’ll continue to monitor it and develop our projects there.”

Metal Mining Discharges –

Meanwhile, Newmont’s investment in Goldstrike Resources – the major’s

Impacts and Controls

April 27 @
9:00 am -
April 28 @
5:00 pm

Canadian Mining Symposium in London

May 9

[View All Events](#)

first in the Yukon — marks yet another vote of confidence in the north.

In March, Newmont announced a US\$39.5 million deal comprised of a private placement and staged work commitments to advance Goldstrike's Plateau gold project in the central-eastern portion of the Yukon.



Washing down the discovery outcrop of the Goldstack zone at Goldstrike Resources' Plateau South property in the Yukon in 2013. Credit: Goldstrike Resources.

Under the agreement, Newmont will make an initial US\$4.5 million, non-brokered private placement in Goldstrike to buy 12.7 units at 47.42¢ per unit, and has a right to earn an

initial 51% interest in Plateau by paying US\$6 million in cash, spending at least US\$13 million on exploration and completing a resource estimate. In the second stage, Newmont could earn another 24% by spending US\$16 million on exploration and completing a feasibility study by 2027.

“We saw that for the amount of money we were going to put into it, that there was potential here for really good value in the future feeding our pipeline on the early stage side,” Omar Jabara, Newmont’s group executive corporate communications, says in an interview. “It made a lot of sense, and of course, the Yukon, as well as Canada, are good friendly mining jurisdictions and have good infrastructure and laws and contractual stability to support investment in mining, so in addition to being a good quality resource, it’s also in a very good jurisdiction.”

Goldstrike’s Chornobay says initial drill results have been very exciting, with widespread high-grade gold mineralization identified in a gold

system that has a strike length of about 50 kilometres, and remains open.



William Chornobay, Goldstrike Resources chief operating officer, examines a core sample from the Plateau South gold project, 300 km east of Dawson City in the Yukon. Credit: Goldstrike Resources.

The company made its first discovery at Plateau, called the Goldrush zone, in 2011, and followed it up with discoveries of the Gold Dome and Goldstack zones in 2012, and Goldbank in 2013.

Drilling at Goldstack in 2015 returned an intercept of 13.25 grams gold per tonne over 17.5 metres true width. Last year drilling at Goldstack produced a 45.5-metre intercept grading 6.05

grams gold per tonne, including 20.65 metres of 12.5 grams gold per tonne.

Says Newmont's Jabara: "We have some of the best geologists on exploration teams in the world at Newmont and they have really good judgment when it comes to buying opportunities that have potential to deliver good value to the company. For them to come and bring this opportunity to management is an indication that they have more than just a good feeling. They also have some good data backing it up as well."

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COMMODITY: Gold

REGION: Canada

COMPANY: Agnico Eagle Mines

ATAC Resources Ltd

Barrick Gold Corporation

G4G Capital Corp Goldcorp

Goldstrike Resources Ltd

Kinross Gold Corp Newmont Mining Corp