

# TRENCHES

## MINERAL, MINING & EXPLORATION NEWS

### KAMINAK COFFEE PROJECT ADDS A JOLT OF CAFFEINE TO YUKON GOLD RUSH

The new Yukon gold rush has welcomed an exciting new player onto the scene. Kaminak Gold is creating a stir with its promising discoveries in the White Gold District of Yukon, in particular at its Coffee Gold Project, 120 kilometres south of Dawson City.

“Since obtaining our Yukon properties last year, our approach has been to soil sample, trench and then drill,” says Tony Reda, Kaminak Vice President Corporate Development. “That strategy has been working for us. We’ve made two discoveries on the Coffee property, the Supremo Zone and the Latte Zone. As well, we have 6 other zones that warrant testing and could lead to other discoveries.”

The naming of the Coffee property and zones was inspired by a nearby placer stream, Coffee Creek. Yukon’s century-old placer mining industry was also part of the impetus for Kaminak’s decision to explore here.

“What brought us to Yukon was that it’s a favourable jurisdiction politically and geologically,” says Reda. “Yukon has produced so much gold and no one has ever found the bedrock source of all the placer gold, so there is still a lot of opportunity.”

Kaminak has been a public company since late 2005, with projects in Nunavut, British Columbia, Manitoba, Ontario and Quebec. After the Underworld Resources gold discovery in 2008, also in the White Gold District, Kaminak met with Yukon prospector Shawn Ryan during the Mineral Exploration Roundup in Vancouver in January 2009. “Shawn showed us facts sheets on Yukon properties with soil anomalies which mimicked what Underworld had found,” says Reda. “We recognized them as something unique and world-class in nature.”

Negotiations began and by April 2009, Kaminak had finalized a deal to acquire three Yukon properties: Coffee, Cream and Kirkman. The company did some work at the Kirkman property last year, but attention has mostly been focused on Coffee, which has expanded so much that it has virtually swallowed Cream.

“The core anomaly known as Supremo has got us really excited,” says Reda. “Our initial drilling this year has focused on that zone and we have announced the results of four drill holes so far. All four came back with significant amounts of gold in the drill core.”

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Did you know?



*On site at  
Kaminak  
Resources’  
Coffee  
property*

## KAMINAK COFFEE PROJECT ADDS A JOLT OF CAFFEINE TO YUKON GOLD RUSH

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That is our first discovery. Then we moved the drill one kilometer south of Supremo to Latte, which is on an entirely different geological structure. We have reported seven of our drill holes there and all seven intersected significant gold mineralization. That means we could have two different ore bodies and that's what we working to prove."

This has resulted in a lot of attention for Kaminak and a lot more phone calls for Reda, who deals with investor inquiries for the company. "It's been huge, there are so many diverse questions, some of which we can't answer yet," says Reda. "People want to know how big the discovery is, how near the surface, what is the mineralization like, how much money does the company have, is this the source of all the placer gold."

Kaminak may not have all the answers yet but it's certainly working to get them. The company's short-term plan is to drill-test the eight current zones it has identified at Coffee and also to build more ounces on the two discoveries it has at Supremo and Latte. The longer-term plan is to identify new gold zones on the property. Eventually, Kaminak hopes to discover several ore bodies on the Coffee property which are economic to mine.

This summer the Kaminak camp is at the Thistle Creek airstrip. Helicopters move people to and from the work areas. There are more than 20 workers onsite so far, including core cutters, geologists, helicopter pilots and a camp cook.

About half of the workers are Yukon-based, including some members of the Tr'ondëk Hwëch'in First Nation.

Kluane Drilling of Whitehorse is doing the diamond drilling for Kaminak and Ryanwood Exploration, in which prospector Shawn Ryan is a partner, continues to carry out soil sampling and trenching for the company. Kaminak has also been using a new processing facility in Whitehorse established by ALS Laboratory Group, which has resulted in excellent turnaround times for assay results. "We've got a great team working with us," says Reda. "We always try to enlist local workers to keep money in the area we're working in and that's definitely been the case here in Yukon."

In terms of community relations, Kaminak has been in communications with local residents and trappers and has met with the Tr'ondëk Hwëch'in First Nation (THFN). Kaminak is currently carrying out an archaeological study onsite and is sponsoring the 10th Annual Moosehide Gathering, a cultural gathering hosted by the THFN near Dawson City.

"We have 16 projects across Canada but our focus is Yukon," says Reda. "We want to continue to grow in Yukon. Its geological potential is huge and it has everything going for it politically. It's a very pro-mining, pro-business jurisdiction. The Yukon Geological Survey is pro-active and quick to provide information and expertise. To find this much gold and to work this well with government, it's phenomenal, it really is." ■

*Kaminak Resources'  
Thistle Creek Camp*



Kaminak Resources

## WHAT'S HAPPENING... FIRST NATION CONFERENCE

On May 19, and 20, the Tr'ondëk Hwëch'in First Nation, the Vuntut Gwich'in First Nation, the First Nation of Nacho Nyak Dun and the Gwich'in Tribal Council sponsored the 1st Northern Partnership Summit in Dawson City, Yukon. The summit focused on presentation and discussion of trans-regional economic development for First Nation's business success, with a specific focus on corporate partnerships between the four First Nation leaders. The two day event provided overviews and discussion on opportunities in tourism, mining, business success, land use, oil and gas and transportation/power and infrastructure.

Yukon government presented on the mining and oil and gas panels. The summit was well attended with representatives from many First Nations, business interests, Yukon and Federal government and non-government organizations. Participants were engaged and positive about future opportunities and the evident willingness of the four northern leaders to look forward to successful partnerships in a wide range of sectors. The Summit culminated in the four northern leaders signing an economic cooperation agreement committing to working together to increase economic development opportunities for the citizens of these First Nations and all Yukoners. ■

## MINING AND GEOLOGY WEEK

Mining has a rich history in Yukon and over the past 100 years it has remained a viable industry in the territory. Between May 10 – 14, 2010 Yukon celebrated Mining & Geology Week, increasing public awareness on how geology and mining affect our everyday lives and show how the landscapes around us relate to the metals we use in our everyday lives.



Teachers brought their students to the Elijah Smith Building for classes led by the staff of the Yukon Geological Survey. This year, the students participated in bead mining, which covered removing material (mining beads from sand and gravel using tweezers), assigning value (different values were assigned for each bead colour), calculating business costs (you could buy a spoon to dig with if you had cash from the beads you already mined), calculating profits, and performing reclamation (contouring surface and planting vegetation). Public talks were also presented in Whitehorse on the evening of May 12 and a public field trip took place on the evening of May 13.

*Students in Carcross try their hand at gold panning*

Every year the Mining Week hits the road and this year there were visits to the communities of Carcross and Teslin. All the classes at local schools were visited. The students were given a short talk on the geology, made rock and mineral kits, panned for gold and made soapstone carvings. The visits also showcased displays of rocks and minerals and gave away many draw prizes, including mineral samples, books, rock trivets and more.

If you think this year's events were fun. Watch for Mining Week 2011! ■



*Karen Pelletier of the Yukon Geological Survey and a student from Teslin discuss the mineral displays.*

The Yukon Geological Survey, Mineral Resources branch and the Yukon Chamber of Mines joined forces to put on a fun filled week. This year's geology theme was glaciers and glacial deposits. In Whitehorse, the Elijah Smith Building foyer was filled with posters on Yukon glacial features, studies and displays that included a giant Beringia globe, videos on glacial cover over North America, fossils from Beringia, and rocks and minerals.

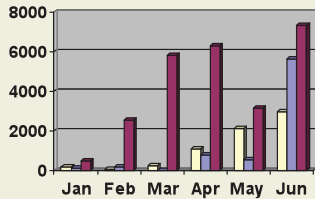
Capstone Mining Corp. presented a comprehensive display on the Minto mine and how we use copper in our daily lives. The Chamber of Mines had a booth display in the foyer and sponsored a poster contest and colouring contest for kids.

## DAWSON CITY GOLD SHOW

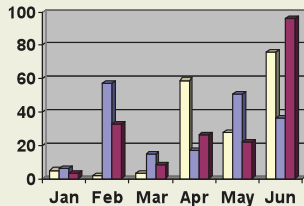
### Yukon Mining Statistics

- Quartz Claims in Good Standing – 99 726
- Placer Claims in Good Standing – 15 354
- Prospecting Leases in Good Standing – 83

#### Quartz Staking



#### Placer Staking



The Dawson City Gold Show was held in Dawson City on May 20 – 21, 2010. This show celebrates Dawson’s gold rush heritage as contemporary mining in the Klondike. The Gold Show has become a springtime tradition and a kick start to the busy summer season.

It is also an opportunity for the Klondike Placer Miners Association (KPMA) to meet for their annual AGM. In a speech to the KPMA, Energy

Mines and Resources Minister Patrick Rouble announced \$250,000 in Northern Strategy funding would be provided to the Yukon Mine Training association to provide essential training to Yukoners.

The Dawson City Gold Show once again provided an excellent opportunity for the community to celebrate its rich heritage of gold mining – one that continues to the present day. ■

## EMPLOYEE PROFILE: ARLENE KYLE - MINE LICENSING OFFICER

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 Mine Licensing Officer, based in Whitehorse with the Mineral Resources Branch.

Mine Licensing Officer Arlene Kyle arrived in Whitehorse on the last day of the year 1997.

She moved from Saskatchewan where she had previously worked for CIBC and Service Canada. After coming to Yukon she was a stay at home mom and potter. In 2001, she began working in the Whitehorse Mining Records office as a Mining Administration Officer. At the end of 2004 she became a Mining Lands Officer and in the fall of 2005 she accepted the position of Mine Licensing Officer.

Arlene enjoys working with people and her position provides her with the opportunity to work with a wide range of clients. “It’s great being able to work with clients as they bring their projects from the advanced exploration stage through to development and production,” she explains “licensing is really just the beginning of a new phase for mining projects.” She enjoys the challenges each new project brings as they evolve. It’s a dynamic and ever changing area. Arlene is very skilled at keeping on top of many projects to ensure that the requirements of licenses are being met and submissions are addressed with timely reviews and approvals.

Arlene loves her job and it shows by her attention to detail and the smile on her face. She is a team player who always makes time to help out her fellow coworkers. She is never too busy for clients so feel free to contact her at Arlene.Kyle@gov.yk.ca or 456-3830 or 1-800-661-0408 ext. 3830. ■



Yukon government

*Mine Licensing Officer  
Arlene Kyle*

## YUKONERS LEARN ABOUT HEAP-LEACH GOLD MINING

In June, Dr. Dirk van Zyl, Professor of Mining Engineering at the University of British Columbia was invited to Yukon to deliver four workshops on heap-leach mining; two in Whitehorse and two in Mayo. The workshops were organized by the Department of Energy, Mines and Resources' Mineral Resources Branch.

Residents in Mayo were particularly interested in learning about the process because Victoria Gold Corporation is proposing to use cyanide heap-leach extraction on their Dublin Gulch property, which is near the community. The process was successfully used in the Brewery Creek Mine near Dawson in the 1990s. With the many new gold discoveries occurring in Yukon recently, cyanide heap-leaching is once again being considered a possible technique that could be used in Yukon gold mining.

Dr van Zyl's workshops were well received. Approximately 80 people in Mayo and Whitehorse attended and found the workshops easy to follow and very informative.

### Workshop Highlights

The choice to use cyanide heap-leaching is often one of economics and ore grades, according to Dr. van Zyl. Heap leaching has a lower capital and operational costs than traditional milling, but also has a lower recovery rate.

This makes heap-leaching an ideal technique for processing lower-grade ores at a profit.

Heap leaching requires the use of a cyanide solution to remove the gold from the ore. Cyanide is a dangerous substance, but following careful handling procedures – especially with adherence to the International Cyanide Management Code – will significantly reduce risks.

Closure of cyanide heap-leach facilities follows a series of gradual and calculated steps. Many such facilities have been successfully closed throughout North America, demonstrating that careful adherence to closure procedures can result in an area with little risk and show little evidence that there was once a mine.

### Potential for Yukon Gold Mining

Cyanide heap-leaching of gold from ore has been successfully used in Yukon and Alaska gold mines. The workshops presented by Dr. Dirk van Zyl demonstrated that future gold mines in Yukon could utilize this process and minimize risk to mine workers and the environment if proper adherence to scientific and engineering standards are closely followed. Workshop attendees appreciated Dr van Zyl's knowledge and approachability and were thankful to have gained more insight into this common mining process. ■

## Did you know...

- Mineral tenure is granted under the free entry system in Yukon
- A prospecting license is not required in Yukon. Anyone 18 years or older may enter on available land for mining purposes, locate, prospect and mine for gold and other precious metals or stones
- A claim is a rectangular plot of ground that does not exceed 1500'x1500'
- The Yukon uses a two post system
- Claims must be recorded within 30 days of staking
- Renewal of a quartz claim requires that \$100 of work be done per claim per year

For more information on claim staking please view the online:

**Hardrock Guidebook**



*Dr van Zyl leads a workshop in Mayo*

## A NEW ROYALTY REGIME FOR YUKON

FROM THE  
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The Yukon government has recently made changes to the royalty regulations under the Quartz Mining Act. These changes will provide greater certainty to the mining sector and support direct sharing of mining benefits with local communities.

A royalty is a share of profits from mining. In Yukon, royalties are paid by a mine owner to the Yukon government for the right to extract mineral resources.

The royalty is payable annually, on an escalating rate basis, for any profits from mining that exceed \$10,000. The royaltyable profit is the amount by which the value of annual output from mining (revenues) exceeds eligible deductions (costs) for the year.

The regulation gives clear instructions for calculating deductions, depreciation and value of the mineral. It also outlines the format for filing, penalties and other administrative provisions for government.

The regulations also introduce new approaches to mineral sector investment, such as the community and economic development expense allowance, which ensures that revenues from the mining industry are reinvested in Yukon communities.

Expenses eligible for the Community and Economic Development Expense Allowance fall into the following categories:

- Capital or operations and maintenance costs for constructing or repairing community infrastructure works or facilities;
- cost of equipment used in a community facility;
- cost of economic development or education programs, and,
- cost of environmental clean up programs for land not included in the mine property.

Royalty returns are submitted annually, in the form prescribed under Part 13 of the Regulation. Department of Energy, Mines and Resources staff are available to work with companies to properly complete the necessary forms.

For more information on the Quartz Mining Act and regulations, visit: [miningyukon.com](http://miningyukon.com) ■

*Claim posts in  
Northern Yukon*



Yukon government