

# TRENCHES

## MINERAL, MINING & EXPLORATION NEWS

### SITE PROFILE: YUKON ETHICAL GOLD TURNING HEADS WORLDWIDE

When Yukon entrepreneur Jon Rudolph purchased Ross Mining in 2006, he was taking over the territory's largest placer gold operation. Also the owner of Golden Hill Ventures, a road construction and contract mining company, Rudolph was interested in taking his business know-how in a new direction. Within a few short months, the details of that new direction emerged. Rudolph became interested in a concept called "green" or "ethical" gold.

The idea was first raised during a visit by Ray Lipovsky. "Ray and his wife are both goldsmiths and he also mints coins and medallions in a small operation in British Columbia," explains Rudolph. "Ray was very impressed with the environmental and other high standards that Yukon placer operations maintain. In his industry, he is seeing an increasing number of buyers who want to be sure that the gold they're purchasing has been ethically mined. Ray felt that Yukon's placer gold might be exactly what they're looking for."

Rudolph began to research the idea and was encouraged by what he found. He discovered the "No Dirty Gold" campaign which is similar to the campaign against "blood diamonds", where diamonds are mined in the midst of violence and human rights abuses. The "No Dirty Gold" campaign, spearheaded by the American environmental lobby and mining watch group Earthworks, promotes gold mined in a way that doesn't harm workers, communities or the environment. Earthworks has developed "Golden Rules" which call on mining companies to meet a number of basic standards in the areas of human and worker rights, safe working conditions, community rights, environmental protection, reclamation planning and information sharing.

"We realized that Yukon placer mining already met or exceeded all the standards set out in the Golden Rules, because we have well-developed legislation and regulations in all these areas, and because land claims are largely-settled in Yukon," said Rudolph. "That is something

very unique in the world and is a tremendous marketing opportunity for Yukon placer miners."

Despite these positive signs, there were still several obstacles to overcome. One was to establish a "chain of custody" for Yukon placer gold. Most gold in the world is sold and then shipped to refineries for processing, where gold from many sources is mixed together to obtain a final product. The challenge was to find a way to refine Yukon's placer gold in a separate process. The other key piece of work was a certification process that would guarantee Yukon placer gold met all the conditions required to be ethical.



Government of Yukon

### In this issue...

Site Profile: Yukon Ethical Gold Turning Heads Worldwide

Dawson's Gold-Rich Creeks

District Profile: Golden Dawson City

Message from KPMA

Yukon Mining Statistics

Did You Know?

*Shaun Rudolph, mine manager, and Jon Rudolph, owner/operator of Ross Mining Limited, are lifting a crucible of melting gold to pour into a bar at the Ross Mining property.*

Rudolph established Mammoth Tusk Gold Inc. to set up these arrangements and to market all ethical gold produced in Yukon mines. Mammoth Tusk Gold developed an Ethical Gold Certification Program, including independent inspections, to ensure certified mines meet all requirements and are run to the

*Continued on page 4.*

## Did you know...

- A one ounce gold nugget is rarer than a five carat diamond.
- One ounce of gold can be pounded and thinned into a 300-square-foot, translucent sheet of gold.
- Gold is an indestructible and permanent element and it cannot be broken down by chemical means.
- Pure gold is 24 carats.
- Less than two percent of the earth's gold is found in nugget form.
- Gold is the only metal which does not rust.
- Gold is 19 times heavier than water. Lead, in comparison, is 11 times heavier than water.
- Gold is commercially mined on every continent except Antarctica.
- Gold is the most malleable and ductile of all metals.

*Archival photo of a placer mine during the Yukon Gold Rush.*

## DAWSON'S GOLD-RICH CREEKS

Bonanza! Eldorado! Hunker! Klondike! These names evoke visions of grizzled Gold Rush stampedeers crouched by creek sides, brandishing pans full of gold nuggets. In fact, Bonanza is the original creek which launched the famous Gold Rush stampede to the Yukon and firmly established placer mining as a new vital industry in the Yukon's economy.

Today, more than a century after Gold Fever captured people worldwide, historic creeks such as Bonanza and Hunker continue to yield significant quantities of gold. But times have changed. Modern placer miners have traded their manual gold pans for GPS units and satellite phones as they eagerly explore lesser-known creeks such as Dominion, Indian, Matson and Sulphur. These creeks figure prominently in today's placer mining industry.

Interestingly, placer mines have operated continuously in the Yukon since the late 1800s and have sustained operations through economic downturns when even hard rock mining outfits were forced to shut down operations. Royalty records, which document declared gold production, show that over 16.6 million crude ounces (518 tonnes) of placer gold has been produced to date in the Yukon. About 90 per cent (or approximately 15 million ounces) come from creeks located in the Dawson Mining District.

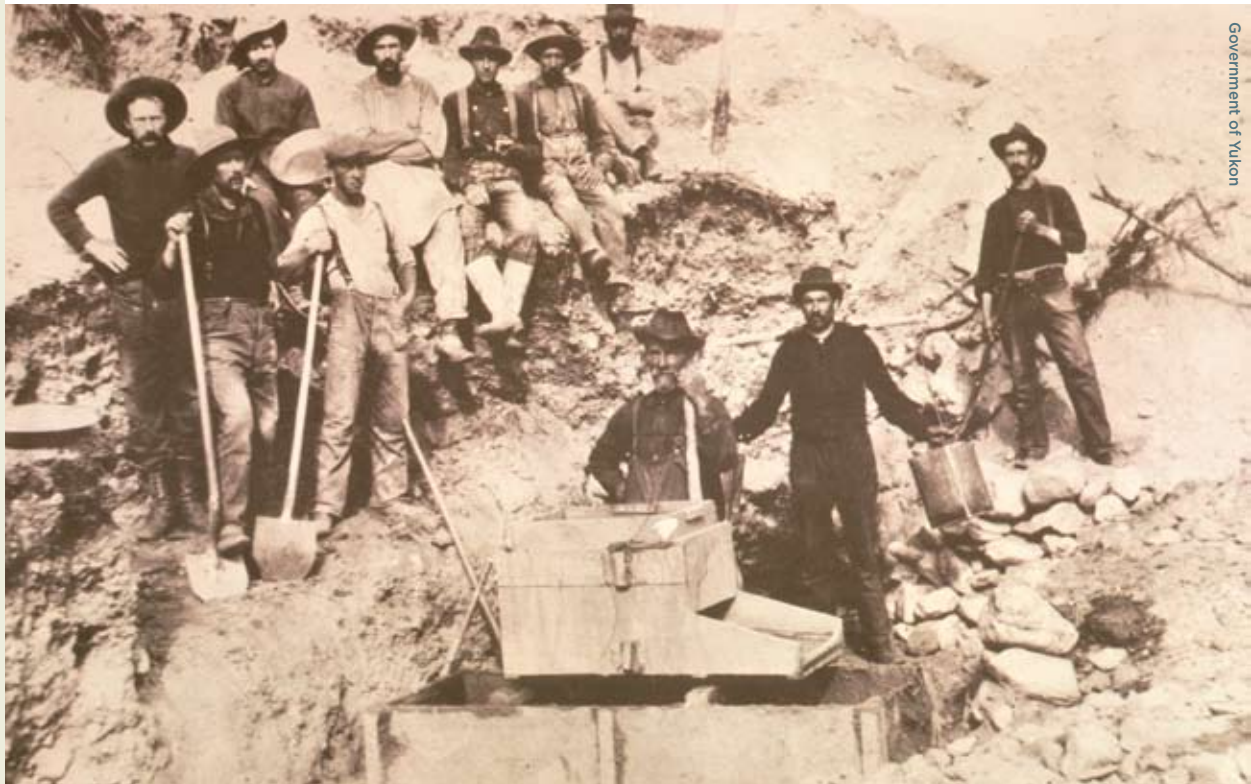
In recent years, the placer industry has undergone many changes. While most operations are family owned and operated businesses with an average of three to four employees, it appears the placer

industry is shifting towards larger operations and multi-property owners. Recent trends have seen small, relatively inactive properties being sold to new owners who have reactivated the mines on a larger scale while other placer miners are active on multiple properties.

In 2008, there were approximately 80 active placer mining operations in the Dawson Mining District employing about 250 people. During 2008, the total Yukon placer gold production was 49,969 crude ounces with a production value of \$36.5 million CDN. Of this, approximately 87 per cent was mined mainly from the Klondike, Indian, Fortymile and Sixtymile and lower Stewart river drainages located in the Dawson Mining District.

A highlight of the 2008 season was the establishment of a significant mining operation on Barker Creek for the first time in many years. This had a ripple effect on the southern Stewart River area with an improved road network connecting the Barker, Thistle, Ballarat, and Kirkman creeks. This increased infrastructure will be beneficial to smaller operations and facilitate the exploration of nearby creeks.

As the 2009 season is set to begin, there is currently considerable interest in placer mining properties from southern-based and international investors. This is likely due to a number of factors, including Yukon's predictable regulatory regime and reasonable permitting times and the price of gold which has vastly out-performed most other metals in the face of the current economic uncertainty. ■



## DISTRICT PROFILE: GOLDEN DAWSON CITY

Employees at the Yukon government's Mining Recorder Offices provide valuable assistance and current information on staking regulations. When individuals wish to stake a claim, it is recommended they visit the area's Mining Recorder Office first. Meet the Dawson City Mining Recorder Office's team!

Kathryn Perry arrived in Dawson City in January, 1998. Traveling from balmy Comox, BC, Kathryn arrived at 7 pm to a shockingly cold Dawson City, frozen at a temperature of minus 37 degrees Celcius. She was instantly smitten!

Kathryn has been the Dawson City's Mining Recorder for 11 years and continues to be amused, amazed and challenged by her work. She enjoys the variety of people she meets and to hear about their unusual lives. Kathryn has met people from around the world, yet they all share one

common goal: to stake a claim and find gold! This compulsion for gold continues to draw people to Dawson City and keeps her job interesting. Kathryn hopes to retire in the next few years but plans to stay in Yukon for the foreseeable future.

Vicki Roberts moved to Dawson City in 1979 for a summer job when she was still a teenager. A few years later, she married a local man and never left. In 1981, Vicki briefly worked for Indian Affairs and Northern Development as a Junior Mining Clerk for a year but left to give birth to her first baby. Ten years later, she returned to INAC and worked in the Mining Inspections Branch for the next 17 years. In 1999, Vicki moved to a new job in the Mining Recorder's Office. Her favorite part of being the Mining Administration Officer is meeting and helping people. Vicki also likes being part of a working team: "It is great to have so much support from my co-workers," she says.

One of these co-workers is Diane Weirda who is also a Mining Administrative Officer. She has worked for the Yukon government for 21 years and reports that she has seen a lot of changes over the years. "For the better, of course!," she says. Diane enjoys entering data on Yukon Mining Claims Database and helping miners who come into the office. She is very happy to be part of the Dawson team and finds it a great work environment. Diane grew up in a mining family living in Dawson City. Her grandfather moved to Dawson City in the early 1900s and mined in the Dawson area for many years.

Suzie Fournier joined the Dawson City Mining Recorder team in July, 2008 on contract as a Mining Administration Officer. A few months later, she switched to working as the Mining Lands Officer. Suzie worked at the Provincial Mining Recording Office in Sudbury, Ontario prior to moving to the Yukon. With her bilingual skills and her college education in the Fish and Wildlife Technician program as well as the Forestry Technologist program, she is a great addition to the Dawson team.

Finally, Administrative Assistant Sarah Taylor's story is a common one in the North. Sarah came to Dawson City for a summer vacation seven years ago and had such a memorable time, she decided to stay. In recent years, Sarah was busy taking care of her two children but returned to the work force at the Mining Recorder Office. While new to the team, Sarah finds her coworkers to be welcoming and is enjoying her time at work.

The Dawson City Mining Recorder's staff is available to assist with all claim staking related questions and issues. They can be reached at (867) 993-6747 or 1-800-661-0408 and ask to be transferred to the Dawson City Mining Recorder Office. ■

## Yukon Mining Statistics

Here are the Yukon mining statistics for 2008:

- Quartz Claims in Good Standing – 79,734.
- Placer Claims in Good Standing – 17,746.
- Prospecting Leases in Good Standing – 121.
- 82 projects went through the YESAA process - 48 placer and 34 quartz claims.
- YESAA authorization issued to 43 placer and 28 quartz claims
- 11 claims are still under YESAA review.

Government of Yukon



Government of Yukon



Government of Yukon



*Top photo: Mining Recorder Office's Mining Administrative Officer Diane Weirda is available to help with any claim staking questions within the Dawson City District.*

*Middle photo: Mining Recorder Office's Mining Lands Officer Suzie Fournier reviews claim applications and claim maps for the Dawson City District.*

*Bottom photo: Administrative Assistant Sarah Taylor is the newest edition to the Dawson City Mining Recorder Office's team.*

## Message from KPMA

The Klondike Placer Miners' Association (KPMA) is proud to be a part of the 23<sup>rd</sup> Annual Dawson City International Gold Show. The Gold Show brings together many companies that do business with the placer industry throughout the territory. It marks the unofficial beginning of our season and serves as an annual Spring venue for our members to meet.

Placer mining has been a very stable and important contributor to Yukon's economy for over 100 years. With rising gold prices, and relatively low fuel prices we are looking forward to the 2009 season.

I would like to thank the Department of Energy, Mines and Resources (EMR) for their support in 2009. EMR is a major sponsor of our Spring Meeting and Family BBQ and Dance. It is important to note that the BBQ is being held on July 1<sup>st</sup> this year to coincide with the Goldpanning Championships. I would like to wish all placer miners a successful 2009.

Stuart Schmidt  
*President - KPMA*



## SITE PROFILE: YUKON ETHICAL GOLD TURNING HEADS WORLDWIDE

*Continued from page 1.*

*Shaun Rudolph, who is holding a bar of "green" gold, and his father Jon Rudolph are leading the charge in promoting Yukon ethical gold to the world.*



Government of Yukon

letter of the law. A contract was also put in place to have Yukon placer gold refined in separate batches by the U.S.-based Johnson Matthey company. This ensures a guaranteed chain of custody and reassures buyers they are purchasing .9999 per cent pure gold, all from ethically-certified Yukon placer mines.

Mammoth Tusk Gold has also begun testing the market and raising awareness of "green" gold. As a pilot project, it produced a one-ounce gold coin, specially-designed by Lasqueti Mint, which is co-owned by Lipovsky, the goldsmith who originally planted the seeds for Yukon ethical gold. Response to the coin was good and the Lasqueti Mint continues to purchase Mammoth Tusk's gold. The company also sells to Birks & Mayors Inc., who is the official supplier of jewelry

products to the 2010 Olympic Games. The ethical gold supplied by Mammoth Tusk Gold will be used by Birks in its in-house gold products.

Mammoth Tusk Gold has also hosted several prominent jewelry makers, including the American jewelry design and production firm, Toby Pomeroy. Pomeroy's work has been worn by such celebrities as Cameron Diaz and was recently featured in a Time Magazine article on ethical gold. In the article, Pomeroy mentions being impressed with the Mammoth Tusk Gold project. As a result, Mammoth Tusk Gold is now working on producing different gold formats which jewelry designers can use and plans on attending the JCK Las Vegas, one of the largest jewelry trade shows in North America.

"There is a lot of interest in our product," says Rudolph. "We get calls all the time. What everyone has to realize is that there is also a premium attached to this product. In the same way that an organic tomato is likely to cost a bit more than other tomatoes, our product is unique and will cost more... We're certain that there are enough people who are prepared to pay for what we're offering. We expect to be able to sell all the certified ethical gold that we can produce. As we can offer Yukon placer mines a premium price, it's a good option for them too."

For all its efforts and hard work, Mammoth Tusk Gold also earned a major feather in its cap when it received a significant vote of confidence from Stephen D'Esposito of Earthworks. D'Esposito responded positively after paying a visit to Mammoth Tusk Gold. "D'Esposito said we're leading the world by putting environmentally and socially sustainable standards on gold production," says Rudolph. "Earthworks wouldn't make a statement like that lightly, so it's a good sign that we're on the right track." ■

## FROM THE TRENCHES

MINERAL, MINING & EXPLORATION NEWS

Volume 3  
Issue 2  
Summer 2009

This newsletter is produced and published by the Mineral Resources Branch, Department of Energy, Mines and Resources, Government of Yukon.

For more information or to share your feedback, please contact the Mineral Resources Branch at (867) 667-3163 or [mining@gov.yk.ca](mailto:mining@gov.yk.ca).

Contributors: Elaine Schiman, Bill Labarge, Stuart Schmidt, Dawson City Mining Recorder employees.

Info Sources: [Goldpaq.com](http://Goldpaq.com), [thecanadianencyclopedia.com](http://thecanadianencyclopedia.com), [articlesbase.com](http://articlesbase.com)

Photographs:  
Government of Yukon.

This quarterly newsletter is available at:  
[www.yukonmining.com](http://www.yukonmining.com)

To subscribe, send an email to:  
[mining@gov.yk.ca](mailto:mining@gov.yk.ca)