

TRENCHES

MINERAL, MINING & EXPLORATION NEWS

THE LITTLE PROSPECTOR THAT COULD

How Shawn Ryan and Cathy Wood started the new Yukon Gold Rush

The Yukon license plate features the image of a lone placer miner, with gold pan, shovel and pick at the ready. It's a nod to the Klondike Gold Rush, which led to many years of placer and quartz mining - an industry that helped build modern Yukon. Since the mid-1990s, the territory's mining industry has been through some hard times, but in recent years, Yukon has enjoyed a huge resurgence of staking, exploration and mine development. News headlines tend to focus on the activities of various large mineral exploration and development companies, but the "little guy" depicted on the license plate, the lone individual with a few tools and a persistent spirit, can still make a big difference.

For proof of that, look no further than Yukon prospector Shawn Ryan. Ryan and his wife and business partner, Cathy Wood, can arguably be given credit for igniting this 21st century Yukon Gold Rush and the excitement that is building over the territory's unexplored mineral potential. They own 35,000 claims in Yukon, approximately 20 per cent of the total, which makes them the largest private claim holders in the territory. They have almost forty paying option agreements with about fifteen junior mining companies. Their claims in the White Gold district south of Dawson City are so promising that they started a multi-year staking rush which broke records in 2010. They and their company, Ryanwood Explorations, have received several awards, including

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Did You Know?



A member of Ryanwood Explorations team staking claims on a mountainside in late 2010.

Mining Statistics

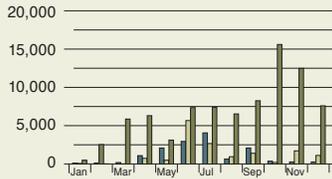
January 1st to December 31st 2010

■ Quartz Claims in Good Standing – 158,419

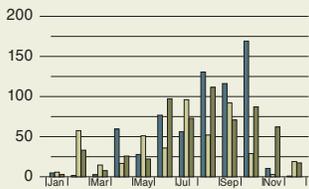
■ Placer Claims in Good Standing – 18,090

■ Prospecting Leases in Good Standing – 130

Quartz Staking



Placer Staking



■ 2008
■ 2009
■ 2010



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the 2011 Bill Dennis Award for prospecting success from the Prospectors & Developers Association of Canada. They recently moved from Dawson City and set up home and business operations in a spacious new house in Whitehorse.

These are fine days for Shawn Ryan. But it wasn't always so. He has been through his own "lean years" and that's why he is quick to thank those who helped get him through those times, especially his wife and partner Cathy and the geologists of the Yukon Geological Survey.

Ryan arrived in Yukon in 1989, looking to buy a trap line. Instead, he ended up spending eight years picking Morel mushrooms for a living. In 1992, Ryan met Wood, who joined him in the mushroom-picking business. "We were both interested in finding ways to make a living in the bush," says Ryan. "Picking mushrooms prepared us for prospecting, because they're so similar. In both, you rely on science and data to tell you where to look. You have to understand how other people think and work. That gives you the confidence you can find something other people have missed. And you've got to have optimism, even when you fail, because there's a high probability you will fail many times before you succeed."

In 1996, Ryan and Wood turned to prospecting. They were living in a tiny tin shack outside Dawson City, with no electricity, no running water and no phone or internet. "I asked Cathy to give me two years," says Ryan. "I was hopeful it would take about that long to find something promising enough to sell, but then the Bre-X scandal happened in 1997. Suddenly, you couldn't sell anything, and a lot of people left the bush, discouraged." Ryan and Wood persevered and to hear them tell it, it was fun. "I liked living in the tin shack," says Wood. "It was a simple life. Shawn had time to read and research Yukon geology. I worked with him and looked after our children. We became very close as a family and we always lived within our means. In some ways, it's an advantage to start out during a low time. It teaches you to be cautious, analytical and methodical."

Ryan and Wood survived largely on the odd bit of paying work and grants from the Yukon government's Yukon Mining Incentive Program (YMIP), which promotes prospecting and exploration by funding technically-sound proposals from companies and individuals. Ryan had no formal education as a geologist and had only done a bit of mineral staking in Ontario. "I learned so much from the geologists at YMIP and the Yukon Geological Survey," says Ryan. "I would read their reports, over and over, night after night, till the information sunk in. I talked to the geologists

*Page 2:
Ryanwood Explorations
staking claims in late 2010.*

*Page 3:
Cathy Wood and
Shawn Ryan*



Did you know....

- Gold plays an important role in keeping pilots safe. Gold is used in microelectronic circuitry in escape mechanisms, parachutes, and air-survival radios. Gold is the best metal to use in these applications because it does not corrode, crumble, or tarnish whatever the conditions; it is unaffected by moisture, oxygen or ordinary acids, and is virtually indestructible.
- Gold helps save lives on the nation's roads. More than 30 million automobiles are equipped with air bag systems that have gold-coated electrical contacts to ensure that the system will work flawlessly for the life of the car.
- Hospitals and office buildings are monitored by gold-coated infrared sensors to detect unhealthy buildup of carbon monoxide and other indoor pollutants.
- In the space program, gold's ability to reflect infrared radiation helps shield astronauts, sensitive electronic equipment, circuitry, and protect the tether that secures astronauts on spacewalks.

again and again, asked them questions and learned how to put together good proposals and sell ideas. They held my hand and I would follow their tips.”

Ryan believes his lack of formal training was an advantage. He challenged generally-accepted assumptions taught in university geology programs and, in the end, it paid off. “The accepted technique was to rely largely on rock samples and when taking soil samples, to go only six inches down,” says Ryan. “Yukon has a low percentage of rock outcrops, so we went mostly for soil samples. The big secret in Yukon turned out to be that you have to go 2 ½ feet down to take your samples. We tried it because we figured the soil might have percolated down. It worked. The results got better, as we went down deeper. I figure a lot of people walked right over top of what I found. For years, people thought Yukon was explored out, but my approach to soil sampling changed that.”

Ryan’s technique is to sample an area at more frequent intervals and over a larger area. The first year he took 2,500 samples, the next year 5,000, and every year after that, his soil sampling program grew. In 2011, Groundtruth Exploration, a partnership between Cathy Wood and Isaac Fage, plans to take approximately 150,000 soil samples in Yukon.

Several savvy business decisions are also key to Ryan and Wood’s success. When they option out their claims to companies, they negotiate the

right to do the soil sampling, which has provided ongoing work and income for themselves and their employees. They also retain access to all the soil sampling data, which allows them to continue to build their geological database.

Ryan and Wood also made a point of re-investing in their business. As option payments began to come in, they used the money to acquire more claims. “That’s how we managed to amass so much,” says Wood, who is what Ryan calls the “main frame” of their system. She pays the bills, does the book-keeping, keeps track of the claims and negotiates the option agreements. In the past, Wood did much of the cooking for their crews, including one memorable weekend when 2000 meatballs were rolled. “I never make meatballs anymore,” Wood laughs.

Neither Ryan nor Wood ever expected things to turn out this well for them. They are now financially-secure and could easily rest on their laurels. But that’s not likely. “We like to work hard,” says Wood, “and we love a lot of the people in this business.” As for Ryan, he says he’s not motivated by greed, but by fear. “I don’t want to stop a mile short of the next big deposit,” he says. “I think there are still a few more big ones out there waiting to be found.” ■

FROM THE
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Photo credits:
Government of Yukon

EMPLOYEE PROFILE: **TIM SMITH**

Tim Smith moved from Ottawa to Whitehorse with his family in late June 2010 to take up the position of Manager, Mining Lands. While he had visited other areas of the North, this was the first time he and his family had experienced the Yukon.

The Mining Lands section is responsible for mineral disposition and the regulation of exploration and mining activities. Administration of mineral claims and mining land use approvals is delivered through four district offices. Advanced exploration projects and mine licensing is handled by a team in Whitehorse.

Tim spent nine years working in the policy sector with the Canadian Environmental Assessment Agency before joining the Yukon government. His involvement with files relating to Northwest Territories devolution, Nunavut, regional assessment in the Beaufort Sea and northern regulatory improvement piqued his curiosity and interest in the North. “What intrigued me most about the

prospects of working in Mining Lands, was the opportunity to draw on my policy background and gain experience in an operational setting.”

Tim has also worked for Environment Canada in international environmental affairs and water policy. He began his career in government with the Nova Scotia Department of the Environment in 1991. “Smaller governments are more nimble. You feel more a part of the process, more connected to your clients and stakeholders.” While acknowledging that a move to the Yukon and a career shift to mining lands administration involves a steep learning curve, Tim is inspired by the depth of knowledge, dedication and team spirit within Mineral Resources and EMR and is eager to work with a dynamic mining industry in the Yukon.

In his spare time, Tim and his family enjoy outdoor activities and experiencing the Yukon’s outstanding natural beauty. ■

Tim Smith.

