

**Northern Miner**  
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**Yukon Nevada Gold**

Yukon-Nevada cuts 14.5 metres grading 8.95 grams gold at Ketzá Vancouver - **Yukon-Nevada Gold** (YNG-T) cut one of its best intercepts to date at its Ketzá River property, about 125 km northeast of Whitehorse, Yukon. The market thanked Yukon-Nevada for the news by boosting its share price 10¢ to close at \$1.05.

Hole 62 in the Peel zone intercepted 14.5 metres grading 8.95 grams gold per tonne starting at 32.6 metres below surface. Yukon-Nevada also reported returns of 9.1 metres grading 7.1 grams gold starting at 11.3 metres in Tarn-zone hole 78, about 1 km southwest of the Peel zone.

The results are part of Yukon-Nevada's extensive 170 hole, 22,000 metre 2008 drill program that has allowed the company to bring Ketzá River up to a measured and indicated resource of 4.1 million tonnes grading 4.93 grams gold. The majority of the resource lies in the central Peel zone mineralization and 90% of it falls under Yukon-Nevada's open-pitabile category. Results from the drill program are going towards the company's ongoing prefeasibility study of the project.

Terry Eisenman, project engineer at Ketzá, says that Yukon-Nevada hopes to have the prefeasibility study complete this September and a mine up and running as soon as 2010. Yukon-Nevada, he points out, has the advantage of using or upgrading existing infrastructure left over from the days when **Canamax** operated a mine on the site. Between July 1988 and November 1990 Canamax pulled out 100,000 oz. of gold from 340,000 tonnes grading 11.6 grams gold at Ketzá. But with the price of gold in the dump and having burned through much of the high grade oxide resource, Canamax shut down the 350 tonne a day operation.

As Mike Burke, a former Canamax Ketzá River mine geologist and current head of the Yukon Government's mines branch, puts it, "By the end of the mine's life, the cost of getting gold out was about \$400 oz. – and that was when gold was selling for \$350 an oz." Although Canamax knew of substantial sulphide mineralization at Ketzá River, the company only had a permit to mine the oxide portion. It was going to move into the sulphide zones and went as far as metallurgical tests and getting water permitting – except then the dismal price of gold intervened. Canamax flipped the property over to **Wheaton River Minerals** in 1992 (since acquired by **Goldcorp** (G-T, GG-N)) which passed it onto **YGC Resources** in 1994.

YGC became Yukon-Nevada following a merger with **Queenstake Resources** in 2007. The new company has operated the Jerritt gold mine in Nevada since 2005 and has 3.1 million proven and probable tonnes grading 6.44 grams gold there.

With gold performing well again, Yukon-Nevada hopes to finish what Canamax started at Ketzá.

Eisenman guesses they will annually mill about 60 to 70,000 tonnes for ten years. Although the project sits in the traditional territory of the Kaska, one of a few First Nation groups that have not settled territorial claims with the Yukon government, Yukon-Nevada has signed a memorandum of understanding with the Kaska that allows exploration and environmental monitoring activities to proceed.

Burke says despite all the land claims issues, the Kaska are still fairly pro-mining. Eisenman notes that the company has invested in local community programs and makes an effort to employ and train First Nation youth. He does not expect there to be significant issues when Yukon-Nevada makes a final production decision about Ketz.