

Yukon Placer Mining Overview 2009

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PLACER MINING

More than a century after the discovery of gold in the Yukon, placer mining is still an important sector in the Yukon's economy. Royalty records, which represent the minimum amount of gold production, show that over 16.7 million crude ounces (518 tonnes) of placer gold have been produced to date in Yukon – at today's prices that would be worth more than \$14 billion.

In 2009, there were approximately 135 active placer mining operations, directly employing approximately 400 people. This was a substantial increase over 2008, which had only 100 operations. As usual, the industry saw a fair amount of transition: some operations moved to new drainages, others closed, several were sold, and a few brand new mines began operating. Although most placer operations are still small and family-run (with an average of three or four employees), there has been a recent trend for small, relatively inactive properties being sold to new owners and re-activated. In addition, several mine owners now own more than one active property, resulting in a shift towards larger mining operations.

The warm, dry summer was helpful to many miners in maintaining settling ponds and thawing frozen ground, however it was less beneficial for operations in the higher gulches where water supply was a problem. A relatively warm fall allowed the mining season to be stretched for those miners able to take advantage of it.

There are ten placer mining areas (Fig. 1) distributed throughout the four Yukon Mining Districts. The majority of active placer mining operations are in the Dawson Mining District, followed by the Whitehorse Mining District and the Mayo Mining District. No placer mines are currently active in the Watson Lake Mining District, although there are a few exploratory properties along the Pelly, Liard and Hyland rivers.

Total placer gold production in Yukon in 2009 was 54,478 crude ounces (1 694 456 g), compared to 52,709 crude ounces (1 639 454 g) in 2008. The value of this 2009 gold production was \$48.23 million or US\$42.4 million (Fig. 2).

Approximately 86% of Yukon's placer gold was recovered in the Dawson Mining District, which includes the unglaciated drainages of Klondike River, Indian River, part of the west Yukon area (Fortymile and Sixtymile rivers) and lower Stewart River. The remaining gold came from the unglaciated Moosehorn Range (west Yukon area) in the Whitehorse Mining District, in addition to other placer mining areas in the glaciated Mayo and Whitehorse mining districts.

Reported placer gold production from Indian River drainages in 2009 increased slightly from 15,305 crude ounces (476 039 g) in 2008 to 15,336 crude ounces (477 003 g) in 2009. There was a significant decrease in production from Dominion Creek, due in part to the cessation of mining early

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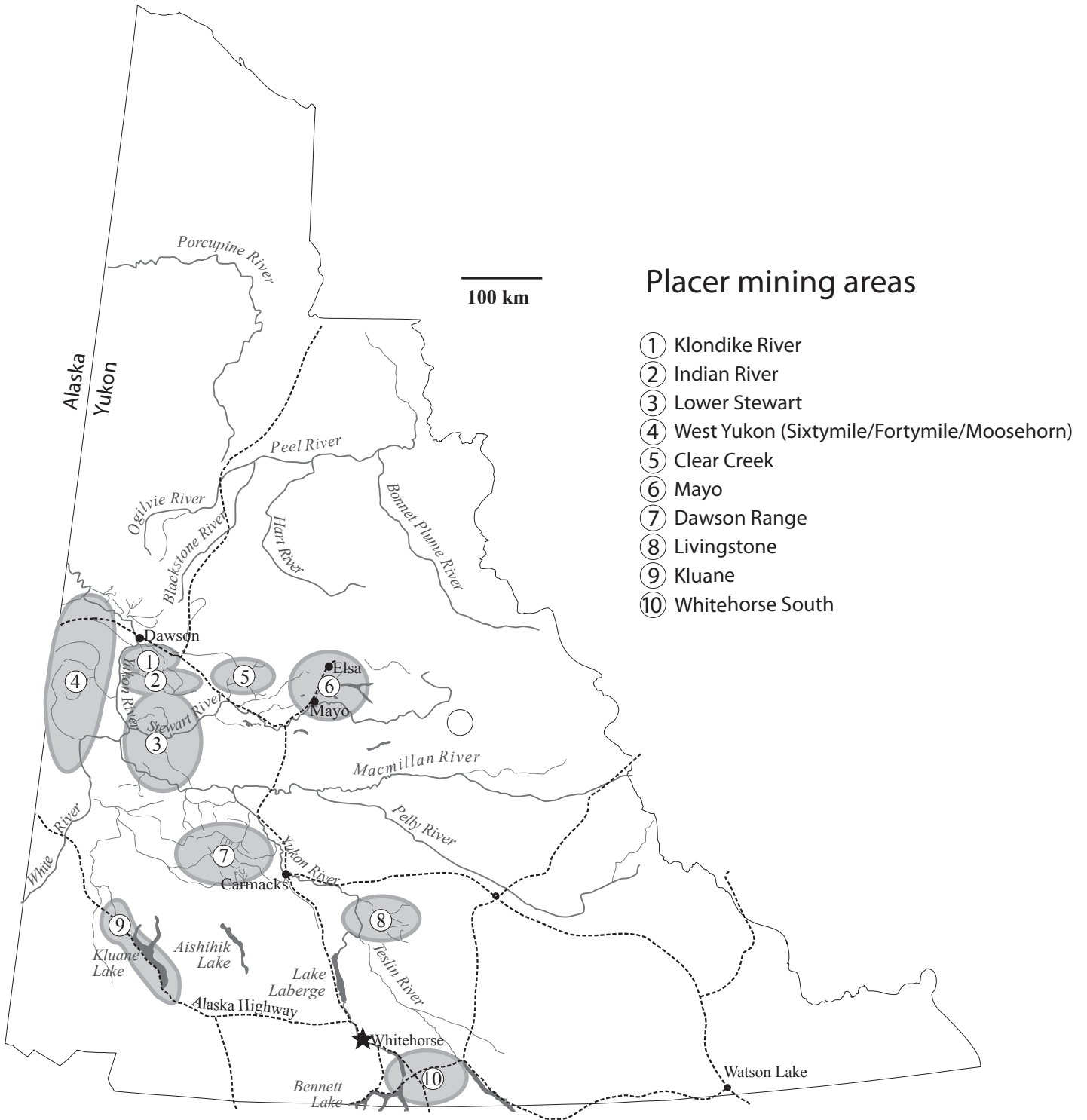


Figure 1. Yukon placer mining areas.

in the season by Ross Mining Ltd. New operations on Little Blanche and Canyon creeks and increased production from Indian River nearly compensated for this difference however.

In Klondike area drainages, production increased from 11,223 crude ounces (349 074 g) in 2008 to 13,268 crude ounces (412 681 g) in 2009. Notable increases were reported from Hunker Creek and its tributaries, while royalties from Bear and Bonanza creeks dropped significantly.

West Yukon area (Sixtymile, Fortymile and Moosehorn Range) placer gold production decreased dramatically from 13,416 crude ounces (417 285 g) in 2008 to 8,316 crude ounces (258 657 g) in 2009. The largest decreases were from Sixtymile River and Matson Creek.

Production from operations in the Lower Stewart drainages was up significantly in 2009, to a total of 9,955 crude ounces (309 635 g) from 5,779 crude ounces (179 747 g) in 2008. Production from Black Hills, Barker and Henderson creeks was up substantially, while Scroggie Creek reported royalties were down. Several new operations began on Black Hills Creek and some relatively new operations throughout the region stepped up production.

Clear Creek drainages had a decrease in gold reported over the previous year, down from 487 crude ounces (15 147 g) in 2008 to 443 crude ounces (13 779 g) in 2009.

In the Dawson Range, reported placer gold production more than doubled from 788 crude ounces (24 509 g) in 2008 to 2,014 crude ounces (62 642 g) in 2009. All creeks had increased royalties, and the highest difference was recorded on the Klaza River.

In the Mayo area, gold production decreased substantially from 1396 crude ounces (43 420 g) in 2008 to 1035 crude ounces (32 192 g) in 2009. Duncan and Lightning creeks both had increased production, while Davidson Creek and nearby Mayo Lake tributaries had decreased production.

In the Kluane area, reported placer gold production increased, with 1,648 crude ounces (51 258 g) recorded in 2008 and 1,859 crude ounces (57 821 g) recorded in 2009. Production at Burwash and Gladstone creeks increased, while Frypan Creek recorded no royalties this year.

A small amount of mining took place in the Livingstone area, and 16 crude ounces (497 g) of gold was reported as royalties from Little Violet and Livingstone creeks.

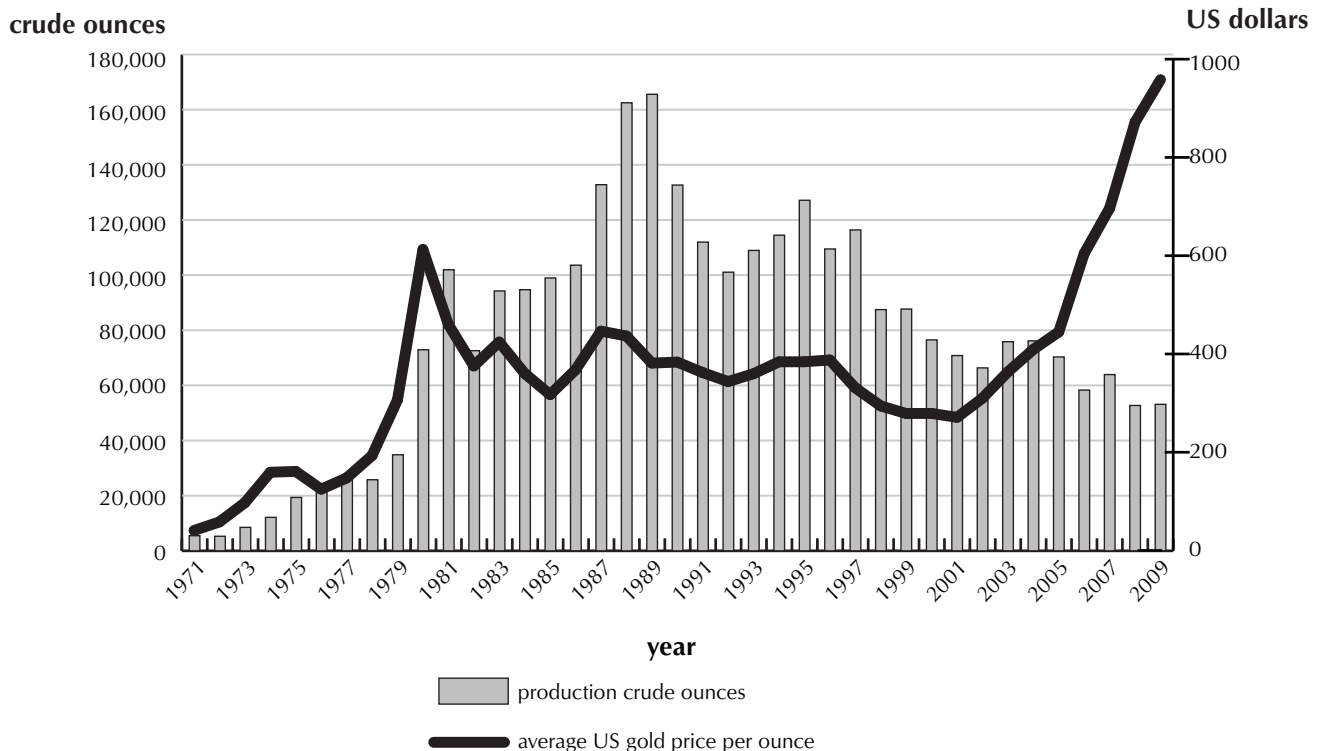


Figure 2. Yukon placer gold production figures and average US gold price, 1971-2009.

In the Whitehorse South area, no gold was reported in 2009.

PLACER EXPLORATION

One of the highlights of the 2009 season was the substantial increase in placer staking activity in the Lower Stewart area, fuelled in part by exploration on the nearby White Gold hard rock gold discovery north of Thistle Creek. In addition, several small test operations were established on Maisy May and Black Hills creeks, which have had relatively low levels of activity in recent years.

CONTACT US

The staff at the Yukon Geological Survey and the Client Services and Inspection Division (Department of Energy, Mines and Resources, Government of Yukon) can provide information and advice regarding placer mining in Yukon. Many recent publications and maps can be downloaded for free from our website at www.geology.gov.yk.ca. Information is also available at the Yukon Placer Secretariat, <http://www.yukonplacersetariat.ca/>. Publications on placer mining in the Yukon are available through the Yukon Geological Survey office at Room 102, Elijah Smith Building, 300 Main Street, Whitehorse, Yukon.