

New Dublin Gulch partner to pursue potential for Yukon gold mine

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A company planning a merger with the owner of the Dublin Gulch gold property near Mayo, Yukon, says it wants to develop the property into a producing gold mine fairly soon.

Toronto-based Victoria Gold Corp. announced a tentative deal Wednesday to merge with Vancouver-based StrataGold Corp., which has been working on the Dublin Gulch site since it acquired the property in 2004.

Although the merger has to be finalized in the next month or two, Victoria Gold president Chad Williams said turning the Dublin Gulch property into a heap-leach gold mine will be a priority for the new company.

"It's creating value, if you will, out of nothing," Williams told CBC News on Wednesday.

"I mean, it's building a mine, creating jobs, creating economic activity out of hard rock."

Heap leaching is a lower-cost method of refining gold from a heap of crushed ore using a chemical solution to leach out the mineral.

The Dublin Gulch property is located about 48 kilometres northeast of the village of Mayo.

Williams said the potential mine could be significant to the Yukon's economy, as its gold production would potentially rival or exceed the amount of production at the former Brewery Creek mine near

Dawson City.

He added that StrataGold has already spent \$50 million on exploration and other work at the property, which has road access and is located close to the Mayo hydroelectricity dam.

StrataGold has also developed a relationship with the nearby Nacho Nyak Dun Nation, he added.

"We checked off all the boxes ... it's technically simple, the permitting should be simple, the metallurgy's good, easy access, available power, a ready source of labour," he said.

"All the things that are critical for projects are available at this project."

And with current gold prices being high, Williams said, he believes financing will not be difficult.

"Gold is hitting all-time highs in Canadian dollars. It's doing very well in U.S. dollars as well, but exceptionally well in Canadian dollars," he said.

"If there is one industry in the world that is attracting capital right now, it's gold. Major gold companies have raised, I think, \$5 billion in the last two months."