



## The next big name in mining right in our own backyard?

[DAILY NEWS](#) 4/21/2010 4:47:00 PM

Investors looking for the next great mining destination often look to far-off and exotic lands that they hope will hold the promise of untold riches.

But the Yukon Gold Mining Alliance - a consortium of seven mining companies active in the Territory -- stopped in Toronto on Apr. 20 to argue that the next big name in mining is right here in our own backyard.

"Congratulations for being ahead of the curve," Chad Williams, president and chief executive of **Victoria Gold** (VIT-V) told the somewhat sparse crowd gathered in the Fairmont Royal York's Imperial room for the day long event.

William's believes the Yukon will soon be the name on the lips of mining investors the world over, and his contention was backed up throughout the day both by recent results in the territory and recent changes in government policy.

Harvey Brooks, the deputy minister of economic development, spoke on the reforms that have the Yukon leading the way when it comes to processing permits and First Nations relations.

The key reason for its leading position was its ability to gain control over its land and resource development. The process known as "devolution" culminated in the Federal government giving the territory power over its natural resources back in 2003. The Northwest Territories and Nunavut are continuing in their devolution negotiations with the government.

For miners, devolution has meant a more streamlined permitting process. Companies no longer have to first get territorial approval and then Federal approval for environmental permitting for instance. Instead a company goes to "one window" which includes federal, territorial and First Nations consultations. If the company is successful, no further application need be processed.

Brooks credits the Yukon's ability to have its devolution completed ahead of its neighbours to the Territories eagerness to usher in new investment, and he says, the opening of the **Capstone Mining's** (CS-T) Minto mine along with the scheduled opening of two more mines this year, is evidence that the process is paying off.

Another key benefit that the Yukon offers is its advanced agreements with First Nations tribes in the Territory. A total of 11 out of 14 First Nations groups have settled their land claims with the government given companies considerably more transparency than is generally the case in the far north.

Within those 11 areas First Nations rights are broken into two categories 'A' and 'B'. Areas categorized as 'A' give surface and subsurface rights to First Nations groups while 'B' areas only give surface rights.

Brooks was careful to point out that while three First Nation groups have not settled, that doesn't mean that their respective areas are off limits to companies. In fact, Brooks points out, Capstone's Minto mine is operating in an area where the First Nation group has not yet settled with the government.

Of course, while regulatory efficiency and land claim transparency are crucial factors considered by companies when looking where to invest, if a region lacks geological potential, such efficiencies are all for not.

Mike Burke of the Yukon Geological Survey illustrated why the Yukon does not fall into that category.

Burke, who has spent 20 years studying the Yukon's geology, explained that the Territory has two separate and historical productive gold belts in Tintina and Tombstone.

He went on to credit **Underworld Resources'** (UW-T) White Gold discovery with unleashing a wave of staking and attention on the belts that the territory hasn't seen since the great Klondike rush of over 100 years ago.

In March of this year **Kinross Gold** (K-T, KGC-N) signaled its belief in the geological merit of the Territory when it announced a friendly takeover bid for Underworld that valued the junior at \$140 million.

But, Burke says, despite the recent attention, the rocks of the Yukon still have plenty more to give.

"Modern exploration of the Yukon really only began in 1965 with the advent of the helicopter," Burke explains. "And you have to consider that exploration was only being done for three months out of the year. Three months over 45 years equals only 10 to 15 years worth of modern exploration."

With Underworld now off on the sidelines thanks to the Kinross offer, companies like Capstone Mining, **Northern Freegold Resources** (NFR-V), **Victoria Gold** (VIT-V), **Alexco Resources** (AXR-T), **Golden Predator** (GPD-T), **Copper Ridge Explorations** (KRX-V), and **Western Copper** (WRN-T) are now carrying the torch. The seven companies are the core of the Yukon Gold Mining Alliance and are intent on promoting investment in the Territory.

Sue Craig, president and chief executive of Northern Freegold told the crowd that the company plans to its part for raising the prestige of the Territory by doing extensive drilling both on its Nucleus Deposit and at neighbouring geophysical anomaly that the company calls Revenue.

Currently Nucleus has an inferred resource of 35.82 million tonnes grading 0.87 grams gold for 1 million oz. And while the company has achieved that all important million oz. mark, Craig argues it is still not receiving anything close to a fair valuation, and therefore offers considerable upside potential.

The company's current share price of 28¢ means that the market is pricing the company's gold ounces in the ground at roughly US\$20 per oz. - considerably less than the industry average of US\$50 per oz.

Following Craig on the podium was Victoria Gold's Chad Williams . Victoria controls the Eagle project at Dublin Gulch in the Yukon which has an eye catching indicated resource of 98 million tonnes grading 0.84 grams gold for 2.7 million oz. and an inferred resource of 2.02 million tonnes grading 0.67 grams gold for an additional 43,000 oz.

Williams says Victoria's market cap values its gold in the ground at just US\$25 per oz. and says the company is set to launch its most expensive drill programs at Eagle this year.

The third company to present was Alexco Resources, which is one of the two companies set to move a mine into production this year - the other being the Chinese controlled Yukon Zinc and its Wolverine mine. Clynton Nauman, president and chief executive of Alexco, says by the third quarter of this year the company will have its Bellekeno silver mine in production.

And while Nauman concedes that the mine will be small - it is only slated to mill 250 tonnes of ore per day - it will represent Canada's only silver mine and it will also be one of the world's highest grade mines.

Also speaking at the event was William Sheriff, the chairman and chief executive of Golden Predator.

Sheriff argued convincingly that the Yukon was poised for two to three decades of fertile exploration largely based on the fact that it is one of the last places left in the world with large placers whose sources remain unknown.

"We can hunt for the sources of these placers in the developed world," Sheriff said. "It's like we've been locked in time for 100 years."

Golden Predator has one of the strongest gold positions of any junior in the Yukon. The company's main focus is along the Territory's Tintina gold belt.