

Yukon Placer Mining Overview, 2008

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LeBarge, W., 2009. Yukon Placer Mining Overview, 2008. *In: Yukon Exploration and Geology 2007*, L.H. Weston, L.R. Blackburn and L.L. Lewis (eds.), Yukon Geological Survey, p. 39-42.

PLACER MINING

One hundred and twelve years after the discovery of gold in 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 16.6 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 \$10 billion.

In 2008, there were approximately 105 active placer mining operations, directly employing approximately 350 people. 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.

As in past years, weather played a factor in the mining process, as cool, rainy spring weather throughout Yukon inhibited the thawing of seasonal frost and delayed the start of active mining for many operators. This was however partially offset by warm weather in September and October which allowed many operators to mine well into the fall.

There are 10 placer mining areas (Fig. 1) distributed throughout the four Yukon Mining Districts. The majority of active placer mining operations were 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 and Liard rivers.

The total Yukon placer gold production for 2008 was 49 968 crude ounces (1 554 180 g), compared to 63 929 crude ounces (1 988 431 g) in 2007. The value of this 2008 gold production was CDN\$36.9 million or US\$34.8 million (Fig. 2).

Approximately 85% of the Yukon's placer gold was produced in the Dawson Mining District, which includes the unglaciated drainages of Klondike River, Indian River, west Yukon (Fortymile and Sixtymile rivers) and lower Stewart River. The remaining gold came from the unglaciated Moosehorn Range 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 2008 decreased from 24 436 crude ounces (760 050 g) in 2007 to 14 650 crude ounces (455 666 g) in 2008. Most of the drop was from Dominion Creek, which was partially due to the cessation of mining by A-1Cats Ltd.

In Klondike area drainages, production decreased from 11 621 crude ounces (361 450 g) in 2007 to 11 029 crude ounces (343 040 g) in 2008. Notable decreases were reported from Bonanza and

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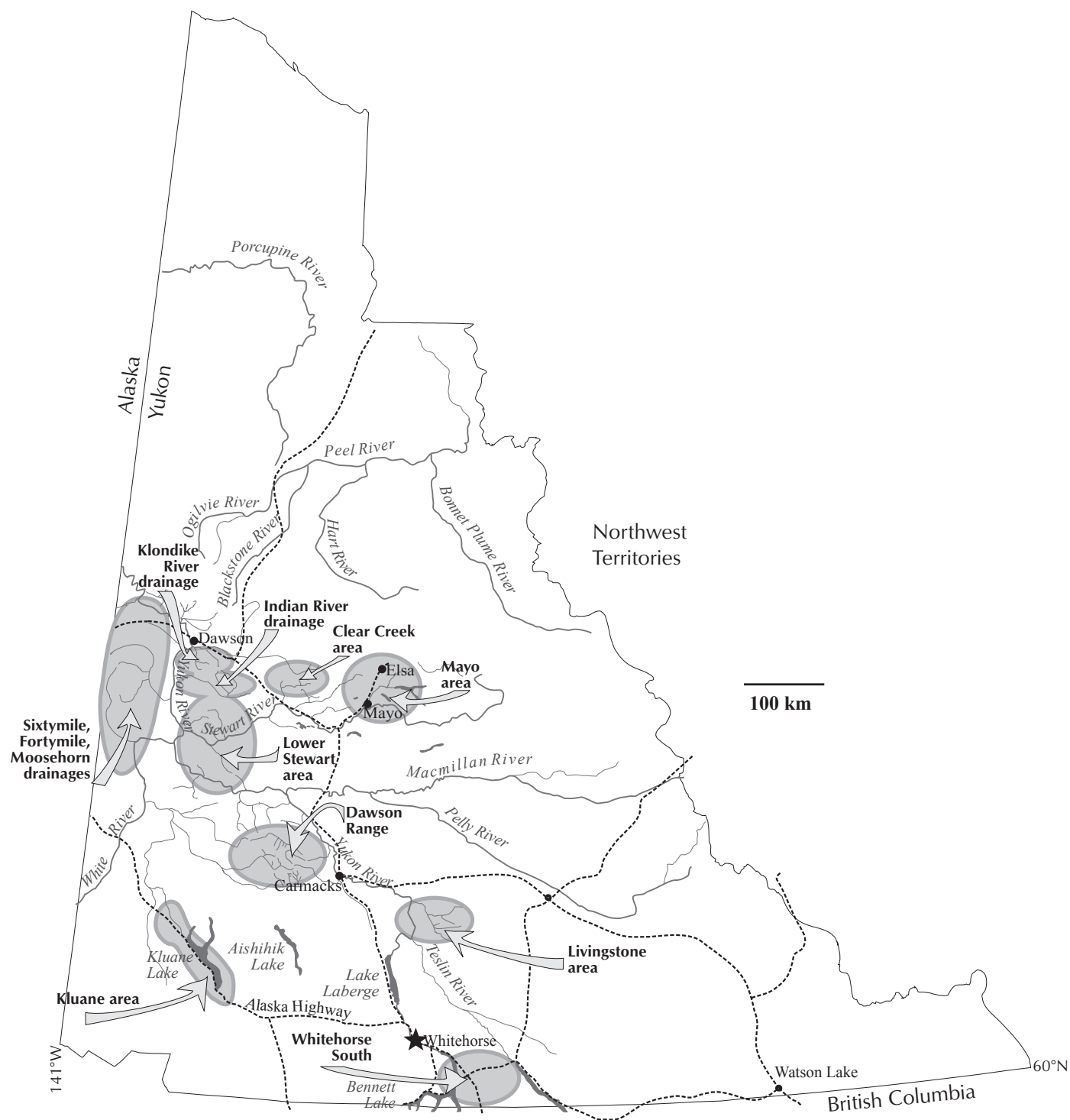


Figure 1. Yukon placer mining areas.

Hunker creeks, while production on Bear Creek more than doubled.

West Yukon (Sixtymile and Fortymile rivers and Moosehorn Range) placer gold production decreased from 14 914 crude ounces (463 880 g) in 2007 to 11 595 crude ounces (360 645 g) in 2008. The largest decrease was from Sixtymile River, whereas Matson Creek had a significant increase.

Production from operations in the Lower Stewart drainages was up in 2008, to a total of 5740 crude ounces (178 534 g) from 5424 crude ounces (168 700 g) in 2007. Production from Black Hills, Thistle and Kirkman creeks dropped substantially, but this was offset by large increases reported from Matson and Scroggie creeks and a new operation on Barker Creek.

Clear Creek drainages had an increase in gold that was reported over the year, from 363 crude ounces (11 290 g) in 2007 to 487 crude ounces (15 147 g) in 2008.

In the Dawson Range, reported placer gold production decreased from 912 crude ounces (28 370 g) in 2007 to 788 crude ounces (24 509 g) in 2008.

In the Mayo area, gold production decreased substantially from 2755 crude ounces (85 690 g) in 2007 to 1396 crude ounces (43 420 g) in 2008. A dramatic

decrease was seen in reported royalties from Duncan and Lightning creeks.

In the Kluane area, reported placer gold production nearly doubled from 887 crude ounces (27 590 g) to 1648 crude ounces (51 258 g). Production at Burwash Creek decreased, while Gladstone Creek increased. Royalties were reported for the first time from Frypan Creek, a Duke River tributary.

Little active mining took place in the Livingstone area, however on Little Violet Creek, 4.0 crude ounces (124 g) of gold were reported, down from 52 crude ounces (1600 g) the year before.

In the Whitehorse South area, no gold was reported in 2008, the same as in 2007.

PLACER EXPLORATION

One of the highlights of the 2008 season was the establishment of a significant mining operation on Barker Creek for the first time in many years. This new development had an effect on the southern Stewart River area in the form of an improved road network which connects Barker, Thistle, Ballarat and Kirkman creeks. This increased infrastructure will be beneficial to smaller operations and facilitate the exploration of nearby creeks.

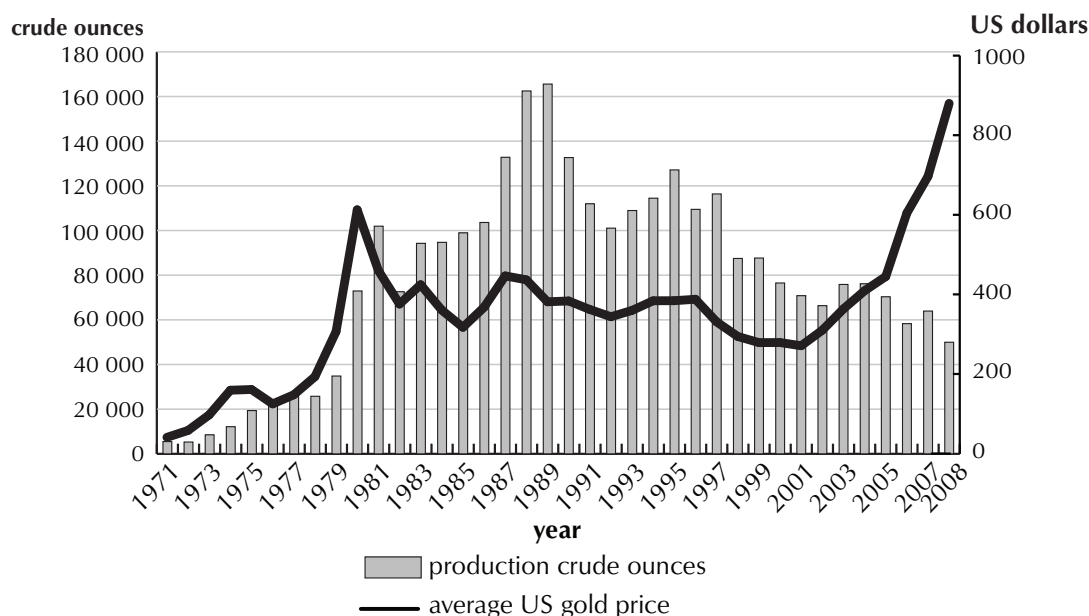


Figure 2. Yukon placer gold production figures and average US gold price, 1971-2008.

CONTACT US

The staff at the Yukon Geological Survey and the Client Services and Inspection Division (Department of Energy, Mines and Resources, Yukon government) can provide information and advice regarding placer mining in the Yukon. Many recent publications and maps can be downloaded for free from our website at <http://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.

APERÇU DE L'EXPLOITATION DES PLACERS AU YUKON EN 2008

Cent douze ans après la découverte des premiers gisements d'or au Yukon, l'exploitation des placers demeure un secteur important de l'économie du territoire. Plus de 16,6 millions d'onces brutes (518 tonnes) d'or placérien ont été produites à ce jour au Yukon, ce qui représente plus de 10 milliards de dollars au prix actuel de l'or.

En 2008, on a dénombré environ 105 sites d'exploitation sur des placers. Près de 350 personnes étaient employées directement sur ces placers. Comme à l'habitude, les transitions se sont avérées nombreuses dans cette industrie : certains sites ont été déplacés vers de nouveaux emplacements drainés, d'autres ont été fermés, plusieurs ont été vendus et quelques nouvelles mines sont entrées en exploitation. Bien que la majorité des sites d'exploitation sur placers soient de petites entreprises familiales qui emploient en moyenne de trois à quatre employés, on a observé récemment une tendance à vendre les petites propriétés relativement inactives à de nouveaux propriétaires et à les remettre en activité. En outre, plusieurs propriétaires de mines possèdent aujourd'hui plus d'une propriété active, ce qui entraîne une tendance vers de plus grandes exploitations.

Comme ce fut le cas au cours des dernières années, les conditions météorologiques ont joué un rôle important dans les activités minières, puisque les conditions fraîches et pluvieuses dans l'ensemble du Yukon au printemps ont inhibé le dégel saisonnier et retardé le début des activités

minières de nombreux exploitants. Cette situation a toutefois été partiellement contrebalancée par des conditions chaudes en septembre et en octobre, qui ont permis à de nombreux exploitants de poursuivre leurs activités plus tard à l'automne.

On compte dix zones d'exploitation de placers réparties dans l'ensemble des quatre districts miniers du Yukon. La majorité des placers encore actifs sont situés dans le district minier de Dawson, le reste se trouvant dans les districts miniers de Whitehorse et de Mayo. Il n'y a présentement aucune mine active dans le district minier de Watson Lake, malgré la présence de quelques propriétés de prospection le long des rivières Pelly et Liard.

En date du 1er décembre 2008, la production d'or dans les placers du Yukon se chiffrait à 49 753 onces brutes (1 547 492 g) pour 2008 alors qu'elle s'élevait à 63 929 onces brutes (1 988 431 g) en 2007. La production d'or en 2008 est évaluée à 36,5 millions de dollars canadiens ou 34,9 millions de dollars américains.

Approximativement 85 % de l'or placérien du Yukon a été produit dans le district minier de Dawson qui inclut les drainages non englacés de la rivière Klondike, de la rivière Indian, de l'Ouest du Yukon (rivières Fortymile et Sixtymile) et le cours inférieur de la rivière Stewart. Le reste de l'or a été extrait de la chaîne non englacée Moosehorn dans le district minier de Whitehorse et d'autres districts placériens dans les districts miniers englacés de Mayo et de Whitehorse qui comprennent les régions de Clear Creek, de Mayo, de la chaîne Dawson, de Kluane, de Livingstone et de Whitehorse Sud.

Un des faits marquants de la saison 2008 est l'établissement d'une exploitation minière importante dans le bassin du ruisseau Barker pour la première fois depuis de nombreuses années, ce qui a eu un effet sur la région du sud de la rivière Stewart sous forme d'une amélioration du réseau routier reliant les ruisseaux Barker, Thistle, Ballarat et Kirkman. Les petites exploitations pourront tirer profit de cette infrastructure améliorée, et celle-ci facilitera l'exploration des ruisseaux à proximité.