

Mining giant Agnico Eagle buys into Yukon's White Gold district

Agnico Eagle buys shares in thousands of mining claims, says people behind project are 'top-notch'

Dave Croft · [CBC News](#)

[December 12, 2016](#)



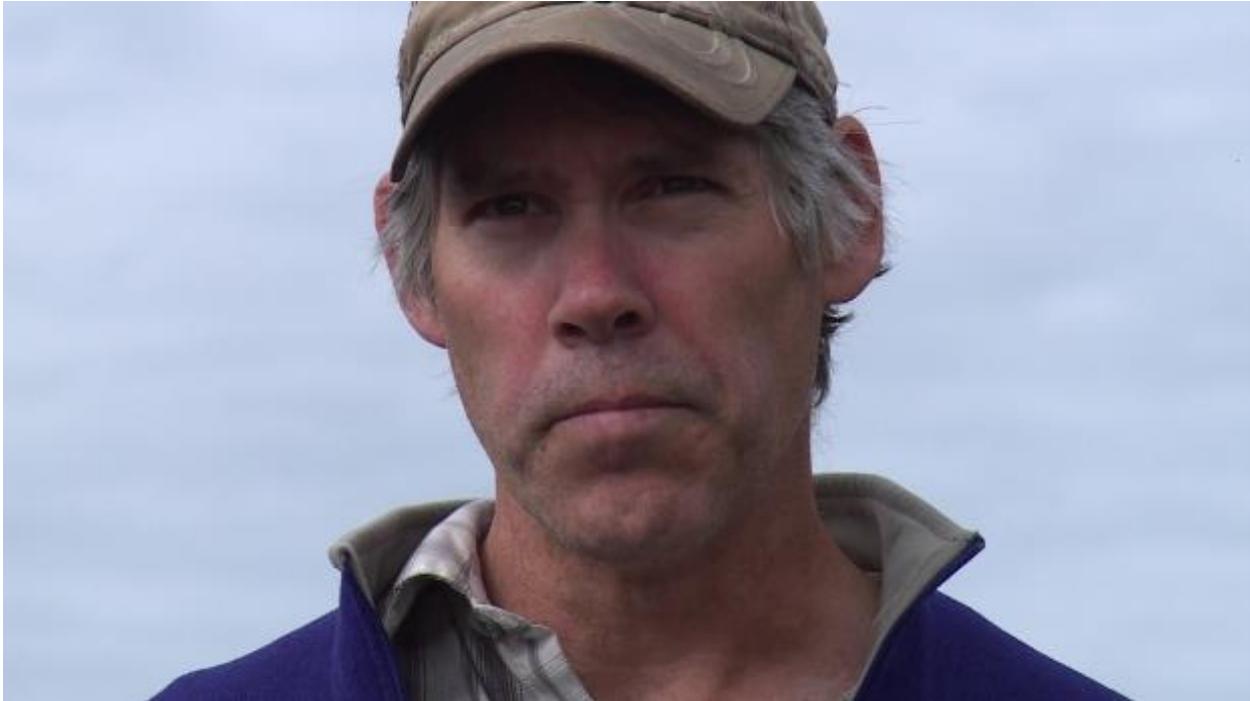
A rotary air blast drill, similar to ones used by Dawson-based company Ground Truth Exploration. The deal with Agnico Eagle includes a three-year exploration program conducted by Ground Truth Exploration. (CBC)

Yukon prospector Shawn Ryan says a deal has been struck to bring another major gold mining company into the White Gold district, south of Dawson City.

Agnico Eagle Mines Ltd. has bought a stake in thousands of mining claims originally owned by Ryan. A statement from the company says it bought 19.93 per cent of the shares of the soon-to-be-named White Gold Corporation, for \$14.52 million.

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Ryan said an associate of his formed the new Vancouver based company, which then bought all of his claims in the district — 12,300 of them, spread over 21 properties. Ryan said he received \$3.5 million and 7 million shares in the new company.



Yukon-based prospector Shawn Ryan. (Dave Croft/CBC)

Together they then offered a package deal to major mining companies that included a stake in the shares and a three-year exploration program conducted by Ground Truth Exploration (a company jointly owned by Ryan's wife, Cathy Wood, and long-time associates Isaac Fage and Tao Henderson).

A package deal

Ryan said that approach made more sense than trying to sell his properties separately, considering "there's a high probability of at least one deposit.

"If I would have done it the normal way, and sold it to 10 different juniors, it means I would have had nine losers. So I said, 'why don't we just roll it all into one?'" he said.

The project fits Agnico Eagle's preference of buying in at the early stages of a potential mine, said Dale Coffin, the company's corporate director of communications.

"They have good ground position, it's an area known for having good mineral potential, and then the individuals are top-notch in their own right. So, they have a track record. Their history is phenomenal," said Coffin.

Agnico Eagle is one of the biggest gold producers in the world. It has eight operating mines around the world, and its biggest gold-producing operation is Nunavut's Meadowbank mine.



Agnico Eagle's Meadowbank gold mine, about 150 kilometres north of Baker Lake, Nunavut. (Agnico Eagle Mines)

'Let's go to work and kick butt'

Ryan said the deal also includes \$15 million for the exploration work over the next three years. He said that will see 200 holes drilled per year, which greatly increases the chance of discoveries.

Ryan and Ground Truth Exploration have 250,000 soil samples collected in the Dawson district. He said that means they have a good idea of the areas most likely to yield big gold deposits.

"We pretty well know what we're doing in the Dawson district, so it's just, 'lets go to work and kick butt and see what falls out of all this.'"

That's good news for Dawson City-based Isaac Fage, part-owner of Ground Truth Exploration.



Isaac Fage says the deal gives his company three years of guaranteed work. (CBC)

"It's a great amount of confidence for our company, obviously, here where we know exactly what our game plan is going to be for the next three years," Fage said.

"So we're excited, we getting all tooled and armed up right now to go run this three-year program and it's going to be pretty exciting what gets found."

Ryan has long predicted that the White Gold district could become a major gold mining area with multiple mines eventually going into production. He points to Yukon's Keno district, where silver deposits are still being discovered almost 100 years after mining began there.

Faith in district's potential

Kinross was the first major company to buy one of Ryan's early discoveries, and Goldcorp recently purchased Kaminak's Coffee Gold property — another property brought to the fore by Ryan's prospecting. Goldcorp has said it [plans to develop a mine there](#).

- [Goldcorp increases Yukon-based staff for Klondike gold claims](#)
- [Goldcorp closes deal to buy Kaminak Gold Corporation](#)

Ryan said Agnico Eagle's interest adds more credibility to his faith in the district's potential.

"These guys look worldwide for opportunities, and they think this is one of the best opportunities they've seen," he said.

"You get two or three good fireworks in the district, then people begin to gain hope again and trust in the district. And that's our biggest problem as human beings, is we talk ourselves out of things more than we talk ourselves into it, sometimes."