

# Yukon Placer Mining Overview 2010

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## PLACER MINING

More than a century after the discovery of gold in Yukon, placer mining is still an important sector in Yukon's economy. Royalty records, which represent the minimum amount of gold production, show that nearly 16.7 million crude ounces (518 tonnes) of placer gold have been produced to date in Yukon – at today's prices, it would be worth more than \$16 billion.

In 2010, there were approximately 140 active placer mining operations, directly employing approximately 400 people. This was a substantial increase over 2009, which had only 131 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 is a recent trend with small, relatively inactive properties being sold to new owners and re-activated. In addition, several mine owners now have more than one active property, resulting in a shift towards larger mining consortiums.

Dawson's rainy mid-summer weather (after a relatively dry, warm spring) was helpful for miners in high gulches, but became a problem for operators on the lower reaches of major streams. Warm fall weather allowed the mining season to be extended for those miners able to take advantage of it. The last operation to be sluicing in 2010 was likely Tic Exploration on Gladstone Creek – their last day of washing gravel was November 6.

There are ten placer mining areas distributed throughout the four Yukon Mining Districts (Fig. 1). 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, Liard and Hyland rivers.

The total Yukon placer gold production in 2010 was 51,302 crude ounces (1 595 672 g), compared to 54,478 crude ounces (1 694 456 g) in 2009. The value of this 2010 gold production was CDN\$51.8 million or US\$50.3 million (Fig. 2).

Approximately 88% of Yukon's placer gold was produced in the Dawson Mining District, which includes the unglaciated drainages of the Klondike River, Indian River, Fortymile and Sixtymile rivers, and lower Stewart River. The remaining gold came from the unglaciated Moosehorn Range in the Whitehorse Mining District, and placer mining areas in the glaciated Mayo and Whitehorse mining districts.

Reported placer gold production from Indian River drainages in 2010 decreased slightly from 15,336 crude ounces (477 003 g) in 2009 to 14,707 crude ounces (457 439 g) in 2010. A decrease in production from Dominion Creek was due in part to the cessation of mining by Ross Mining Ltd.; however, new operations on Little Blanche, Quartz and Canyon creeks partially compensated for this difference.

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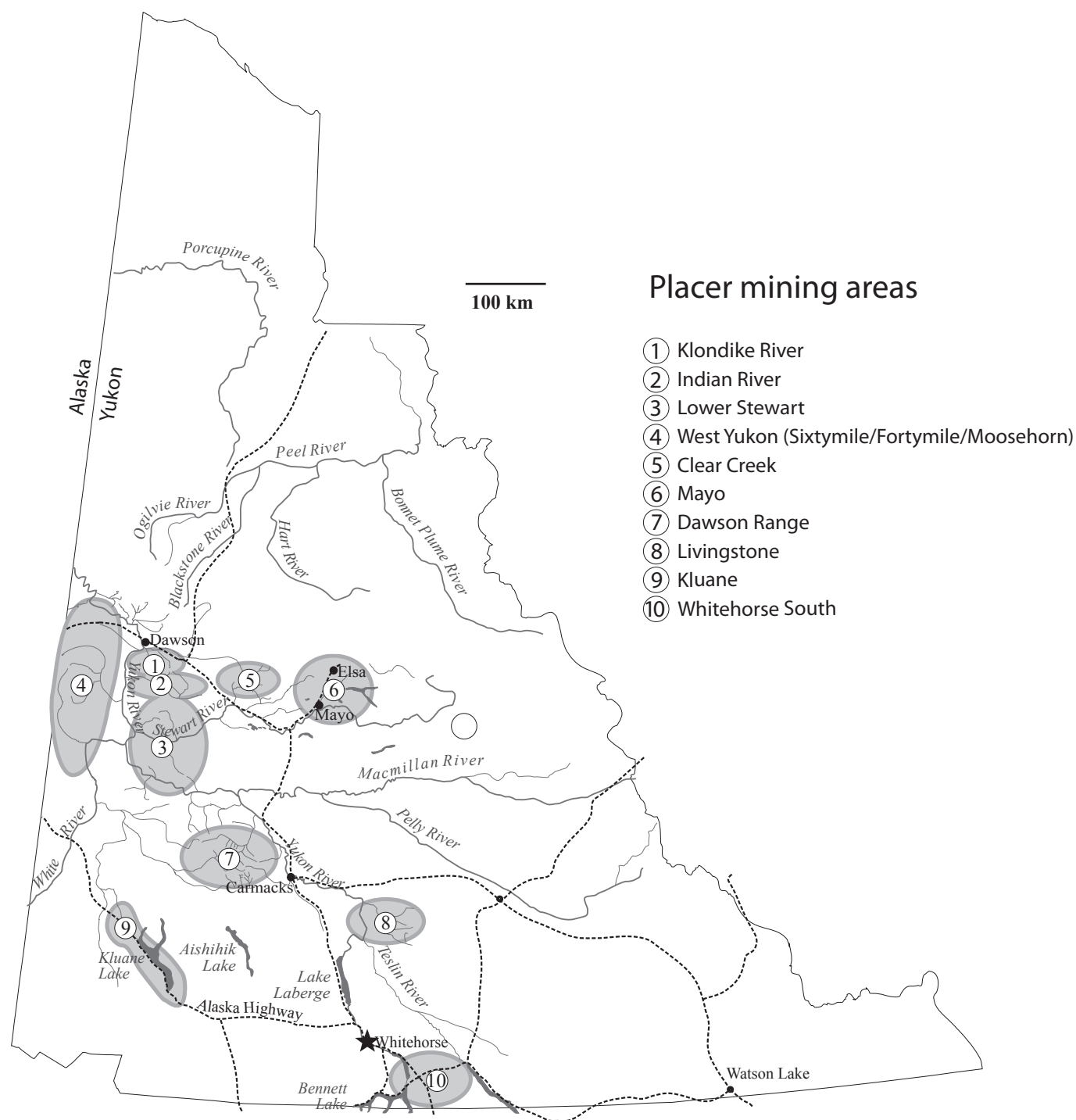


Figure 1. Yukon placer mining areas.

In Klondike area drainages, production slightly increased from 13,268 crude ounces (412 681 g) in 2009 to 13,609 crude ounces (423 287 g) in 2010. Notable increases were reported from Hunker and its tributary creeks, while royalties from Bear and Bonanza creeks dropped significantly.

West Yukon (Sixtymile, Fortymile and Moosehorn Range) placer gold production decreased dramatically from 8316 crude ounces (258 657 g) in 2009 to 6929 crude ounces (215 516 g) in 2010. The largest decreases were from Sixtymile River and Matson Creek; however, renewed production from Ten Mile Creek partially offset those losses.

Production from operations in the Lower Stewart drainages was down slightly to 9916 crude ounces (308 422 g) in 2010 from 9955 crude ounces (309 635 g) in 2009. Gold royalties from Black Hills, Barker and Kirkman creeks were up substantially, while royalties from Henderson and Scroggie were down. Several relatively new operations continued to step up production on Black Hills Creek, and North Henderson produced for the first time.

Clear Creek drainages had a major increase in gold royalties, from 443 crude ounces (13 779 g) in 2009 to 767 crude ounces (23 856 g) in 2010. A new operation began mining on Barlow Creek, where there has not been activity for many years.

In the Dawson Range, reported placer gold production dropped from 1044 crude ounces (32 472 g) in 2009 to 1044 crude ounces (32 472 g) in 2010. All creeks had decreased royalties and the highest drop recorded was on Nansen Creek.

In the Mayo area, gold production increased substantially from 1035 crude ounces (32 192 g) in 2009 to 1585 crude ounces (49 299 g) in 2010. Duncan and Owl creeks increased, while Lightning Creek decreased.

In the Kluane area, reported placer gold production decreased from 1859 crude ounces (57 821 g) recorded in 2009 to 1156 crude ounces (35 955 g) recorded in 2010. All creeks reported lower royalties.

No royalties were reported in the Livingstone area in 2010, although there was mining activity. In 2009, 16 crude ounces (497 g) of gold were reported.

In the Whitehorse South area, no royalties were reported, although 82 crude ounces (2550 g) of gold were reported in 2009.

In the Watson Lake Mining District, 4.6 crude ounces (143.1 g) of gold were reported from the Liard River. This is the first time in 20 years that gold has been reported from the Watson Lake Mining District.

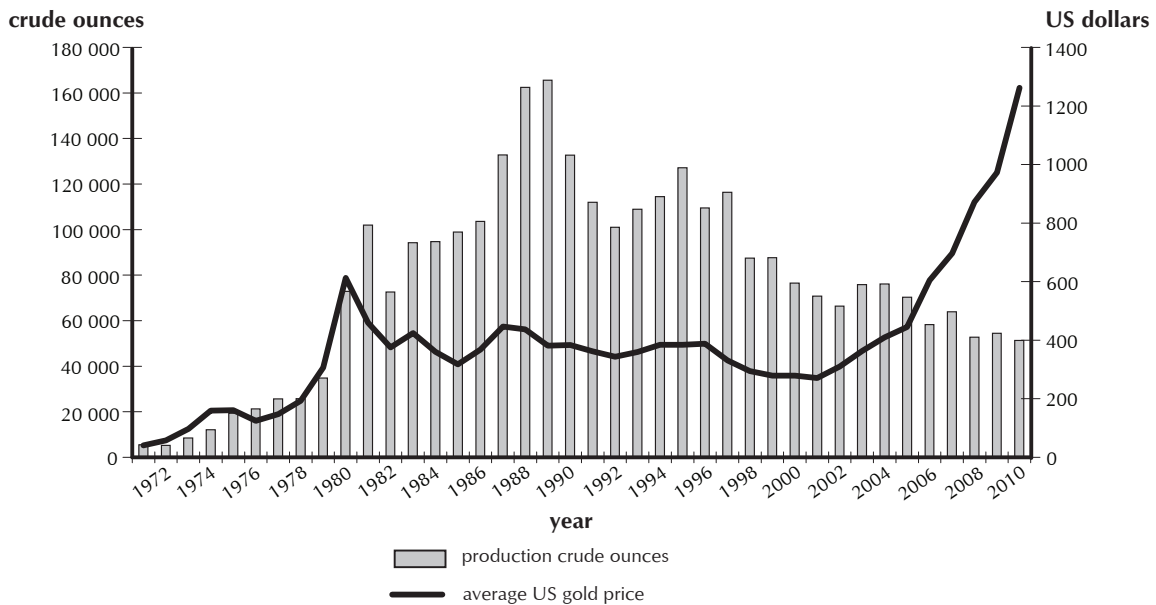


Figure 2. Yukon placer gold production figures and average US gold price, 1971-2010.

## PLACER EXPLORATION

One of the highlights of the 2010 season was the substantial increase in placer staking activity in the Lower Stewart Placer District, fuelled in part by exploration on the nearby White Gold hardrock gold discovery north of Thistle Creek. In addition, several small operations were established in the south Dawson placer area, including both 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, 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 [www.geology.gov.yk.ca](http://www.geology.gov.yk.ca). Information is also available at the Yukon Placer Secretariat, <http://www.yukonplacersecretariat.ca/>. Publications on placer mining in the Yukon are available through the Yukon Geological Survey office at Room 102, Elijah Smith Building, 300 Main St. Whitehorse, Yukon.