

Yukon Mining Incentives Program 2005

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Yukon Geological Survey

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The Yukon Mining Incentives Programs (YMIP) received 75 applications for funding by the March 1, 2005 submission deadline. Contribution agreements totaling \$1 009 000 were subsequently issued to 63 successful applicants. Proposals approved for funding included 12 under the Grassroots–Prospecting module, 12 under the Focused Regional module, and 39 under the Target Evaluation module.

The continuing trend of increasing gold prices, combined with copper prices that have doubled in the past two years, has resulted in high levels of exploration targeting these two commodities. This focus was mirrored by nearly three-quarters of the 54 exploration projects (see Fig. 1) which proceeded this year with a portion of their risk-capital provided by YMIP (approximately \$728 000 in 2005).

Reported highlights of this year's YMIP activities already include the signing of a handful of option deals, a significant increase in expenditures relating to the evaluation of new occurrences, and a corresponding increase in claim staking directly related to these activities. The recent creation of the Focused Regional module, designed to appraise the potential of under explored areas of Yukon, has already resulted in significant new discoveries.

Year-to-year statistics routinely show expenditure levels are typically two to three times the portion funded by YMIP. At the upper end of this scale, and over the longer term of the past two decades, expenditures on a number of specific projects have exceeded twenty times the value of the initial YMIP contribution.

Significant discoveries made with initial assistance from YMIP include the Andrew (Zn, Pb, Ag), Canalask (Ni), Curie (U), Indian River (Au), and Yukon Olympic (Cu, Au) projects, to name a few. In the past five years, together these projects have accounted for total exploration expenditures of nearly \$4 million of which over \$3 million was spent in Yukon.

Regardless of what 'yardstick' is used to measure the successes of YMIP and other similar programs, these programs are continuing to result in grassroots discoveries of new mineral occurrences. Many of these discoveries, which develop into viable early stage projects, are now beginning to attract the attention of upper tier junior and major mining companies.

Over the past few years, grassroots exploration has consistently been identified as lacking in many jurisdictions.

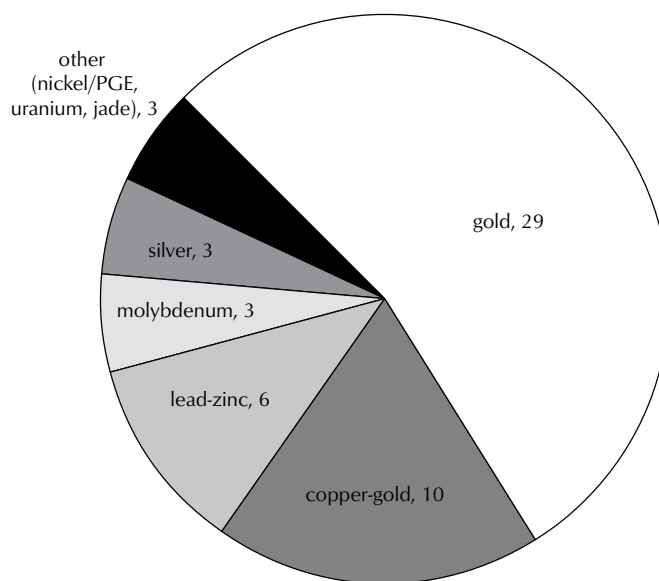


Figure 1. Number of 2005 Yukon Mining Incentives Program projects targeting various commodities.

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As mining companies exhaust their current project inventories, it is likely that the need for new projects will increasingly be filled by the generative capacity of mining incentive programs such as YMIP.

RÉSUMÉ

Le Programme d'encouragement des activités minières du Yukon (PEAMY) a reçu 75 demandes de financement cette année. Les accords de contribution ont permis à 63 demandeurs d'obtenir 1 009 000 \$ au total. Parmi les demandes approuvées, 12 ont obtenu un soutien dans le cadre des programmes d'exploration primaire et de prospection, 12 dans le cadre du programme régional d'exploration de régions sous-explorées et 39 dans le cadre du programme d'évaluation de cibles.

La tendance constamment à la hausse du prix de l'or, combinée au doublement du prix du cuivre au cours des deux dernières années, a suscité la majeure partie des activités d'exploration au Yukon et justifié la plupart des octrois dans le cadre du PEAMY concernant ces deux produits de base. Au nombre des faits saillants rapportés pour cette année, on compte déjà la signature de quelques ententes d'options, une augmentation notable des dépenses engagées pour l'évaluation de nouvelles occurrences et une augmentation correspondante des jalonnements de concessions minières en rapport direct avec ces activités. Une analyse plus poussée de cette tendance indique que la récente création du programme régional, conçu pour évaluer le potentiel de régions sous-explorées du Yukon, donne lieu à d'importantes découvertes.