

# Yukon Mineral Exploration Program: 2014-2015 update

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## PROGRAM SUMMARY

The Yukon Mineral Exploration Program (YMEP) is a funding program designed to support individual prospectors, partnerships and companies by providing a portion of the risk capital required to locate, explore and develop mineral occurrences in Yukon. YMEP funding has consistently demonstrated its impact as an effective economic incentive by supporting the exploration community in its efforts. This support has led to numerous discoveries, which in turn, have provided significant long term economic benefits to the territory.

YMEP funding supports placer and hardrock exploration projects by reimbursing a percentage of approved exploration expenditures. Funding is merit-based; a panel of geologists evaluate submissions using a ranking system designed to score a range of criteria, quantifying the quality of the target, the proposal, the work plan and the applicant's previous YMEP performance. This scoring system is available to the applicants through on our website at <http://www.geology.gov.yk.ca/ymep.html>. The program comprises three different modules of varying reimbursement rates and maximum allowable funding (Table 1 and Fig. 1). Figure 2 is a map indicating project locations of successful applicants.

**Table 1.** YMEP 2014 funding.

2014 Funding Levels	Grassroots	Focused Regional	Target Evaluation
maximum funding	\$15 000	\$25 000	\$50 000
reimbursement rate	up to 100% of eligible expenses	up to 75% of eligible expenses	up to 50% of eligible expenses
no. of approved placer applications	2	0	12
no. of approved hardrock applications	1	7	29

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<b>YMEP 2014 At A Glance</b>			
	<b>Grassroots</b>	<b>Focused Regional</b>	<b>Target Evaluation</b>
<b>Funding</b>	max \$15 000	max \$25 000	max \$50 000
<b>Reimbursement rate</b>	up to 100% of eligible expenses	up to 75% of eligible expenses	up to 50% of eligible expenses
<b>Scope of work</b>	to generate new targets and advance existing ones	to generate new targets	to evaluate and advance already known targets
<b>Who is it for</b>	individual prospectors only (no companies nor anyone working on behalf of a company)	prospectors, companies, partnerships	prospectors, companies, partnerships; projects with total exploration expenditures less than \$200 000
<b>Work to proceed on</b>	on claims, leases, or crown land	on claims, leases, or crown land	on claims, leases, coal exploration licenses, or quarry leases, not crown land
<b>Advance of funds</b>	no advance	no advance	no advance
<b>Field time requirements</b>	minimum 30 person-days in field, daily log	no constraints on time in field, final technical report	no constraints on time in field, final technical report
<b>Holdback/reports</b>	15% holdback until submission of final reporting requirements		
<b>Reporting deadlines</b>	Project proposal: March 31, Status Report: September 30, Final Financial Report and Final Summary/ Technical report and release of funds: January 31 of following calendar year. 15% of funds will be held back until submission of final reporting requirements		
<b>Confidentiality</b>	reports will be kept confidential for 5 years	reports will be kept confidential for 2 years	
<b>Module-specific eligible expenses</b>	applicant cannot draw wages but wages for one assistant are eligible		road building costs up to <25% of YMEP contribution if pre-approved, drilling
<b>Eligible expenses</b>	conventional exploration work, travel within Yukon (truck, helicopter, etc.; up to 25% of eligible claim), assays, shipping, wages (applicant not eligible in grassroots module), WCB, contracts, equipment rental, daily field expenses, fuel, claim staking (up to 20% of eligible claim), reclamation, limited physical work		
<b>Reimbursement rate guidelines</b>	Expenses reimbursed according to YG guidelines. Private and commercial rates are provided. Private rates for heavy equipment are 75% of commercial rate as approved by YG.		
<b>Staking</b>	staking costs up to 20% of eligible contribution		
<b>Travel</b>	travel within Yukon (truck, helicopter, etc.) up to 25% of eligible contribution		
<b>Eligible use of machinery</b>	use of light equipment (<5 tons)		use of light or heavy equipment
<b>Non-eligible expenses</b>	GST, recording fees, management fees, costs of applying for permits or licenses, project planning and compilation, legal fees, promotional expenses, transportation outside Yukon, underground work, preparation for mining, mining, acquisitions, repairs		
<b>Compliance</b>	applicants must ensure that proper permitting is in place and that their work programs satisfy existing laws and regulations		

Figure 1. YMEP 2014 at a glance.

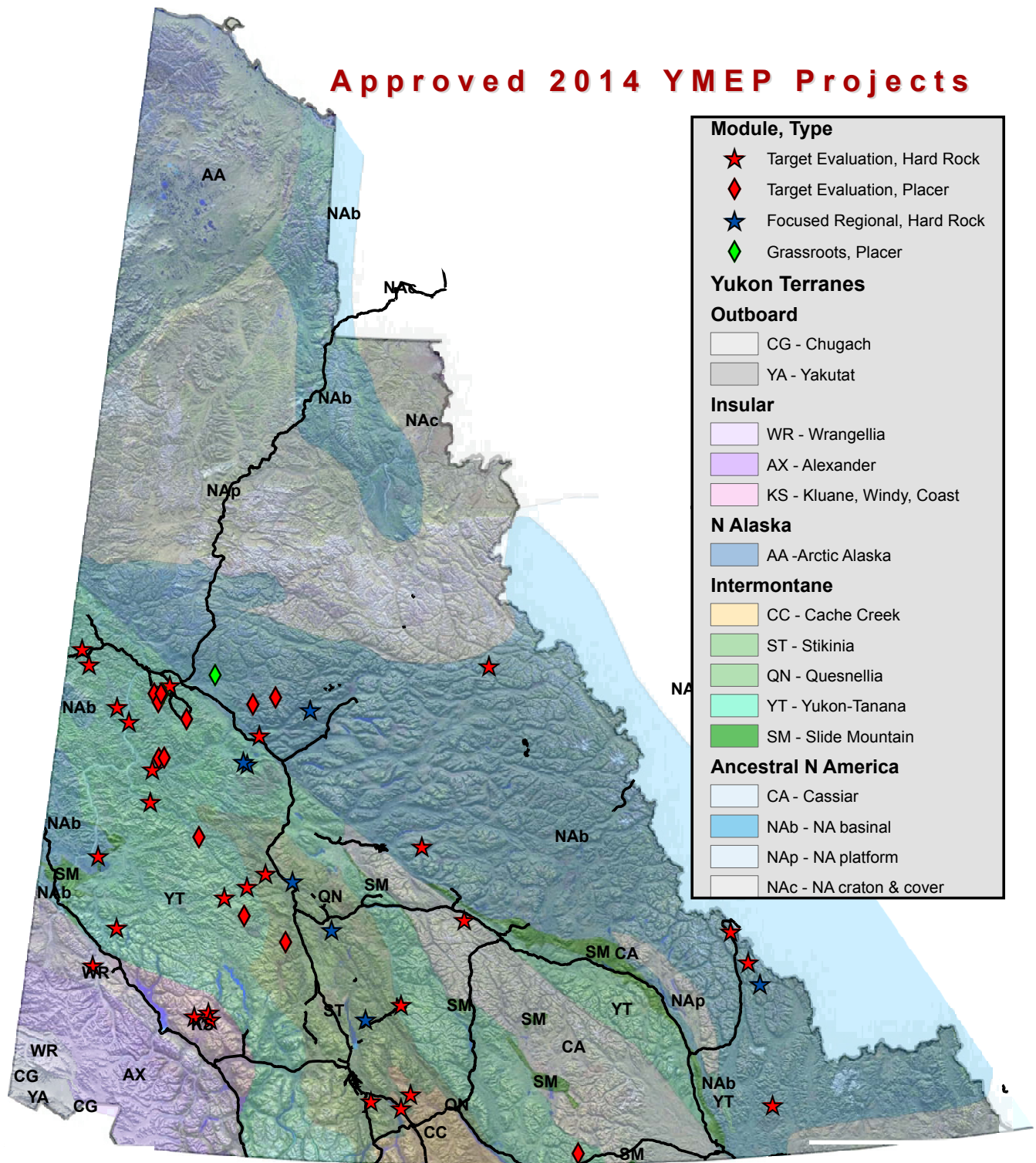


Figure 2. Yukon map of approved 2014 YMEP projects.

## UPDATE FOR 2014

The program was oversubscribed again in 2014, with 111 applicants competing for \$1.4M in funding. The amount of funding available for successful applicants was increased from the previous year which was \$1.17M. The Government of Yukon recognized the capital crisis in the mining markets and increased funding by \$230 000 in 2014. This increase in funding is intended to support the exploration industry through these challenging times. In light of the current financial challenges facing the exploration industry, YMEP funding was highly successful in pushing projects forward and has resulted in several potentially significant hard rock and placer discoveries in 2014.

The competition for YMEP funding was very tight in 2014 and many quality projects were unable to be funded due to budget constraints. Challenges to secure equity financing, especially amongst the junior mining applicants, led multiple applicants to withdraw their applications. Table 2 outlines historical funding levels for the past six years.

A total of 51 applications were offered funding. The amount available under the Grassroots module was unaltered from 2013 at \$15 000. The Focused Regional module saw funding increased by \$10 000 to \$25 000 and the Target Evaluation module was increased by \$15 000 to a maximum of \$50 000. Of the 51 successful applicants 3 projects were in the Grassroots module, 7 in Focused Regional and 41 in the Target Evaluation module. This year, most applications were funded at the maximum allowable based upon the proposed budget.

Of the 51 applications that were offered funding in 2014, hardrock projects account for 78% of the successful applications and placer projects account for the remaining 22%. Individual prospectors and private companies secured approximately 69% of available funds while public junior mining/exploration companies received approximately 31% of the funds. The breakdown between the different modules and the demographics of the applicants over the past three years is outlined in Table 3.

In 2014, the bulk of placer projects were centered in the Klondike placer district, three projects were in the Carmacks area and two in the McQuesten area. Hardrock projects were fairly evenly distributed throughout the territory. Gold appeared to be the most sought after commodity again this year and some clustering of projects occurred around exciting recent discoveries in the Klondike/White Gold area, with the majority of projects south of the Tintina trench. Other successful applications were located in south and central Yukon (Fig. 2). Forty-one projects targeted gold as the primary commodity (placer, structurally controlled, epithermal, Carlin style, intrusion related and orogenic deposit types), one project identified vein hosted silver as the target, five projects explored for porphyry copper potential, one for VMS style mineralization, one placer rare earth project, one nickel iron alloy project and one proposal looked at magmatic massive sulphide copper/nickel/PGE prospects.

YMEP's aim is to keep a variety of projects at various stages of advancement. During the 2014 season, 22 of the projects indicated that soil/silt sampling and prospecting/geological mapping would be the primary focus of the program; 5 programs completed various ground and airborne based geophysical surveys, 22 of the project proposals were for drilling and/or trenching and 2 projects proposed hand shafting.

**Table 2.** YMEP historical funding, fiscal years 2009-10 through 2014-15.

<i>Historical funding</i>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
<b>available funding</b>	\$1.67M	\$1.67M	\$570 000	\$570 000	\$1.17M	\$1.4M
<b>no. of applications</b>	173	165	83	79	81	111
<b>approved projects</b>	102	83	34	29	55	51
<b>max funding level grassroots</b>	\$10 050	\$15 000	\$15 000	\$15 000	\$15 000	\$15 000
<b>max funding level focused regional</b>	\$18 750	\$25 000	\$15 000	\$15 000	\$15 000	\$25 000
<b>max funding level target evaluation</b>	\$50 000	\$50 000	\$25 000	\$25 000	\$35 000	\$50 000

**Table 3.** YMEP funding statistics for fiscal years 2012-13 through 2014-15.

Approved projects	2012-13		2013-14		2014-15	
	# of approved projects	% of approved funding	# of approved projects	% of approved funding	# of approved projects	% of approved funding
approved placer	7	28%	7	15%	14	22%
approved hardrock	22	72%	48	85%	37	78%
<b>total projects approved</b>	29		55		55	
prospectors/ individuals	17	59%	28	36%	20	30%
private companies	8	27%	16	33%	12	29%
public companies	4	14%	13	31%	19	41%

The success of the program can be measured by a number of indicators. In 2014, successful applicants proposed ~\$3.7M would be leveraged with YMEP funding. It was a very challenging year across the board for option agreements, as many options were returned to the vendors. However, a number of very encouraging YMEP discoveries were made in 2014 which should stimulate exploration expenditures in the years ahead (Table 4). In 2014, YMEP funding contributed to the discovery of seven new potentially significant occurrences. One junior explorer was able to option their property to a mid-tier gold producer and one prospector was able to option their placer prospect to a major Yukon based placer miner. Several other applicants have been in discussions regarding the optioning or sale of their YMEP funded projects. Benefits of the program can span several years: follow-up property option and/or exploration work may occur several years after the initial YMEP funding. A number of significant properties have benefited from YMEP funding in the past which has led to important expenditures.

Program materials have been updated and posted on the YMEP website. New versions of the application form, scoring criteria, and the program's guidelines are now available for download.

In the fall of 2014, YMEP began conducting a review of the program. An on-line survey was posted asking for feedback on the program. Uptake was good with a total of 62 respondents submitting comments and providing feedback. Results are currently being compiled in an attempt to improve the overall customer satisfaction with the program. Comments are largely quite positive with the majority of respondents expressing overall satisfaction with the operation and effects of the YMEP. The charts following Table 4 give a snap-shot of some of the survey responses.

YMEP is designed to meet the needs of the users of the program and to act as an engine for stimulating economic development; therefore the program is continually evolving to meet these goals. Any additional changes to the program's guidelines and maximum funding levels will be announced upon completion of the program review. Funding for 2015 was announced at the Yukon Geoscience Forum and will remain at \$1.4M.

**Table 4.** YMEP 2014 successful options.

<b>YMEP Successful Options (2000-2014)</b>				
<b>YMEP#</b>	<b>Property Name</b>	<b>Total YMEP Contribution(s)</b>	<b>Optioned by</b>	<b>Company investment or work commitment</b>
01-011	Ice/Red Mountain	\$12 500	AM Gold	~7.5M
03-079	White Gold	\$10 000	Madeilena/Underworld/Kinross	~\$33.2M
04-072 and 05-043	Blende	\$30 000	Blind Creek Resources	>\$5M
05-058	Andrew	\$14 400	Overland Resources	~\$5.5M
06-054	Antimony Creek	\$10 000	Logan Resources/Golden Predator	~\$0.35M
04-041 and 07-043	Coffee	\$35 000	Kaminak Gold Corp.	~\$85M
07-056, 08-012 and 09-112	Toni/Sixty Mile	\$33 000	Radius Gold	~\$4.5M
03-023, 06-033 and 09-137	Scheelite/Gold Dome	\$75 000	Golden Predator	~\$1.4M
09-015	Clear Creek	\$10 450	Golden Predator	~\$4.1M
09-016 and 017	Ten Mile Creek	\$25 600	Radius Gold	~\$0.63M
09-158	Prospector Mountain	\$30 750	Silverquest Resources	~\$3.85
09-116	Cynthia	\$15 350	Golden Predator	~\$1.7M
09-173	Shark/True Blue	\$21 354	Great Western Minerals	~\$1M
10-097	Portland	\$14 320	Taku Gold	~\$1.25M
00-069 and 06-005 and 06-006	Mariposa	\$36 000	Pacific Ridge	~\$4.5M

## RESULTS OF 2014 YMEP ON-LINE SURVEY

