

Adding ounces in the heart of the new Yukon Gold Rush

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If you follow the gold exploration space, then no doubt you've seen situations in which a small, low market cap company announced a "bonanza-grade" drill hole. That is, the drill team pulls out a long stretch of highly mineralized core from a target zone, and the story takes off.

Out goes the press release. The CEO's telephone begins to ring. Chat boards light up. There's headline coverage in the trade press. And of course, the share price moves.

A company with small or modest recognition and market cap quickly becomes a well-known name, if not the talk of the town. It's all good, right?

Well, today I have a company that is definitely *not* doing that. In fact, this company doing kind of the opposite of the "bonanza" story. But in its own way, this exploration play is registering massive new gold ounces, and it's definitely on the way to becoming the talk of the town.

The name is [Banyan Gold Corp.](#) (TSXV: BYN | OTCQB: BYAGF), run by CEO Tara Christie, a seriously good explorationist and gold finder, and one of the very few women to run an exploration play in all of the junior space.

Banyan controls a sizeable land package in the Yukon. And in a storied mining jurisdiction like that, location-location-location matters. And yes, Banyan has... location.

Banyan's acreage is in the same geological stretch as a long list of other solid mining names, to include Victoria Gold Corp.

(TSX: VGCX) and its brand-new Eagle gold mine, as well as Alexco Resource Corp. (NYSE American: AXU | TSX: AXU), with its well-endowed silver-lead-zinc play in the century-old mining district at Keno Hill.

The company works right in the heart of the new, 2020s-era Yukon Gold Rush. And in this case, the company's claims are well-endowed with gold. It's on the low-grade side, which is worth saying upfront. In general, the gold numbers are about a gram or two per tonne, if not fractions of a gram. But don't sniff at it and turn the page, because there's mathematical magic to grades like that.

When you have a lot of tonnes, those small, gram-sized numbers begin to add up; so far to over 4 million ounces of resource, grading .6 grams per tonne, and more yet to come.

While many other gold prospects have complex geology, full of faults, folds, intrusions and more, Banyan is different. It controls geology that is fairly consistent, and mostly undeformed by structural issues from uplift, mountain building and the like.



Source: Company presentation

Overall, Banyan's rocks beautifully lend themselves to proving up a large volume of resource with very recoverable grades of gold.

Meanwhile, Banyan's project is mining-friendly, and I mean in a way that many big miners love to see. In essence, the geology consists of long stretches of "meta-seds," best described as a large expanse of ancient seafloor sediments that were infused by gold-bearing fluids over a long period of time. I'll spare you the chemistry, but the gold is there; I've been there and seen

it.

With these kinds of meta-sed rocks, there's not much in the way of faulting or folding. Not much in terms of intrusions. What you see is what you get, which is kilometer-scale, continuous masses of gold bearing rock with very predictable lithology.

Right now, the exploration trick is to drill the heck out of it. Be systematic. Drill, then step-out; drill again and step-out again. With each hole, drill down and confirm the presence of gold in predictable, recoverable amounts. And then process the data towards the next resource upgrade. It's much like assembly-line exploration and resource definition.

During a recent visit, Banyan had six rigs under contract, with an analysis team assigned to each one. The teams process core and samples all day, 24/7. Grind it out. And this becomes the data with which to revise upwards that 4-million-ounce number, to what has every indication – in my view – to be 6 million, 8 million, or even more ounces.

The idea, per management, is to grow the deposit and resource into what's called a "Tier 1" asset, the kind that big names like Newmont and Barrick like to buy. Tier 1 is what adds large new resources to a company's books, and which moves the needle.

For access to the Banyan project, there's an existing, all-season road straight to the site. The cost is zero for that. And it makes moving people, fuel, supplies, equipment, etc. a low-cost logistical issue.

In terms of power, the locale is directly adjacent to an existing electric line; indeed, one of the company's deposits has been helpfully labeled "Powerline."

And just to add to the convenience of getting there, Banyan even

has a gold deposit named "Airstrip." I'm sure I don't have to explain that one, right?

When it comes to eventual mining, it's a workmanlike hole in the ground, supported by the road, power line and airstrip.

The mining model is to remove and haul consistent levels of ore to the crusher and then leach pits, where well-understood chemistry and engineering can recover gold at a cost which, per comparable projects, tallies in the range of \$800 to \$1,000 per ounce.

As for life of mine, just do the math. With over 4 million ounces currently advertised, it's a 20-year play at, say, 200,000 ounces per year. Higher resource numbers, and increased throughput will, of course, play out differently in terms of overall scale and economics.

The point is, Banyan has already established itself as a serious deposit and growing play. Right now, the resource is more than worthwhile. It's well mapped, and looking ahead the current, aggressive drill program leaves little doubt that we'll see a remarkable – and remarkably fast – growth in numbers as 2022 unfolds and we move to 2023.

At current market cap of US\$80 million, Banyan offers very mineable gold in the ground at about \$20 per ounce.

Great company, great geology, great gold resource and strong upside.

Byron King's Top 5 "Outstanding" Yukon Gold (and Silver) Mining Names

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There are mining districts, and then there are mining districts. Speak with anyone even remotely knowledgeable about the mining space and certain names instantly elicit a smile.

For example, say "Quebec" and a person smart about mining will grin at the thought of all that gold over the decades. Same thing when you say "Nevada."

Or say "Peru" or "Chile" and a mining-savvy person will nod at the thought of copper, silver and much more.

Today let's discuss the sweet sound of "Yukon," because the most northwesterly province of Canada certainly brings mineralogical happiness to my soul. Indeed, I'm so positive about Yukon as a mining mecca that I'd like to list five of the top plays in the jurisdiction and explain why I like them. That is, allow me to share with you some ideas with upside, upside and more upside.

But only five! Because I could list ten, or fifteen, and maybe twenty. Yes, that's how promising is the mineral endowment of Yukon. For now, let's stick to five names in terms of descending levels of development.

We'll look at a newly built, producing mine and then work through other production, development and exploration names. Just five companies, though... And I apologize to the great plays *not* discussed here today, although your time will come as well.

[Victoria Gold Corp.](#) (TSX: VGCX)

Currently an up-and-running gold producer, I followed this one from the time it was a brown stain on a hillside to the buildout of a brand new, working mine. It's on track to produce 200,000 ounces of gold per year, with a mine life of 10 years and likely much more based on the results-oriented exploration of adjacent land. Every step of the way, Victoria was a model of excellent technical effort coupled with crisp execution. On paper, it's profitable at \$750 gold. And with gold now at \$1,750, the economics are superb. Aside from making money for its own account, Victoria is an obvious takeover play for any intermediate or senior gold miner that needs instant, profitable ounces.

[Alexco Resource Corp.](#) (NYSE American: AXU | TSX: AXU)

This is a reboot of a century-old lead-silver mining play in the Keno Hill area of Yukon. Now, the assets are again up and running with a modern mill and eye-popping new discoveries over the past five years. The old mine and mill were long abandoned and designated as a superfund cleanup site when the environmental services side of Alexco came along with an appointment from the government of Canada to begin a cleanup. But after not too long, management realized that remediation in connection with renewed mining could not just benefit the environment, but deliver world-class levels of lead and zinc, along with bonanza-grade quantities of silver. The operation pays for itself with the base metal output, and silver is icing on the top. As silver prices rise over time, Alexco is a rocket shot.

[Western Copper and Gold Corporation](#) (NYSE American: WRN | TSX: WRN)

Western controls the Casino ore body in southwest Yukon, a massive copper-gold-bearing porphyry that's best characterized

as advanced-stage exploration and early-stage development. The resource numbers are simply eye-watering, with over 10 billion pounds of copper and over 14 million ounces of gold (using the term, “measured, indicated and inferred”). Mine life is estimated at “over 47 years,” which is an amusing understatement among mining-savvy observers. Heck, this is a 100-year play if it lasts a day. The deposit will require a deep-pocketed operator to build it out, and Western has partnered with Rio Tinto to advance the effort. It’s worth noting that massive projects must await their moment in time. But based on price and demand trends for copper and the constant attractiveness of big-ounce gold plays, Western’s day in the sun is coming sooner rather than later.

Banyan Gold Corp. (TSXV: BYN)

Banyan is a gold play located on a massive geological trend that connects the above-mentioned Victoria Gold and Alexco. Drilling to date has been remarkably successful at finding mineable, commercial levels of gold in almost every hole. Obviously, as per the drilling, there is precious metal in the ground and now the challenge is to figure out how much; although my informed hunch is likely “a heck of a lot” as these things go. And as if the gods of the earth could not be more favorable to Banyan, much of the land package is located along a road system, with an adjacent airfield and power lines. It makes logistics far less expensive and lowers finding costs by extending the bang for every drilling buck. Currently, the idea is to drill and identify more of that gold. Next comes the resource estimation, and that’s when, where and why Banyan’s share price has skyrocket potential.

Metallic Minerals Corp. (TSXV: MMG | OTCQB: MMNGF)

Metallic is an early-stage exploration play located on a land

package directly adjacent to the above-mentioned Alexco. Many of the same geologic trends that underlie Alexco continue onto the Metallic land package. In that sense, Metallic has focused its early-stage drilling on finding similar rocks, structures and chemical trends. Another way of looking at it is that the Keno Hill silver district began with outcroppings of veins and mineral resources that old-time prospectors spotted over a century ago. But those geological clues are more deeply buried on the Metallic land package, and not evident to the casual eyeball. This time around, finding the ore zones will require modern exploration techniques to figure it all out. Still, Metallic is in the right place with the right geology, and a solid, well-run program focused on finding what "ought" to be there. Give it time, and here's a play with excellent potential and upside.

That's all for now... Thank you for reading.