

Planning for our Future

Mission

Our mission is to be a voice for all Yukon's placer miners providing leadership on, and advocating for, responsible and sustainable placer mining with technological and ethical advances to the benefit of all operators, our environment, and enriching the communities we are a part of.

- **Communities** mean the towns, villages, creeks, cities and the greater Territory we mine in, and all of the people that are part of our operations or those that benefit or are effected by the placer industry.
- **Leadership** means proactively seeking out opportunities and possibilities that would benefit the placer industry, and acting as key contact for all levels of government to the industry.
- **Advocate** means to provide support to members and the industry in general during change to any aspect of how work is performed to the benefit of the placer industry.
- **Responsible** means meeting or exceeding legislated requirements, including socio-economic commitments, working in an environmentally responsible manner, and maintaining healthy and safe operations.
- **Sustainable** means economic feasibility with social and environmental net-positive impacts to the Yukon.

Placer Stats¹

- 48% of placer miners (2015) are family members
- Over 1/3 placer miners live in the Yukon, and 64% of these live in a community
- 87% of total operating expenses paid to Yukon businesses
- 98% of fuel expenses paid to Yukon businesses

In 2018 Dawson region saw²

- 1,331 claims staked
- 643 claims lapse/refused
- 17,206 claims renewed

The vast majority of placer claims in the DRPC Land Use area are claims in good standing that are being renewed.

Financial Background

2018 Gold Production and Value Summary³

"Placer gold production, according to royalty reporting, indicates that 2018 [was] on track for a similar year to 2017. The final reporting numbers for 2017 totaled 74,400 crude ounces, valued at \$96.5M CDN. This was the highest value since 1989 when taking into account inflation, and the highest production total since 2004. As of December 7, a total of 66,200 crude ounces have been reported, which is about 1600 crude ounces less than this

¹ Kishchuk, P, 2018. Yukon Placer Mining Economic Profile. www.vectorresearch.ca

² YG Mining Lands Annual Activity Report April 2018 to March 2019

³ Bond, J.D. and van Loon, S., 2019. Yukon placer mining 2018 development overview. In: Yukon Exploration and Geology Overview 2018, K.E. MacFarlane (ed.), Yukon Geological Survey, p. 17–24.

time last year (Fig. 1). Factors affecting profit margins include a minor reduction in gold price and increased diesel costs. The average gold price fell by 3% from last year and 8% from 2016, whereas the diesel price climbed by 20% from the previous year according to retail prices in Whitehorse (NRC, 2018). Fuel bills account for approximately 30% of the production cost and therefore this kind of price increase greatly impacts the industry."

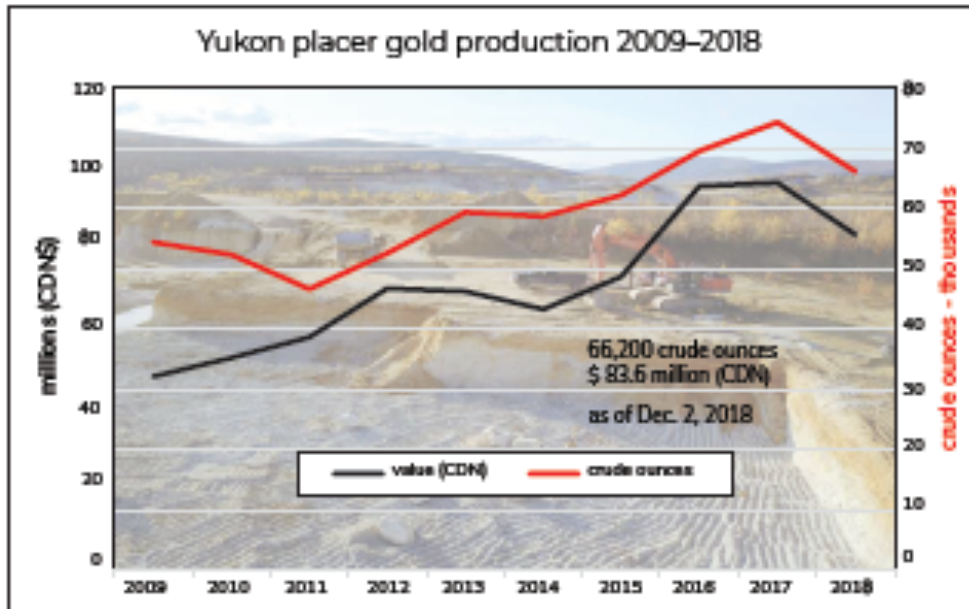


Figure 1. Yukon placer gold production according to export tax reporting for the last ten years. The 2018 reporting season has yet to conclude and will likely reach levels similar to those in 2017.

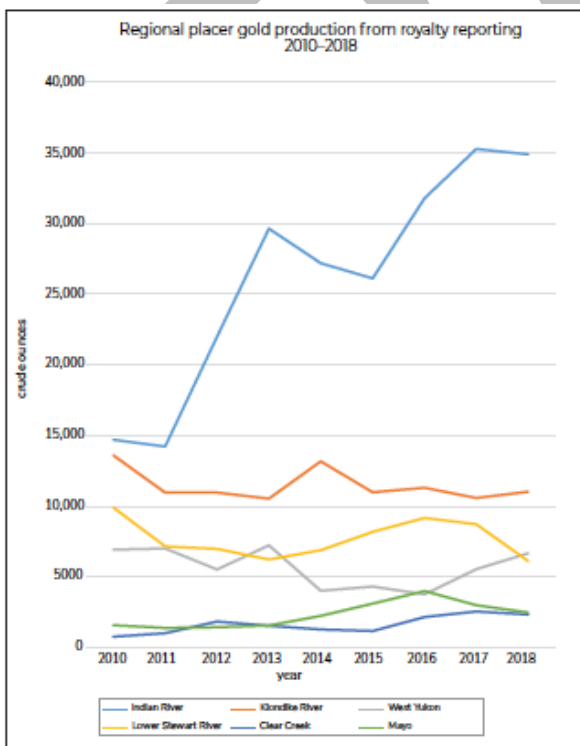
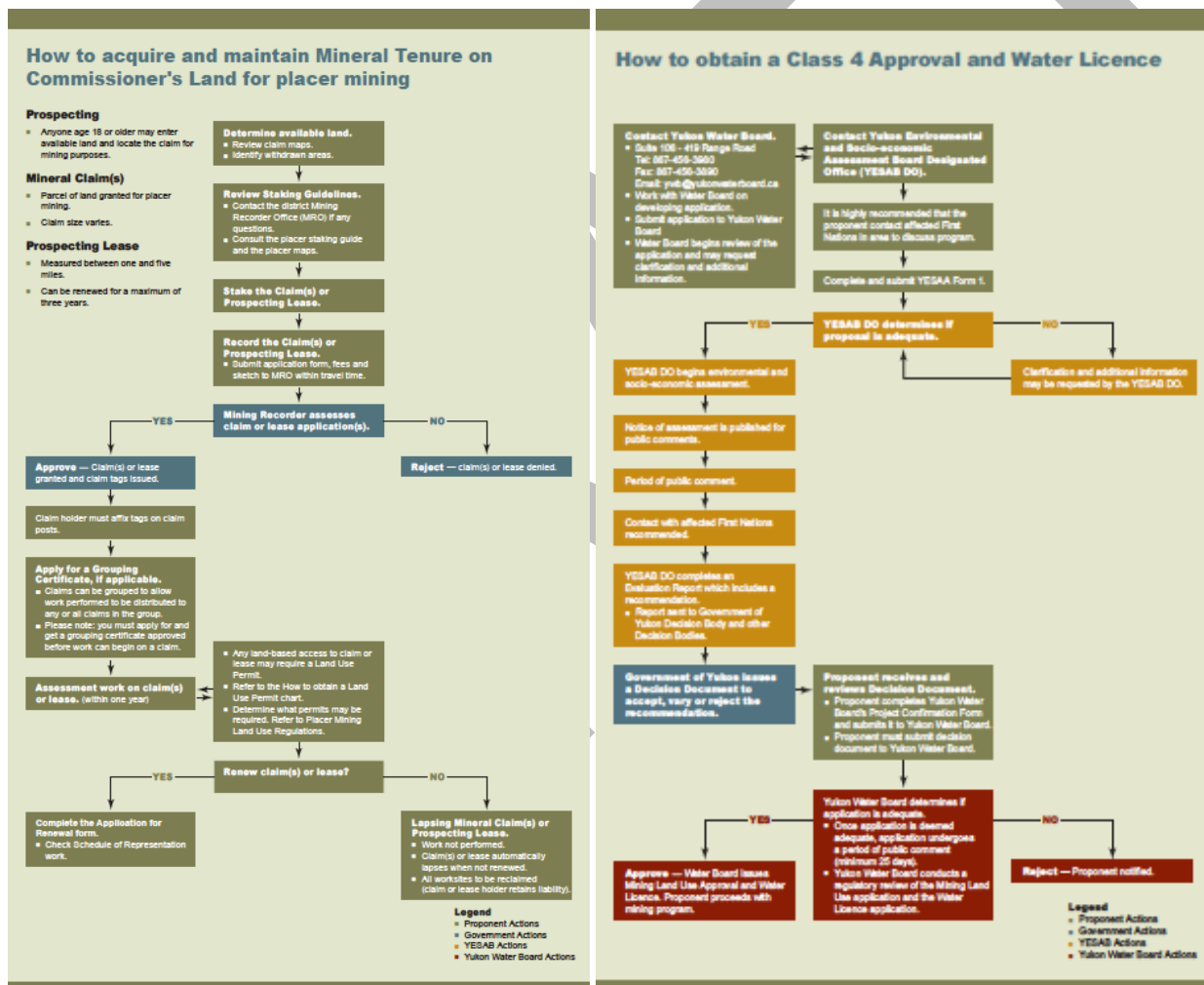


Figure 2. Placer gold production from the various mining regions in Yukon from 2010 to 2018. Values are tabulated according to royalty reporting data as of December 2, 2018.

The placer industry is a significant part of Dawson’s economy, and has remained consistent over the course of world wars, economic booms and slow downs. The mineral potential in the Yukon is exciting and offers the potential for mutually beneficial operations for even more generations to come.

Existing Regulatory Framework

The Yukon has the highest land withdrawal of it's overall land mass than any other jurisdiction in Canada - at 51%. Placer staking is extremely low impact, low footprint work. Miners only want to operate where there is gold, but to find this gold they must explore. Lands that are identified as a potential resource must still go through strict and often multi-year regulatory processes that include YESAA, EMR and Waterboard reviews. Any additional layers of regulations could inhibit the ability to explore for new ground or prohibit mining on claims that are active and in good standing.



The major challenge we see with the regulatory system isn't the rules that we are asked to follow, it is the uncertainty that the rules will stay the same from month to month, license to license, even when the content (for example a renewal of a placer operation that has been active in one location for 20+ years) remains the

same. We recognize this issue is outside of your scope, however, we want to bring it to your attention as something to be avoided.

Reclamation

Something unique to Placer Mining is that we are able to extract gold from alluvial gravels by using water, motion and gravity; no chemicals are used in the process.



Stripping Activity, Glacier Creek, 1997



Natural Vegetation Regrowth on location shown in upper photo, Glacier Creek 2012



Frank and Karen Hawker sluicing Sixty Mile valley 1994, below same area in 2012



Mine Pit now re-vegetated and providing habitat for full range of native flora and fauna



Schmidt Mining mined out cut on Glacier creek in September 2001, will be used to settle mine effluent and washed tailings and finally capped with the organics and original seed stocks which are piled on the left side of picture to complete the reclamation.



Completed Reclamation on Glacier Creek 2013, same 2001 mine cut and later Settling Pond Reclaimed as a Wet Land and Marsh

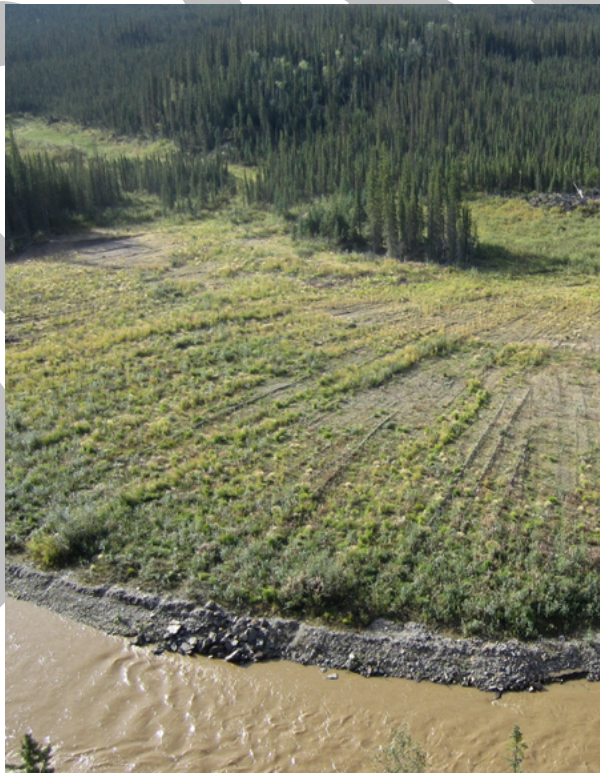


Sixty Mile valley in 1982 with 2 active operations and many settling ponds and old cuts and ramps, below is same area in 1994 with regrowth on contoured tailings and vigorous growth on the old settling ponds which were capped with rich organic material from the water stripping program on the bench.





Slate River Mining on the Indian River BEFORE



Slate River Mining AFTER

Opportunities

The KPMA is working on strengthening our community relationships. Our organization started in 1974, and we want to be here in another 40 years. Having open and honest communication is vital to this vision and we are actively working on improving that. Technology is advancing and there are more ways to explore and mine with less footprint, and reclamation best practices (and soon regulatory standards) are also improving.

We see opportunities to work with our community partners on seeking efficiencies - for example recycling waste oil for heat or allowing mining to occur as part of City development and infrastructure planning, or working with Agriculture to use reclaimed ground in food security efforts.

The Klondike Placer Miners' Association represents a membership that includes miners and non-mining stakeholders across the Yukon. We want to see our membership maintain their livelihood, our communities prosper, and the land to support life.

We encourage the Commission to allow for new potentials to be realized by keeping the ability to evaluate opportunities as they arise in the future. We appreciate the opportunity to speak with you, here on the traditional Territory of the Tr'ondëk Hwëch'in people, and we appreciate the work the Commissioners and staff are putting into this Plan. We appreciate the viewpoints from other community members and stakeholders, even if they differ from ours. "On the Land we Walk Together", The Klondike Placer Miners' Association and the membership we represent have been part of the fabric of the Klondike since 1898; we've come a long way since the Gold Rush, and we look forward to hearing your plans for a future with responsible, progressive and modern placer operations for generations to come.