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TNM'S MINING PERSONS OF THE YEAR

Ryan, Wood renew Yukon gold rush

BY GWEN PRESTON

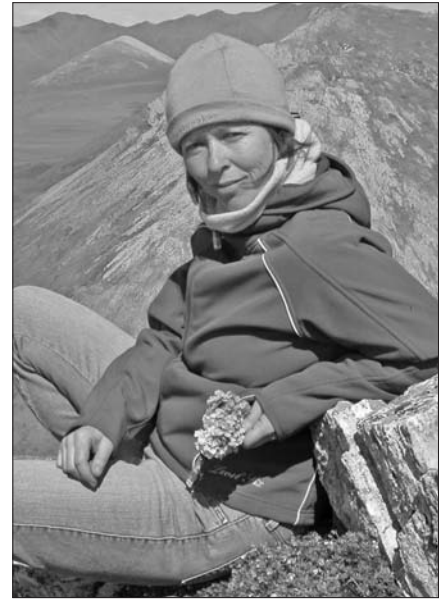
Fourteen years ago Shawn Ryan and Cathy Wood were tromping around British Columbia, picking wild mushrooms. They loved the lifestyle, in large part because of its gold rush-style mentality: "You'd have a thousand people in the bush and half of them would migrate, overnight, on a rumour of a sweet spot," says Ryan.

But the couple were expecting their first child. Ryan tried to make the line of work more stable by convincing the Yukon government to endorse mushroom picking as an agricultural program, but was turned down. Devastated, he turned back to an old skill — staking mineral claims in Ontario — and he made \$10,000 in a week.

"So I said to Cathy, 'Let's go back into exploration,'" Ryan recalls. They decided to focus on the Yukon.

Ten years later, the couple optioned a piece of ground in the Dawson Range to Underworld Resources. Two years after that, Kinross Gold swept in and bought Underworld for \$138 million. The deal triggered a staking rush around the White Gold gold project that is still going strong.

Ryan and Wood are most famous for the Underworld discovery but their prospecting efforts and successes in the Yukon go far beyond one deal. Ryan's reconnaissance work is behind some 20 projects now being advanced by junior exploration companies, and at the beginning of the year, he was named Prospector of the Year at Mineral Exploration Roundup, the conference run by the Association for Mineral Exploration B.C.



RYANWOOD EXPLORATION

The Northern Miner's 2010 Mining Persons of the Year, prospecting duo Shawn Ryan and Cathy Wood.

In accepting the award, Ryan told the audience his wife deserved half the credit — it was only because of her business acumen combined with a gambling nature that they had achieved success. So *The Northern Miner* is naming Shawn Ryan and Cathy Wood as our Mining Persons of the Year for 2010.

Ryan likens their work to hunting for the Sasquatch. The beast they seek leaves tracks everywhere but is rarely seen. In the search for Yukon gold, the tracks are the creeks and rivers that bear placer gold — placer miners have recovered some 20 million oz. gold from the Yukon's waterways. But placer gold has to come from somewhere.

"The White Gold (project) — I'm sure it's going to be over two million ounces on one claim," says Ryan. "If a

creek had drained across that, had cut through that deposit, you can see why there were millions of ounces in placer creeks. And that's just our first visual of the beast that produced the placer gold."

Ryan and Wood are both from Ontario and cut their exploration teeth in that province, scrambling around with geophysics equipment and staking claims. When the pair decided to delve into exploration full time, though, they turned their backs on a province they thought had already seen significant exploration and headed instead to a territory brimming with potential.

"The Yukon is really under-explored because twelve years ago people were convinced there was no more gold left here," Ryan says. "Someone started a really bad rumour."

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Ryan earlier realized that any such rumour was untrue when, after spending a couple weeks staking claims “in the middle of nowhere,” 100 miles north of Dawson, he came back to the city and found out there was open ground available, two claims away from the old open-pit mine at Brewery Creek. In Ontario, he thought, you wouldn’t be able to get within 15 miles of a past-producing mine.

So they refocused on the Dawson Range and figured that, in two years, they would have been able to sell a couple good stories and move out of the “old shack” they called home. Then the Bre-X Minerals scandal hit in 1997.

“And there went the idea of a good story,” says Ryan. “Everybody left the business, left the bush, but I said ‘forget it — we’re not going anywhere. It’s not going to be an overnight success but we’re sticking it out.’”

The eternal optimist, Ryan says the exploration lull gave them time to research. In fact, he says that is what they did for the next six years. They funded the effort through \$10,000 prospecting grants available through the Yukon Geological Survey. Many times they found themselves down to just a few dollars in the bank. Ryan even once asked a judge if he could pay off a \$40 speeding ticket in four installments.

“But we just kept plugging away and then we actually started making some discoveries.”

The most important of those discoveries was not a mineral occurrence but an exploration technique: soil sampling. The Dawson Range is unusual in Canada in that it was not glaciated in the last ice age. As such, the soil profile is deep and old, and significant rock outcrops are not common. On top of that challenge, Ryan realized that he needed more than a rock or two to convince a company to option a project.

“Someone said, ‘Shawn, the days of you

coming out of the bush with a rock in your hand bearing some copper or gold are coming to an end — what you have to do now is show that you have a mineralized system,” says Ryan. “So I said, ‘How the heck am I going to do that? As a non-geologist, how do I find a system?’ And it turns out the easiest way, at least in the Yukon, is to take soils.”

Soil sampling is nothing new. What Ryan did, however, is figure out that the Yukon required a slightly different approach. Usually, soils are taken from the B horizon, which is the top six inches of the soil profile. Ryan realized that, over millions of years, any rocks that used to be on surface had eroded and percolated down into the soil, past the B horizon, to 2 ft. or 2.5 ft. depth.

“It really came from trying to crack a nut on a zinc property,” says Ryan. The property had two soil anomalies 2.5 km apart, but an electromagnetic (EM) survey also showed an area of interest in between.

“The geochem guys get all overly scientific, talking about two or three standard deviations and whatever, so I just started playing with coloured pencils,” says Ryan. “Instead of zinc being anomalous at 100 ppm (parts per million), I’ll say it’s anomalous at 80 ppm, and when I did that, it followed the contours of the EM anomaly perfectly.”

He went to the site and dug a pit. In the B horizon, zinc averaged 100 ppm. But when he sampled 2.5 ft. down it climbed to 350 ppm; at 6 ft. below surface it reached 600 ppm.

“So I said, ‘If I want to sell this property, I’ll ask them what they want to see,’” he recalls, laughing. “‘Do you want to see 200 ppm? If so, I’ll just dig a bit deeper.’ It was kinda almost that simple. And then I went to another property, the Lucky Joe property, and it happened again.

“So that was the breakthrough: taking deeper soils.”

With this realization, Ryan focused on soil sampling. Once he had perfected the

technique, he and Wood developed a training system so they could take anyone who wanted a job and teach that person how to use a GPS and take a perfect soil sample.

And each soil sample has to be perfect — just two led Ryan to the White Gold deposit. With a success like that on the books, exploration companies are really starting to believe in Ryanwood Exploration’s soil sampling methodology. The belief is keeping Ryan and Wood busy.

“When I first started, 50 was a lot of soils,” says Ryan. “Then we got to 300 a year, then we worked with Kennecott for a year and took 2,500 soils. And that’s when we saw, okay, with this many soils you get a really good picture of what’s going on, so that’s when we started taking a lot of soils.”

Year after year, the number of samples Ryanwood sent to Acme labs went up: from 5,000 to 8,000, then 14,000 to 18,000. Last year the company took 37,000 soil samples. And this past summer Ryanwood’s team collected 70,000. The numbers climb quickly because Ryanwood’s average client now wants 5,000 soil samples taken across a property, right out of the gate.

There’s a reason behind that number. When Ryanwood optioned White Gold to Underworld they had taken 5,000 soil samples. The next big success was Kaminak; Ryanwood had taken 1,800 soils from the Coffee property before the option and took another 3,000 during Kaminak’s first year of exploration.

“It was when I had done about 5,000 soils at Coffee that it was like boom, there it is,” says Ryan. “So that’s kind of the magic threshold.”

Ryanwood Exploration now has 50 people on staff, divided between a soils team, a trenching team, and an office group. It is a far cry from Ryan and Wood working away alone in a tin shack, 14 years ago.

One thing that has not changed, however, is the key role each plays in the business. Ryan says Wood is the business mind — in the early days she had to au-

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thorize his exploration budgets and now she is the one who really works the option negotiations.

“I’m the hyper prospector and she’s more level-headed,” says Ryan. “I’m always like, ‘Oh, they seem like really nice people!’ and she’s like, ‘Well, what do you think? Of course they’re going to be nice!’ So she’s the one who goes in and meets people and gets a feeling for whether they’re the kind of people we want to work with, and then she helps me haggle out a good deal.”

Another aspect of Ryan and Wood’s business that has not changed is their prospect-generator mechanism. Every year Ryan sends crews on reconnaissance

sampling missions, where they take 100-metre spaced samples along 200 to 300 km of untested ground.

“If you hit on 1% you’re lucky, so if you work 200 km of new ground and get 2 km of anomaly you’re going great,” says Ryan. “And that’s what we do every year, religiously.”

Ryan then returns to a reconnaissance anomaly the next year for a day or two, to figure out the orientation of the area. Then in year three he “hits it hard” with a soils grid.

“This summer’s reconnaissance was to find projects that will be for sale in 2013 — I’m working three years ahead all the time,” he explains. “So when people ask ‘how does he keep pulling these rabbits out the hat?’ That’s how. And then the project

is at the stage where a junior can take it and be ready to drill within two years.”

And despite all the success, Ryan says he’ll keep prospecting as long as he can. The “science-driven giant Easter egg hunt,” as he describes it, is all he ever wants.

“There’s nothing more than sitting here looking at the data, looking at structures — I’ll sit here until 2:30 in the morning and Cathy will get up and shake her head as I say ‘I found another one!’” says Ryan. “Then you go out in the field in the spring and it lights up and you’re all excited again. Once we sell it and they start drilling — the excitement is pretty much over for me at that point, so it’s time for me to move onto the next ridge.”