Stratabound options Golden Culvert in Yukon

Kim Tyler was manager of project evaluations for North America at a mid-tier mining company in September 2016 when he first came across the Golden Culvert property in the Upper Highland Valley of southeastern Yukon, about 205 km north of the town of Watson Lake.

The property had an outcrop “the size of a transport truck” that contained multiple gold-bearing quartz veins grading up to 22.8 grams per tonne gold within a lower grade gold mineralized host rock grading up to 2.2 grams gold per tonne, Tyler says. All of this was within a 3 km by 250-metre wide, +30 parts per billion gold soils anomaly that was open at both ends and had never been trenched or drilled.

“I have spent over forty years in exploration and mining as a geologist, principally in gold, and Golden Culvert is simply the best early-stage exploration project I have ever come across, bar none,” Tyler says. “It is a rare thing to walk onto a project and 'feel' that coming up through your feet ... It is a rare thing to come across such an opportunity anywhere on the planet today.”

Golden Culvert also seemed comparable, he says, with Golden Predator’s (TSXV: GPY) 3 Aces project, 20 km to the south, and to the Plateau project owned by Goldstrike Resources (TSXV: GSR), 315 km to the north.

Stratabound signed an option agreement on the property on Oct. 23, 2017.

In November, the company reported assay results from its due diligence site visit. A chip sample from across the main 1-metre-wide quartz vein exposed on the main showing assayed 14.55 grams gold per tonne. Previously reported values from earlier assessment reports collected from the same vein assayed 22.8 grams per tonne gold, 17.3 grams gold per tonne and 8.28 grams per tonne.

A 0.5-metre chip sample in the altered hanging wall rock of the same vein assayed 2.27 grams gold per tonne. The alteration of the wall rock was variable but pervasive across the 30-metre-wide outcrop exposure, Stratabound announced, and other samples of the host rock resulted in assays of 0.28 grams gold and 1.08 grams gold. In addition, a 0.4-metre wide vein exposed about 10 metres along strike of and 10 metres parallel to the main vein assayed 14.24 grams per tonne.

Significantly, Tyler noted at the time, repeated assay results both past and current were consistently above 8 grams gold on the main quartz vein. The most exciting findings, he said, are that gold values exist in the 30-metre-wide hanging-wall rock zones and that there is significant potential that the prospect will be amenable to bulk mining including open pit extraction.
Tyler believes that Golden Culvert, Golden Predator’s 3 Aces project, Goldstrike’s Plateau project, and a fourth project called Hyland (owned by Banyan Gold [TSXV: BYN] that is about 74 km from the town of Watson Lake) represent a distinct new gold district along the eastern Yukon called the Selwyn Basin-Hyland Fold Thrust Belt.

“A new Yukon gold rush has been evolving ever since the Golden Saddle discovery led to the Coffee, White Gold and all the other ‘new’ Yukon discoveries of lode gold deposits that, in hindsight, had to have been there all along, feeding the approximate 20 million ounces of placer gold mined since the first Yukon Gold Rush,” Tyler says. “The geological models are not really new; they occur in Alaska, B.C., and even Australia; it’s just that they have only recently been recognized to exist in the Yukon. This means opportunity.”


In addition to the original Culvert main vein showing, Stratabound uncovered a new 2-3 metre-wide copper mineralized quartz vein, 1.4 km to the south along strike of the main showing, during its visit to the property in October. Stratabound found the vein — named Green Dragon — during prospecting along the southern open soils anomaly extension during its due diligence site visit. Chip samples taken from the exposed vein did not return significant gold assay results but did provide anomalous values of 1.8 grams per tonne silver and 732 parts per million copper. A piece of float about 10 metres uphill of the outcropping vein assayed 1.3 grams per tonne silver and 407 parts per million of lead.

The Central Culvert group of claims has a 10-year Class III land use approval from Yukon Energy, Mines and Resources, which is valid until Nov. 16, 2026, and allows for a camp, access roads, trenching, diamond drilling and bulk sampling.

The all-seasons Nahanni Range Road crosses directly through the middle of the claim group, and Stratabound notes that $360 million in combined federal and territorial funding was promised in September 2017 to improve road access, including the Nahanni Range Road that crosses through both the Golden Culvert and 3 Aces project. The funds earmarked for the infrastructure program will upgrade road surfaces and build or replace numerous bridges, culverts and stream crossings, according to a February 2018 technical report on the project.

Placer gold was first found on the Golden Culvert property by Robert Scott in 1984 at a culvert under the Nahanni Range Road. Stream sediment sampling and subsequent prospecting led to the discovery of the Golden Culvert main showing in 2008.

“The region has a long history of exploration beginning with the discovery of the Cantung mine in 1954 and the initiation of production in 1962,” the technical report states, noting that the Cantung mine is just to the east of the project in the Northwest Territories.

“The Golden Culvert and Little Hyland project area (3 km south of the Golden Culvert main showing on Stratabound’s claims), however, does not have a considerable documented history of exploration,” the technical report says. “It is rare to find a large project in the Yukon that is located so close to a road, has returned significant gold values on surface and has never been drilled.”

“When Kim brought this to me I was able to check off every box: 2 km off the main road, never been explored before, huge outcrop of gold veins with gold in the wallrock, half a million dollars brought up enough geochem samples to show that it’s big … the structure is large. I just said to myself, ‘Wow, I’ve checked off all these boxes,’” Kent says. “I don’t need to convince somebody that the Yukon government is going to put the road in … All I have to do is go out there and take a drill. And two good holes are worth $15 million of market cap. Twenty million of market cap. And when management and our significant shareholders own 65% of the outstanding stock … it’s huge leverage for my people.”
Kent says the plan is to do two or three seasons of work funded by private placements.

“We've funded the company to date through kind of friends and family, and then through investors that invest in junior plays, usually through individual brokers, and, you know, we're trying to stay away from any of the bigger corporate finance side, trying to stay away at this point from brokered deals versus the old-fashioned non-brokered deals,” she says. “But by next year we'll end up having to do a bigger, brokered deal for $8 million or $10 million or $20 million, in order to put the serious money in.”

Kent recalls “traipsing through the Yukon” twenty and thirty years ago with her former business partner Ross Burns, “saying there had to be a lode source for all this placer gold, and there were many, many people and many, many majors who believed in that.”

“It's just that how could you convince a major to carve out millions of dollars out of their exploration budgets to go and look for lode gold in the Yukon? And now it's starting to be found.”

Kent believes she’s hot on the trail now with Stratabound and has invested about $250,000 of her own money into the company to keep it going. (She doesn't take a salary.)

“It's beautiful, one of the most beautiful situations I've seen, because it sits close to the Nahanni Range Road, there's infrastructure, the old Cantung mine is 20 km away,” she says. “We've got beautiful surface showings. We've got 3 km of significant gold geochem on the surface. It's almost like a Hemlo.”