

Minjng Journal

"Like pearls on a necklace, but much more valuable"

White Gold Corp (TSXV:WGO) has seen its stock price more than double in the past three months as it continues to announce new discoveries and enjoy the continued support of gold heavyweights to create much excitement in Canada's Yukon Territory.



White Gold is working towards unlocking the potential of the White Gold District, in Canada's Yukon Territory

Located on the storied Tintina Gold Belt, a 200km wide 1,200km-long arc extending from northern British Columbia to southwest Alaska, the White Gold District is favourably situated in an area that historically produced about 29 million ounces of gold from placer mining.

"Our team has collectively made four major discoveries in the district and our asset base is located along the most prospective trends in the region," CEO David D'Onofrio told *Mining Journal* in an interview.

The company owns a portfolio of 21,218 quartz claims across 34 properties, covering about 423,000 hectares, and representing about 40% of the Yukon's White Gold District in Canada.

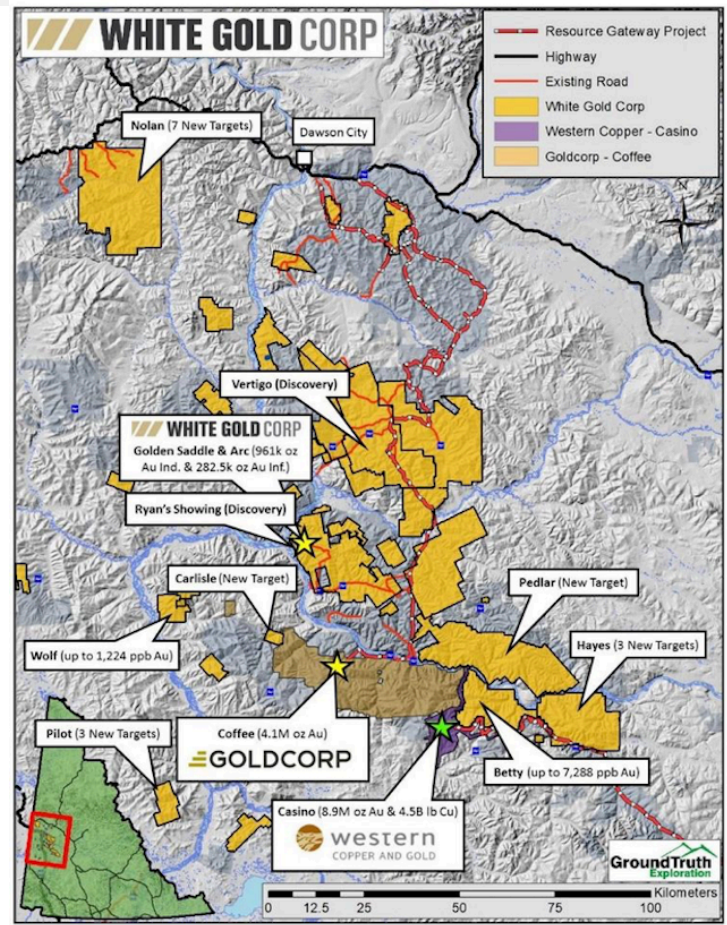
"We have 80% of what are probably the best properties out there in the White Gold District. They range across various stages depending on how much exploration have been done," he said.

"We believe that this is about the same as owning 40% of the Timmins camp or Val-d'Or, or different places in Nevada 60-70 years ago. These gold camps each started with a few scattered discoveries, which turned into many, many deposits over time."

According to D'Onofrio, the company's ability to identify new deposits or showings very close to its main deposit was proving very value-accretive and that was what its mid-tier partners Agnico Eagle (TSX:AEM) and Kinross Gold (TSX:K) have guided the team to spend most of their budget and attention on.

"It's really interesting for me to see how this district had been so off the radars of everybody for such a long time, when you've had such rich gold discoveries at surface that precipitated the Klondike gold rush of 1896. It's an ideal area to explore - it was never glaciated which allows for so many more modern tools to be deployed to find new deposits," he said.

"Gold deposits rarely come as lone wolves, and usually manifest in regions, and we think this will be a district too. We think we've found a new model for Yukon that is more akin to the Carlin-style deposits of Nevada."



District opportunity

The company's properties range from grass roots to more advanced exploration projects, including the Golden Saddle and Arc deposits, purchased from Kinross. Certain portions of the claim packages border gold discoveries owned by Goldcorp and Western Copper & Gold.

The most advanced is White Gold's flagship Golden Saddle property, which holds about 961,000oz gold in the indicated category and 282,500oz on the inferred resource, at an average grade of about 2.5g/t. We believe that asset has the opportunity to expand by stepping out along the same structural trend and down dip to find more Golden Saddle-like deposits."

This year, the company made two new discoveries about 2km along the same trend at shallow depth, which include the Ryan Showing, which returned a best result of 20g/t over 6m and 5g/t over 13m, as well as discovering the Golden Saddle West deposit, between Golden Saddle and the Ryan Showing.

The company had also intersected 3.76g/t gold over 66.2m, extending the Golden Saddle deposit at depth.

Recently, the company announced multiple high-grade surface samples along strike from the new Vertigo discovery, on the JP Ross property, which further expanded the footprint of the high-grade mineralised system. Surface grab samples were taken on the Vertigo target along trend from the recently announced discovery hole that encountered 56.25g/t gold over 3.05m within a broader intercept of 17.34g/t over 10.67m from 3.05m depth.

The budget this year was split about equally between the Golden Saddle and regional exploration. The team was focused on bringing some of the earlier stage properties up the value ladder.

D'Onofrio said the company was making use of new technologies to unlock the exploration potential below surface.

"We deployed LiDAR, a type of laser detection tool that allow us to pinpoint and better define underground structures, to better direct our drilling," he said.

"This is when our stock really lit up recently, when LiDAR helped us make a new discovery on the GP Ross property at the Vertigo target. The results of up to 139.9g/t gold at Vertigo

are among the highest grades seen in the White Gold District and significantly expand the footprint of the mineralised system."

Intercepts such as 24m at 23g/t from surface are giving the team confidence they're on to a new discovery like Goldcorp's Coffee deposit, or their own Golden Saddle. But the early indicators are the grades are much higher and the footprint much larger than those two discoveries.

"At Vertigo, the team is making new discoveries like pearls on a necklace on the northwest trending vault, like vaults in Ontario and Quebec," D'Onofrio said.



White Gold looking for gold veins among the green shoots at Golden Saddle

People power

D'Onofrio said a lot of the company's current success was owed to the accomplished team of senior managers.

Chief technical advisor Shawn Ryan, who also sits on the board, played an important role in assembling the company's current land package. He has been credited with gold discoveries in the Yukon totalling 7.5Moz.

D'Onofrio said following on a wave of discoveries in White Gold district in 2010/11, the ensuing downturn in the mining sector returned Ryan's portfolio from option, including several years of exploration data. During this time, Ryan had spent many dollars out of pocket to keep the land package together.

In October 2016, Ryan joined forces with White Gold to advance exploration using cutting edge techniques.

Not long after, Agnico took a 19.9% stake in White Gold in December, followed in May 2017 by White Gold's acquisition of Kinross' Yukon portfolio in return for a 19.9% ownership stake.

The board also includes Robert Carpenter, the founder and CEO of Kaminak Gold, which Goldcorp (TSX:G) acquired for the adjacent Coffee project in 2016 for C\$520 million. Another critical board appointment is Jodie Gibson, VP of exploration, who was the project manager overseeing the discovery drill holes of the White Gold project while with Underworld Resources, before Kinross took them over in 2010, and on the QV project, with Comstock Metals. Management and insiders hold about 25.4% of the company.

"These guys have seen these major discoveries being made in the region and they have a lot of experience with these kinds of deposits we're after," D'Onofrio said.

White Gold continues to enjoy strong support from its mid-tier mining shareholders. It recently launched a \$15 million bought-deal financing at C\$2 per flow-through share and \$1.50 per common share, that saw Agnico and Kinross, each holding about 19.9% of White Gold, maintain their respective stakes in the company.

"Our major partners have been very supportive of our work and we benefit tremendously by being able to draw on the geologic expertise of Kinross and Agnico Eagle," D'Onofrio said. The offering is scheduled to close on November 8.

Meanwhile, the project is benefitting from the C\$360M Yukon Resource Gateway project announced by the federal government, to upgrade 650km of roads including four separate public road systems in the White Gold District. This entails building, upgrading or replacing many culverts and bridges.

White Gold stock has been trading between C\$2.00 and C54c a share over the past 12 months, and has jumped about 84% in the past six months on news of the new discoveries.

The stock closed down 7% Monday at \$1.50, giving the company a market valuation of about \$148.6 million.