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Kinross cuts gold at Yorbeau's Rouyn



The headframe and main building at Yorbeau Resources and Kinross Gold's historic Rouyn gold property in Quebec's Abitibi greenstone belt. Credit: Yorbeau Resources.

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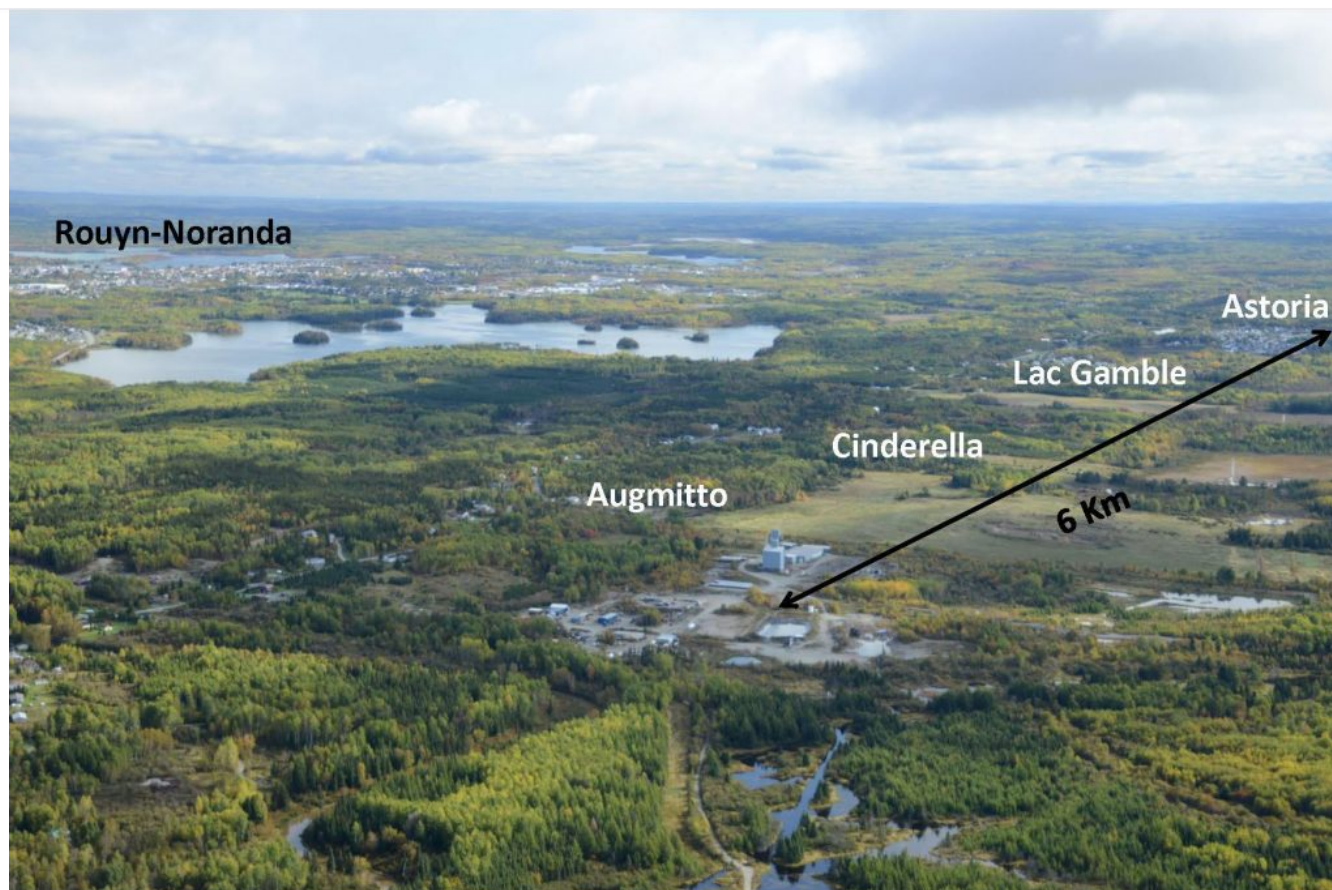
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Kinross Gold (TSX: K; NYSE: KGC) has intercepted high-grade gold during drilling at the Rouyn property, 4 km south of Rouyn-Noranda, Que., that could add significant resources at depth, partner **Yorbeau Resources** (TSX: YRB) says.

Holes 17-678 and 17-678W returned 23.7 grams gold per tonne over 4.1 metres from 677 metres downhole and 19.3 grams gold per tonne over 4.1 metres from 674 metres downhole. Meanwhile, holes 17-669 and 17-676W returned 11.6 grams gold over 4.7 metres from 594 metres and 5.3 grams gold over 13 metres from 507 metres.

Kinross' work has focused on two deposits on the property: Astoria and Lac Gamble. Hole 17-678 was drilled in Astoria and Yorbeau says the results suggest that the Footwall and Lower Piché zones may be merging, at least locally, to provide wider mineralized zones.

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An aerial view of Yorbeau Resources' Rouyn gold property in Rouyn-Noranda, Que., showing location of zones. Credit: Yorbeau Resources.

In October 2016, Kinross signed an option agreement to make \$12 million in exploration expenses over four years in the first steps towards buying a 100% interest in the Rouyn property. It committed to spend \$3 million exploring the property in the first 18 months, including at least 12,500 metres of diamond drilling. Kinross is operator of the project during the option period.

Kinross has already spent \$2.7 million and drilled 24,149 metres in 33 holes.

Kinross will have the option to buy the 100% interest after giving Yorbeau a new resource estimate and having spent \$12 million on exploration. To secure the 100% interest, Kinross would make a single cash payment to Yorbeau of US\$25 million plus 2% of the gold price multiplied by the number of ounces in measured, indicated and inferred resources identified in the estimate.

Yorbeau Resources president Gérald Riverin said he knew in early 2016 that Kinross was interested in gold properties in Quebec, and reached out to Kinross. "They had already acquired property to the east of our ground," he says. "So I phoned them and said, 'Hey, we have a much bigger property to the west with favourable geology.'"

The Rouyn property is located in the Abitibi greenstone belt, a 2.5-billion-year-old sequence of volcanic, sedimentary and granitic rocks that stretch 700 km from northeastern Ontario into northwestern Quebec. Over the past century, it has yielded over 170 million oz. gold.

Mafic volcanic rocks underlie the property to the north with sandstone-to-siltstone sediments, schist and gneiss to the south. Gold occurs in silicified and brecciated fuchsitic carbonate-altered rocks, as well as silicified and veined metasediments.

"One of the reasons for the big cash payment is that we have a lot of the underground infrastructure in place, including two shafts," Riverin said. One shaft delves more than 500 metres deep while the other is 250 metres deep.

For Yorbeau, the plan at the Rouyn property is to focus on the Piché group of ultramafic rocks in the Cadillac Break,

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"But it's up to Kinross as to when they do the work and where," Riverin said.

Yorbeau is in good financial standing with over \$2.5 million in cash and equivalents as of June 30. A large reason for that is a net smelter return royalty over the Ellison gold property in the Abitibi region that it sold in early June. Yorbeau had received the royalty when it sold Ellison to **Agnico Eagle Mines** (TSX: AEM; NYSE: AEM) in 2002. Yorbeau sold the royalty back to Agnico for \$2.25 million in cash.

Yorbeau's stock sits at 9¢ per share with 293 million shares outstanding. The market capitalization is \$26 million.

Yorbeau will continue to focus on its wholly owned Scott Lake property, 20 km west of Chibougamau, Quebec.

A 2017 resource estimate for Scott Lake by independent firm Roscoe Postle Associates shows 3.6 million indicated tonnes grading 0.95% copper, 4.17% zinc, 37 grams silver per tonne and 0.22 gram gold per tonne. Inferred resources add another 14.3 million tonnes at 0.78% copper, 3.49% zinc, 22 grams silver and 0.2 gram gold.

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