Geologist’s Life Full of Ups and Downs

by Jane Gaffin

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When Jim McFaull was ready to graduate from a Winnipeg high school in 1970, he did not know what geology was. A friend explained that geology was running around in the bush, looking at rocks.

“That sounds interesting,” McFaull mused. “Maybe I’ll check it out.”

Before he celebrated his 35th birthday, he had set a record by finding a string of mines. All seven went into production.
The Galkeno Open Pit, new Silver King Underground, Ruby Offset, Hector 3 & 4 Vein Open Pit, Flame & Moth Open Pit, Black Cap Open Pit and Bellekeno Underground had produced four million ounces of silver when United Keno Hill Mines closed in 1989.

The young geologist’s accomplishment was a spectacular feat. Statistics indicate that only one in every 50,000 prospects makes a mine.

McFaul’s career started as a summer field student, working for mining companies in the British Columbia bush.

The summer of his graduation from the University of British Columbia in 1974, Amoco Canada’s mineral division sent him into northeastern Yukon to look for zinc. To reach the Bonnet Plume, the crew went through Mayo.

Trans North’s Beaver aircraft flew up the McQuesten Valley. The pilot pointed out United Keno Hill Mines’ Elsa operation.

McFaul looked out the window in disbelief. “Who in their right mind would ever want to live there?”

The next year he was hired by the company in Whitehorse. Three years from his first flight over Elsa, he joined the 350 residents in the remote mining community.

The junior geologist found his first mine, the Galkeno Open Pit, a vein-type silver deposit on Galena Hill’s northeast slope that faces Keno City.

After two-and-a-half years of bunkhouse living, he needed some freedom and fresh air.

He and three friends formed Aurex prospecting syndicate. The 1980 adventure took them 70 kilometres northeast of Keno Hill into the Patterson Range. When rain turned to snow, they were forced to come out of the bush.

United Keno asked McFaul to take a job as underground mine geologist at Venus, an historic gold-silver property near Carcross. By the time it was ready for production a year later, the precious-metal market crashed.

McFaul went back to the field to do follow-up prospecting around the company’s DEF Minto property, northwest of Carmacks. It was supposed to be the Yukon’s next mine. It too had to be shelved as mineral inventory.

The whole industry collapsed in 1982. Yukon mines and the railroad closed; and McFaul and a lot of other people lost their homes.

To survive, he drove a scoop tram for an underground placer mine in the Sixtymile country near Dawson.

By early 1983, the Elsa mines reopened. McFaul returned as senior geologist in charge of the exploration department.
During that three-and-a-half-year stint, six of the many targets he pinpointed, prospected and drilled went into production.

Then silver prices continued to drop and taxes kept increasing.

UKHM’s president, directors and employees took a 25-per-cent reduction in income so the mine could continue to operate.

When silver prices took another drastic dip by 1986, wages were tied in with the fluctuation. By the summer of 1989, UKHM workers were back on full salary for nine months. But their pay was based on the 1986 scale.

At least the company had some good budgets to work with, McFaull noted. “We got a lot of work done and had a fair bit of success due to the flow-through share program.”

Then he transferred to the Whitehorse office to manage the Dawson Lode Project.

The objective was to find the source of Klondike placer gold on the 1,200 quartz claims. “We didn’t have too much luck.”

McFaull was the acting exploration manager when the big shock came in the spring of 1990.

Federal Finance Minister Michael Wilson had cancelled the flow-through program. It was a tax-deduction incentive for exploration companies to find and develop mineral properties. Then silver prices dropped below the profitable $8 U.S. per ounce mark. And Falconbridge sold its UKHM assets.

“We all lost our jobs. Again. For the last time.”

For years, McFaull had been groomed for his managerial role. It turned out to be tougher than he imagined. He had the frustration of having to switch off the lights after everybody else was gone.

“Since then I have been freelancing. I haven’t had a full-tilt paycheque since 1981 when I worked at Venus. It’s been a long drought,” he said.

“United Keno is a good property. There’s probably a 100 million ounces of silver in there. That’s half a billion dollars at today’s silver price. Somebody will mine it, eventually. That property is a long way from abandoned.

“I think the world is looking at some serious financial difficulties. There are going to be some currency collapses very shortly.

“I think precious metals will go up. It’s just a matter of when. We can only keep propping up the Canadian dollar so long until the time comes when it can’t be done any more.”
“At that point there has to be a day of reckoning. I think gold is going to become an extremely valuable commodity, which is why I am doing all the work I can in gold property.”

One of his projects started in 1991. He had returned from Russia, where he had looked at geology and career opportunities. Then he dug into his Riverdale home for what looked to be a long, harsh Yukon winter.

He meticulously researched an old silver property, formulated a geological theory and confidently gambled on his hunch. While the ground was still blanketed with four feet of April snow, he hired a crew to stake 75 claims.

“That was a real gamble. I had never set foot on the place. It cost a lot of money to have it staked.”

Although the Aurex claim block is adjacent to UKHM’s camp, the geology is favorable for gold rather than for silver veins.

When the snow melted in early June, McFaul and his malemute companion, Tasha, went prospecting.

The tiny white specks on the air photos were actually old bulldozer trenches, he said. They had been dug by the previous owner, a cantankerous oldtimer who had died about 1988.

Jack Hawthorne’s heirs had let the 50-year-old claims lapse about six months before Aurex staked them.

“For Hawthorne to hold them that long has to tell you something.”

While cracking rust-stained rocks, the distinctive odor of sulphur and arsenic was puffing up like clouds, he said.

“It was just the type mineralization I was looking for. But there is no outcrop. I would have been doomed if it hadn’t been for Hawthorne digging those holes in the first place.”

McFaul hurried into Whitehorse with a few sackfuls of rock samples. The laboratory assays showed good gold results. Then he hurried back to the property and worked until snowfall.

“At that point I got depressed again. Everybody had deserted this country for South America.”

And he dreaded the idea of having to try to market his property in Vancouver, knocking on doors and talking to promoters.

But prospectors live on serendipity.
While Jim was looking for a financial angel, Yukon Revenue, a local company, was looking for an investment property. They ran into each other.

“We cut a deal,” he said.

During the 1993 season, Yukon Revenue’s $130,000 program included tying on another 75 claims and carrying out 10,000 feet of percussion drilling. The work resulted in some good numbers.

“It was nice to pull the visible gold from three holes. I was just working on a geological theory. It was sort of a wildcat program that is paying off very nicely, so far.”

After 23 years and a bunch of successes to his credit, Jim McFaull has learned what geology is all about. And his high school friend was right: It’s running around in the bush, looking at rocks.

(McFaull is the president of the Yukon Prospectors’ Association; director of the Yukon Chamber of Mines; a Fellow of the Geological Association of Canada; and a director of Yukon Revenue.)

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Andrew James (Jim) McFaull was born in Regina, Saskatchewan on December 14, 1952 and died suddenly at the age of 59 in his home in Whitehorse, Yukon on April 14, 2012. A big farewell send-off was held at the High Country Inn on April 20, 2012.