



Yankee Hat forms tungsten JV with Japanese group

Restrictions on tungsten exports from China have caused resource-poor Japan to look to the Yukon and Northwest Territories as a new source for the rare metal.

Yankee Hat Minerals (KHT-V, YKHTF-O) and **Japan Oil, Gas and Metals National Corp.** (JOGMEC) have formed a joint venture to explore for tungsten, starting with a budget of \$800,000 for the rest of the year. JOGMEC's mandate is to secure a stable supply of natural resources for the Japanese economy.

The Yukon holds about 15% of the world's tungsten reserves, while about 57% are in China. Up until recently, 85% of world supply has come out of China. In January, the Chinese government increased tungsten export tariffs and

began restricting exports to foreign markets to reduce its trade surplus. This year, China allocated 10,785 tonnes of tungsten for export, 10.2% lower than last year's quotas, according to www.chinamining.org.

Project operator Yankee Hat plans to set up a management committee with JOGMEC. The committee will approve the annual exploration budget; the agreement will continue until 2011.

"We are the only company partnered with JOGMEC for generative, grassroots tungsten exploration in North America," said Yankee Hat president Brad Kitchen in a statement. "When an important discovery is made... Yankee Hat will be able to exploit these assets while not requiring heavily dilutive funding."

Programs will be funded 60% by JOGMEC and 40% by Yankee Hat.

JOGMEC may acquire a 60% interest in any mineral property identified for further exploration, which will become a 'designated property,' with separate agreements for each. Properties identified for the regional joint venture program but not selected as a designated property will be fully owned by Yankee Hat.

So far, Yankee Hat has 294 tungsten claims in Northern Canada.

Meanwhile, Yankee Hat has struck option agreements to acquire 100% interests in the Achtung tungsten project in northwestern B.C. and the Birdtung tungsten-tin project in the southern Yukon.