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HAGGART CREEK, YUKON TERR., CANADA PLACER ENTERPRISE

FOREWORD

Having made several trips to Yukon Territory and British Columbia in the past few years and having followed in detail some of these latterday developments, I believe that in a broad way, there are in the northwest, some unusual opportunities for legitimate mining investment.

This conclusion is arrived at for the reason that operations are now greatly facilitated by the extension of airplane transport facilities and particularly by the growing field for dragline shovel operations whose advent in the last three or four years particularly is responsible for increased gold output. The unusually backward outlook Canadians have as regards mechanized equipment is also responsible. Some 45 dragline shovels were shipped into Alaska in 1939. In all Yukon Territory there is but one that I know of or have heard of - and this is not a dragline shovel.

This one exception is controlled by an acquaintance of mine, Mr. Ed. Barker, of Mayo, Yukon T. who has a small Sauerman dragline outfit operating in Haggart Creek some 40 miles northwest of Mayo and which latter town of 300 population is served by paddle wheel steamers from the Yukon River up the Stewart to Mayo in summer.

With this inadequate plant Mr. Barker, in 1939, produced \$27,000. (after paying Govt. tax of 2.5%). from 16,000 yards of gravel from his claims. This makes recovery of \$1.66 per cubic yard.

Barker has recently agreed to give a friend of mine, Mr. Howard Colley, of Dawson, an option on his holdings and Colley has asked me to help him finance the undertaking.

This Haggart Creek enterprise therefore, is the subject of the following brief description which I have prepared.

LOCATION:

In central portion of Yukon Territory, about 100 miles east of Dawson. Reached by river steamer in summer months from Whitehorse, via Yukon to mouth of Stewart and thence up Stewart to Mayo. From Mayo, by good gravelled Govt. kept roads to Minto Bridge. From Minto, a fair truck road leads to McQuesten River, and thence a poorer road up the Haggart Creek from its mouth at McQuesten to Barkers camp about 10 miles from McQuesten River.

Barker has tractor at camp; used in winter to take in his ensuing seasons supplies. Not a good summer road. Total distance Mayo to Haggart Creek camp 40 to 45 miles.

HISTORY:

Discovered first, prior to the gold discoveries in the Klondike region near Dawson, it has been worked intermittently ever since by various placer miners by ground sluicing, shovelling in and with small amounts of drifting where the content would warrant it.

Talking with Barker at Mayo in the fall of 1938, he then stated to me that had commenced operations that same season but that his dragline bucket was so light that he would have to replace it with a heavier one. This done, in 1939 he has made production as stated, having treated 16,000 yards with his makeshift rig and after paying Government production tax of 2.5%, \$27,000 thus net recovery was \$1.66 per cubic yard treated.

This fact can be corroborated by reference to Gold Commissioners files at Dawson or Mayo. Regarding corroboration on yardage treated, this would have to be checked on the ground.

PROPERTY:

Some 6 claims - 3 miles, are owned by Barker on Haggart at Mouth of Dublin Gulch. On these claims Barker states:

<u>Location</u>	<u>Yardage</u>	<u>Per Yd.</u>	<u>Total</u>
2 miles below Dublin Gulch,	500,000	\$1.66	\$1,328,000
1 " above " "	<u>350,000</u>	<u>1.66</u>	<u>581,000</u>
	850,000	1.66	1,909,000

Barker proposes to my friend Colley, that his price to step out of the picture is \$85,000 payable; \$8,500 before Sept. 1, 1940, with balance payable out of production with royalty at 15%.

Colley, who has been keeping track of these matters for some time, advising me lately, informs me that with other already lapsed ground, some 10 miles or more on the creek below or south of Barkers holdings will be open for location. This length of creek is known to be gold bearing as it has been sniped by hand methods for many years past. Colley proposes to stake this ground shortly in our joint behalf and he will be guided by my judgment as regards any deal thereon in conjunction with acquisition of the holdings of Barker.

In all probability also, Barker could be induced to sign option providing for pro rata reduction or increase of values up or down from \$1.66 content as claimed - this applying to purchase price as well, aside from royalty payable.

APPROXIMATE PLANT COST:

The ground will average about 9 feet deep. Channel widths varying from 150 to 400 ft. probable average about 300 ft. Grade is about 2.5%, so, though the creek is a large one, carrying probably 20,000 miners inches as a minimum, dragline operations with mobile screening and washing plant, would likely be best way to work the ground. Bedrock is granite, schist, greenstone, porphyry. No boulders. All is water worn cobbles to gravel, with 500 pound boulder rare. Season is about 160 days long on an average. Dredging operations are longer. Last year, the dredges at Dawson did not shut down until January 20. Usual season from about May 15 to October 30. Or May 1 to Oct. 15.

Cost of 1000 yard plant approximately as follows:

1.	1.25 yd. shovel) dragline-- Northwestern- FOB Seattle,	\$18,000
	(This can be had if desired at (\$5000 cash and balance at 6% (over 15 months)	
2.	Mobile screening and washing plant. Preferably that by Washington Iron Wks. Seattle - 1000 yard,	18,000
3.	Heavy International bulldozer 40-80	7,000
	40-80 Truck	2,500
	Sleds and gear	800
	(nearly all major supplies are hauled (in winter, thus assuring good roads.	
	Welding outfits, lighting outfits,	1,500
	Camp gear and additional bldgs.	3,500
	Frt. to destination from say Seattle at approx. \$100 per ton @ 90 tons,	9,000
	Seattle - Mayo approx. \$60 per ton Ft. with \$40 per ton - Mayo to Mine - 40 M.	
	Drill rig, casing spares,	3,500
	Preliminary exp. crew - 30 days, 10 men at \$5.00 and board(\$2.00) 300 @ \$7.00	2,100
	(continued)	

Engineering, travelling gen. exp.	3,000
Total of items shown on previous page, plus above items,	<u>\$ 68,900</u>
Contingencies, reserve, payrolls, etc.	<u>11,100</u>
Total,	\$ 80,000

Above total should be about correct as regards total financing required.

Drill rig, after preliminary drilling to warrant plant installation, would likely be kept busy indefinitely as the large lower creek yardage would occupy much time thereon drilling.

The initial gamble, in my opinion is largely confined to first corroboration. This I think could be partly satisfied by running several trench cuts down sides of Barkers present opened up faces, getting say several yards from each of such cuts and then sluicing the out on the ground. This could be done for overall cost of about \$2,500 to \$3,000.

This first step proving satisfactory, the next would be to ship in drill rig and drill out enough yardage to justify plant erection which would come to maximum of say \$7500, including cost of rig or say \$4000 for drilling proper, or with 100 holes at say 9 feet, 900 feet drilling at \$4.44 per ft., a high figure for 9 foot ground.

1st step	\$2,500
2nd " drilling	7,500
3rd " plant	80,000
Total financing,	<u>\$90,000</u>

If one wished to go a step further a good 2000 yard plant can be had at \$24,000 (Washington Iron Works) and 1-1/4 shovel will furnish capacity as listed for 100 yards per hr. (plant also) so that for less than \$10,000 more or \$100,000 total financing one could

have a 2000 yard plant with corresponding operating cost reductions.

Knowing the country, and conditions I say advisedly that total overall operating cost would be under or about 25 cents per yd.

Gasoline cost at Mayo about 65 cents and Diesel oil about 37.5¢ per Imperial gallon.

Principal thing to look out for is to have all supplies hauled in the winter time. Roads are good from Mayo to Minto. Thence fair to McQuesten and nothing to brag about on last 15 miles, though bulldozer could rapidly make good roads if desired as terrain is not at all bad.

Barker at present has a light Sauerman type dragline - operated by gas engine which pulls bucket up to sluice lip. I think he has to bulldoze all his tailings away from sluice end. Mobile plant with tailings stacker would settle all this.

His tail losses with no more equipment than riffled sluices to save gold, are probably at a maximum and could be decreased with standard jig equipment as is now commonly used, and such additional saving could be accomplished without increased cost.

The matter of equipment for lower reaches where the ground is progressively deeper on this lower 10 miles which will shortly be staked, can only be determined after drilling. Possibly dredging, due to lower accomplishable costs of operation would be the more feasible, if yardages disclosed would warrant such installation. It is at best, a matter for later consideration.

Similarly, Dublin Gulch, which is thought to be the main source of Haggart Creek gold offers some apparently good opportunities as it has also been worked for a long time with hand methods. As an instance one man using ground sluicing started in 1937, took out \$3800 in 1938, \$4,500 and in 1939, expanding his scope by more sluices, made production of \$9500. Claims made as to available yardages near mouth of Dublin Gulch are as follows:

	<u>Yards</u>	<u>Content</u>
2 claims (1000 ft. each)	140,000	\$0.90
1 mile (2 @claims)	700,000	0.90
1 mile (2 claims)	<u>500,000</u>	<u>0.90</u>
Totals,	1,340,000	\$0.90

Some 8 miles of this creek are workable until upper reaches where boulders of large size made working difficult - at least by hand methods formerly only available. Most of the yardage on Dublin also carries about 1/2 pound of scheelite per cubic yard on which there has heretofore been little attempt to save for market. Various scheelite veins occur at headwaters of Dublin which, together with gold veins as well, which have been described in some detail by various of the Canadian Govt. geologists.

A friend of mine, formerly a surgeon for some 17 years with Northwestern Mounted Police at Dawson, has several of these lode claims on Dublin Gulch, having held them together with placer as well for some 40 years. Now retired, he lives in Los Angeles. He spent considerable money in earlier years in starting a project to bring Haggart Creek water over a low divide to hydraulic Dublin Gulch, but the enterprise was never completed.

Mr. Barker, who now has the somewhat unique distinction of being the only owner operating a dragline in Yukon Territory - and it can be hardly called so - is probably now aware of the cost of a properly equipped dragline outfit, and his knowledge of the time required to pull himself up by his bootstraps to reach that point, is a large factor in his being willing to sell at terms outlined.

I know him to be a hard working and conscientious man though with no previous experience in placer mining. Although I have not personally been on the ground, I have talked with him and others equally or more familiar with conditions than he himself and I believe in the main, that values, etc. are much as represented.

Knowing as much of the matter as I have gained during the past six years acquaintance with this section I have no hesitation in recommending the outlined initial expenditures in the belief that it will turn out well. If his data is correct total plant cost would be returned in first 60 days as indicated net is \$2300 daily on 2000 yards treated.

Signed: 'MARSHALL D. DRAPER, E.M.'

May 19, 1940

Beverly Hills, California.