

as it is not practicable to carry on dredging operations on all of these leases each year as was formerly required.

#### OPERATIONS

The weather throughout the season was favorable for all our operations. The supply of labor was equal to the demand and the rate of wages remained unchanged. On the 1st April the price of electric power was raised to one cent per kilowatt hour. This is twice the rate paid heretofore and increased the dredging costs more than one-half cent per cubic yard.

The field work consisted of the operation of Dredges Canadian Nos. 2 and 4, the operation of the Hunker Pumping Plant in conjunction with The New North West Corporation; the running of a prospect tunnel into the high level gravel of Jackson Hill; the operation of a farm at Bonanza Basin; and the operation of the machine shop, electrical repair shop, warehouse and stable at Bear Creek.

From 1st May to 30th November an average of 76 men were employed. The meals served at the Company's mess house numbered 37,615, the cost being \$26,221.79 or \$2,091 per day of three meals. Schedule No. 1 attached hereto gives the details of this cost.

#### Dredging.

Dredge Canadian No. 2 commenced digging on 14th May on Hydraulic Lease No. 18, about two miles below Bear Creek Camp. It worked down stream approximately four thousand feet and ended the season on 23rd October on the left limit of the Klondike River headed down stream.

During the 162 days of operation it dredged 1,559,329 cubic yards of material at an operating cost of \$119,952.42 or 7.69 cents per cubic yard.

The value of the gold recovered was \$182,951.37, or 11.7 cents per cubic yard. Schedule No. 2 attached hereto gives the segregated costs of this work, the returns, and also the proportion of the overhead charges applicable to the operation of this dredge.

The time lost on account of replacements, cleanups and interruptions of power was 15 days, or 9.26%.

Owing to heavy replacements of manganese steel wearing parts during the past two years, the digging capacity of this dredge has been greatly improved. This is evidenced by the increase in its average yardage, which in 1921 was 7,622 cubic yards per day, and in 1922, 9,625 per day for the total operating season, and 10,753 per day of actual operation.

Dredge Canadian No. 4 started digging on 12th May on Hydraulic Lease No. 18 approximately two thousand feet below the Yukon Gold pipe line. It worked upstream to the pipe line, then across the valley in a southerly direction about two thousand feet, returned to the pipe line and on 6th October was shut down awaiting the removal of the pipe. On 9th October the pipe having been removed it commenced digging upstream, crossed the site of the pipe line, and ended the season on 14th December, 2,400 feet above that point. During the 216 days of operation it dredged 2,260,114 cubic yards of gravel and bedrock at an operating cost of \$143,318.10, or 6.34 cents per cubic yard. Lost time on account of delay in connection with the pipe line, replacements, cleanups and interruptions of power, was 32 days, or 14.81%.

The proceeds of the gold recovered was \$72,394.62, or 3.20 cents per cubic yard. Schedule No. 3 attached hereto gives the segregated costs, the returns and the proportion of the overhead expenses chargeable to the operation of this dredge.

The improvement in the values obtained above the Yukon Gold pipe line when compared with those immediately below is very marked. During September the recoveries averaged 1.5 cents per cubic yard; during October when part of the digging was below and part above the syphon the recoveries were 3.89 cents per cubic yard; in November they were 4.98 cents; and in December 8.5 cents. These figures indicate the wisdom of moving the dredge to its present location.

The increased efficiency of this dredge due to heavy replacements

of manganese steel wearing parts during the past two years is evidenced emphatically by its average daily yardage. In 1921 this was 9,028 cubic yards per day, and in 1922, 10,463 per day for the total operating season and 12,283 per day of actual operation.

A blue print plan accompanying this summary shows the position of the dredges, ground dredged, etc.

#### Pumping Plant.

On 13th May an unsuccessful effort to operate the pump was made and it was found necessary to take three of the six sections into which it is divided to the machine shop for repairs. On 5th June the repairs having been completed, pumping commenced and continued until 31st July. Serious trouble then developed at the Power Plant, resulting in the cutting out of its Generator No. 1 and a consequent reduction in the power output. It was deemed inadvisable to overload the remaining generator and so the pump was shut down except for occasional pumping of water required for the cleanup. This was completed on the 16th August and this branch of the operations was then closed down for the season.

The earnings of the pumping plant, being 45 per cent of the proceeds from the hydraulic operations of Mr. Harry Jones on Dago Hill, amounted to \$2897.34. Pursuant to the terms of the agreement between this Company and The New North West Corporation, Limited, covering the operations of this plant, one-half of this, \$1,448.67, was paid to the latter as its share of the profits. The agreement was that The New North West should furnish power and this company the plant, that the expenses should be shared equally, and the profits equally divided. Schedule No.4 attached hereto shows the segregation of the operating costs.

#### Jackson Hill Prospecting

On 6th October the line of a tunnel to be run into Jackson Hill was laid out and preliminary work commenced. This tunnel is for the purpose of prospecting a considerable area of high level white channel gravel included in



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