The Yukon Consolidated Gold Corporation, Limited

DAWSON, Y. T.

CANADA

9th December, 1941.

W. H. S. McFarland, Esq.,
1919 Marine Building,
Vancouver, B. C.

Dear Mr. McFarland:

I am submitting herewith a report of the drilling done on Dago Hill during the past season.

Dago Hill is a high level terrace which borders on the left limit of Hunker Creek opposite the upper end of the Anderson concession. It is capped with gravel that was once the valley bed of an ancient stream which flowed parallel to and along the left limit of present Hunker Creek from Gold Bottom to the mouth. The hill is about 3,000 feet long, extending from Last Chance Creek to Dago Gulch and the width, although somewhat indeterminate due to the gentle slope of the ground surface blending into the adjoining hillside without a distinctive break, is not less than 2,500 feet. The crest is approximately 300 feet above the valley level.

Gold was discovered there in the early days and a very definite paystreak was developed. At first it was mined by shafts and drifts but later hydraulic mining was done on the Last Chance and Dago Gulch ends where those streams had cut the pay channel. Lack of tailings disposal room, loss of hydraulic grade and the dilution of value by increased gravel depth soon terminated large scale operations. There was, however, one small hydraulic plant operating on the Last Chance end during the past summer.

The major proportion of claims held on Dago Hill are controlled by the company under long term options, most of which mature in 1953. Claims of adverse ownership are few and in the most part lie outside the workable area as determined by the drilling.

Two drills were moved to the property on April 20th and after two days of preparatory work they began the prospecting on a line about midway along the paystreak. The drill holes were spaced at 200 foot intervals on lines 500 feet apart. At first considerable time was lost trying to bedrock the holes without casing but it was found impossible to do so except in two or three where the ground was solidly frozen and contained sufficient clay binding material to support the gravel.

In all other holes casing was used the full depth. It drove exceptionally easy considering the depth and pulled without difficulty. Casing trouble developed in only one hole and it was due then more to improper alignment than to ground conditions. The depth of holes ranged from 30 to 147 feet with the average being about 100 feet. The drilling was concluded on May 31st. Following is a Time and Footage Summary:

Number of Holes	Time Summary-Hours				Number of Shifts	Footage		
	Drilling	Moving	Lost	Total		Total	Per Drill Hour	Per Shift
36	1144	44	108	1296	144	3435	3.0	23.9

The ground formation was very similar in all holes and in general was as follows:

(1) Top soil or muck which varied from a few inches to 25 feet. Little pure icy muck was found. It was mostly decayed vegetation mixed with residual clay.

(2) A medium sized brown or yellow stained gravel which varied in thickness from 10 to 75 feet. In many holes it was interspersed with thin sand strata having the same color.

(3) White quartz gravel, medium to coarse in size, mixed with a fine white sand.

(4) Heavy yellow to reddish brown clay and coarse white quartz gravel.

(5) Bedrock-generally white or grey decomposed material that drilled easily. A few holes, however, were bedrocked in a black slatey formation.

There was no general rise in bedrock on either limit. The lateral extent of the drilling was controlled entirely by gold content. The main gold concentration is on bedrock and directly above. There is however, some fine gold distributed throughout the gravel but only in minute quantity.

Thawed ground was found in many holes and was usually near bedrock. The inflow in one hole indicated considerable water pressure as it rose fully 40 feet before stabilizing.

The yardage and value for the workable area has been calculated in two ways; as a hydraulic operation in which all of the material

is to be handled and as an underground drift operation where only the top of bedrock and about 6 feet of the bottom gravel is to be mined. The pay limit was set at 10 cents per cubic yard for hydraulicing and at one dollar per cubic yard for drift mining, the gold being valued at $20.67 per ounce in both instances. The drift mining depths were chosen arbitrarily for each hole to include the greatest concentration of pay.

YARDAGE AND VALUE SUMMARY

Type of Operation	Area Sq.Ft.	Depth Ft.	Volume Cu.Yds.	Gross Value Au. $20.67			Gross Value Au. $38.50		
				¢Sq.Ft.	¢Cu.Yd.	Doll.	¢Sq.Ft.	¢Cu.Yd.	Doll.
Hydraulic	1,961,235	94.9	6,896,757	56.2	16.0	1,104,168	104.6	29.7	2,053,752
Drift	1,488,675	7.8	430,582	45.8	158.8	684,115	85.5	295.5	1,272,454

Before an estimate of working costs and profit can be made it will be necessary to do considerable surveying and also make a careful and detailed study as there are many operating obstacles involved. Besides there is at present no cost data for these mining methods at hand.

The Dago Hill paystreak or workable area does not border directly on Hunker Creek but is separated by a strip of low grade or barren ground. Thus the only dumping space is limited to either Last Chance Creek or Dago Gulch. Both are now practically filled with tailings from past operations and to do further hydraulicing would require mechanical means of tailings disposal.

As mentioned above, the thawed ground was found on or just above bedrock in many holes. That alone becomes a problem that almost prohibits the consideration of an underground mining method.

Attached are blueprints showing all holes drilled and an outline of the areas considered for both methods of operation.

Yours truly,

THE YUKON CONSOLIDATED GOLD CORPORATION, LIMITED.

By A. M. Nordale

A. M. Nordale,
Ground Preparation Superintendent.

AMN:SD

E. 15000

1354 14 6-18.0

1338 14 10-35.9

1317 14 4-3.9

1333 12 7-16.0

1345 10 10-82.9

1337 10 6-97.6

1324 10 7-66.8

1345 8 6-75.7

1328 8 8-96.8

1349 6 8-73.8

1326 6 12-98.3

1320 6 8-121.1

22A

E. 16000

1342 4 7-173.3

2A

1327 4 7-114.0

24A

1346 2 6-452.6

1330 2 7-123.5

1315 2 8-217.5

E. 14000

DAGO GULCH

LAST CHANCE

AA

1340 1 6-553.1

N. 41° 15' W.

1324 1 6-191.0

26A

HYDRAULIC CUT

1344 3 12-38.9

1332 3 8-216.3

1317 3 9-100.0

HYDRAULIC CUT

ELEV. 1844

6A

1340 5 8-102.8

1325 5 8-249.5

28A

1343 7 10-91.6

1333 7 8-43.8

1313 7 8-35.0

1336 9 8-2.5

1320 9 6-49.1

30A

1343 11 9-44.5

1315 11 6-239.9

D5

D7

D9

D11

1312 15 6-4.0

D13

N. 6000

N. 7000

1330 6-100.0 ← Bottom Elevation

← Value - $ / cu.yd. ('20.67)

← Depth

DAGO HILL

SHOWING

POSSIBLE MINING DEPTH.

1905.

E. 15000

E. 16000

N. 5000

LAST CHANCE

HYDRAULIC CUT

N. 6000

E. 14000

DAGO GULCH

HYDRAULIC CUT

N. 7000

D-5

D-7

D-9

D-11

D-13

14 1476 1354 10-113-4.3

14 1429 1332 0-97-6.4

14 1345 1319 25-4-3.9

12 1394 1331 22-41-6.1

10 1465 1320 6-140-10.4

10 1429 1337 0-94-7.7

10 1351 1324 0-29-19.3

8 1440 1348 27-68-8.3

8 1411 1329 0-84-10.9

6 1440 1338 0-102-11.3

6 1435 1324 0-112-14.7

6 1379 1320 0-61-20.3

4 1433 1336 18-79-20.0

4 1430 1327 0-104-10.5

2 1432 1346 8-80-47.5

2 1441 1330 0-113-9.8

2 1405 1315 0-92-28.4

1 1429 1342 3-87-40.2

1 1450 1326 0-126-12.9

3 1419 1332 10-82-17.5

3 1454 1334 0-123-23.7

3 1410 A318 0-94-13.7

5 1428 1339 0-92-31.5 0-92-11.9

5 1465 1328 1-139-19.9

7 1404 1334 14-81-20.8

7 1464 1333 6-126-7.5

7 1407 1314 6-88-9.1

9 1441 1336 4-103-2.6

9 1464 1321 1-143-3.6

11 1590 1344 4-43-9.9

11 1395 1315 8-74-22.6

13 1374 1312 10-53-3.7

1 2 3 3A 4 5 5A 6 7 7A 8 9 9A 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 29A 31 31A 32 33 34 35 35A 36 36A 37 37A 38 38A

1400 1310 10-100-150

Surface Elev.
Value - ¢/cyd. @ $20.67
Depth of Gravel + BR
Depth of Muck
Bedrock Elev.

DAGO HILL

SHOWING

HYDRAULICKING DEPTH

TITLE/TITRE _____
RG _____ MG 28 R- _____ SERIES/SÉRIE III-43
ACCESSION _____ VOL 27 PAGE(S) 5
BOX/BOÎTE _____ REEL/BOBINE _____
FILE/DOSSIER Old Reports, Maps etc. Dago Hill to 1941
DATE March 2014