

The Yukon Consolidated Gold Corporation, Limited

1919 MARINE BUILDING
VANCOUVER 1, B. C.

2nd March 1953

To:

The President and Board of Directors of
The Yukon Consolidated Gold Corporation Limited,
1919 Marine Building,
VANCOUVER 1, B. C.

Gentlemen:

Herewith is submitted my report on the operations of your Company for the year ending December 31st, 1952.

TITLES

The titles to all ground required for the operations were maintained in good standing and Timber Berths Nos. 25 and 26 were renewed.

STRIPPING OPERATIONS

Full scale stripping operations were carried on throughout the season ahead of Dredges Nos. 8, 9, 10 and 11. An operation was started ahead of No. 6 but had to shut down on August 16th because the men used there were required at other operations. An attempt was made to start stripping of the Dominion Bench ground at a location opposite the No. 10 stripping plant, but this overburden was sandy and came off so freely that the creek drains could not carry it away. The operation was shut down after an eleven day run in order to prevent further damage to the No. 10 drainage system.

There was a good supply of water, but lack of men in the warmer parts of the year prevented its full use, which resulted in curtailed yardage and higher unit costs.

1,982,404 cubic yards of overburden were removed at a cost of \$254,837.97. or 12.85 cents per cubic yard. This compares with a cost of 11.61 cents in 1951.

At the end of the season stripping reserves were satisfactory at Nos. 6 and 11, but those at Nos. 8, 9 and 10 needed to be increased. Schedule No. 1 gives details of the various operations.

THAWING OPERATIONS

Full scale thawing operations were carried on ahead of Dredges Nos. 8, 9, 10 and 11. No thawing was required for Dredges Nos. 3, 4 and 6. At the latter location testing showed that the ground had thawed naturally where the stripping was completed from four to six years ahead of dredging.

The 24-foot spacing of points was continued at Nos. 6, 10 and 11 with good results. A portion of the No. 9 area was also covered at this spacing with similar results. The header pipes, for carrying the water to the points, were laid for the 24-foot spacing at all plants regardless of the actual point spacing. This made it possible to cover the entire season's work with one setting of equipment and did away with the need to shift equipment during the summer when mechanical haulage could not be employed in the rough and broken up ground areas. The resulting saving in labor and expense was considerable.

4,249,900 cubic yards of material were thawed at a cost of \$209,754.89 or 4.94 cents per cubic yard. This compares with a cost of 4.70 cents in 1951.

At the end of the season the thawing reserves were satisfactory at all locations.

Schedule No. 2 gives details of the various operations.

DREDGING OPERATIONS

Dredges Nos. 4, 6, 8, 9, 10 and 11 were operated throughout the season. Dredge No. 3 ran for a part of the season.

No. 3 on the Klondike River, commenced digging on May 20th and ran until August 16th after which date she was placed on a shelf and the machinery and equipment removed from the hull. In general digging conditions were good, but the value of the ground was less than expected and this fact, coupled with the precarious condition of the dredge hull, made us decide to lay her up as soon as a satisfactory location was reached. 937,979 cubic yards of material were mined at a cost of \$114,151.86 or 12.17 cents per cubic yard. Production amounted to \$73,554.18 or 7.84 cents per cubic yard, resulting in an operating loss of \$40,597.68 or 4.33 cents per cubic yard. The operating cost includes the cost of removing her machinery and equipment and some \$35,000 of General Expense and Supervision which would have been charged to the other dredges if No. 3 had not operated.

No. 4 on Bonanza Creek, commenced digging on May 7th and operated throughout the season until December 1st. Her start was delayed by cold weather and lack of water, but this was more than offset

by an unusually late run. The dredge continued to have hard digging due to hard bedrock and some frost in the old dredge tailings. This condition is reflected in the small yardage handled. 1,058,942 cubic yards of material were mined at a cost of \$233,787.19 or 22.08 cents per cubic yard. Production amounted to \$174,238.24 or 16.45 cents per cubic yard resulting in an operating loss of \$59,548.95 or 5.63 cents per cubic yard. At the end of the season most of the cost of removing frost from the old tailings had been written off and after 1953 there will not be any.

No. 6 on the Granville Flats of Dominion Creek at the mouth of Sulphur Creek commenced digging on May 8th and continued throughout the season until she was closed down on November 5th by a failure of one of the screen roller paths. The dredge had easy digging, but the formation contained a high percentage of sand which tended to clog the tables. Her gold saving efficiency was not considered satisfactory so a test is to be made with a jig. A jig was purchased and landed at Dawson during 1952, so it can be installed and tested during 1953. 840,074 cubic yards of material were mined at a cost of \$224,860.70 or 26.77 cents. Production amounted to \$173,477.89 or 20.65 cents resulting in an operating loss of \$51,382.81 or 6.12 cents per cubic yard.

No. 8 in the middle Sulphur Creek area started digging on May 4th and continued throughout the season until November 26th. Digging conditions were about average. 735,086 cubic yards of material were mined at a cost of \$260,772.10 or 35.48 cents per cubic yard. This included the cost of a new bucket line. Production amounted to \$430,149.98 or 58.52 cents per cubic yard, resulting in an operating profit of \$169,377.88 or 23.04 cents per cubic yard.

No. 9 on Upper Sulphur Creek started digging on April 29th and continued throughout the season until November 27th. Digging conditions were about the same as usual in this area with a good deal of muck, frost and mud to handle. However, a good yardage was handled. 612,044 cubic yards of material were mined at a cost of \$204,307.79 or 33.38 cents per cubic yard. Production amounted to \$265,014.81 or 43.30 cents per cubic yard, resulting in an operating profit of \$60,707.02 or 9.92 cents per cubic yard.

No. 10 in the middle Dominion Creek area started digging on May 6th and continued throughout the season until November 27th. The formation, in places, contained a high percentage of mud and sand, but the good water supply made it possible to handle this without too much trouble and a good yardage was handled. 843,802 cubic yards of material were mined at a cost of \$207,127.41 or 24.55 cents per cubic yard. Production amounted to \$363,956.70 or 43.13 cents per cubic yard, resulting in an operating profit of \$156,829.29 or 18.58 cents per cubic yard.

No. 11 on Hunker Creek started digging on May 3rd and continued throughout the season until November 28th. Digging conditions were

good, but on a couple of occasions flood waters caused dams to wash out and delayed operations. 835,564 cubic yards of material were mined at a cost of \$186,732.90 or 22.35 cents per cubic yard. Production amounted to \$420,480.28 or 50.32 cents per cubic yard, resulting in an operating profit of \$233,747.38 or 27.97 cents per cubic yard.

Schedule No. 3 gives details of the dredging operations.

PARADISE HILL HYDRAULIC OPERATION

Preparatory work for this operation was started on May 29th. Equipment was laid and actual sluicing commenced on July 7th, using water pumped from Hunker Creek. There were no suitable pumps available for this work, but four of the standard stripping pumps were arranged so that water at a good working pressure was delivered on the hill. Two of these, arranged to operate in series, were set up at Hunker Creek and two more on the hill to act as booster pumps. The arrangement was awkward, but will be continued until a better idea of future working costs is obtained, and to see if the Capital Expenditure required to purchase suitable equipment is justified.

There was a good supply of water in Hunker Creek, but considerable trouble was experienced with dirt from individual operations on Gold Bottom Creek, a tributary of Hunker coming into the valley above Paradise Hill. Retaining dams were built in the dredge tailings to filter out the dirt, but these sometimes washed out in periods of high water.

A large amount of clay and sand was found in the area opened up on the hill. This thawed very slowly and washed poorly, besides tending to pack the riffles in the sluice boxes.

The grade on bedrock was sufficient to allow the sluice boxes to be set on the top of bedrock and bedrock cuts were not required. The water was delivered on top of the gravels and used to thaw the ground and drive it toward the boxes. The heavy gravels, immediately above bedrock, were pushed into the boxes with a bulldozer.

Sluicing was stopped on September 9th and the men laid off on September 26th. There were 64 sluicing days and 120 working days. 15,394 M.I.D.'s of water were used and 111,651 cubic yards of material were mined, making a duty of 7.24 cubic yards per M.I.D. Production amounted to \$16,847.31 or 15.09 cents per cubic yard. Costs amounted to \$38,100.65 or 34.12 cents per cubic yard. This resulted in an operating loss of \$21,253.34 or 19.03 cents per cubic yard. Costs in 1952 were excessive because of the preliminary expense involved and the short season of actual operations. Also, only 7,364 square feet of bedrock were cleaned up. Next year's work should have nearly double the number of sluicing days with a corresponding increase in the yardage mined and value recovered due to the extra bedrock cleaned up.



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