

# The Yukon Consolidated Gold Corporation, Limited

1919 MARINE BUILDING

VANCOUVER, B. C.

6th February, 1952.

To:  
The President and Board of Directors of  
The Yukon Consolidated Gold Corporation Limited,  
1919 Marine Building,  
Vancouver, B. C.

Gentlemen:

Herewith is submitted my report on the operations of your company for the year ending December 31st, 1951.

## 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 ahead of Dredges Nos. 8, 9, 10 and 11. An operation was started ahead of No. 6, but had to be closed down early in the season because of lack of man-power.

Contrary to expectations the season was very dry - probably the driest on record. While the weather was warm this did not benefit the stripping because the small amount of water available for use could not keep the drains clear and drainage grade was lost. The situation was particularly serious at No. 10 and is reflected in the final results obtained there.

The dry weather resulted in several forest fires and the expense required to fight these was a considerable item.

1,736,120 cubic yards of overburden were removed at a cost of \$201,632.75 or 11.61 cents per cubic yard. This compares with a cost of 10.99 cents per cubic yard in 1950. Both costs are high and are accounted for by lack of both man-power and water for best operation.

Schedule No. 1 gives details of the various operations.

## THAWING OPERATIONS

Full scale thawing operations were carried on ahead of

Dredges Nos. 6, 8, 9, 10 and 11.

The warm weather was beneficial and a good thawing duty was obtained from the water. The 24-foot spacing of points at Nos. 6, 10 and 11 gave good results. The saving in point driving expense and of laying equipment, resulting from the wider spacing, made a material reduction in thawing costs. Differences in formation at other plants render it unlikely that this larger spacing can be made universal, but it will be adopted where indications are found favorable for its use. In the future it is probable that the pipes for distributing the water to the points will be laid for the wider point spacing and extra water outlets and hoses used where the points have to be driven on closer spacing. This will save expense of moving and relaying heavy equipment during the season and some upkeep of lines.

4,946,601 cubic yards of material were thawed at a cost of \$232,678.51 or 4.70 cents per cubic yard. This compares with a cost of 5.96 cents per cubic yard obtained in 1950.

Schedule No. 2 gives details of the various operations.

#### DREDGING.

Dredges Nos. 3, 4, 6, 8, 9, 10 and 11 were operated throughout the season.

Dredge No. 3, on the Klondike River, commenced digging on May 1st and was shut down on November 22nd. Some frozen ground and some deep ground was encountered during the season, but in general, digging conditions were good. The dredge hull has been in bad condition for many years and this year it was decided that 1951 would mark the end of her life. However, a sudden cold snap, just at the end of the season, prevented her being put on a proper shelf and this will have to be done in 1952. 1,708,769 cubic yards of material were mined at a cost of \$171,788.29 or 10.05 cents per cubic yard. Production amounted to \$218,383.32 or 12.78 cents per cubic yard leaving an operating profit of \$46,595.03 or 2.73 cents per cubic yard. Recovery amounted to 112.5% of the Budget Estimate and the recovered value per cubic yard was 120.0% of the theoretical.

Dredge No. 4, on Bonanza Creek, commenced digging on May 13th and was closed down on October 14th due to a sudden cold spell which froze up the creek water and also caused a shortage of power. This was almost a full month short of the usual season. The dredge had continual hard digging due to very hard bedrock and frost which had returned to the old dredge tailings. This condition is reflected in the small yardage handled. 552,687 cubic yards of material were mined at a cost of \$168,790.10 or 30.54 cents per cubic yard. Production amounted to \$211,749.29 or 38.31 cents per cubic yard leaving an operating profit of \$42,959.19 or 7.77 cents per cubic yard. Recovery amounted to 95.0% of the Budget Estimate and the recovered value per cubic yard was 293.9% of the theoretical.

Dredge No. 6, on Lower Sulphur Creek, commenced digging on May 1st and was shut down on October 15th due to a severe cold spell which caused a power shortage. This was nearly a full month short of a normal season. Mining of the narrow strip along the right limit side of her tailings, leading to her gravel reserves on the Granville Flats of Lower Dominion Creek, was completed. Digging conditions were good but there was a large amount of sand in the formation which tended to crowd the gold saving tables when proper care was not taken. 708,199 cubic yards of material were mined at a cost of \$168,880.26 or 23.85 cents per cubic yard. Production amounted to \$119,560.40 or 16.88 cents per cubic yard, leaving an operating loss of \$49,319.86 or 6.97 cents per cubic yard. Recovery amounted to 60.7% of the Budget Estimate and the recovered value per cubic yard was 70.2% of the theoretical.

Dredge No. 8 continued in a general downstream course in the Middle Sulphur Creek area cleaning up all ground, except for the 125-foot return-cut strip along the right limit, as she advanced. Digging commenced on May 1st and stopped on November 18th. Digging conditions were about average for this area. 738,509 cubic yards of material were mined at a cost of \$226,343.16 or 30.65 cents per cubic yard. Production amounted to \$441,732.54 or 59.81 cents per cubic yard, leaving an operating profit of \$215,389.38 or 29.16 cents per cubic yard. Recovery amounted to 108.1% of the Budget Estimate and the recovered value per cubic yard was 144.1% of the theoretical.

Dredge No. 9 continued in a general upstream course in the Upper Sulphur Creek area. Digging commenced on May 3rd and stopped on November 15th. Digging conditions were about average. As usual for this area there was a good deal of muck, frost and mud to handle, but a fair yardage was obtained. 550,873 cubic yards of material were mined at a cost of \$197,954.73 or 35.93 cents per cubic yard. Production amounted to \$224,235.82 or 40.70 cents per cubic yard, leaving an operating profit of \$26,281.09 or 4.77 cents per cubic yard. Recovery amounted to 127.5% of the Budget Estimate and the recovered value per cubic yard was 118.3% of the theoretical.

Dredge No. 10 continued in a general downstream course in the Middle Dominion Creek area. Digging commenced on April 29th and stopped on November 15th. At times dredging was handicapped by low water and an excess of mud and sand but in general, digging conditions were about average for this area. 806,054 cubic yards of material were mined at a cost of \$196,949.35 or 24.43 cents per cubic yard. Production amounted to \$304,190.63 or 37.73 cents per cubic yard, leaving an operating profit of \$107,241.28 or 13.30 cents per cubic yard. Recovery amounted to 109.3% of the Budget Estimate, and the recovered value per cubic yard was 118.4% of the theoretical.

Dredge No. 11 continued advancing in a general downstream direction in Middle Hunker Creek. Digging commenced on May 1st and was stopped on November 18th. While the dredge was digging

along the left limit side of the valley the cut was in the lower part of the Paradise Hill hydraulic tailings and as this ground could not be stripped of overburden there was a considerable excess of sand and mud to be handled. 813,331 cubic yards of material were mined at a cost of \$174,366.73 or 21.44 cents per cubic yard. Production amounted to \$408,142.63 or 50.18 cents per cubic yard leaving an operating profit of \$233,775.90 or 28.74 cents per cubic yard. Recovery amounted to 128.2% of the Budget Estimate and the recovered value per cubic yard amounted to 128.5% of the theoretical.

DREDGING GENERAL: As was the case in 1950 some of the dredges were delayed in starting by lack of water. A very severe cold spell in October made it necessary to close down Dredges Nos. 4 and 6 and seriously hampered the operation of all of the others.

Schedule No. 3 gives details of the dredging operations.

#### POWER PLANT OPERATION

There were no serious interruptions to power during the year. The essential maintenance work on power lines and substations was taken care of. The lower banks of both the North and South Fork ditches were built up with gravel where this was required.

32,433,500 kilowatt hours of power were generated of which amount 28,352,200 were sold and distributed. The total cost of generating power was charged to the company's operations and the revenue received from the sale of power was treated as an earning. The following tabulation shows how the cost was made up:

	<u>Cost</u>	<u>Cents per K. W. Hour sold and distributed</u>
Power plant operation	\$ 51,708.92	0.18238
North Fork Ditch operation	19,166.88	0.06760
South Fork Ditch operation	17,696.24	0.06242
33,000 volt power lines	6,988.25	0.02465
Secondary Lines and Substations	13,006.40	0.04587
<u>Totals</u>	<u>\$ 108,566.69</u>	<u>0.38292</u>

The power generated was distributed as follows:

	<u>K.W. Hours</u>	<u>Percent</u>
Company operations	21,403,100	66.0
Dawson Utilities	6,949,100	21.4
Power Plant services	1,778,600	5.5
Line Losses	2,302,700	7.1
<u>Totals</u>	<u>32,433,500</u>	<u>100.0</u>



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