

# The Yukon Consolidated Gold Corporation, Limited

1919 MARINE BUILDING

VANCOUVER, B. C.

February 19th, 1945.

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 of the operations of your  
Company for the year ending December 31st, 1944.

## TITLES

The titles to all ground covered by Placer Mining Claims  
and Leases were maintained in good standing and Timber Berths Nos.  
25 and 26 were renewed.

## GROUND PREPARATION

Shortage of labor again limited the Ground Preparation  
program but more was accomplished than had been contemplated in  
the Budget. This had provided for a stripping plant at No. 11 but  
stripping was also carried on at Nos. 7 and 10 during the season  
which greatly improved the situation at those plants.

Stripping at No. 7 started on the basis of nine hours  
operation out of twenty-four. This was later increased to eighteen  
hours and continued on that basis until the week ending September  
23rd when the work was closed down and equipment stored. The men  
were transferred to other work.

Stripping at No. 10 was carried on continuously throughout  
the season. The water supply was good but full advantage could not  
be taken of it because of lack of men to operate the equipment.  
Many drift and open-cut tailings piles and the presence of slide  
rock in the muck hampered the work. Cold weather forced the closing  
of the plant on September 29th.

Stripping was carried on continuously at No. 11 until  
September 27th, when it was closed down because of cold weather and  
the need to do other work. Here, also, the water supply was good  
but, as at No. 10, a labor shortage prevented the full use of it.  
The work accomplished greatly improved the situation as it removed  
some deep muck along the left limit of the area which might have

VIA  
AIR MAIL

proved a stumbling block if left to a later time. The formation contained a great deal of slide rock which lowered the duty of the water.

SUMMARY OF STRIPPING

Plant No.	Average No. Men Employed	M.I.D. Water Used	Duty of Water	Cu. Yds. Muck Removed	Cost	Cents per Cu. Yd.
7	6	21,082	10.0	211,435	\$ 14,290.12	6.76
10	14	34,806	11.8	409,519	35,019.88	8.55
11	14	33,998	11.6	395,990	35,255.21	8.90
Totals	34	89,886	10.6	1,016,994	\$ 84,565.21	8.40

The unit cost of stripping is again high but the results are considered good under existing circumstances.

The only thawing accomplished during the season was the usual small amount of steam thawing ahead of Dredge No. 7 to give that boat a good start. No record was kept of the amount of work done and the cost was charged directly to the dredge.

DREDGE OPERATION

Three dredges, Nos. 3, 4 and 7, were operated throughout the season. No. 10 was operated for a few days with No. 7's crew in an attempt to get her off a piece of high bedrock but shortage of water made it impossible to maintain the pond level high enough for operation and the attempt was abandoned. The pond, however, was cleaned out and the dredge left in a safer position.

During the season 4,348,874 cubic yards of material were mined at a cost of \$596,932.78 or 13.73¢ per cubic yard. Production amounted to \$616,288.73 or 14.17¢ per cubic yard, leaving a working profit of \$19,355.95 or 0.44¢ per cubic yard. The dredges handled a smaller yardage than had been anticipated which was the chief reason why production was lower than estimated.

Dredges Nos. 3, 4 and 7 all operated in low grade ground which had been proved by drilling or other methods. All had good digging but No. 4 was hampered by an excess of sand from the hydraulic tailings which covered her area. This made it necessary to build extensive dams ahead of her to raise the pond level and it was this work which made the tractor expense higher than usual.

No. 4's recoveries improved quite a bit after she entered the area of virgin ground under the deep hydraulic tailings at the mouth of Lovett Gulch and there is every indication that this ground will yield good results although it will not be easy dredging.

Attached to this report are two schedules giving the percentages of drill values recovered by the dredges for the season and for the period of 1936 to 1944 inclusive. The values recovered by individual dredges varied a great deal from the theoretical but the over-all recovery for the season from dredges operating in Proved Reserves was 116.6% and was 102.1% for the period 1936 to 1944 inclusive.

#### POWER PLANT OPERATION

There were no serious interruptions to power throughout the season. Maintenance of power lines was again handicapped by shortage of labor but the essential work was taken care of.

There was no opportunity to reduce the cost of operating the power plant and power ditches and the reduced demand for power increased the unit cost. Power was charged to operations at the rate of one cent per Kilowatt hour which took care of the season's operating expense and absorbed \$4,125.75 of the amount which had been deferred from last year.

18,197,200 kilowatt hours were generated, of which amount 15,002,600 were sold and distributed. The cost amounted to \$89,966.75 or 0.59967% per kilowatt hour sold and distributed. The revenue from the power sold was treated as an earning.

Very little improvement work was done on the North Fork ditch. On the South Fork ditch the dragline operated for a good part of the season widening the ditch and taking out sandbars. It completed the worst part of deep and narrow gravel section above Lee Creek before closing down.

Two trucks hauled gravel on the South Fork ditch bank for a good part of the season. One truck driver operated the shovel for loading both trucks.

The power generated was distributed as follows:

Company operations	9,503,900 kilowatt hours	52.2%
Dawson Utilities	5,498,700	30.2
Power Plant service	1,366,700	7.5
Line Loss	<u>1,827,900</u>	<u>10.1</u>
Total	18,197,200 kilowatt hours	100.0%

### GRAVEL RESERVES

No additions were made to the Gravel Reserves during the year. The Reserves shown on Gold Run Creek in last year's report have been eliminated until adverse ownerships are purchased or Leases secured.

A schedule is attached to this report giving the status of the Reserves at the end of the year.

### CAPITAL EXPENDITURES

Capital Expenditures during the year were limited to the purchase of one "Challenge" power saw and parts at a cost of \$790.44. The machine is a chain saw and was secured for the purpose of testing it on wood and brush cutting. It is getting almost impossible to interest men in this class of work unless it can be accomplished with machinery. Only a limited amount of testing has been done, so far, but the results indicate the machine has possibilities. Further reports on its performance will be made.

### LABOR

Most of the labor to carry on the work was secured from local residents as only a very few men returned from the "Outside". White labor was supplemented with Indians when they were available but the latter are unreliable. They only stay for short periods and there is much absenteeism.

The local C.I.O. union made application to the War Labor Board for certification as bargaining agent for the company's employees and, having shown that they represented a large majority, an agreement was made with the union to run one year. The agreement provides means for an extension at the end of the period.

### DAWSON STAFF

The Manager takes this occasion to acknowledge the continued loyalty and interest of the Staff in carrying forward the work of the Company. In these uncertain times, additional strains and worries are put on the Staff and the men are to be commended for the way in which they met and solved these problems.

### SUMMARY OF OPERATIONS

Attached to this report is a statement summarising the revenue and expenditures for the year.

MAPS

Maps are attached to this report which shows the progress of the work during the year.

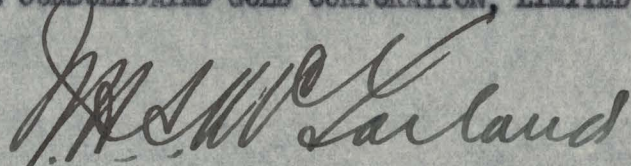
WORK FOR 1945

As far as can be judged at this time the work during 1945 will consist of the operation of dredges Nos. 3 and 11 for a full season, No. 7 until shortly after the first week in September and No. 4 after that date. Stripping work is contemplated at Middle Dominion (No.10) and Middle Sulphur (No.8). A separate report has been made for this work.

Yours very truly,

THE YUKON CONSOLIDATED GOLD CORPORATION, LIMITED,

By



W. E. S. McFarland,  
General Manager.



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