

# The Yukon Consolidated Gold Corporation, Limited

1919 MARINE BUILDING

VANCOUVER 1, B. C.

February 18, 1957.

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, 1956.

## TITLES

The titles to all ground required for the operations were maintained in good standing.

## WEATHER CONDITIONS

The Spring weather was normal and the dredges were able to begin digging close to the estimated starting dates. There was a good supply of water in the various streams for most of the summer. The rainfall was about average and generally well distributed.

## STRIPPING OPERATIONS

Stripping plants were operated at Dredges Nos. 6, 8, 9, 10 and 12.

1,438,987 (2,238,528) cubic yards of overburden were removed at a cost of \$207,428.01 (\$248,054.85) or 14.41 (11.08) cents per cubic yard.

Low water duties at Nos. 6, 8 and 9 were largely responsible for the decreased yardage removed. At No. 6 this was caused by a deep layer of moss. At No. 8 it was caused by the relatively small area remaining to be worked on. By the end of the season all stripping had been completed on Lower Sulphur. At No. 9 the presence of large tailings piles on the surface restricted the open areas available to the sun's thawing action.

Schedule No. 1 give details of the operations.

## THAWING OPERATIONS

Thawing operations were carried on at Dredges Nos. 6 and 11. The 24-foot spacing of points was continued where ground conditions showed it was warranted.

2,241,394 (3,171,720) cubic yards of material were thawed at a cost of \$116,017.38 (\$162,946.78) or 5.18 (5.14) cents per cubic yard.

Schedule No. 2 gives details of the operations.

#### DREDGING OPERATIONS

Dredges Nos. 4, 6, 8, 9, 10, 11 and 12 were operated throughout the season.

4,960,352 (5,319,022) cubic yards of material were mined at a cost of \$1,240,631.14 (\$1,295,861.35) or 25.01 (24.36) cents per cubic yard. Production amounted to \$1,604,861.99 (\$1,524,058.08) or 32.35 (28.65) cents per cubic yard resulting in an operating profit of \$364,230.85 (\$228,196.73) or 7.34 (4.29) cents per cubic yard.

#### Dredge No. 4

Preparatory work commenced on April 2nd (April 5th). Dredging started on May 6th (May 7th) and continued until November 5th (November 15th). Digging conditions were generally good. There was some trouble from high water and also from excess sand as the depth of digging increased. During the latter part of the season there was a good deal of lost time due to trouble with the gears on the intermediate shaft of the main drive.

1,756,347 (2,064,302) cubic yards of material were mined at a cost of \$183,247.08 (\$183,353.90) or 10.43 (8.88) cents per cubic yard. Production amounted to \$220,386.40 (\$189,419.05) or 12.55 (9.17) cents per cubic yard resulting in an operating profit of \$37,139.32 (\$6,065.15) or 2.12 (0.29) cents per cubic yard.

#### Dredge No. 6

Preparatory work commenced on March 26th (April 5th). Dredging started on May 27th (May 5th) and continued until November 11th (August 27th). The late start was due to the repairs required to damages caused by her wrecking in 1955. Digging conditions were good throughout the season.

789,122 (484,805) cubic yards of material were mined at a cost of \$186,379.73 (\$171,978.01) or 23.62 (35.47) cents per cubic yard. Production amounted to \$256,248.93 (\$94,817.34) or 32.47 (19.56) cents per cubic yard resulting in an operating profit (loss) of \$69,869.20 (\$77,160.67) or 8.85 (15.91) cents per cubic yard.

#### Dr

Preparatory work commenced on April 2nd (April 4th). Dredging started on May 4th (May 4th) and continued until November 7th (November 11th). Digging conditions were about average with the dredge having to contend with a good deal of winter frost in the early part of the season.

677,145 (724,706) cubic yards of material were mined at a cost of \$208,822.59 (\$222,212.94) or 30.84 (30.67) cents per cubic yard. Production amounted to \$293,248.22 (\$366,456.87) or 43.31 (50.57) cents per cubic yard resulting in an operating profit of \$84,425.63 (\$144,243.93) or 12.47 (19.90) cents per cubic yard.

#### Dredge No. 9

Preparatory work commenced on April 9th (April 19th). Dredging started on April 28th (May 3rd) and continued until November 7th (November 11th). Digging conditions were considered good for this area.

522,320 (565,986) cubic yards of material were mined at a cost of \$195,570.11 (\$197,981.73) or 37.44 (34.98) cents per cubic yard. Production amounted to \$332,034.99 (\$179,053.07) or 63.57 (31.64) cents per cubic yard resulting in an operating profit (loss) of \$136,464.88 (\$18,928.66) or 26.13 (3.34) cents per cubic yard.

#### Dredge No. 10

Preparatory work commenced on April 9th (April 4th). Dredging started on May 2nd (May 10th) and continued until November 8th (November 10th). The dredge was hampered by deep winter frost for the entire season and this condition is reflected in the small yardage handled.

383,587 (558,125) cubic yards of material were mined at a cost of \$169,720.21 (\$184,833.18) or 44.25 (33.12) cents per cubic yard. Production amounted to \$111,578.37 (\$186,236.66) or 29.09 (33.37) cents per cubic yard resulting in an operating loss (profit) of \$58,141.84 (\$1,403.48) or 15.18 (0.25) cents per cubic yard.

#### Dredge No. 11

Preparatory work commenced on April 10th (April 7th). Dredging started on April 30th (May 3rd) and continued until November 10th (November 14th). Digging conditions were generally good.

741,148 (777,225) cubic yards of material were mined at a cost of \$222,183.09 (\$229,077.73) or 29.98 (29.47) cents per cubic yard. Production amounted to \$354,468.32 (\$419,615.26) or 47.83 (53.99) cents per cubic yard resulting in an operating profit of \$132,285.23 (190,537.53) or 17.85 (24.52) cents per cubic yard.

#### Dredge No. 12

Preparatory work commenced on May 4th (April 11th). Dredging started on May 22nd (May 14th) and continued until October 18th (October 28th). Digging conditions were very difficult for this little dredge throughout the season and are reflected in the small yardage handled which is about half her expected capacity. The winter frost was slow in leaving the ground and the bedrock was hard. In the Spring of 1957 every effort will be made to get rid of the snow at an early date and to keep the ground in front of the dredge from flooding so the sun's rays can do their maximum amount of thawing.

90,683 (143,873) cubic yards of material were mined at a cost of \$74,708.33 (\$106,423.86) or 82.38 (73.97) cents per cubic yard. Production amounted to \$36,896.76 (\$88,459.83) or 40.67 (61.48) cents per cubic yard resulting in an operating **loss** of **\$37,811.57 (\$17,964.03)** or **41.71 (12.49)** cents per cubic yard.

Schedule No. 3 gives details of the operations.

#### HYDRAULIC OPERATION - No. 13

Preparatory work commenced on April 17th (April 11th). Sluicing started on May 16th (May 12th) and continued until September 19th (September 24th). The last of the crew was laid off on October 10th (October 19th). There were 127 (137) sluicing days and 176 (191) working days.

43,083 (41,052) M.I.D's of water were used and 177,208 (164,587) cubic yards were put through the sluices at a duty of 4.11 (4.01) cubic yards per M.I.D. The formation contained a great deal of clay which thawed very slowly and was responsible for the low duty. The grade of the bedrock was unfavorable and it required a considerable amount of bulldozing to move the material to the head of the sluice boxes.

Mining costs amounted to \$102,070.92 (\$111,295.45) or 57.60 (67.72) cents per cubic yard. Production amounted to \$76,591.25 (\$175,010.38) or 43.22 (106.33) cents per cubic yard resulting in an operating **loss** (profit) of **\$25,479.67 (\$63,714.93)** or **14.38 (38.71)** cents per cubic yard.

Schedule No. 4 gives details of the operation.

#### POWER PLANT OPERATION

There were no serious interruptions to power during the season. Power lines and substations were maintained in good condition. The banks of the power ditches were built up where required. Work was continued on the new channel for the North Fork River above the North Fork Ditch intake but it was not completed as there was too much work for the bulldozer required at other places. The freeze-up of the power ditches was successfully accomplished in November but at a later period there was some thawing weather which almost ruined it.

29,741,400 (32,668,200) kilowatt hours of power were generated of which 26,315,500 (28,548,100) were sold and distributed. As in former years the total cost of power generated and distributed was charged to the company's operations and the revenue derived from the sale of power was treated as an earning. The following tabulation shows how the costs were made up:

	<u>Cost</u>	<u>Cents per K.W. Hour sold and distributed</u>
Power Plant Operation	\$ 48,161.06	0.18302
North Fork Ditch Operation	27,311.16	0.10378
South Fork Ditch Operation	11,228.65	0.04267
33,000 Volt Power Lines	6,178.92	0.02348
Secondary Lines and Substations	14,547.73	0.05528
<b>Totals</b>	<b>\$ 107,427.52</b>	<b>0.40823</b>

The power generated was distributed as follows:

	<u>K. W. Hours</u>	<u>Percent</u>
Company Operations	19,711,400	66.3
Dawson Utilities	6,604,100	22.2
Power Plant Services	1,297,900	4.4
Line Losses	2,128,000	7.1
<b>Totals</b>	<b>29,741,400</b>	<b>100.0</b>

#### GRAVEL RESERVES

There were no additions to the Gravel Reserves during the year.

Schedule No. 5 shows details of the changes made in the Reserves during the year and their status at the end of the year.

#### COMPARATIVE PRODUCTION STATEMENT

Schedules Nos. 6 and 7 give comparisons between the actual and theoretical recoveries for the season of 1956 and for the seasons 1936 to 1956 inclusive.

#### CASH RECEIPTS AND EXPENDITURES

##### RECEIPTS

Dredge Production	\$ 1,604,861.99
Hydraulic Production	76,591.25
Lays Production	873.80
Royalties Earned	8,528.10
Dawson Utilities	46,670.84
Sundry Receipts - Interest and Discount, rentals	18,069.85
Head Office	150,058.38
<b>TOTAL CASH RECEIPTS</b>	<b>\$ 1,905,654.21</b>



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