

operation with two or three monitors on the advance stripping. It will be necessary to concentrate all water possible on thawing during the next two months, this being the period when the higher water temperature permits the most efficient work to be done underground. When the cold weather sets in, thawing will be discontinued and all water concentrated on stripping. It is evident that all possible equipment available will have to be concentrated on the Granville Flat this summer in order to insure an adequate supply of stripped and thawed ground for the operation of two dredges next season.

POWER PLANT OPERATIONS:

The Power Plant operated quite satisfactorily during the month and no trouble was experienced with either the ditch or penstock. The total operating cost for the month amounted to \$1,775.22 and the total receipts from the sale of power were \$9,904.00. Due to the extensive spring repairs and the winter shut-down, the cost for the season to date for producing power is still far above average, being .006424¢ per K.W.H. as compared with .000729¢ per K.W.H. for the current month.

EXAMINATION:

Klondike Left Limit

Twenty-six holes were drilled on the Klondike Left Limit between Quigley Gulch and the Jackson tailings. Values located were very erratic but present indications are that at least a large part of this area will be suitable for the future operations of Dredges Canadian Nos. 2 and 3, if it can be stripped with the Klondike River water. This entire examination will be completed within a week, after which time a final map and report will be prepared. The entire area is frozen and the heavy Klondike wash under such conditions presents about the most difficult drilling problem to be encountered anywhere in the north. The high cost of \$5.63 per foot for this drilling is due not only to the excessively tough gravel but also to the long moves and the distance of the drills from either the Bear Creek or the Guggieville camp.

Lower Bonanza

The electric drill started operating on Lower Bonanza during the latter part of the month and nine holes were put down at an average cost of \$1.09 per foot drilled. Operations here started on Claim No. 95 below on Bonanza where a couple of small areas of virgin ground were passed up by the early Yukon Gold dredges. These areas were, at

that time, frozen and were found very difficult to thaw with steam. They are now, however, about 70% thawed and will present no problem whatever for water thawing. Values encountered, while not high, are sufficient to insure a profit for Dredge Canadian No. 3.

On completing the drilling of these islands, the electric drill started down along the left limit of Bonanza in the vicinity of the old railway right-of-way. Values here are very erratic. Some frost was encountered near the base of the hill but the area adjoining the old Yukon Gold tailings seems to be completely thawed. The electric drill is ideal for this type of work and we expect to complete the entire Lower Bonanza examination during the current month. Present indications, while not conclusive, are that this area will be profitable for Dredge No. 3, and if the old Yukon Gold tailings in this vicinity can be worked at even a small profit, we are assured of at least three years' operations for this dredge, in addition to the ground now proven.

Arlington Examination

The Arlington Examination was completed about three days ago. The heavy No. 5 steam drill was moved down to the Bear Creek shops for an overhaul, after which it will be sent to the Granville Flat. The gasoline drill will also be sent over to start prospecting on Dominion Creek from Caribou on down, so that future operations for Dredge North West No. 1 may be definitely laid out.

No paystreak was located between the Arlington area and the main Klondike River. However, values encountered are sufficient to insure that Dredge No. 4 can at least pay operating expenses while working into the area.

The pressure box for the main 30" pipe line which will supply stripping water to the Arlington area from the Rock Creek Ditch, is complete, and about 60% of the pipe line installed. Some water has been put through the ditch and we expect to turn in 300" or 400" within the next ten days.

The pipe line will extend from the ditch across the flat to the vicinity of the No. 35 line of drill holes. From here on down to the Klondike River, an open ditch has been constructed which it is expected will soon cut down to gravel. This entire ditch was built with a

caterpillar and the new grader in three days. As soon as the ditch is cut to a sufficient depth, the Hunker Creek water will be turned into it to assist the ditch water and lateral ditches will then be cut with the pipe line water. A final map of the Arlington prospecting results and stripping programme is now in preparation.

Sulphur Examination

Sixteen holes were put down by the drill working on Lower Sulphur on Claims Nos. 105 to 110 inclusive. Values located to date are considerably lower than we had anticipated. However, the existence of a workable paystreak along the creek seems definitely established and the extent to which the side pay can be worked will depend largely on the successful outcome of our stripping operations. Present indications are that the Sulphur pay has been spread out in this vicinity over a very wide area and that much better values are to be expected as the examination proceeds upstream. An average of all drill holes put down to date on Lower Sulphur give values of 8.9¢ per cubic yard with a depth of 29.8 ft. stripped. An average of the drill holes within the higher grade area, or what may be considered the paystreak, give values of 12.5¢ per cubic yard and a depth of 29.6 ft. stripped.

Quartz Creek

The Quartz Creek examination, in so far as drilling is concerned, was completed during the month and this drill has now moved to Indian River. The final map of the Quartz Creek project is now in preparation. Approximate figures indicate that we have about 6,000,000 cubic yards with an average value of around 25¢ per cubic yard when stripped.

Operations on Quartz Creek at present consist of stripping and burning the brush and moss on the unstripped areas along the sides of the main ground sluiced area, ground sluicing on the lower portion of the creek through a new main drain just placed in operation, and stripping operations with high pressure nozzles on the tailing piles and other unstripped areas within the main stripped area. Three pumping plants are in operation and as the work is well in hand, no difficulty is expected in starting a dredge on the Quartz Creek project early in 1935. There are still a few frozen spots remaining in the proposed course of the dredge for 1935 and 1936. Should these not thaw to bedrock during the current season, there will be little difficulty in eliminating them with a small water thawing plant.

It is intended to continue active stripping operations on Quartz Creek for the entire season, using both water from Indian River for general ground sluicing and the Quartz Creek water itself by means of high pressure pumps for surface stripping.

Indian River Prospecting

The first holes on the Indian River area were put down in the small area between the right limit of Indian River and the left limit of Quartz Creek. The high water in Indian River during most of June made it impossible to do anything in the area along the left limit. Results on the area along the right limit above the mouth of Quartz Creek did not indicate workable values, and as soon as flood conditions permitted, a line of drill holes was started from the mouth of Quartz Creek straight across the Indian River Valley. Results on this line to date are very encouraging and there seems no doubt that the Quartz Creek pay extends out into the Indian River Valley for a considerable distance. Insufficient drilling has been done in the area to date to permit more than a guess as to the extent of the area. It is intended to cross cut the entire Indian River Valley at these points first, with the idea of locating a rim along the left limit of the valley and determining whether or not there is a well-defined pay-streak. On completion of this line, the drill will be moved down stream 500 ft. and endeavor to follow the Quartz Creek paystreak.

DREDGE CONSTRUCTION:

The dredge erector and a crew of men are at work dismantling dredge Yukon No. 6 on Claim No. 36 Gold Run. A temporary camp has been established in one of the old buildings on Claim No. 33. As no power is available on Gold Run, the dredge will be dismantled by the use of steam hoists and derricks. On completion of the work at Gold Run, the dredge crew will proceed to Guggieville and dismantle old Dredge Yukon No. 1.

Both of these dredges have been thoroughly gone over and all lumber and other equipment for their reconstruction is on order.

NORTH FORK EXTENSION:

The main North Fork road around the bluff was cleared on July 9th and the first of the construction crews sent up the same day. The main camp has been opened

A large amount of work was necessary on the pressure box and penstock and both are now in fair operating condition. The upper expansion joints on the penstocks were found to be out of position and leaking badly. New foundations were placed under them, the extension sleeves welded, and the joints repacked, which has reduced the leaks to a minimum.

It will be noted that the total cost for generation and transmission of power during the month of May was .002873¢ per K.W.H. and that the total generating cost of the year to date is .014172¢ per K.W.H. This latter figure will, of course, rapidly decrease when the heavy consumption summer months are included.

DRILLING:

Details of the drilling operations in the various areas are shown on the "Drilling Data" schedule. It will be noted that the average cost per foot has been reduced to \$3.44 as compared with \$4.00 last season. The two new caterpillar traction drills, one equipped with gasoline power and one with an electric motor, were received last week and are now in operation. The electric drill is prospecting for frost in a few doubtful areas ahead of Canadian No. 3 and the gasoline drill is on the hard drilling near the mouth of Hunker Creek. One of the steam drills is shut down to await low water when it will be taken across the river to the right limit, just about opposite Dredge Canadian No. 2. Two steam drills are operating in the area between Quigley Gulch and the Jackson tailings along the left limit of the Klondike. The large No. 5 steam drill is operating at the Arlington and the remaining steam drill on the lower end of Sulphur Creek. Our present drilling programme contemplates releasing one, and a little later, two of the No. 3 steam drills for prospecting work on Henderson and Black Hills Creeks within the next few weeks.

Operations to date indicate that the new type caterpillar drills are far superior to the steam driven drills both as regards cost and speed. They have little difficulty in travelling over moss and nigger heads under their own power and I believe their greater drilling capacity will more than compensate for the lack of steam for thawing purposes.

DEVELOPMENT:

Dredge Canadian No. 3 Area: All drilling in the "A", "B" and "C" areas ahead of Dredge Canadian No. 3 is complete, with the exception of a few test holes which are being put down by the electric drill to locate possible frozen spots. The drilling on Lower Bonanza has been suspended on account of high water. As soon as the

floods go down however, the electric drill will continue this examination, which it seems certain will develop considerable profitable yardage for Dredge No. 3.

Arlington Examination: On the Arlington Examination it was necessary to move the steam drill out of the flat along the lower portion of Hunker Creek on account of high water. The drill was then taken up to the area above the Arlington Roadhouse and completed the holes necessary to tie our drilling in with the old Yukon Gold prospecting maps. It was considered advisable to have our drilling overlap the old drilling for at least one line of holes as a check on values. The results of the two examinations are sufficiently close to eliminate the necessity for any further drilling on the Anderson Concession. At the present time we have nine holes to put down between the Arlington Roadhouse and the Klondike River which will definitely determine the course of the main drain. These nine holes will complete the entire Arlington Examination and should be finished in about a week. Activities on the Arlington project will then centre on the construction of a main drain to the Klondike River, stripping operations and the re-construction of the Rock Creek ditch. At present we are distributing heavy pipe hauled from Lovett Gulch, excavating for the pressure box and cleaning out and repairing the ditch. The present plan is to get 400" or 500" of water coming down at the earliest possible date, gradually enlarging the ditch to two or three times this capacity as fast as possible.

On completion of the remaining drill holes in the Arlington area, a revised report will be submitted, showing yardages available and probable recoveries. Present indications are that these will be fully up to the estimates in our report of last November.

Quartz Creek: The Quartz Creek drill has covered the area from Claims Nos. 29 to 17 below A. Mack's Discovery inclusive, with the exception of the Galpin-Brice ground, Claims Nos. 18 and 22 below, and the McMillan Claims Nos. 19 and the lower 1/2 of 24, which were skipped pending completion of our option negotiations. The Galpin-Brice ground has since been optioned and we expect to have the McMillan ground signed up within the next month or two. While this examination is not complete and a few prospecting shafts will have to be put down at a later date to definitely outline the paystreak on the above mentioned claims, the results are sufficiently accurate to give a fair estimate of probable yardages and values. From Claim No. 29 to Claim No. 22, practically all of which is owned by the Company, values are good. From No. 22 on upstream to No. 17 the paystreak gradually narrows and values decrease, averaging around 8¢ per cubic yard only

at the upper end of the area. We therefore discontinued further upstream drilling and moved the drill down to complete work on Claims Nos. 31-A, 31 and 30 below Discovery.

The workable area from Claims Nos. 29 to 17 inclusive will contain approximately 2,000,000 cubic yards, with recoverable values totalling \$585,000.00 or an average of 28.5¢ per cubic yard when stripped. With the ground developed during 1933 on Quartz Creek we now have an available total of approximately 6,000,000 cubic yards, with a gross gold content of around \$1,500,000.00. This estimate does not include Claims Nos. 31, 31 and 31-A below Discovery which are now being drilled. There is very little pay outside of the ground sluiced area on these three claims. However, enough yardage is assured to cover any possible discrepancy in the above figures. I expect to complete the drilling and a detailed report on the prospecting on Quartz Creek during the current month. The last holes are now being put down and the drill will move to Indian River near the mouth of Quartz Creek within the next few days.

The Indian River pumping plant on Quartz Creek was placed into operation during the month and the water is being used for ground sluice purposes in the vicinity of Claim No. 45. The booster pump station on this same line will go into operation in a few days, which will permit us to bring the Indian River water up to Claim No. 33. The small high pressure pumping plant located in the creek on Claim No. 31 was also placed in service and is engaged in removing the overburden and "islands" from the existing stripped area.

Sulphur Development: The drill on Lower Sulphur Creek has now crossed the drain and is completing the "A" and "B" lines across the valley. Indicated values to date are not high but the pay is fairly consistent over a wide area. The average value of all holes drilled on Lower Sulphur to date is 6.45¢ per cubic yard on a total depth of 42 ft. This is, of course, the unstripped value and includes everything from surface to bedrock. As soon as the lower lines have been completed across the valley, a detailed map showing depths and values will be forwarded.

The main drain on Lower Sulphur from Claim No. 104 down to Marshall Lake is cutting well and we expect to be able to divert the entire creek into it within the next month or two.



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