

Dawson, Y. T.,
July 13, 1937.

G. R. F. Troop, Esq.,
700 Victoria Building,
Ottawa, Ontario.

Dear Sir:

The following report gives the results of the drill prospecting campaign carried forward on Hunker Creek during April, May and June of this year.

Two gasoline driven Keystone drills were employed, each working two shifts per day. Drilling commenced on April 22nd. Due to the fact that several new men had to be broken in the night shift was not started until April 25th. Drilling was completed on June 23rd.

Drilling was started on the Anderson Concession just above the Hunker Pumping Plant, which location marks the upper end of the Dredge No. 4 or Arlington area, and continued upstream to Claim 46 Below Discovery. The first results were disappointing. The area between the Yukon Gold Company dredge tailings on the Anderson Concession and the Hunker Creek road does not contain sufficient values to justify working. This area is approximately 3,600 feet long. From the upper end of the dredge tailings there is a continuous paystreak to claim No. 46 Below Discovery. At the upper end Yukon Gold dredge tailings divide the paystreak as far down as No. 63 Below Discovery. The tailings so far as tested, have been found thawed. No value has been assigned to them, or yardage figured, although they may prove of sufficient value to re-dredge. 344 holes, totaling 11,005 feet, were drilled at an average of 46.2 feet per drill shift.

The following figures give a summary of the area, yardages, value, Estimated Capital Expenditures, Estimated Working Costs and Profit to be made on this Dredging Area:

Area (Square feet)	16,714,450
Area (Acres)	383.7

Total cu.yds. Muck	10,428,141
Est. cu.yds. of Muck to be stripped	<u>6,713,818</u>
Est. cu.yds. Muck to be dredged	3,714,323
Cu. Yards of Dredging Section	<u>7,923,036</u>
Est. Total Cu.Yds. to be Dredged	11,637,359

		<u>¢ per cu. yd. dredged</u>
Gross Value (gold at \$20.67)	\$ 3,506,246.	30.2
Premium (gold at 35.00)	<u>2,430,793.</u>	<u>20.8</u>
Total	\$ <u>5,937,039.</u>	51.0

Estimated Capital Expenditures

Stripping & Thawing Equipment	Nil.	
Camp Construction	15,000.	0.1
Dredge construction	250,000.	2.1
Property Purchase	50,000.	0.4
33,000 volt transmission line	15,000.	0.2
Substation Equipment	Nil.	
Lightning arresters & horn-gap switches	1,000.	
Miscellaneous	<u>19,000.</u>	<u>0.2</u>
Total Capital Expenditures	\$ 350,000.	3.0

Estimated Working Costs

Stripping	\$ 450,000.	3
Thawing	535,000.	
Dredging	<u>1,165,000.</u>	

Total Estimated Working Costs \$ 2,150,000

Total Expenditure	\$ 2,500,000.	21.5
Estimated Profit	3,437,000.	29.5
Estimated number of dredge years at 500,000 cu. yds. per year		23.
<u>Profit per Dredge Year</u>	<u>\$ 150,000.</u>	

For working this deposit it is recommended that a 5 cubic foot capacity dredge with wooden hull be purchased as it will not be practical to continue working Dredge No. 4 beyond the time required for her to work out the Arlington Area. As previously reported, No. 4's hull is in very bad condition and expense of re-construction is not warranted.

No expenditure will be required for Thawing and Stripping equipment as all this will be secured from the Arlington area.

This is also true as to Substation equipment but some expenditure will have to be made for camp buildings to take care of the overlapping of operations.

It is recommended that stripping be started in 1938 when stripping is completed at the Arlington area and thawing started in 1939. The dredge should be constructed in the Fall of 1939 and placed in operation in 1940. On this program expenditures will occur approximately as follows:

	<u>1938</u>	<u>1939</u>	<u>1940</u>	<u>Total</u>
<u>Capital Expenditure</u>				
Camp Construction	\$ 15,000.			\$ 15,000.
Property Purchase	50,000.			50,000.
Dredge Construction	150,000.	\$ 100,000.		250,000.
Power Lines	16,000.			16,000.
Miscellaneous Expenditure	19,000.			19,000.
<u>Operating Expenditure</u>				
Stripping Operation	20,000.	20,000.	20,000.	60,000.
Thawing Operation		25,000.	25,000.	50,000.
Dredging Operation			50,000.	50,000.
Totals	\$ 270,000.	145,000.	95,000.	510,000.

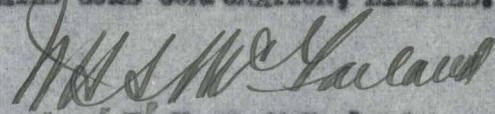
If the Directors decide to bring this area into production it is planned to start operations at the upper end of the area and work downstream to take advantage of the natural run-off of Hunker Creek and simplify drainage problems. This will enable us to start hydraulicking on Paradise Hill at an earlier date but will delay operations on Dago Hill, which is at the lower end of the area.

The attached schedule gives the yardages and values by sections.

Yours truly,

THE YUKON CONSOLIDATED GOLD CORPORATION, LIMITED.

By



W. H. S. McFarland

General Manager

WHS:mf/MW

c.c: J.T. Patton

W.A. Arbuckle

G.G. Hay

C.E. McLeod

THE YUKON CONSOLIDATED GOLD CORPORATION, LIMITED

SUMMARY OF DREDGING RESERVES ON HUNKER CREEK

2A BEL. MOUTH OF LAST CHANCE CR. TO 46 BEL. DISC. HUNKER CR. AND UPPER 5,800 FEET ANDERSON CONCESSION

BLOCK	Located between Lines	Area (Sq.Ft.)	Depth (Ft.)		CUBIC YARDS OF MUCK			Cubic Yards D. S.	Total Cu.Yds. to be Dredged	VALUE (AU. AT \$20.67)			VALUE (AU. AT \$35.00)		
			Muck	D.S.	Total	To be Stripped	To be Dredged			¢ Per Sq.Ft.	¢ per Cu.Yd. D.S.	Dollars	¢ Per Sq.Ft.	¢ per Total Cu.Yd. Dredged	Dollars
A	Upper 5800 ft. Anderson Conc. to Line 2A L.C.	4,198,990	13.6	13.0	2,111,868	1,178,759	933,109	2,014,568	2,947,694	18.0	37.5	756,004	30.5	43.3	1,280,123
B	Line 2A L.C. to Line 75	5,141,355	17.8	12.0	3,397,542	2,255,025	1,142,523	2,273,426	3,415,949	22.1	50.2	1,139,656	37.5	56.5	1,929,751
C	Line 75 to Line 63	2,343,175	13.6	10.9	1,175,102	654,396	520,706	932,111	1,472,817	21.0	51.8	483,249	35.7	56.7	835,206
D	Line 63 R.L. to Line 49 R.L.	2,119,760	17.6	16.1	1,384,510	913,452	471,058	1,262,240	1,733,298	23.5	39.5	500,006	39.9	48.8	846,648
E	Line 63 L.L. to Line 46A L.L.	2,911,170	21.9	13.2	2,359,113	1,712,186	646,927	1,420,674	2,067,601	21.2	43.5	617,331	35.9	50.5	1,045,311
TOTALS		16,714,450	16.9	12.8	10,428,141	6,713,818	3,714,323	7,923,036	11,637,359	21.0	44.3	3,506,246	35.5	51.0	5,937,039

NOTE: "Total yards to be dredged" are estimated on leaving 5.0' of overburden on areas after stripping



Library and Archives
Canada

395 Wellington Street
Ottawa, ON K1A 0N4

Bibliothèque et Archives
Canada

395, rue Wellington
Ottawa, ON K1A 0N4

For material still subject to legislative, contractual or institutional obligations, users warrant that they will respect those obligations and not use LAC collections in a manner that would infringe the rights of others. Liability that may arise in the use of a copy is assumed in full by the user. LAC accepts no responsibility for unauthorized use of collection material by users.

To ensure proper citation and to facilitate relocation of an item, the source of the material and its reference number should always accompany the copy.

Pour les documents faisant encore l'objet d'obligations législatives, contractuelles ou institutionnelles, les usagers s'engagent à respecter ces obligations et à ne pas utiliser les documents des collections de BAC de façon à nuire aux droits d'autrui. Ils doivent assumer entièrement toute responsabilité qui pourrait découler de l'utilisation d'une reproduction de document. BAC décline toute responsabilité quant à l'utilisation non autorisée de documents provenant de ses collections.

Afin de citer un document avec exactitude et d'en faciliter le repérage, sa source et son numéro de référence doivent toujours accompagner la reproduction.

TITLE/TITRE _____
RG _____ MG ²⁸ _____ R- _____ SERIES/SÉRIE ^{III-43} _____
ACCESSION _____ VOL ²⁵ _____ PAGE(S) ⁵ _____
BOX/BOÎTE _____ REEL/BOBINÉ _____
FILE/DOSSIER Old Reports, Maps etc. Middle Hanger No. 11. 1937-9 _____
DATE March 2014 _____