

# The Yukon Consolidated Gold Corporation, Limited

DAWSON, Y.T.

CANADA

February 12th, 1964.

TO:

The President and Board of Directors of  
The Yukon Consolidated Gold Corporation, Ltd.,  
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, 1963:

## TITLES

The titles for all ground required for the  
operations were maintained in good standing. Besides the  
Boyle and Anderson Concessions, there were 813 placer claims  
and 11 hard-rock claims in good standing at the end of the year.

## WEATHER CONDITIONS

The weather for the months of January, February  
and March varied, with extreme cold periods each month, with the  
temperatures down in the fifty below range for several days at a  
time.

The first week of April was cold, with a low temperature  
of 27 below zero, but it then warmed up steadily for the remainder of  
the month. Several snow storms occurred during the winter, blocking  
the Dominion-Granville road, making it necessary to use bulldozers to  
open the road for traffic. The warmer weather the last week in April,  
with no frosts at night, opened up the creeks and there was a good flow  
of water in all areas and at the power plant at month end.

May was, for the most part, warm and dry, with only  
0.2" of rainfall during the month.

June was mostly cloudy and cold, with light showers  
the first part of the month, followed by heavier rain the last half  
of the month, making a total of 2.81" of precipitation for the month.

July was cloudy and cool, with scattered showers,  
amounting to 2.29" of rainfall.

August was mostly cool and cloudy, but mostly dry, with the first frost occurring on the 18th. The rainfall was only 0.64" for the month.

September was mostly clear and sunny the first half of the month, but turned cool and showery the last part of the month, with rainfall amounting to 1.44".

October was mostly cloudy, with rain and snow showers. The precipitation amounted to 7" of snowfall and 0.98" rainfall.

November, for the first two weeks, was mostly overcast, with very little below zero weather. The weather changed rapidly on the 15th, with the temperature dropping to the forties and fifties below zero, shutting down all dredging operations and causing a cutting off of water to the power plant. The cold weather continued to the end of the month, when it warmed up again.

The first part of December was mild, with some snowfall.

#### STRIPPING OPERATIONS

Stripping plants were operated ahead of Dredge No. 6, Granville area, and ahead of Dredge No. 8, Middle Sulphur, and on the No. 16 Dominion Bench for the bulldozer mining. The water supply was fairly good all season, and good duty was obtained at No. 8 and No. 16, but only fair at No. 6 area, due to an abundance of moss sections which required more time and water to move.

Schedule No. 1 gives details of these operations.

#### THAWING OPERATIONS

Thawing plants were operated ahead of Dredges No. 9, Upper Sulphur, No. 11, Lower Hunker and No. 12, on Dominion Bench No. 17. The weather conditions, due to cool, cloudy days, were unfavourable for thawing, and especially at the No. 9 Thawing area, where the water temperatures remained low all season, resulting in obtaining only about 60% of the area laid out thawed.

Schedule No. 2 gives the details of these operations.

#### DREDGING OPERATIONS

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

#### ALL DREDGES

	<u>1962</u>		<u>1963</u>	
	<u>Amount</u>	<u>¢ Per Cu. Yd.</u>	<u>Amount</u>	<u>¢ Per Cu. Yd.</u>
Operating Costs	\$1,247,670	27.9	\$1,409,049	31.5
Production	1,299,684	29.1	1,275,247	28.5
Operating Gain or Loss	52,014	1.2	133,802	3.0

DREDGE NO. 6

The digging conditions were very good all season. The dredge started later than usual, due to spring repairs and the replacing of some supporting timbers taking longer than expected. The dredge started on May 9th and closed down on November 16th, due to severe cold and low power.

	<u>1 9 6 2</u>		<u>1 9 6 3</u>	
	<u>Amount</u>	<u>¢ Per Cu. Yd.</u>	<u>Amount</u>	<u>¢ Per Cu. Yd.</u>
Operating Costs	\$266,920	25.1	\$295,475	25.9
Production	232,726	26.6	267,090	24.2
Operating Gain or Loss	15,806	1.5	\$18,385	1.7

DREDGE NO. 8

The digging conditions were good all season and, although it dug 15% more yardage than estimated, it did not reach its estimated position at the end of the season. This was due to digging wider and deeper in the return strip along the right limit, and also to the extra muck that was deposited over the lower area after the area had been stripped, due to spring flooding conditions. The dredge started operating on the 29th of April, and closed down for the season on November 16th.

	<u>1 9 6 2</u>		<u>1 9 6 3</u>	
	<u>Amount</u>	<u>¢ Per Cu. Yd.</u>	<u>Amount</u>	<u>¢ Per Cu. Yd.</u>
Operating Costs	\$233,213	23.1	\$232,038	24.9
Production	239,524	23.7	171,069	18.4
Operating Gain or Loss	6,311	0.6	\$60,969	6.5

DREDGE NO. 9

The digging conditions were spotty all season, with periods of good conditions and other periods where frozen ground or high bedrock was encountered, which slowed down the advance considerably. The dredge was late starting, due to heavy glacial ice covering the pond during the winter months. It started operating on May 9th and shut down for the season on November 15th. The yardage dug only amounted to 81% of its budget estimate.

	<u>1 9 6 2</u>		<u>1 9 6 3</u>	
	<u>Amount</u>	<u>¢ Per Cu. Yd.</u>	<u>Amount</u>	<u>¢ Per Cu. Yd.</u>
Operating Cost	\$206,578	59.7	\$203,577	52.6
Production	188,822	54.6	167,358	43.3
Operating Gain or Loss	17,756	5.1	\$36,219	9.3

DREDGE NO. 10

The digging conditions were fairly good all season, although some periods of tough digging along the left limit were encountered, where extra bedrock had to be dug, due to the higher bedrock along that side of the valley. The dredge started operating on May 1st and shut down for the season on November 16th, due to extreme cold and low power conditions.

	<u>1 9 6 2</u>		<u>1 9 6 3</u>	
	<u>Amount</u>	<u>¢ Per Cu. Yd.</u>	<u>Amount</u>	<u>¢ Per Cu. Yd.</u>
Operating Cost	\$289,324	25.6	\$284,191	30.8
Production	196,257	17.4	271,770	29.4
Operating Gain or Loss	93,067	8.2	12,421	1.4

DREDGE NO. 11

The digging conditions were, on the whole, good during the season, although some small sections of frost were encountered in the Yukon Gold Company tailings. Some virgin ground was dug along the right limit of the tailings the final six weeks of the season, and fair values were dug in spots. The dredge started operating on April 29th and closed down for the season on November 16th, due to low power.

	<u>1 9 6 2</u>		<u>1 9 6 3</u>	
	<u>Amount</u>	<u>¢ Per Cu. Yd.</u>	<u>Amount</u>	<u>¢ Per Cu. Yd.</u>
Operating Cost	\$251,635	27.0	\$234,376	26.1
Production	392,354	42.2	243,212	27.1
Operating Gain or Loss	140,719	15.2	8,836	1.0

DREDGE NO. 12

The digging conditions were very tough the first three months of operation, due mostly to frozen ground conditions. The conditions were much better during September and October. The production was only about 60% of the estimate for the season, due partly to low yardage, frost conditions and not being able to dig the area as laid out in the estimates.

	<u>1 9 6 3</u>	
	<u>Amount</u>	<u>¢ Per Cu. Yd.</u>
Operating Cost	\$169,392	71.4
Production	154,748	65.3
Operating Gain or Loss	14,644	6.1

Schedule No. 3 gives details of the dredging operations.

BULLDOZER MININGALL DOMINION BENCH MINING

Preparatory work was completed in the No. 15 Bench area and mining started on May 26th, and the season was completed on October 11th on the No. 16 Bench area, due to freezing weather conditions.

	<u>1962</u>		<u>1963</u>	
	<u>AMOUNT</u>	<u>¢ PER CU. YD.</u>	<u>AMOUNT</u>	<u>¢ PER CU. YD.</u>
Operating Cost	\$153,497	74.7	\$169,126	67.2
Production	212,827	103.5	231,106	91.8
Operating Gain or Loss	59,330	28.8	61,980	24.6

NO. 15 DOMINION BENCH

Mining started on May 26th and virgin ground was completed on July 19th, and equipment was moved to No. 16 Bench. Due to shortage of water at No. 16 at times, the old works area at lower end of No. 15 was mined with fair results.

	<u>1962</u>		<u>1963</u>	
	<u>AMOUNT</u>	<u>¢ PER CU. YD.</u>	<u>AMOUNT</u>	<u>¢ PER CU. YD.</u>
Operating Cost	\$101,219	84.2	\$76,821	55.5
Production	185,196	154.0	126,273	91.2
Operating Gain or Loss	83,977	69.8	49,452	35.7

NO. 16 DOMINION BENCH

	<u>1962</u>		<u>1963</u>	
	<u>AMOUNT</u>	<u>¢ PER CU. YD.</u>	<u>AMOUNT</u>	<u>¢ PER CU. YD.</u>
Operating Costs	\$52,278	61.3	\$92,305	81.6
Production	27,631	32.4	104,833	92.7
Operating Gain or Loss	24,647	28.9	12,528	11.1

Mining Started on July 19th and was closed for the season on October 11th.

Schedule No. 4 gives details of the operations.

POWER PLANT OPERATION

There were no serious interruptions to power during the season. There were few electric storms and only on one occasion was any damage done, and then only to one motor at No. 16 Bench Mining. The power lines and substations were maintained in good condition.

The spring run-off started the last week of April, and there was plenty of water at the power plant for the operation of the dredges. The slush ice started to run around the middle of October, but gave no trouble until the sudden drop in temperature on the 15th and 16th of November. Water had to be shut off both ditches and a low power period of about four days resulted, causing Dawson to go on diesel power for about one and a half days.

During the summer months the ditch banks were built up in several low places and at "Parker's Leak".

25,707,600 kilowatt hours of power were generated, of which 22,446,279 were sold and distributed.

The following tabulation shows how the costs were made up:

	<u>Costs</u>	<u>% Per K.W. Hour Sold &amp; Distributed</u>
Power Plant Operation	\$ 50,634	0.226
North Fork Ditch Operation	25,070	0.112
South Fork Ditch Operation	15,735	0.070
33,000 Volt Power Lines	7,035	0.031
Secondary Lines and Substations	<u>12,512</u>	<u>0.055</u>
TOTALS:	<u>\$110,986</u>	<u>0.494</u>

GRAVEL RESERVES

Schedule No. 5 gives the details of changes made in gravel reserves during the year.

The prospect drilling carried out in April and May ahead of Dredge No. 10 on Dominion Creek, right limit, did not prove up any further reserves.

COMPARATIVE PRODUCTION STATEMENT

Schedules No. 6 and No. 7 give comparisons between the actual and theoretical recoveries for the season of 1963, and for the seasons 1936 to 1963, inclusive.



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