

February 1st, 1935.

VALUATION REPORT

Klondike Left Limit Project

Area Covered

The Klondike Left Limit Project originally embraced all of the undredged areas lying along the left limit of the Klondike Valley between the Government Road and the dredge tailings, from Quigley Gulch downstream to the present location of Dredge Canadian No. 3. The depth of overburden, lack of grade and low values eliminated all ground between the new diversion ditch and the road so that the project outlined herein includes only the area below the ditch.

For convenience in referring to the various parts of the area it has been segregated into 13 sections as follows:-

Section 1:

This is the isolated area lying north and east of Dredge Canadian No. 3 and almost surrounded by tailings. Thawing point drilling was started in this area in 1932 but tests made on the pumpings from the drill holes early in 1933 indicated values too low to warrant water thawing. These low values were substantiated by information available in old Yukon Gold Company reports and the area was dropped for the time being.

Section 2:

This is the area lying east of the 1932 operations of Dredge Canadian No. 3 and north-west of the Jackson tailings. The only information available on this section is contained in a few scattered drill holes and shafts put down years ago. The values indicated by these holes were not substantiated by actual dredge recoveries in the adjoining ground. Our estimates of values in this section are based primarily on the dredge recoveries.

Sections "A" to "K" inclusive:

These sections cover the main area from opposite Jackson tailings to the mouth of Quigley. The various letters refer to the lettered drill hole lines running through the middle of each section.

Prospecting Data

Attached hereto are the following maps and schedules covering the available prospecting information:

- (a) General Map, 500 ft. scale, showing the location and value of all drill holes and shafts in the area, the location of the new Klondike Left Limit Diversion Ditch and the adjoining dredge tailings;
- (b) Cross-section of Area at the old Yukon Gold Pole Line.
- (c) Tabulation of Drilling Results, 1934 examination, by individual drill holes.
- (d) Summary of 1934 Drilling Results.
- (e) Summary of values for the entire area, with explanatory notes.

Prospecting Method

The area was drilled in 1934 with two No. 3 Keystone steam drills, using the same method as outlined in the Arlington and other reports, that is, all samples were brought to Bear Creek for fine panning and weighing. The entire area is underlain with heavy Klondike wash and overlain with thick moss. Much of it is swampy ground, which, with the long moves and obsolete drilling equipment made drilling expensive.

Valuation

In Sections "A" to "K" inclusive values are based entirely on the results of 1933 and 1934 drilling. Values located by earlier examinations were checked and plotted on the map for comparison with recent drilling. Considering the very irregular values common to the Klondike gravels these old holes check very well. Recoveries by the dredges along the north side of the area are in practically every case higher than our drill hole values, but this is to be expected as values consistently increase toward the center of the valley.

In the first section we first estimated the value of the ground from all drill holes, which gave us a value of 6.02 cents per cubic yard. We then worked out a perimeter value based entirely on dredge recoveries around the area. This gave us a value of 6.20 cents per cubic yard. The numerical average of these two values is 6.11 cents per cubic yard, which is the figure used in our tabulation.

In the second Section we first calculated the value of all shafts and drill holes in the area. These gave us a figure of 17.93 cents per cubic yard, which was not supported at all by the adjacent dredge recoveries. We next calculated the value of the adjoining "A" section as shown by all known drill holes, which came to 4.0 cents per cubic yard. The perimeter value, as calculated from dredge recoveries was 4.54 cents. As the length of the "A" section and the adjacent dredge cuts were nearly the same we took the numerical average of these three values, which figured out at 8.82 cents, as the average value of the section.

As mentioned in the notes on the attached Summary an exceptionally rich spot was encountered at the north end of the "H" line. It was considered advisable to reduce the value of this 209.7 cent hole to 100.0 cents as adjacent dredge recoveries were around 18.0 cents per cubic yard. This reduced the average value of the "H" area from 64.57 cents to 33.52 cents per cubic yard.

Summary

On the above basis we have a total of 21,018,750. cubic yards in the area with an average value of 7.49 cents per cubic yard. The corresponding stripped yardage is 18,437,500 with an average value of 8.54 cents per cubic yard. (basis value)

Like all areas in the Klondike Valley which do not include a definite side stream enrichment, values along the Left Limit are very irregular. Experience proves that it is not feasible to attempt to follow a pay streak or work isolated high grade spots in such ground and the entire area should be considered as a unit, basing estimated recoveries on average values only.

It is believed that the estimated total gold content of the area, that is \$1,576,400.00, is conservative and that at least \$1,000,000.00 of this can be recovered at a profit.

Proposed Method of Working

With the exception of a narrow streak about 50 feet wide adjoining the old dredge cuts along the North side, the entire Left Limit Area is frozen to bedrock. The gravel is all heavy Klondike River wash with over half of the total values concentrated on bedrock. Along the northern boundary, that is toward the center of the Valley, the overburden is from 2 to 3 feet thick only, gradually increasing in depth toward the southern or hill-side boundary, where it reaches a depth of around 30 feet at the Government Road. Most of the surface is covered with a heavy layer of moss and overgrown with scrub spruce and brush.

The low average value of 7.5 cents per cubic yard, eliminates any form of water point or artificial thawing from consideration except in a few high grade spots. Based on previous experience with Klondike gravel and on the evidence of tests made along the edges of the old dredge cuts, it is safe to say that this entire area will naturally thaw to bedrock where the gravel can be stripped and exposed to

the action of sun and running water for several years. If a large portion of the Klondike River itself can be diverted across the area both stripping and thawing will be done on a large scale at low cost.

In pursuance of this plan a diversion ditch was surveyed in 1933 and dug with an electric shovel early in 1934. It is primarily a contour ditch, skirting along the upper or southern edge of the most promising part of the area with the shallow overburden north of it and the deep overburden south of it. A channel connecting the upper end of this ditch with the main river was dug by Dredge Canadian No. 2 in 1933 and 1934. About 10,000 Miners Inches were turned through the ditch in 1934 to deepen and widen it which amount will be gradually increased as fast as conditions at the lower end will permit. At the lower end the ditch discharges into a watercourse left by Dredge Canadian No. 3 through her tailings, this watercourse in turn connecting with the drain ditch dug last spring across the First Section area. This ditch connects with an opening through the dredge tailings at the western boundary of the Boyle Concession and thence out to the main river.

The 1935 course of Dredge Canadian No. 3 has been laid out in such a way as to completely block off her future dredging area and the Camp at Cuggieville from this left limit water, but pending the completion of the first cut across her "B" and "C" areas sometime in August 1935 no additional water can be turned through the left limit ditch. As soon as the Bonanza tailings and the Klondike tailings have been connected with a solid row of Dredge Canadian No. 3 tailings a full head of water will be turned in.

The proposed working plan for the Left Limit Area is simple. Each year the entire area will be burnt over during the dryest part of the season. As the area is entirely surrounded with water this can now be done with safety. The diversion ditch will gradually be enlarged and cut to gravel until it will eventually handle all of the left limit water available. It will then be gradually worked north, either by lateral ditches or by side cutting, exposing the underlying gravel and permitting the water to percolate through to bed-rock. As under present plans neither Dredge

Canadian No. 2 nor Canadian No. 3 will be ready to enter this ground for 6 or 7 years there is a good possibility of thawing the entire area by this method. If necessary, isolated high grade spots such as those indicated by the shafts and drill holes north and west of the Jackson tailings can be water-point thawed. There is also a possibility of extending the area toward the road in the vicinity of the "F" and "G" lines by high pressure stripping.

Costs

The total cost of the Klondike Left Limit Project to date is as follows:-

Klondike Left Limit Project

Costs to date

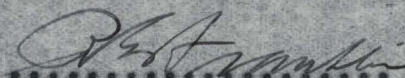
<u>Item</u>	<u>Ditching</u>	<u>Drilling</u>	<u>Total</u>	<u>Per Cu. Yd. Developed</u>
Wages	3,943.35	4,386.10	8329.45	.000397
Board	883.81	774.17	1657.98	.000079
Warehouse Issues	635.25	2,946.89	3582.14	.000170
Machine Shop	501.77	527.29	1029.06	.000049
Electric Rep. Shop	914.28		914.28	.000043
Stable	245.77	564.65	810.42	.000039
Cats	1,225.95		1225.95	.000058
Power	80.00		80.00	.000004
Cold Room		33.89	33.89	.000002
Overhead	790.17	951.64	1741.81	.000083
Totals	\$9,220.35	10,184.63	19404.98	.000924

Total cu.yds. developed 21,018,750.
 Total feet drilled 2,055.24
 Cost per foot drilled \$4.95

Ditching

As attached Schedule.

But one man is employed on this Klondike Ditch and the estimated cost for 1935 is \$1300.00. This cost will of course increase somewhat in future years as lateral ditches are started.


.....
R. E. Franklin

REF:MW

SUMMARY

KLONDIKE LEFT LIMIT AREA

<u>Section</u>	<u>Area Sq.Yds.</u>	<u>Depth in Ft.</u>	<u>Cu.Yds.</u>	<u>Value/Cu.yd.</u>	<u>Content</u>
1st	372,800	32.0	3,976,533	6.11	242,966
2nd	161,200	31.0	1,665,733	8.82	146,917
A	332,000	34.0	3,762,667	4.0	150,506
B	253,200	33.3	2,810,520	2.19	61,550
C	274,400	32.0	2,926,933	12.97	379,623
D	229,600	38.7	2,961,840	4.99	147,895
E	230,400	33.8	2,595,840	4.48	116,293
F	245,200	26.8	2,190,453	5.97	130,770
G	166,000	28.3	1,565,933	4.00	62,637
H	137,600	39.7	1,820,907	33.52	610,368
J	90,400	35.8	1,078,773	8.86	95,579
J2	62,000	38.0	785,333	6.32	49,633
K	38,400	42.4	542,720	2.85	15,467
<hr/>					
Total	2,593,200	34.3	28,684,185	7.70	2,210,104
<hr/> <hr/>					

NOTE: Hole No. H-1 has been cut to \$1.00 in this tabulation.

Omitting 1st Section

2,220,400	34.5	24,707,652	7.96	1,967,138
<hr/> <hr/>				

Taking Hole No. H-1 at \$2.097 (Drill Value)

Total Area

2,593,200	34.3	28,684,185	9.67	2,775,495
<hr/> <hr/>				

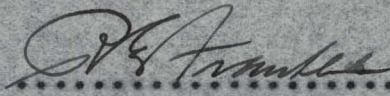
Area omitting 1st Section

2,220,400	34.5	24,707,652	10.25	2,532,529
<hr/> <hr/>				

The first section is the area between the 1933-1934 workings of Dredge Canadian No. 3 and the Klondike. It is separated from the main area by the 1931-1932 tailings of Dredge Canadian No. 3.

The second section is the area immediately upstream from the 1931-1932 tailings. There are very few drill holes in the block and values are based primarily on dredge recoveries in adjacent ground.

The Lettered Areas refer to the blocks represented by each Lettered Drill hole line.


.....
R. E. Franklin

KLONDIKE LEFT LIMIT AREA

SUMMARY OF 1934 DRILLING RESULTS

(Old shafts and drill holes not included)


	<u>With Hole</u> <u>H-1-@ 2.097</u>	<u>With Hole</u> <u>H-1 @1.00</u>	<u>With holes</u> <u>H-1 Eliminated</u>
No. of holes drilled	67	67	66
Ave. depth of muck (ft.)	3.9	3.9	3.9
" " " gravel (ft.)	27.7	27.7	27.7
" " " pay in Bedrock	0.6	0.6	0.6
" " " ground unstripped	34.2	34.2	34.2
" " " " stripped	30.0	30.0	30.0
" value of ground unstripped	9.64¢	7.49¢	5.53¢
" " " " stripped	11.00¢	8.54¢	6.31¢
Total gold content (\$)	2,028,125.00	1,576,400.00	1,163,400.00
Proportion of gold in gravel (%)	41.35		52.23
Proportion of gold in Bedrock	58.65		47.77
Total area covered (sq.yds.)	1,843,750	1,843,750	1,843,750
Total cubic yards	21,018,750	21,018,750	21,018,750
Total cu.yds. gravel and Bedrock only	18,437,500	18,437,500	18,437,500
Total cu.yds. Overburden	2,581,250	2,581,250	2,581,250

NOTE: One drill hole, No. H-1, gave an actual value of \$2.097. This hole is 100 feet from the edge of the old dredge cut and can only apply to a small area. The adjacent hole gives a value of \$.131 per cu.yd. To include hole H-1 in the "H" area at full value would without doubt give an exaggerated gold content for this section and would greatly increase the average value of the entire project. It has, in accordance with the system used in previous examinations, been arbitrarily cut to \$1.00.

To show the effect on average values of one high grade hole in an otherwise low grade area I have tabulated averages in three ways above:

- First, with hole H-1 at full value (\$2.097)
- Second, with hole H-1 cut to \$1.00 per cu. yd.
- Third, with hole H-1 eliminated entirely.

The First Section area near Dredge Canadian No. 3 is not included in this summary, which applies to the main area along the new ditch only.


R. E. Franklin

TABULATION OF DRILLING RESULTS

LEFT LIMIT KLONDIKE EXAMINATION

1934

Hole No.	Claim No.	Depth of Muck	Depth of Gravel	Depth of pay in BR	Total Working Depth	Total Depth Drilled	Wt. Gold in Gravel Mgs.	Wt. Gold in B.R. Mgs.	Value per cu.yd. total work. depth	ft. cents	Values cut on account of swell	Frost From - To
A-1	Boyle Conc.	2	29	1	33	33	3	2	0.7	23.1	No	1 - 33
A-2	"	2	27	0	30	30	17		2.4	72.0	"	1 - 30
A-3	"	4	30	2	37	36	68	Tr.	8.1	299.7	"	1 - 37 *
A-4	"	7	30		38	39	2	Tr.	0.2	7.6	"	1 - 38
A-5	"	8	20		29	29	1	Tr.	0.1	2.9	"	19 - 29
A-6	"	9	26	2	37	37	16	2	2.1	77.7	"	17 - 37
A-7	"	8	24		33	33	4		0.5	16.5	"	24 - 33
A-8	"	17	15	3	36	35	41	11	6.0	216.0	"	18 - 36
B-1	"	1	33	0	34	35	5		0.6	20.4	"	T
B-2	"	9	23	0	33	34	21		2.8	92.4	"	1 - 34
B-3	"	11	21	1	34	34	5		0.6	20.4	"	1 - 34
B-4	"	16	14		31	32	1		0.1	3.1	"	1 - 31
B-5	"	10	20		31	30	24		3.4	105.4	"	1 - 31
B-6	"	16	19		36	37	15		1.8	64.8	"	T
B-7	"	12	19		34	34	69		6.0	204.0	"	1 - 34
C-1	"	3	28		33	33	29		3.8	125.4	"	1 - 32
C-2	"		31	2	33	32	75	130	27.3	900.9	"	1 - 33
C-3	"	1	32		35	35	26		3.3	115.5	"	1 - 35
C-4	"	1	29	1	32	33	78	185	35.9	1148.8	"	1 - 32
C-5	"	1	28		31	31	117		16.6	514.6	"	1 - 31
C-6	"	3	28		32	32	9		1.2	38.4	"	T
C-7	"	8	18		26	28	15		2.5	65.0	"	1 - 26
C-8	"	5	27		34	34	94		12.1	411.4	"	1 - 34

* Nugget - 44 Mgs.

LEFT LIMIT KLONDIKE EXAMINATION

Page 2


Hole No.	Claim No.	Depth of Muck	Depth of Gravel	Depth of pay in BR	Total Working Depth	Total Depth Drilled	Wgt. Gold in Gravel Mgs.	Wt. Gold in BR Mgs.	Value per cu. yd. total work depth	Values cut on account of swell	Frost From-To
									Ft. cents		
D-1	Boyle Conc.	2	26		30	30	3		0.4	12.0	" 7-30
D-2	"	2	30	1	34	34	37	5	5.4	183.6	" 1-34
D-3	"	2	34	2	36	38	72	37	13.3	478.8	" 1-38
D-4	"	3	34	2	40	40	46	12	6.4	256.0	" 1-40
D-5	"	5	31		37	38	48		5.8	214.6	" 1-38
D-6	"	9	38	1	48	48	24	1	2.3	110.4	" 1-48
D-7	"	6	36	3	46	45	18	4	2.1	96.6	" 1-46
E-1	"	3	20		25	25	9		1.6	40.0	" 1-25
E-2	"	2	28		31	31	63		8.9	275.9	" 1-31
E-3	"		23		28	30	9		1.4	39.2	" 1-30
E-4	"	3	31		35	35	72		9.0	315.0	" 1-35
E-5	"	10	32		42	43	29		3.0	126.0	" 1-43
E-6	"	2	41		42	43	26		2.7	113.4	" 1-43
F-1	"		18	1	20	20	11	1	2.6	52.0	" 1-20
F-2	"	2	20	1	23	23	107		20.4	469.2	" 1-23
F-3	"	1	26		30	30	8		1.2	36.0	" 1-30
F-4	"	2	23		27	27	14	Tr.	2.3	62.1	" 1-27
F-5	"	3	27		31	31	5		0.7	21.7	" 1-31
F-6	"	7	18	1	27	27	30	1	5.0	135.0	" 1-27
F-7	"	3	26		30	31	74		10.8	324.0	" 1-31
F-8	"	1	29		31	32	20		2.8	86.8	" 1-32
H-1	"	1	42	3	45	44	30	2113	209.7	9436.5	" T
H-2	"	Nil	35	2	38	38	49	64	13.1	497.8	" 1-38
H-3	"	3	29		33	34	70		9.3	306.9	" 1-34
H-4	"	3	40		43	43	6		0.6	25.8	" 1-43

TABULATION OF DRILLING RESULTS

Page 3

KLONDIKE LEFT LIMIT EXAMINATION

Hole No.	Claim No.	Depth of Muck	Depth of Gravel	Depth of pay in BR	Total Working Depth	Total Depth Drilled	Wt. Gold in Gravel Mgs.	Wt. Gold in B.R. Mgs.	Value total	per cu.yd. work. depth	Value cut on account of swell	Frost From-To
G-1	Boyle Conc.	2	25	1	29	29	5	5	15	43.5	No	4-29
G-2	"	2	22	1	25	25	45	2	8.3	207.5	"	1-25
G-3	"	2	23	2	27	27	11	6	2.7	72.9	"	1-27
G-4	"	2	23		26	27	2		0.3	7.8	"	1-27
G-5	"	4	26		31	32	15		2.1	65.1	"	1-32
J-1	"	3	27	3	33	32	Trace	187	24.9	821.7	"	T
J-2	"	2	24		28	28	12		1.9	53.2	"	10-28
J-3	"	2	42		44	46	61		6.1	268.4	"	1-46
J-4	"	3	33		37	37	45		5.4	199.8	"	1-37
J2-1	"	2	28		32	33	4		0.5	16.0	"	T
J2-2	"	1	40	1	42	42		11	1.1	46.2	"	1-16
J2-3	"	2	36	2	40	39	29	34	6.9	276.0	"	1-39
J2-4	"	4	32	1	38	38	140	2	16.4	622.2	"	4-36



 R. E. Franklin

July 1934

West. Boundary Boyle Concession





KLONDIKE LEFT LIMIT AREA 1934

Scale - 1 Inch = 500 Feet.

Drill Hole Symbols

Holes put down

1933 - 1934

Depth of Muck	No
Total Working Depth	Total Value in cents per Cu.Yd.

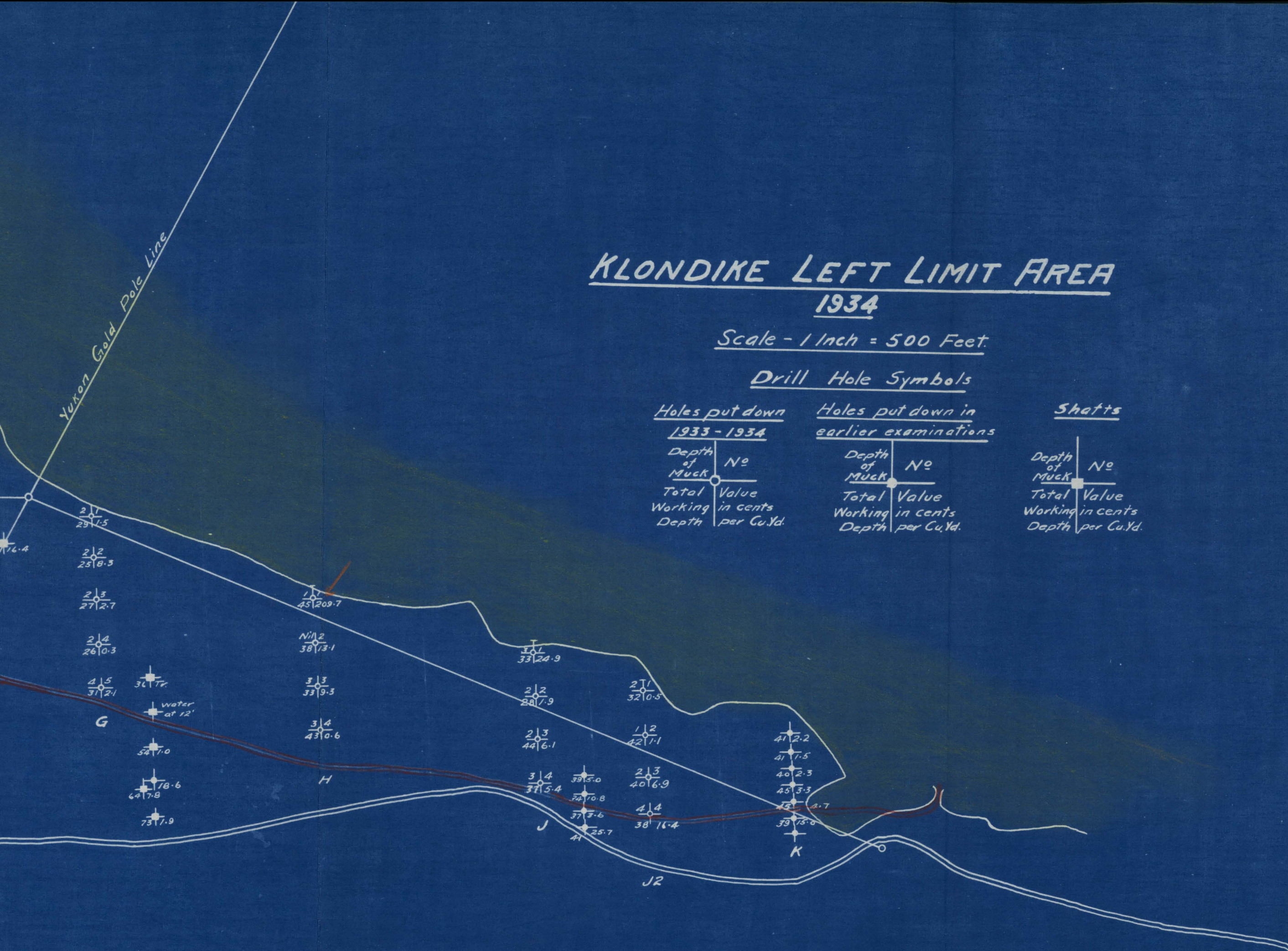
Holes put down in

earlier examinations

Depth of Muck	No
Total Working Depth	Total Value in cents per Cu.Yd.

Shatts

Depth of Muck	No
Total Working Depth	Total Value in cents per Cu.Yd.





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