

March 6th, 1957.

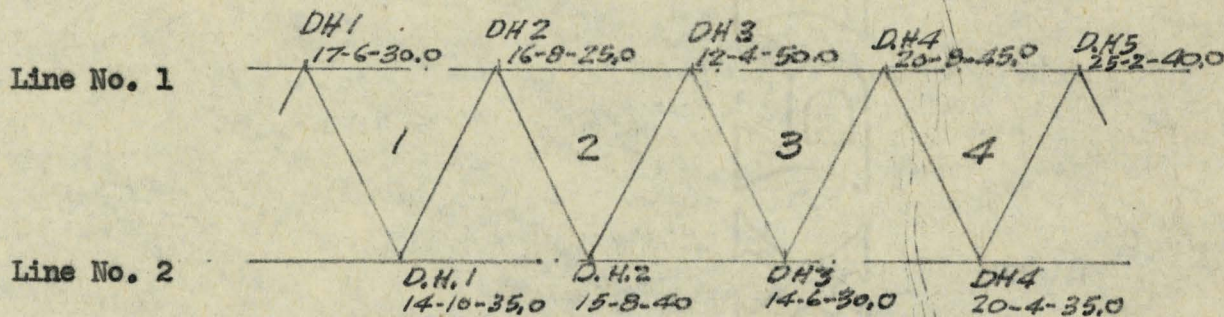
M. F. Nicholson, Esq.,
Suite 918,
360 St. James Street, West,

Dear Mr. Nicholson,

Replying to your letter of 4th March, 1957, the following is an explanation of how our Reserves are calculated, the way the record is kept and the manner in which they are written off to the operations.

As you are aware the drilling was largely done on lines spaced 500 feet apart up and down stream with holes on the lines spaced from 50 feet to 200 feet depending on the width of the pay streak. In very large areas the drilling was done on the corners of equilateral triangles.

To calculate the value of the Reserves from the drilling the holes are connected up in a series of triangles in the following manner:



In actual practice the line number corresponds to the number of the claim it crosses thus making it easy to locate yourself in the field.

The figures at each drill hole represent the following items:

DH 1-1

- 17 - depth of muck in feet
- 6 - depth of Dredging Section in feet - gravel plus bedrock
- 30.0 - value in cents per cubic yard

The value of each triangle is estimated from the weighted value of the drill holes at the corners of the triangle. Take triangle No. 1 for instance.

DH 1-1	6 x 30.0	180.0
DH 1-2	8 x 25.0	200.0
DH 2-1	<u>10</u> x 35.0	<u>350.0</u>
	24	730.0

24/8 8 average depth of Dredging Section

730/24 30.4 is average value in cents per cubic yard

The volume of Dredging Section in each triangle is its area times its average depth of Dredging Section and the value is its ~~area~~ ^{Volume} times the average value in cents per cubic yard.

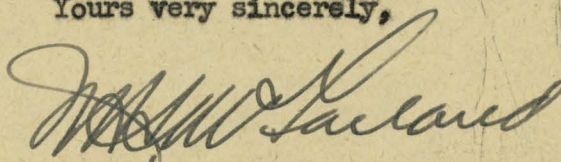
In every case the reserves were calculated before the ground had been stripped and it was necessary to estimate how much muck was going to be left on a given area and calculate the dilution accordingly.

The figures for all triangles are kept in a suitable record book. The amounts are charged out of the Reserves on an area basis as the dredge enters them. Anything which is skipped for one reason or another is also charged to operations in the year in which it is skipped.

The Reserve yardages written off are never the same as those actually dredged because in one case you have an estimated figure and in the other you have an actual figure. Then, too, the dredge may, and usually does, dig deeper than estimated. Also, it is common for dredge to dig outside of the Reserve Limit.

I think the foregoing will give you a pretty good picture of how the Reserves are written off to operations. You must always bear in mind that the figure shown for Reserves is an estimated figure made up of the sum of the estimated figures for the triangles which comprise any given area of Reserve.

Yours very sincerely,



W. H. S. McFarland

THE CONSOLIDATED ZINC CORPORATION OF CANADA LIMITED
SUITE 823- 918
360, ST. JAMES STREET WEST
MONTREAL, 1.

CABLES AND TELEGRAMS:
CONZINCAN MONTREAL

TELEPHONE:
MARQUETTE 1870

4th March 1957.

W. H. S. McFarland, Esq.,
The Yukon Consolidated Gold Corporation Limited,
1919 Marine Building,
Vancouver, B.C.

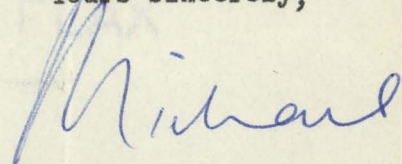
Dear Mr. McFarland: Re: Annual Report - Season 1956

At Mr. Arbuckle's request, I am writing to ask whether you would be good enough to explain the method used in writing off ore reserves to operations during the season 1956 as shown in Schedule No. 5 of this report.

To give an idea of our problem, we were unable to reconcile the figures of write-off with the cubic yards dredged and the gross values at \$35/oz Au as shown on Schedule No. 6. I am well able to appreciate that the cubic yards written off reserves would vary from cubic yards dredged depending on the width and depth of the material mined as against original estimates. I was unable, however, to explain your method of arriving at the values. The question is probably very naive but it will increase my education!

Kindest regards.

Yours sincerely,



M. F. Nicholson

MFN/F

12th December, 1955.

C. Gloslie, Esq.,
Acting Resident Manager,
Dawson, Yukon.

Dear Chris:

Bonanza Barrage.

Warren and I are very glad to have the report
on the thawed-ground situation on Bonanza Creek, sent with your letter
of the 3rd.

Sincerely,

CEM.

The Yukon Consolidated Gold Corporation, Limited

DAWSON, Y.T.
CANADA

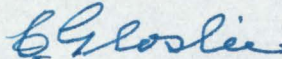
December 3rd, 1955

C. E. McLeod, Esq.,
Managing Director,
The Yukon Cons. Gold Corp., Ltd.,
1919 Marine Building,
Vancouver 2, B. C.

Dear Mr. McLeod,

We enclose herewith five (5) sets of
Dredging Progress Maps for 1955, also one (1) probing map
of Bonanza Creek and attached report and comparison
tables.

Yours very truly,




C. Gloslie,
Asst. Resident Manager.

Encl. 6

AGB:sm

cc - A.G.B.
C.G.



SUPERFINE
LINEN RECORD
100% P.A.G.-CANADA

The following table of comparisons was made in order to obtain information as to the probable values that could be expected to be recovered from Bonanza Creek above Adams Gulch.

TABLE OF COMPARISONS.

DREDGE NO.4 - SEASONS 1948 to 1955 INCL. AU at \$20.67 plus premium.

Recovery per sq. ft., by Yukon Gold Co., and Y.C.G.C., in area dredged by Y.C.G.C., dredge No.4.

SEASON	YUKON GOLD AREA SQ.FT.	YUKON GOLD RECOVERY	YUKON GOLD ¢ Per sq.ft.	Y.C.G.C. AREA SQ.FT.	Y.C.G.C. RECOVERY	Y.C.G.C. ¢ Per SQ.FT.	% RECOVERY BY Y.C.G.C.
1948	1,125,955	802,961	71.3	1,190,088	194,669	16.4	23%
1949	1,189,926	1,407,235	118.3	1,189,926	199,796	16.8	14.2
1950	741,852	1,464,209	197.4	741,852	454,547	61.3	31.1
1951	428,730	697,766	162.8	466,263	208,301	44.7	27.5
1952	877,959	910,815	103.7	938,673	175,284	18.7	18.0
1953	924,348	759,491	82.2	1,012,059	172,616	17.1	20.8
1954	852,199	784,716	92.1	981,936	259,041	26.4	28.7
1955	1,094,870	1,059,525	96.8	1,207,431	186,776	15.5	16.0
TOTALS	7,235,839	7,886,718	109.0	7,728,228	1,851,030	24.0	22.0

In making the above comparison we have based it on the area covered each year by our dredge No.4, and compared it with the area dredged by the Yukon Gold Co.dredges within that area covered. You will note that except for Two years we have dredged a greater area than the Yukon Gold Company dredged, by dredging some virgin ground outside the limits of their cuts. The final recovery for 1955 above was estimated.

The ground available for dredge No.4 without further thawing ends at the mouth of Adams Gulch, which gives approximately 4½ years dredging. To extend the life of the dredge requires thawing to be done and this study was made in order to obtain some information as to the advisibility of doing some thawing.

The area above the mouth of Adams Gulch up to the mouth of Spring Gulch was probed for thaw and the attached map shows the extent of the frozen tailings. Some thawed ground is available in this area, but the thaw is not wide enough to allow the dredge to dredge thru. The definite thaw area was not outlined as once we found out that it was impossible to get the dredge thru without thawing we concentrated more on finding the extent of the frozen tailings. From past experience we have found that the dredge tailings covered by hydraulic tailings are thawed so did no barring in those areas. Taking this into consideration and assuming that where the creek runs at present to be thawed forty feet wide (this may be a little wide but where ever the probe hole was near the creek the hole was thawed)

we find that up to the end of the probe holes at the mouth of Spring Gulch there is approximately 2,451,000 sq.ft. of dredging area taking an average width of 300 feet. Of this area assuming the 40 feet wide area covered by the creek and the area covered by hydraulic tailings to be thawed ground then there is about 631,000 sq.ft. of thawed ground or about 25%. This means that we would have to thaw artificially about 75% of the dredgeable ground. Assuming the dredge section to be 40 ft. then the total yardage would amount to 3,631,000 cu.yds., of which about 2,723,000 cu. yds. requires thawing. This yardage would amount to about Two years dredging for dredge No.4.

The following are the recovery values of the Yukon Gold Company dredges from Adams Gulch to Spring Gulch on a sq.ft. basis. Dredge No.5 worked from Adams Gulch to the Forks and dredge No.8 from the Forks to Spring Gulch.

DREDGE	AREA SQ.FT.	RECOVERY \$	¢ SQ. FT.
No. 5	1,757,124	945,408	53.8
No. 8	1,216,773	1,180,825	97.0
TOTALS	2,973,897	2,126,634	71.5

Dredge No.4 average recovery per sq.ft.from 1948 to 1955 was 22% of the Yukon Gold recoveries, so that we may assume that we could recover 22% of 71.5 or 15.7¢.

From Spring Gulch to Victoria Gulch the Yukon Gold dredge No. 8 recovered 89.3¢ per sq.ft., and on the same basis as above our dredge No.4 should recover 19.6¢ per sq.ft.

The following is a recap. from Adams Gulch to Victoria Gulch.

LOCATION	SQ. FT.	RECOVERY \$	¢ SQ.FT.	22%
Adams Gulch to Forks	1,757,124	945,408	53.8	11.8
Forks to Spring Gulch	1,216,773	1,180,825	97.0	21.3
Spring Gulch to Victoria	5,001,966	4,464,314	89.3	19.6
TOTALS	7,975,863	6,590,948	82.6	18.2

Taking the above total area at a dredging section of 40 feet would give us from 6 to 7 years of dredging for dredge No.4, and a recovery of \$1,451,607.

All above values have been calculated for gold at \$35.00

You will note that the recovery by the Yukon Gold Co. dredges from the area between Adams Gulch and the Forks was much lower than the average and yet this was supposed to be one of the richest section on Bonanza Creek. However this section may have been more extensively mined by the individual owners and therefore was left with less gold and virgin ground than in other sections of the creek. It may also be that the dredge did not spend as much time on the bedrock or take as much care in this section on account of so much old workings.

This section of the Creek could be checked by putting down a few drill holes into the bedrock as a check on what values remain. Further probing to outline the exact extent of the thawed ground can also be done which may outline more thaw than the 25% assumed.

(3)

On Upper Bonanza above the Forks there may also be a greater percentage of virgin ground along the edges of the Yukon Gold dredge cuts than previously encountered as individual miners have done considerable work in places along the edges of these dredge cuts.

Attached also is a table showing the cu yds. dredged and the production by dredge No.4 for the years from 1942 to 1954 inclusive leaving out 1947 the year it dug thru it's own tailings to the head of trail tailings. This table shows the overhead and power absorbed each year by the dredge with the corresponding operating profit or loss. The loss shown in 1952 was caused by charges for an extra set of bucketslips that was put on in the Spring of 1951 and the charge was omitted that year and added to the 1952 costs. This amounted to \$13,587.85.

A. G. Barrett

THE YUKON CONSOLIDATED GOLD CORPORATION LIMITED.

DREDGE NO. 4.

PRODUCTION 1942 TO 1954.

Years.	1954	1953	1952	1951	1950	1949	1948	1946	1944	1943	1942	Total	Average
Cu. Yds. Dredged	1,414,130	1,278,699	1,058,942	552,687	906,359	1,668,994	1,737,142	1,426,433	2,033,154	2,538,831	1,855,590	16,470,961	1,497,360
Total Production	249,513.96	170,691.94	174,238.24	211,749.29	452,669.96	198,596.32	193,173.13	139,137.31	232,349.82	219,439.64	244,468.56	2,486,028.17	226,002.56
Cents Per Cu. Yd.	17.64	13.35	16.45	38.31	49.94	11.90	11.12	9.75	11.43	8.64	13.17	15.09	15.09
Total Charges	181,021.45	203,251.78	233,787.19	168,790.10	211,925.61	167,934.07	194,582.02	134,075.73	188,611.37	201,320.00	169,014.83	2,054,314.15	186,755.83
Per Cu. Yard.	12.80	15.90	22.08	30.54	23.38	10.06	11.20	9.40	9.28	7.93	9.11	12.47	12.47
LESS:													
Power	11,476.27	12,443.27	13,386.72	9,676.10	10,930.98	10,485.45	14,119.37	11,356.00	22,008.00	17,797.50	12,177.00	145,857.12	13,259.74
Supervision	1,454.38	1,723.26	1,333.83	1,379.15	1,191.22	1,361.08	1,196.84	1,465.42	1,533.79	898.33	436.28	13,973.58	1,270.33
Engineering	1,629.88	1,330.09	976.33	2,201.02	1,408.95	1,221.43	1,587.64	626.56	601.59	1,552.45	1,687.62	14,823.56	11,347.60
Gen. Expense	35,023.27	38,996.46	34,113.02	29,824.20	24,045.63	20,877.69	27,663.64	28,328.70	34,984.14	19,952.32	11,318.65	305,127.72	27,738.88
TOTAL	49,583.80	54,493.54	49,809.90	43,080.47	37,576.78	33,945.65	44,567.49	41,776.68	59,127.52	40,200.60	25,619.55	479,781.98	43,616.54
Cents Per Cu. Yd.	3.51	4.26	4.70	7.79	4.15	2.03	2.57	2.93	2.91	1.58	1.38	2.91	2.91
Total Applicable Charges	131,437.65	148,758.24	183,977.29	125,709.63	174,348.83	133,988.42	150,014.53	92,299.05	129,483.85	161,119.40	143,395.28	1,574,532.17	143,139.29
Cents Per Cu. Yd.	9.29	11.63	17.37	22.75	19.24	8.03	8.64	6.47	6.37	6.35	7.73	9.56	9.56
Operating Profit or Loss	118,076.31	21,933.70	9,739.05	86,039.66	278,321.13	64,607.90	43,158.60	46,838.26	102,865.97	58,370.24	101,073.28	911,546.00	82,867.82
Cents Per Cu. Yd.	8.35	1.72	.92	15.57	30.71	3.87	2.48	3.28	5.06	2.30	5.45	5.53	5.53

SUMMARY OF DREDGING RESERVES

ON

LAST CHANCE CREEK

ESTABLISHED BY

DRILL EXAMINATION OF 1958

August 30, 1958

MEMORANDUM

August 30, 1958.

From: P. M. Kavanagh

To: Mr. A. M. Nordale

SUMMARY OF RESERVES ON LAST CHANCE CREEK

The following is a summary of the results of the drill prospecting program carried out on Last Chance during this summer of 1958.

One gasoline-driven Kirk-Hillman drill was employed, and worked one shift per day. Drilling commenced on May 18 and finished on August 8. During that period 40 holes, totalling 1459 feet, were drilled at an average of 18 feet per drill shift. The footage was very low because of 1) numerous breakdowns of the drill, 2) a relatively inexperienced drilling crew, and 3) a high proportion of thawed ground.

Drilling was started on Claim 9 Above the Mouth of Last Chance Creek, ie. approximately 3900 feet up from the Hunker Creek base line. In 1937 a single line of 5 holes, 200 feet apart, was drilled through Claims 1 and 2 Above the Mouth of the creek. This season's program did not commence at Claim 3 Above the Mouth because 1) Claims 3, 4, 5, 6, and 8 are adversely held, and 2) the ground included in Claims 3 to 8 Above the Mouth is covered by thick hydraulic tailings.

A total of 8 lines of holes were drilled in the 4500 foot long section of the creek between Claim 9 Above the Mouth and Claim 3A Above Discovery inclusive. The first 6 lines were drilled 500 feet apart; the last 2 lines, 1000 feet apart. On each of the lines the holes were drilled at 100 foot centres. In that section of the creek drilled, Claims 2A Below Discovery and 1 Above Discovery are adversely held by a Mr. Abraham.

The following features characterize the section of the creek drilled:

1. 67% of the total gold indicated in the 2500 foot long section between Claim 9 Above the Mouth and the Discovery Claim occurs in the 1000 foot long section from Claim 9 Above the Mouth to Claim 3 Below Discovery.
2. The possible dredging section is narrow, averaging only 260 feet wide.
3. 63% of the holes drilled through thawed ground.
4. It would be very difficult to do any stripping, mainly because of several large concentrations of hydraulic tailings.
5. The bedrock penetrated by almost 100% of the holes consists of a yellow to grey, sticky clay containing small, relatively undecomposed rock fragments.

6. Almost none of the holes encountered any true gravel section; commonly there is a section of creek sand between the muck and decomposed bed-rock.
7. There are numerous indications of old workings.

The following is a summary of the drilling results obtained in the 2500 foot long section between Claim 9 Above the Mouth and the Discovery Claim, ie. the section which was drilled by the 6 lines 500 feet apart:

Total Area	774,025 sq. ft.
Total cu. yds. of Muck	712,769
Average depth of Muck	24.9 ft.
Total cu. yds. of Dredging Section (D.S.)	330,543
Average depth of D.S.	11.5 ft.
Total cu. yds. of Muck and D.S.	1,043,312
Average depth of Muck and D.S.	36.4 ft.
Gross Value (Au. at \$20.67)	\$204,462
(Au. at \$35.00)	\$345,541
Cents per cu. yd. value of Muck and D.S. (Au. at \$20.67)	19.6
(Au. at \$35.00)	33.1

The yardage contained within the lower 1000 feet of the 2500 foot long section described above contains \$232,500 (67% of the total) at an average grade of 43.6¢ per cu. yd. The yardage in the remaining 1500 foot section contains \$113,100 at an average grade of only 22.0¢ per cu. yd.

The best 200 foot width in the line drilled in Claim 2 Above Discovery, ie. 1000 feet above the Discovery Claim, has a value of 28.2¢ per cu. yd. of Muck and D.S. (Au. at \$35.00).

The best 200 foot width in the line drilled in Claim 3A Above Discovery, ie. 1000 feet above Claim 2 Above Discovery, has a value of only 10.8¢ per cu. yd. of Muck and D.S. (Au. at \$35.00).

The appended data pertain to each of the holes drilled. A plan showing the locations and values of the holes is in the envelop.

Dredge No. 11 is presently digging in Lower Last Chance Creek. To date the yardage dug has averaged approximately 50 cents per cu. yd. at \$35.00 Au. It is intended that this season the dredge will completely dig that portion of the creek between the mouth and halfway through Claim 3 Above the Mouth.

A 200 - 250 foot wide strip is to be left in Hunker Creek, probably along the left limit, for Dredge No. 11 to dredge back upstream to the

mouth of Last Chance Creek after the dredge will have progressed to the downstream limit of its reserve in Hunker Creek. If conditions warrant, Dredge No. 11 will then be in a position to re-advance up Last Chance after passing through the tailings it is presently depositing.

Paul M. Kavanagh

Paul M. Kavanagh,
Assistant Manager.

PMK:jek

DATA FROM 1958 DRILLING PROGRAM ON LAST CHANCE CREEK

Section No. 1: drilled in Claim 9 Above Mouth of Last Chance Creek, ie. approximately 3900 ft. up from the Hunker Creek base line. The holes are 100 feet apart.

Hole No.	Depths					Cents per cu. yd. D.S. (\$35.00 Au.)	D.S. Thawed or Frozen	Elevations		
	Total	Muck	Gravel	B.R.	D.S.			Surf.	GR.	B.R.
6	41	28	5	8	11	79.38	F	1186	1158	1153
4	37	21	13	3	15	72.82	F	1171	1150	1137
2	31	20	6	5	10	45.02	T	1169	1149	1143
1	31	24	4	3	7	84.60	T	1168	1144	1140
3	61	13	-	48	-	-	F-T	1168	-	1155

Section No. 2: drilled in Claim 5 Below Discovery, ie. approximately 500 feet above Section No. 1. The holes are 100 feet apart.

Hole No.	Depths					Cents per cu. yd. D.S. (\$35.00 Au.)	D.S. Thawed or Frozen	Elevations		
	Total	Muck	Gravel	B.R.	D.S.			Surf.	GR.	B.R.
6	4	-	-	4	-	-	-	1194	-	1194
4	31	21	6	4	10	96.43	F to 29'	1180	1159	1153
2	32	18	8	6	13	455.81	T	1179	1161	1153
1	50	26	12	12	14	7.91	T	1185	1159	1147
3	53	40	5	8	11	300.60	T	1198	1158	1153
5	59	50	5	4	8	39.60	T	1210	1160	1155

Section No. 3: drilled in Claim 3 Below Discovery, ie. approximately 500 feet above Section No. 2. The holes are 100 feet apart.

Hole No.	Depths					Cents per cu. yd. D.S. (\$35.00 Au.)	D.S. Thawed or Frozen	Elevations		
	Total	Muck	Gravel	B.R.	D.S.			Surf.	GR.	B.R.
6	53	43	-	10	8	6.07	F	1214	-	1171
4	50	23	10	17	24	4.85	F	1197	1174	1164
2	37	17	8	12	15	103.07	F	1188	1171	1163
1	36	12	11	13	12	2.65	T	1189	1177	1166
3	50	26	12	12	16	6.91	T	1198	1172	1160
5	54	47	1	6	5	107.50	T	1209	1162	1161

Section No. 4: drilled in Claim 2 Below Discovery, ie. approximately 500 feet above Section No. 3. The holes are 100 feet apart.

Hole No.	Depths					Cents per cu. yd. D.S. (\$35.00 Au.)	D.S. Thawed or Frozen	Elevations		
	Total	Muck	Gravel	B.R.	D.S.			Surf.	GR.	B.R.
4	22	10	-	12	11	3.38	F	1220	-	1210
2	31	14	13	4	15	161.85	F	1205	1191	1178
1	31	21	2	8	8	84.14	F	1201	1180	1178
3	29	13	10	6	14	5.64	F to 11'	1199	1186	1176
5	32	18	6	8	12	19.40	F	1202	1184	1178
7	32	23	4	5	9	11.42	F	1208	1185	1181

Section No. 5: drilled in Claim 1 Below Discovery, ie. approximately 500 feet above Section No. 4. The holes are 100 feet apart.

Hole No.	Depths					Cents per cu. yd. D.S. (\$35.00 Au.)	D.S. Thawed or Frozen	Elevations		
	Total	Muck	Gravel	B.R.	D.S.			Surf.	GR.	B.R.
4	56	44	8	4	11	24.47	T	1241	1197	1189
2	49	34	8	7	13	26.13	T	1227	1193	1185
1	34	21	8	5	11	139.61	T	1214	1193	1185
3	24	14	8	2	8	15.82	T	1205	1191	1183

Section No. 6: drilled in Claim Discovery, ie. approximately 500 feet above Section No. 5. The holes are 100 feet apart.

Hole No.	Depths					Cents per cu. yd. D.S. (\$35.00 Au.)	D.S. Thawed or Frozen	Elevations		
	Total	Muck	Gravel	B.R.	D.S.			Surf.	GR.	B.R.
2	37	25	6	6	10	22.92	T	1224	1199	1193
1	27	14	8	5	11	61.16	F to 17'	1213	1199	1191
3	33	21	9	3	10	43.11	F	1225	1204	1195

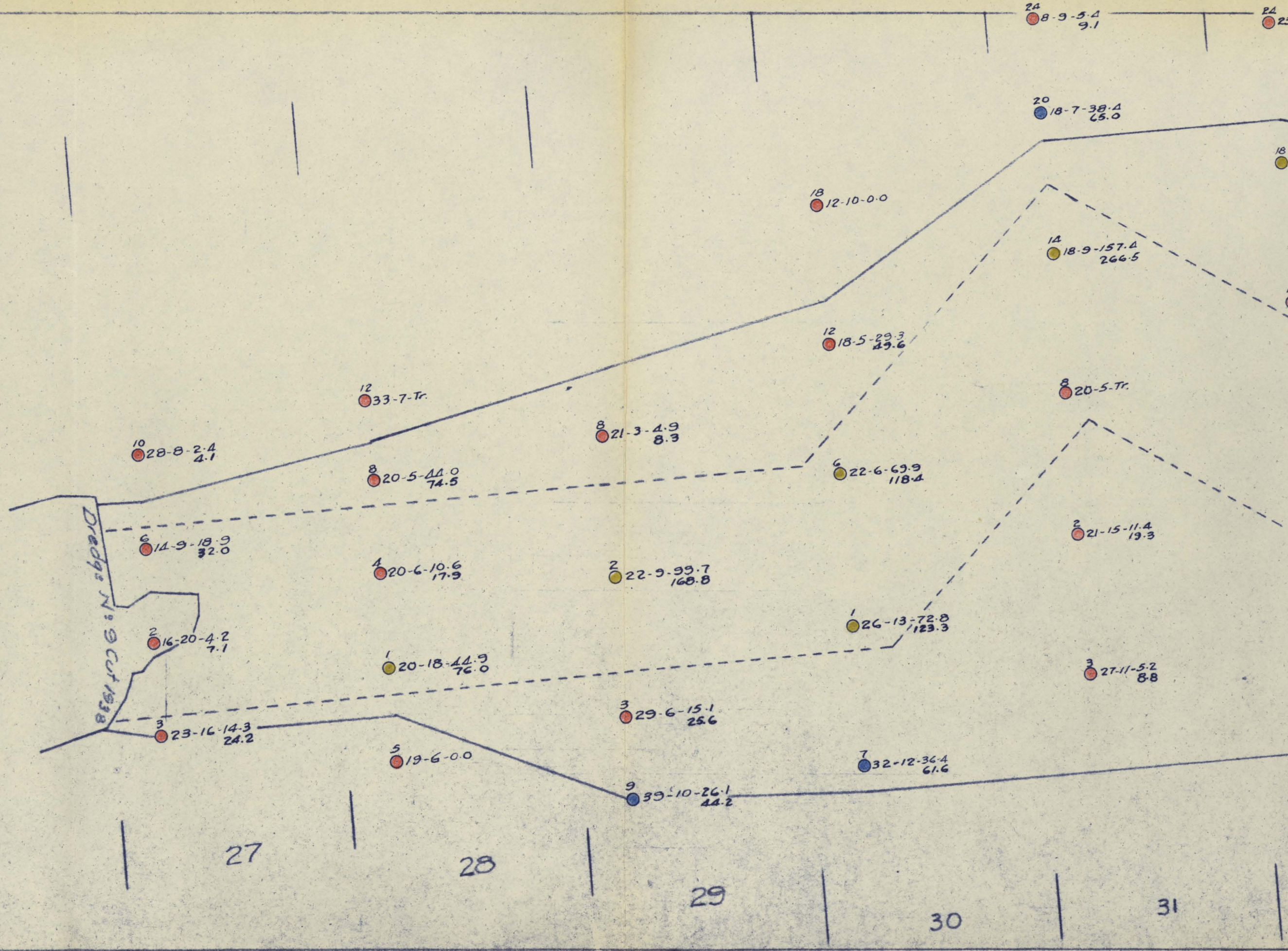
Section No. 7: drilled in Claim 2 Above Discovery, ie. approximately 1000 feet above Section No. 6. The holes are 100 feet apart.

Hole No.	Depths					Cents per cu. yd. D.S. (\$35.00 Au.)	D.S. Thawed or Frozen	Elevations		
	Total	Muck	Gravel	B.R.	D.S.			Surf.	GR.	B.R.
2	36	23	4	9	-	-	F	1239	1216	1212
1	15	5	4	7	8	54.60	T	1231	1226	1222
3	18	8	5	5	9	74.68	T	1226	1218	1213
5	30	21	1	8	7	75.58	F to 15'	1239	1218	1217
7	36	28	5	3	7	10.16	F	1249	1221	1216

Section No. 8: drilled in Claim 3A Above Discovery, ie. approximately 1000 feet above Section No. 7. The holes are 100 feet apart.

Hole No.	Depths					Cents per cu. yd. D.S. (\$35.00 Au.)	D.S. Thawed or Frozen	Elevations		
	Total	Muck	Gravel	B.R.	D.S.			Surf.	GR.	B.R.
2	54	49	3	2	3	34.67	T	1287	1238	1235
1	42	30	4	8	10	27.65	T	1273	1243	1239
3	32	22	5	5	8	43.55	T	1263	1241	1236
5	27	11	12	4	15	16.36	T	1255	1244	1232
7	22	11	6	5	9	25.48	T	1239	1228	1222

Dredges N: 9 Cut 1538



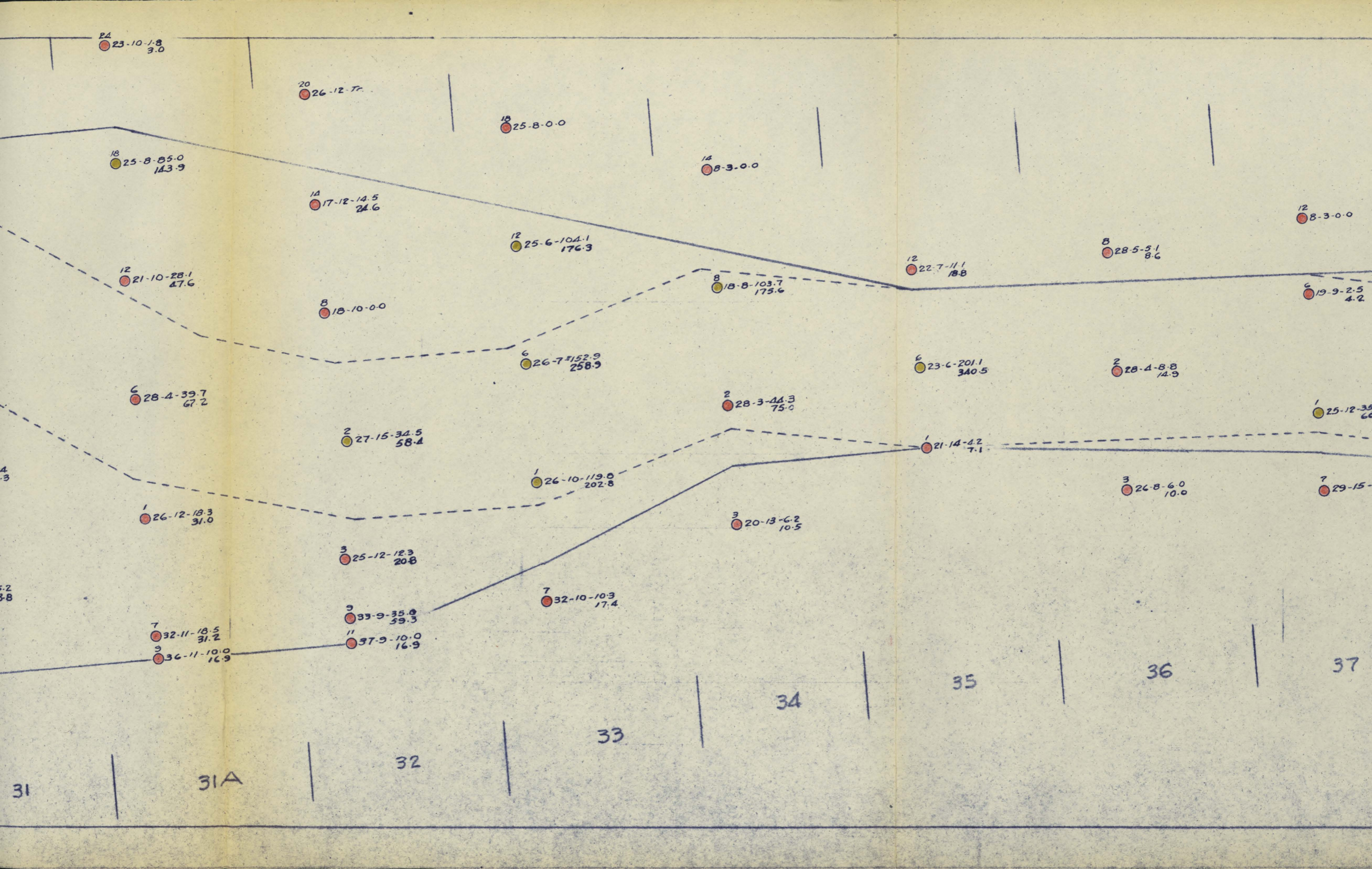
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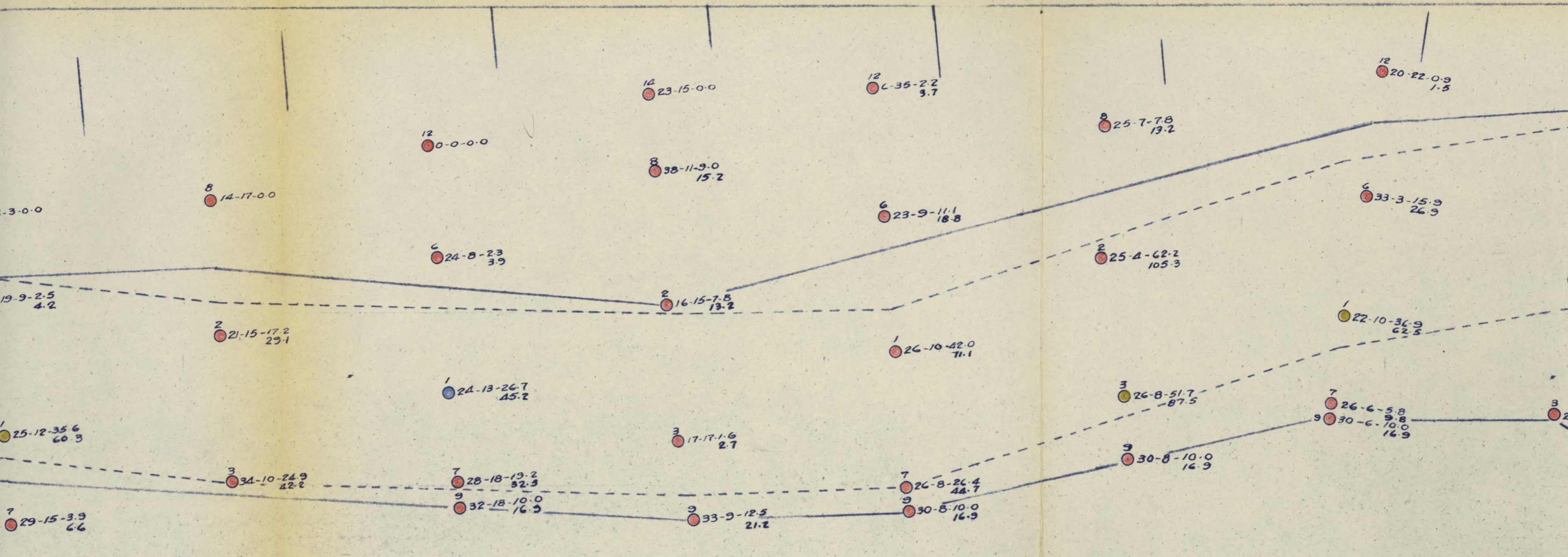
28

29

30

31





37

38

39

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41

42

42B

43

Downstream →

0-22-0.9
1.5

12 20-17-1.2
2.0

12 19-25-2.4
4.1

14 32-17-8.8
14.9

8 25-9-42.7
72.3

12 34-22-10.7
18.1

3-15.9
26.9

8 25-30-10.4
17.6

6 36-3-74.8
126.6

8 26-14-42.6
72.1

2 19-11-0.0

6 26-15-12.9
21.8

6-9
2.5

2 29-7-23.1
39.1

1 23-8-52.5
88.9

2 15-17-23.1
39.1

3 20-9-17.9
30.3

1 21-11-79.6
134.8

3
0.9

3 18-11-19.8
33.5

3 19-10-280.8
475.5

7 13-13-1.8
3.0

7 18-11-6.7
11.3

9 18-13-10.0
16.9

9 13-19-2.1
3.6

43

9 21-7-56.9
96.3

44

11 25-7-10.0
16.9

45

13 26-8-13.2
22.3

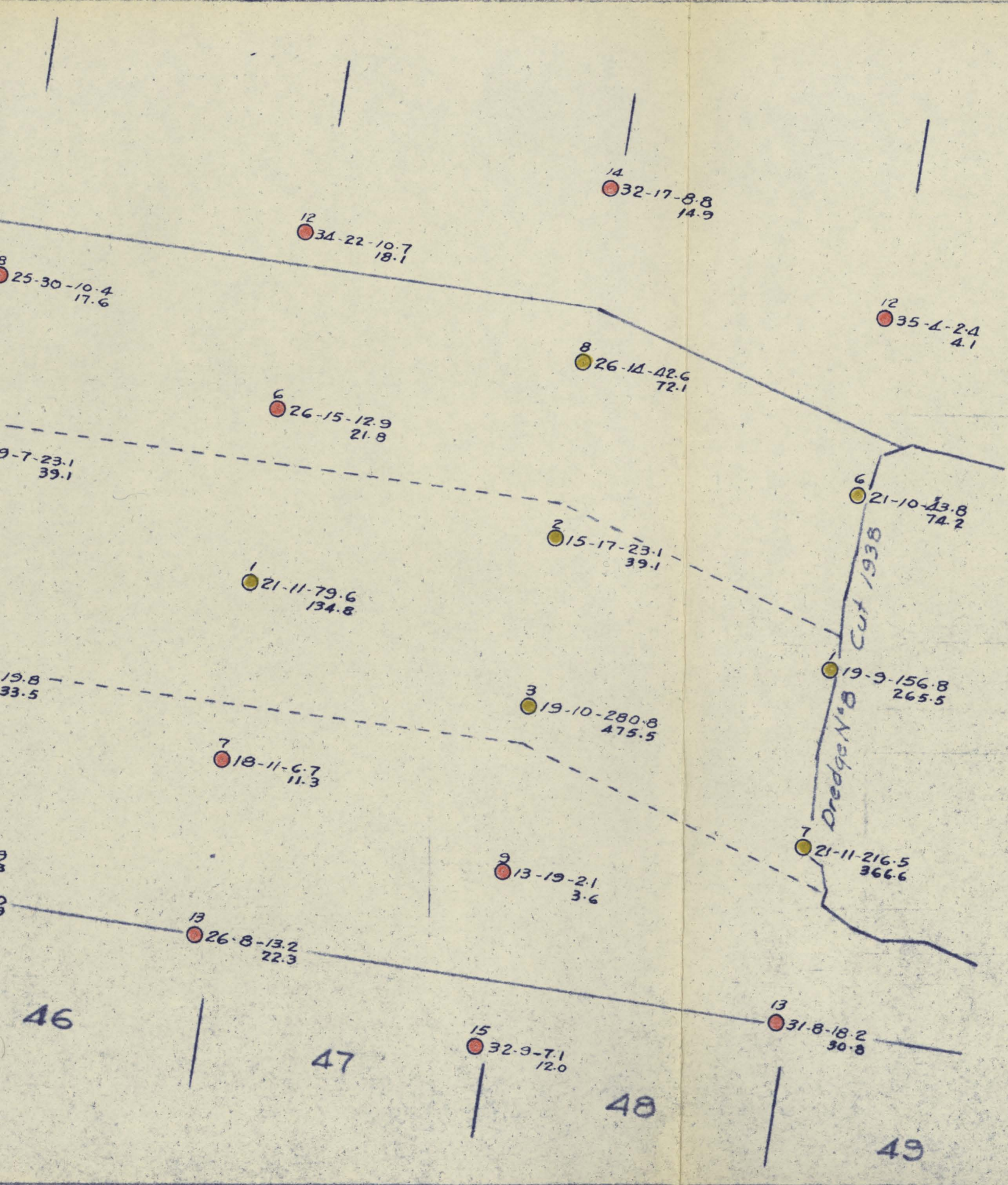
46

47

15 32-9-7.1
12.0

48

13



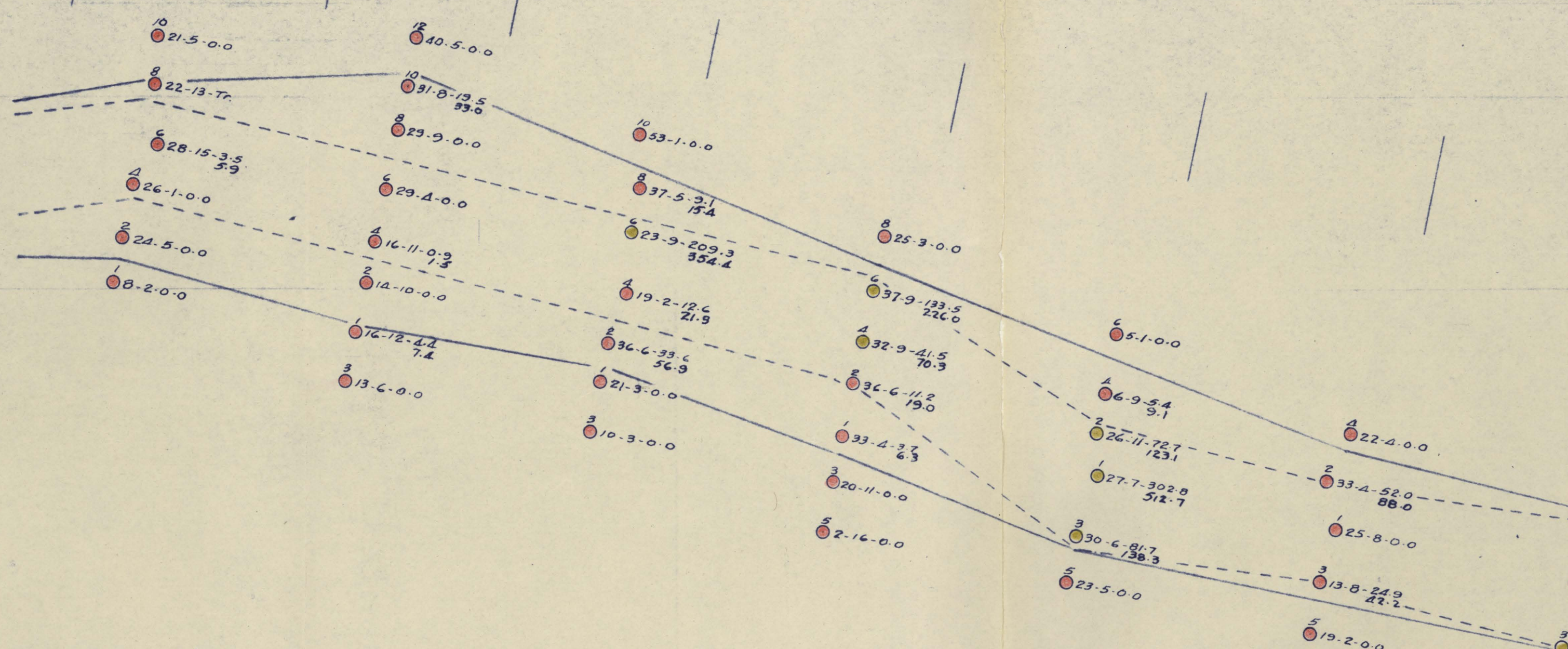
Legend

- Original Dredge Limit
- - - - - Revised Dredge Limit
- Drill Hole Number
- Depth of Muck in Feet
- Depth of D.S. in Feet
- \$ per Cu.Yd. of D.S. @ 20⁰⁰
- \$ per Cu.Yd. of D.S. @ 35⁰⁰
- Pay Hole
- Marginal Hole
- Will not pay to strip, thaw and dredge.

YUKON CONS. GOLD CORP. LTD.
DAWSON, Y.T.

Middle Sulphur
Original and Revised
Dredge Limits

DRAWN N.H.S.M.F. SCALE 1" = 200'
 TRACED P.S.C.
 DATE June 21-55
 CHECKED _____



A 23

A 22

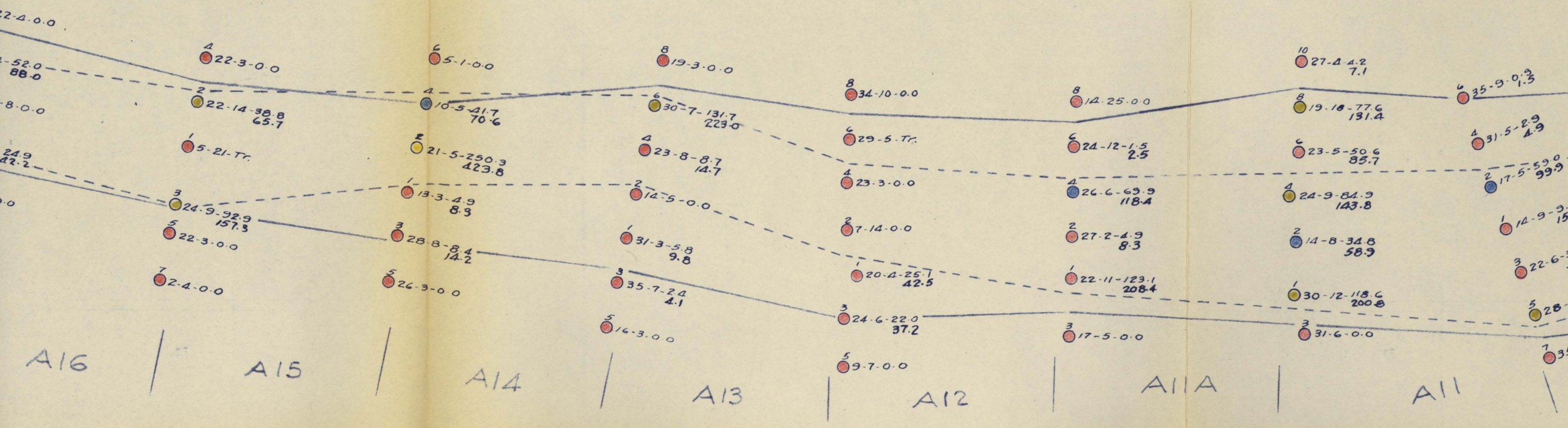
A 20

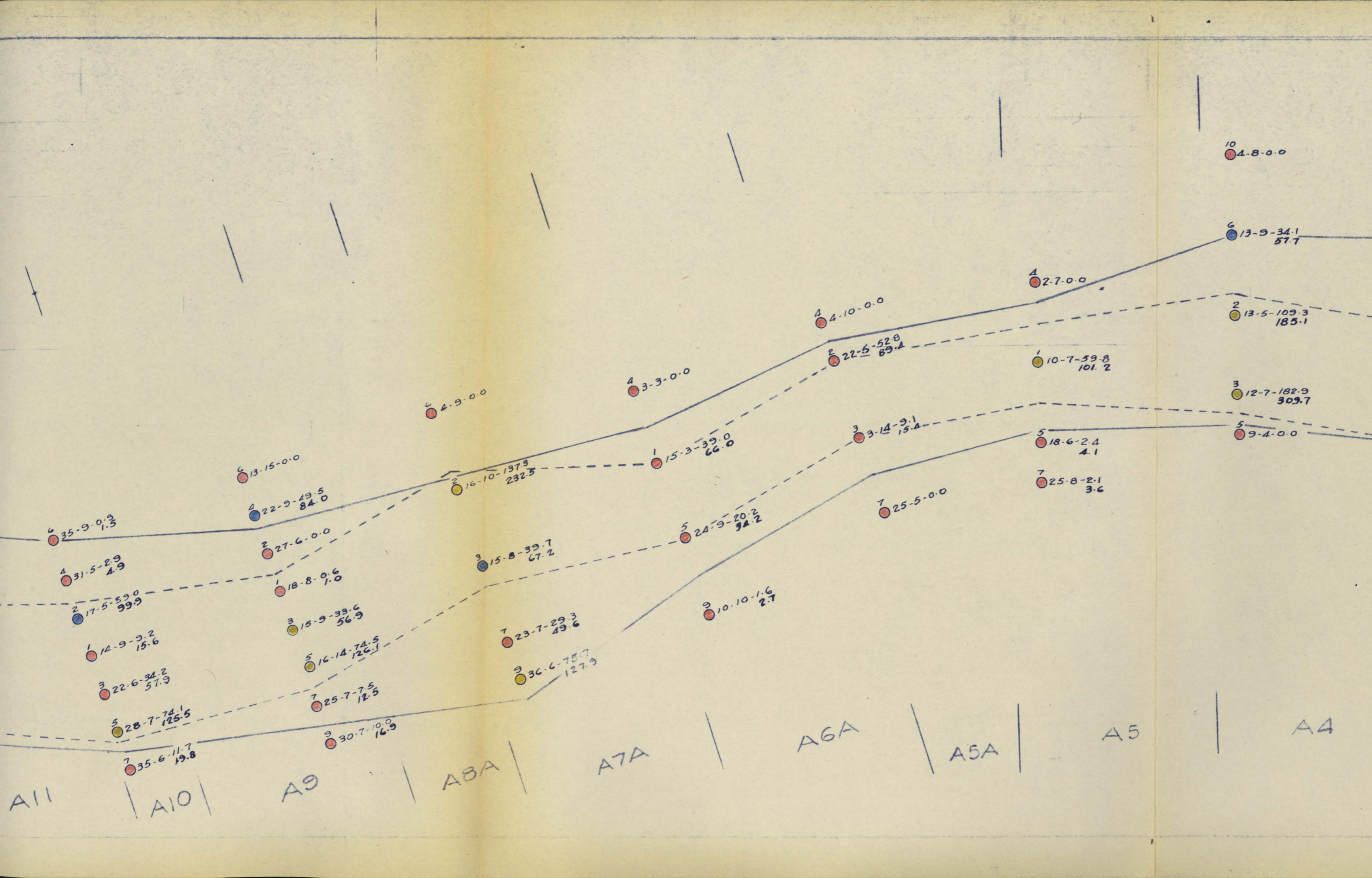
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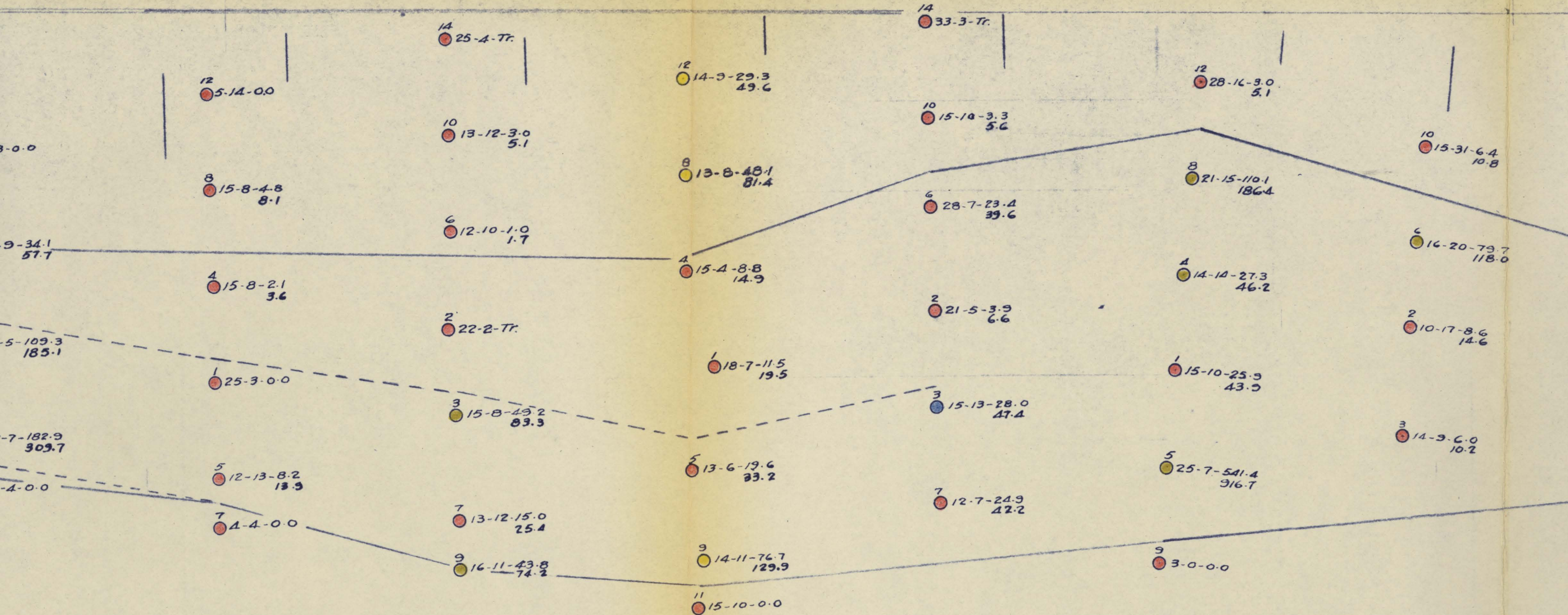
A 18

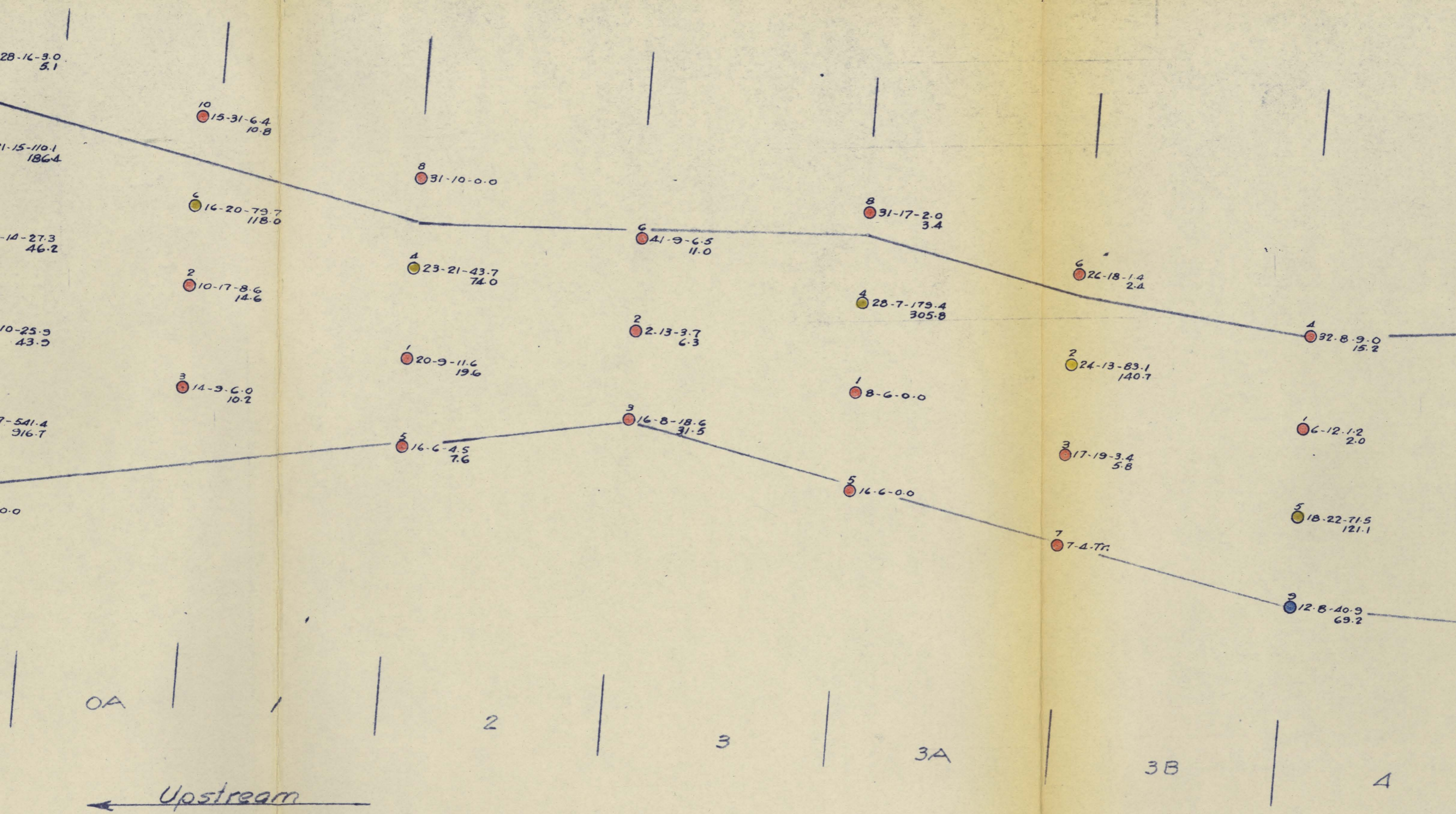
A 17

A 16









28-16-3.0
5.1

1-15-110.1
186.4

14-27.3
46.2

10-25.9
43.5

7-541.4
916.7

0.0

OA

2

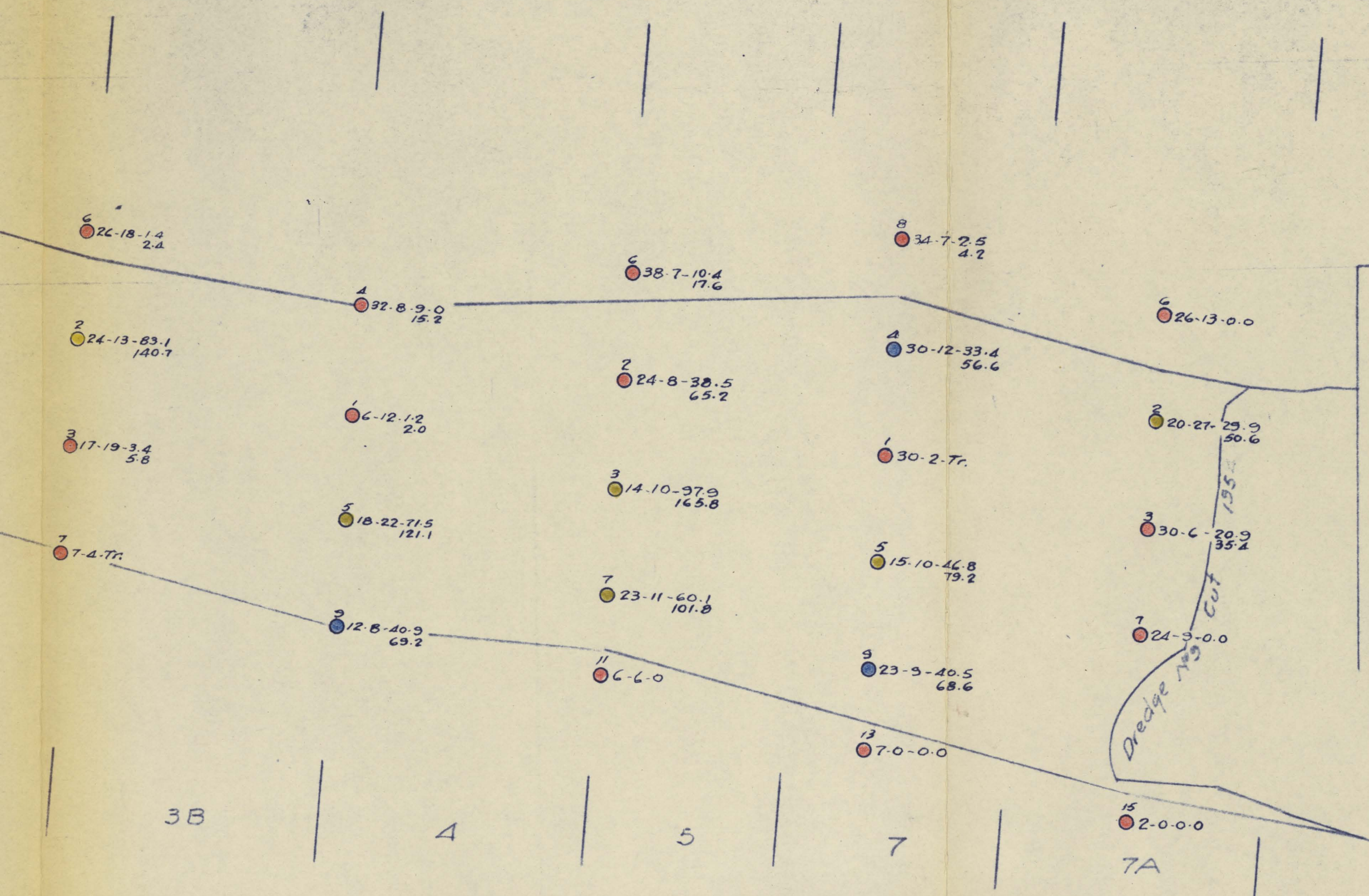
3

3A

3B

4

Upstream



Legend

- Original Dredge Limit
- - - Revised Dredge Limit
- Drill Hole Number
- Depth of Muck in Feet
- Depth of D.S. in Feet
- 4 per CuYd. of D.S. @ 20' 6"
- 4 per CuYd. of D.S. @ 35' 6"
- Pay Hole
- Marginal Hole
- Will not pay to strip, thaw and dredge

YUKON CONS. GOLD CORP. LTD.
DAWSON, Y.T.

Upper Sulphur
Original and Revised
Dredge Limits

BY W.H.S.M.F. SCALE 1"=200'
DRAWN P.S.C.
DATE June 21-55
CHECKED

6 5-1-0.0
4 0-19-0.0
2 31-9-Tr
1 24-6-Tr

6 5-4-0.0
4 19-6-8.0
2 32-11-4.5
1 11-5-0.0

12 24-3-0.0
10 25-8-3.4
8 32-5-26.3
6 34-5-4.7
4 18-8-0.0
2 28-3-3.1
1 10-2-0.0

6 12-13-0.0
4 12-20-16.8
2 20-21-0.0

4 50-2-4.3
2 31-7-0.0

3 3-1-0.0
5 3-1-0.0

1 21-5-1.9
3 2-10-0.0
5 2-1-0.0

4 32-4-0.0
2 35-5-86.5
1 18-9-37.6
3 5-10-0.0
5 8-6-0.0

1 14-9-47.1
3 24-7-45.1
5 6-2-0.0
7 4-2-0.0

A41

A40

A39

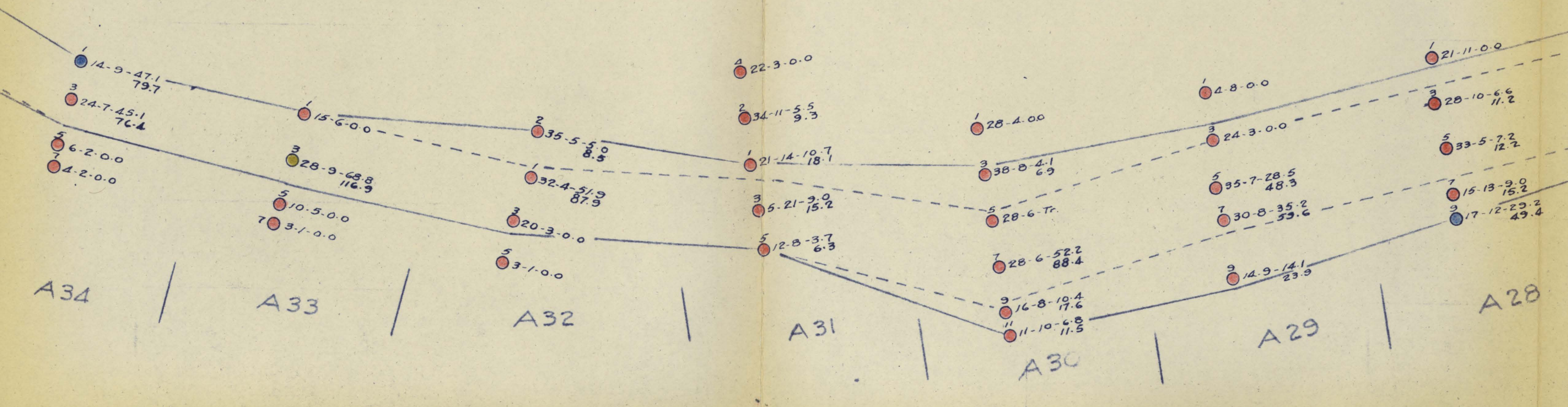
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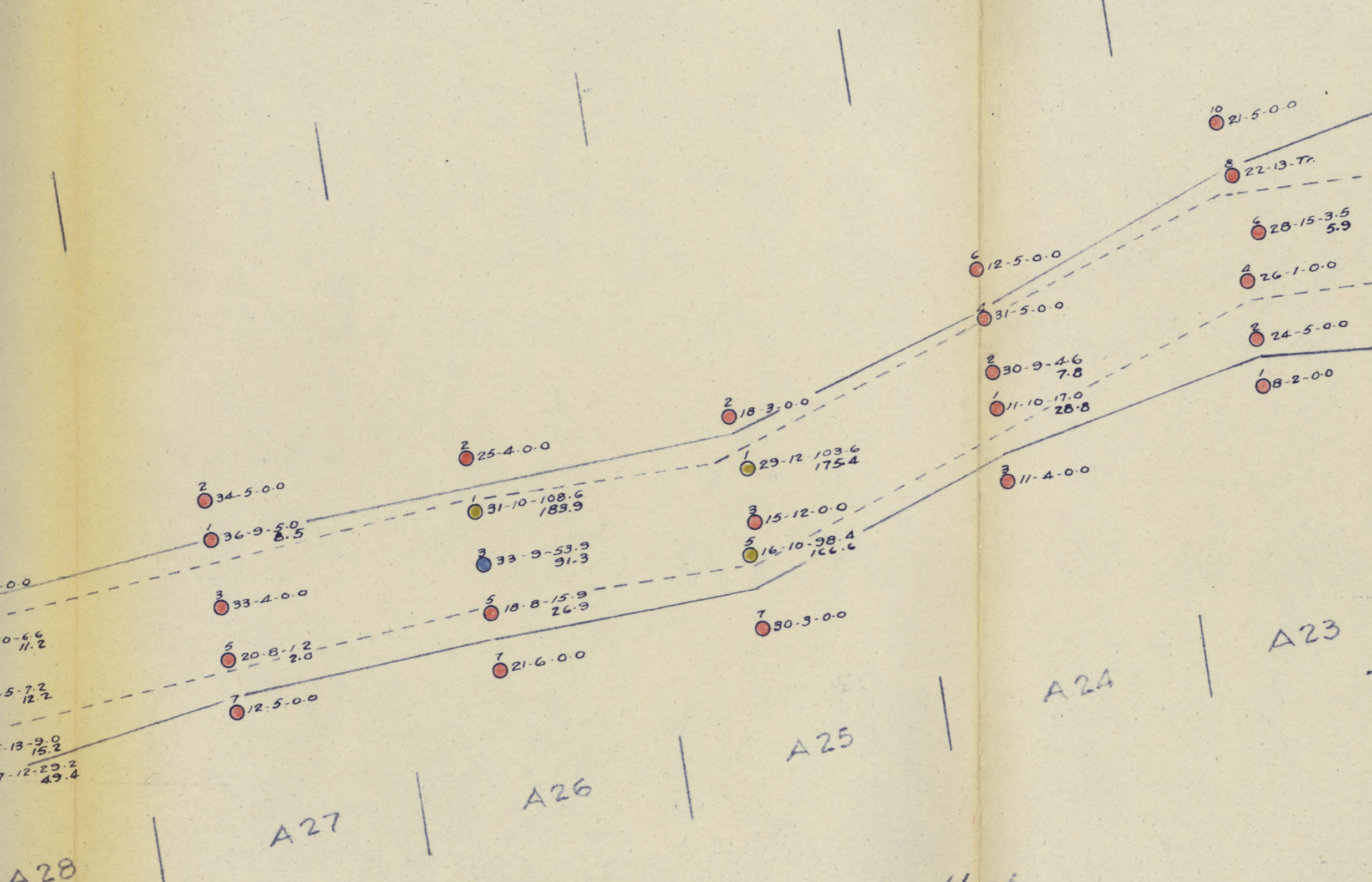
A37

A36

A35

A34





Legend

- Original Dredge Limit
 - - - Revised Dredge Limit
- Drill Hole Numbers:
- Depth of Muck in Feet
 - Depth of D.S. in Feet
 - Cost per Cu Yd of D.S. @ 20¢
 - Cost per Cu Yd of D.S. @ 35¢
- Pay Hole
 - Marginal Hole
 - Will not pay to strip, thaw and dredge

YUKON CONS. GOLD CORP. LTD.
 DAWSON, Y.T.

Upper Sulphur
Original and Revised
Dredge Limits

DRAWN W.H.S.M.C.F. 1" = 200'
 TRACED P.S.C.
 DATE June 21-55
 CHECKED _____

THE YUKON CONSOLIDATED GOLD CORPORATION, LIMITED

DAWSON, Y. T.
CANADA

MEMORANDUM

September 8th, 1958.

From: P. M. Kavanagh

To: Mr. A. M. Nordale

1958 DRILLING PROGRAM, MIDDLE DOMINION CREEK

On August 12, 1958 the drilling equipment was moved to Middle Dominion Creek to test for a possible continuation of the relatively encouraging ground indicated in several of the last holes previously drilled on Middle Dominion Creek, ie. Holes No. 2, 3, and 7, Claim 180 Below Lower Discovery (see attached plan). Eight holes were drilled during the period August 14 - 28. Although further drilling had been planned, the program was stopped in order that the foreman could carry out a sampling investigation of a placer prospect in southeastern British Columbia in September.

A summary of the results obtained in the 8 holes is as follows: (also see attached plan)

	Hole No.	Depths				D.S.	Cents per cu. yd. D.S. (\$35.00 Au.)	D.S. Thawed or Frozen	Elevations		
		Total	Muck	Gravel	Bedrock				Surf.	Gr.	B.R.
Claim 181 Below Lower Discovery	4	29	20	3	6	9	14.9	F	778	758	755
	1	34	17	9	8	16	17.8	F	780	763	754
	5	34	17	6	11	16	34.3	F	780	763	757
Claim 183 Below Lower Discovery	10	30	18	9	3	10	32.5	F	776	758	749
	6	25	13	7	5	12	13.2	F-T	776	763	756
	2	26	17	4	5	8	58.2	F	776	759	755
	3	30	18	-	abandoned because of badly caving ground						
	3A	32	18	12	2	13	5.6	F	779	761	749

The above data indicate that only 3 of the 8 holes, ie. Hole No. 5, Claim 181, and Holes No. 2 and 10, Claim 183, yielded encouraging results, and that there is little, if any, continuity among them, or with the encouraging holes previously drilled.

The attached plan shows the locations of holes planned to be drilled but which were not drilled. It can be seen that Hole No. 9,

Mr. A. M. Nordale

- 2 -

September 8th, 1958.

Claim 181 is needed to completely test the possibility of the encouraging ground in Claim 180 continuing downstream. However, Hole No. 9 would be very near the right limit rim and therefore, whatever encouraging section might occur in Claim 181 would be very narrow. The very low value obtained in Hole No. 3A in Claim 183 suggests that any encouraging section along the right limit in that claim would also be narrow.

It is doubtful whether any further drilling is warranted.

Paul M. Kavanagh
Paul M. Kavanagh,
Assistant Manager.

PMK:jek

c.c. - Mr. Nordale (4)

Att'd.

785¹⁴ ● 22-5-10.9°
760 x

783¹⁰ ● 16-11-15.5°
758 x

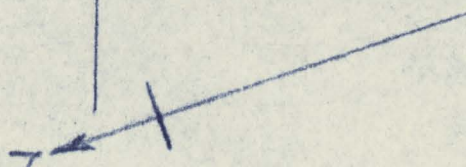
779⁶ ● 14-10-15.3°
757 x

781² ● 17-8-30.2°
759 x

782³ ● 15-8-26.0°
741 x

782⁷ ● 19-6-46.1°
760 x

785¹¹ ● 17-10-2.4°
759 x



778⁴ ● 20-9-8.8°
755 x

780¹ ● 17-16-10.5°
754 x

780⁵ ● 17-16-20.3°
757 x

783⁹ ○
x

776¹⁰ ● 18-10-19.2°
749 x

776⁶ ● 13-12-7.8°
756 x

776² ● 17-8-34.4°
755 x

779^{3A} ● 18-13-3.9°
749 x

7 ○
x

11 ○
x

773⁸ ○
x

773⁴ ○
x

774¹ ○ Base Line
x

778⁵ ○
x

Downstream →

- x Holes drilled in 1958
 - x Holes planned but not drilled in 1958
 - x Holes drilled previous to 1958
- Values @ 20.67 An. Pencil

Plan showing Drilling
on Middle Dominion
1958

Sept 5-58

1" = 200'

056.

Vancouver, 14th February, 1956.

Draft Circular to Shareholders.

To the Shareholders:

Dear Sir (or Madam),

1955 OPERATIONS.

In the 1955 season 5,319,022 cubic yards were dredged from which gold production of \$1,524,053.08 was realized from operation of 7 dredges, viz.: Nos. 4 (Bonanza Creek), 6 (Granville), 8 (Middle Sulphur), 9 (Upper Sulphur), 10 (Dominion Creek), 11 (Hunker Creek) and 12 (Dominion Benches). The hydraulic operation on Paradise Hill was continued and produced \$175,010.58. On August 27th the ladder hoist on Dredge No. 6 broke, raising the bow and sending the stern under water which entered through the hatches. The dredge sank in the pond. Work on refloating the dredge and repairing the damage to hull and machinery was well advanced by the end of the season and the boat should be ready to begin digging shortly after the opening of the 1956 season.

Stripping plants were operated at Nos. 6, 8, 9, 10, 11 and 12. Thawing was carried on at Nos. 8, 9 and 10. Stripping and thawing plants were closed down for the season by 23rd September and all dredges by 15th November (as compared with 2nd December in 1954). During the winter freeze-up all field operations are suspended and will not be resumed until next April or May.

The spring was cold and backward which affected dredging conditions in the early part of the season. From then on, however, the dredges had good digging. In the fall the power ditches froze over quickly so there was little interruption of power supply until the dredges were closed down by low temperatures.

Labour supply was adequate. The force reached a peak of 401 on May 14th, dropping to 363 by June 18th, to 349 by July 16th, to 331 by August 20th and to 325 by September 10th. Water supply for stripping was short in the first part of the season but improved from August onward and stripping costs were substantially lower than in 1954. Thawing conditions were good and costs were slightly lower than in 1954.

Stripped and thawed reserves increased by \$49,349 as shown by the following table:

		31st December, 1954		31st December, 1955.		Difference.	
		Cu. Yds.	Cost	Cu. yds.	Cost.	Cu. Yds.	Cost.
Stripped Reserves	-	12,817,907	\$1,418,662	13,344,817	\$1,474,090.	526,710	\$55,428.
Thawed Reserves	-	10,668,665	543,185	10,668,093	537,106.	572	6,079
			\$1,961,847		\$2,011,196.		\$49,349.

1955 PROVISIONAL RESULTS.

Provisional figures for 1955 (subject to audit) show that the company made a profit of \$_____ after providing for all charges except depreciation and amortization aggregating \$83,000, resulting in a net profit of \$_____ for the year. The figure of \$83,000 represents 10% of the undepreciated balance of \$831,995.18 as at 31st December, 1954. The comparable figures for 1954 showed a profit of \$394,571 against which was set depreciation of \$200,075 resulting in a net profit of \$194,496. By reason of the allowance for depreciation and of the "loss carry forward" provisions

of The Income Tax Act, no income taxes are payable in respect of either 1954 or 1955.

The above figures are exclusive of the amount receivable by the company under The Emergency Gold Mining Assistance Act. The estimated amount for 1955 is \$ but until the figures for the year have been audited and passed by representatives of the Treasury Department the precise amount of the payment cannot be stated. The amount received for 1954 operations was \$201,729.89.

A dividend of 6 cents a share amounting to \$357,111.66 was paid on 28th October, 1955, from the accumulated surplus as at 31st December, 1954. Liquid assets at the end of the year (exclusive of any amount receivable from Government aid) aggregated approximately \$2,000,000.

PROSPECTING.

An agreement was taken on property in the northwest section of British Columbia that was thought to have possibilities as a dredging proposition. A drill was sent up from Dawson and a sufficient number of holes were put down to show that the property did not contain workable values. The company released its rights under the agreement and withdrew its equipment.

UNION AGREEMENT.

Wage rates provided by the agreement made on 9th March, 1955, with The Dawson Miners Union, remain in effect for the 1956 season.

GRAVEL RESERVES - STRIPPING PROGRAM.

Stripped reserves at 31st December, 1955, stand at 13,444,617 cu. yds. with a cost of \$1,474,090, providing an average of 6½ seasons' dredging for Nos. 6, 8, 9, 10, 11 and 12. Because of increased costs it has become necessary, beginning with the 1956 season, to revise the stripping limits in the areas at Nos. 6, 8, 9 and 10 to permit of selective mining, including as far as possible only ground that will pay to strip, thaw and dredge under the prevailing scale of costs. These four areas have an average of over 6 dredging seasons stripped ahead of the present locations of the dredges. No change in the stripping program will be made at Nos. 11 and 12 where values are adequate unless costs go still higher. No stripping is required at No. 4 on Bonanza Creek.

Yardage in the portions of the areas that will not be stripped amounts to 15,055,100 with a total content of \$3,561,125. This yardage has been eliminated from the gravel reserves. Should, however, an improvement in the position come before the dredges approach too closely to the end of the present stripped areas (through an increase in the price of gold or a substantial increase in cost-aid) the yardage to be left unstripped and taken from the reserves, could be prepared, restored to the reserves and dredged.

Eureka and Gold Run Reserves. Yardage on Eureka Creek of 8,420,149 containing \$1,825,693 (gold at \$35.) has been dropped from the reserves, values being sub-marginal at present costs of production.

The Gold Run Creek yardage totalling 24,432,642 containing

\$7,292,778 has also been taken from the gravel reserves. The greater part of this yardage would pay to work if equipped, but the capital cost of a dredge, ditches, power lines, buildings, etc., is not justified under existing conditions. Titles to the Eureka and Gold Run claims will be maintained for the present.

After elimination of the yardage that will not be stripped in the areas at Nos. 6, 8, 9 and 10 and also the yardage on Eureka and Gold Run Creeks, proved gravel reserves as at 31st December, 1955, stand at 43,633,125 cu. yds. with an average value of 41.42 cents, containing \$18,072,291 (gold at \$35.). These figures do not include 21,536,994 yards in the area of No. 4 on Bonanza Creek, only partly proved. As no stripping is required in this area and parts of it are naturally thawed, no change in the operating program need be made at this time. The dredge will be continued in operation as long as it will pay. The margin, however, is small.

1956 OPERATIONS.

Dredges Nos. 4, 6 (subject to the remarks above) 8, 9, 10, 11 and 12 will be in operation, as will the hydraulic workings on Paradise Hill. All plans are contingent on labour being available.

BASE METALS.

The association between this company and The Consolidated Zinc Corporation of Canada Ltd., is being continued. The exploratory program of the Zinc Corporation in various sections of Canada will be on an increasing scale.

BY ORDER OF THE BOARD,

C. E. McLeod,
Secretary.

THE YUKON CONSOLIDATED GOLD CORPORATION LIMITED

Schedule No. 5

SUMMARY OF RESERVES - OPERATING AREAS - JANUARY 1, 1956

Area No.	RESERVES ON HAND JANUARY 1 - 1955			WRITE-OFFS TO OPERATIONS SEASON OF 1955			WITHDRAWN FROM RESERVES DURING 1955			RESERVES ON HAND JANUARY 1 - 1956		
	Cubic Yards	Value (Au. @ \$35)	Cents Per Cu. Yd.	Cubic Yards	Value (Au. @ \$35)	Cents Per Cu. Yd.	Cubic Yards	Value (Au. @ \$35)	Cents Per Cu. Yd.	Cubic Yards	Value (Au. @ \$35)	Cents Per Cu. Yd.
<u>Proved by Prospect Drilling Dredging Areas</u>												
6 Granville	14,448,301	\$ 4,278,826	29.62	443,068	\$ 87,762	19.81	5,381,813	\$ 1,314,760	24.43	8,623,420	\$ 2,876,304	33.35
8 Lower Sulphur	15,238,423	5,639,008	37.01	665,945	366,909	55.10	3,268,966	908,632	25.04	11,303,512	4,363,467	38.60
9 Upper Sulphur	6,367,539	2,080,912	32.68	516,335	146,290	28.33	1,642,757	334,491	20.36	4,208,447	1,400,131	38.03
10 Middle Dominion	9,742,643	2,888,003	29.64	413,476	169,753	41.06	4,761,564	993,242	20.86	4,567,603	1,725,008	37.77
11 Lower Hunker	5,756,477	2,872,934	49.91	678,797	401,488	59.15	-	-	-	5,077,680	2,471,446	48.67
12 Dominion Bench	3,727,465	3,255,070	87.33	124,373	117,964	94.85	-	-	-	3,603,092	3,137,106	87.07
Henderson	2,414,561	808,123	33.47	635,481	140,195	22.06	-	-	-	1,779,080	667,928	37.54
SUB-TOTAL	57,695,409	\$21,822,876	37.82	3,477,475	\$1,430,361	41.13	15,055,100	\$3,591,125	23.59	39,162,834	\$16,841,390	43.00
<u>Hydraulic Area</u>												
13 Paradise Hill	4,634,878	1,276,212	27.53	164,587	45,311	27.53	-	-	-	4,470,291	1,230,901	27.53
<u>Proved by Other Means Dredging Areas</u>												
4 Bonanza	23,901,296	3,039,859	12.72	2,064,302	262,579	12.72	-	-	-	21,836,994	2,777,280	12.72
TOTAL OPERATING AREAS	86,231,583	\$26,138,947	30.31	5,706,364	\$1,738,251	30.46	15,055,100	\$3,591,125	23.59	65,470,119	\$20,849,571	31.85

SUMMARY OF RESERVES - NON-OPERATING AREAS - JANUARY 1, 1956

<u>Proved by Prospect Drilling Dredging Areas</u>												
Eureka	8,420,149	\$ 1,825,693	21.68	-	-	-	8,420,149	\$1,825,693	21.68	-	-	-
Gold Run - Virgin	20,383,181	6,279,927	30.81	-	-	-	20,383,181	6,279,927	30.81	-	-	-
Tailings	4,049,461	1,012,851	25.00	-	-	-	4,049,461	1,012,851	25.00	-	-	-
TOTAL NON-OPERATING AREAS	32,852,791	\$ 9,118,471	27.76	-	-	-	32,852,791	\$9,118,471	27.76	-	-	-
GRAND TOTALS	119,084,374	\$35,257,418	29.61	5,706,364	\$1,738,251	30.46	47,907,891	\$12,669,596	26.45	65,470,119	\$20,849,571	31.85



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