

THE CONSOLIDATED ZINC CORPORATION OF CANADA LIMITED

SUITE 915-17

360, ST. JAMES STREET WEST

MONTREAL, 1.

CABLES AND TELEGRAMS:
CONZINCAN MONTREAL

TELEPHONE:
MARQUE 1870

VI.9-1103

19th September, 1957.

C. E. McLeod, Esq.,
The Yukon Consolidated Gold
Corporation Limited,
1919 Marine Building,
Vancouver 1, B.C.

Dear Charlie,

I have a letter dated August 26th from Arnold Nordale, a copy of which was sent to you, dealing with drilling done on Hunker Creek and Australia Hill this summer.

Without a much greater knowledge of the ground than I possess, it is not too easy to correlate correctly locations on the air photos supplied by Belcher which are on a scale approximately 1" to 3,000' and the plan enclosed with Arnold's letter at a scale of 1" to 500', and my initial comments are, therefore, qualified to this extent. Nevertheless, as far as I can see in testing the white channel deposits suggested by Belcher on the right limit of Hunker Creek it appears to me that drill holes one and two which found white channel but with a negligible gold content tested only the extreme southeast end of a projected deposit which extends some 6,000' to the northwest of this drill hole location. Although the initial drilling was encouraging, it would still appear as if the greater part of the deposit is untested.

Opposite the narrows at Claim 70, a note appears on the plan stating there is no white channel for approximately 4,000' from the base line of Hunker Creek, and in this connection I would also quote from an extract of a letter to you dated June 12th, connected with sited drill holes in the area:

"The first drill was located approximately 3,000' out from the Hunker base line and after the drill was set up, in digging the hole to start the casing it was found that bedrock was only a short way below the top soil, and on finding this we sank pits to confirm it. We then went out beyond towards the right limit a distance of 2,000' sinking pits at approximately 500 ft intervals and in each case found bedrock immediately below the top soil at a depth of 2 feet or less. Towards Hunker Creek rock is exposed in many places and there was no one single

evidence of gravel. Therefore the work in that particular area was concluded"

According to my rough calculations from the Belcher air photos, we would not expect to find white channel until some 5,000' distant from the narrows, and the only conclusion I can draw at the moment is that the white channel deposit in this area as mapped by Belcher has not been tested.

Once again, in making these comments I would emphasize that they are qualified by relatively rough calculations made from the maps available here, but I should be extremely interested to have Arnold's reactions after he has checked the matter again.

As regards the drilling to locate the galena found in the Hunker dredging opposite Hester Creek, I am a little unclear from Nordale's description as to what they expected to be found. When Haddon King recommended that we might try and find the source of the galena recovered on the dredge at Hunker, he had in mind that the dredge in making a shallow cut through the bedrock at this point might have cut across a mineralized zone or vein carrying galena below the gravels. If, as Arnold suggests, the galena is present in the gravels themselves as an alluvial deposit, this would of course be of no economic interest. I note that it was both King's and Beaton's feeling that in the first stage it might be worth doing some geological examination in this area to find out whether there were any structural indications which might act as a guide. Any drilling should be done with the object of trying to intersect mineralization in bedrock. As far as I can judge, the churn drilling done in the gravel has done little to prove or disprove the situation, and the location still demands geological examination which presumably could be one of the jobs to be taken on by Kavanagh when he joins the company.

I note that the cores above bedrock of the drill holes in this location were also sampled for gold, but I am unclear as to what these assays actually represent. As I understand it, the cores were panned and the resultant concentrates were assayed. I do not know what this would mean in relationship to the actual gold values in the gravels.

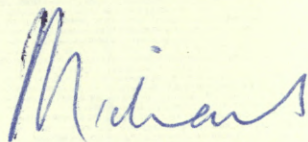
Arnold's suggestion for trenching on Australia Hill seems to be a reasonable one, if there is no great quantity of overburden above the white channel.

As you know, when King recommended the air photo interpretation work on the high level gravels, he had in mind trying to get as much data as possible available on their distribution and the general alluvial history of the area with a possibility that the work might guide us to further economic gold bearing gravels. I would say that the work carried out by Belcher would only represent a first preliminary stage in an investigation of this nature in the Klondike field as a whole, and would certainly warrant supplementary study by a geologist on the job. I think it is quite likely that, armed with the information that Belcher has produced together with all the background information Y.C.G.C. has at its disposal, Kavanagh should be able to proceed a good deal further than has ever been possible before with an understanding of the origin of the alluvial

deposits and their pattern of deposition. In view of the importance of the field and the fact that a regional study of this kind was last done, as far as I know, by McConnell at the beginning of the century, I would judge that the work would be well worth undertaking when we have a resident geologist. I would be most interested to hear your views also on this suggestion.

Kind regards,

Yours sincerely,

A handwritten signature in blue ink, appearing to read "M. F. Nicholson". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

M. F. Nicholson

MFN:N

c.c. W. A. Arbuckle, Esq.

The Yukon Consolidated Gold Corporation Limited

INTER-OFFICE CORRESPONDENCE

September 24th, 1957.

From: W. H. S. McFarland

To: C. E. McLeod

I have read Mr. Nicholson's letter to you of 19th September, 1957, regarding the drilling done this season on Hunker Creek and Australia Hill.

With reference to the drilling done in the channel on the Right Limit of Hunker Creek I have the following comments to make basing them on the drilling results and conversations with Nordale.

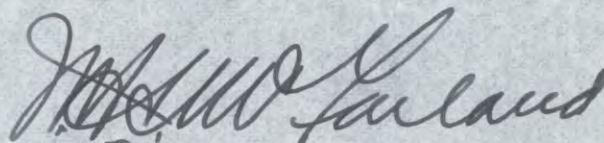
1. The most promising locations for testing were selected after a careful survey of the ground.
2. At no time were the drilling results found to be encouraging.
3. Numerous shafts and pits were found in the vicinity of Australia Hill and while there was some indication of fairly extensive work nothing of any consequence was ever produced.
4. Nordale considers that there is no chance of finding any areas that would yield profitable results.

In view of the foregoing it is my opinion that further expense for drilling is not justified and, if made, would be a waste of money.

If it is desired to use Mr. Kavanaugh in a study of the origin and pattern of deposition of the alluvial deposits that could be done but, from a practical point of view, it seems to me that his time could be better employed in a search for new deposits.

With reference to the drilling done on Hunker Creek, opposite Hester Creek, to test the gravels for argentiferous galena, it was only hoped to find areas of gravel that would justify their working for the base metal value. Drilling that might locate a lode would have to be spaced so closely as to be prohibitively expensive.

Yours truly,



THE YUKON CONSOLIDATED GOLD CORPORATION, LIMITED

DAWSON, Y. T.
CANADA

26th August, 1957.

N.F. Nicholson, Esq.,
c/o Consolidated Zinc Corporation Ltd.,
Suite 918,
360 St. James Street West,
Montreal, P.Q.

Dear Mr. Nicholson,

Enclosed are maps showing the locations of holes drilled on the benches on the right limit of Hunker Creek to disclose the possible existence of high level gold bearing channels, and also holes drilled adjacent to the dredge cut on the right limit opposite Hester Creek where some high grade galena had been recovered by the dredge.

Holes Nos. 1 and 2 were located a short way below 54 Pup on the top of a comparatively level terrace approximately 300 feet above the valley ground surface. There was no muck overburden in either hole and the gravel was definitely White Channel. Bedrock was reached at depths of 37 and 35 feet respectively, being black schist comparable to that found on Paradise Hill. Only a few very fine colours of gold were found, and their aggregate weight would not exceed a few milligrams giving no value to the drill holes.

Holes Nos. 3 to 6 inclusive were those drilled primarily in search of the source of the galena which had been recovered on the dredge. The panning was done with the object of saving concentrates which were later sent to G.S. Eldridge and Co. of Vancouver, B.C. for assay. The holes were located to be as near as possible to the spot where the dredge found the greatest amount of galena and outside the dredge cut proper because it was the belief of the Dredgemaster and others that the galena was contained in the gravels rather than in bedrock. Although the drill holes indicated the existence of some silver and lead, the quantity was very meagre.

The following is a statement prepared by Mr. Barrett showing pertinent information and assay values.

.....2

ASSAY NO.	D.H. No.	DAWSON, Y. T.		Oz. per Ton		PB. %
		LOCATION	SAMPLE	AU.	AG.	
801-3A	3	R.L. Hunker Creek & 650 feet below the fork of Hester road & 50 feet from dredge cut.	Panned Core. 1/250 of total core above bed-rock.	1.64	0.3	0.05
802-3B	3	Same as above.	1/300 of total core below bed-rock.	1.80	3.4	0.15
803-4A	4	R.L. Hunker Creek & in the fork of Hester road, 100 feet from the dredge cut.	1/350 of total core above bed-rock.	4.04	2.5	0.05
804-5AB	5	R.L. Hunker Creek & 250 feet above forks of Hester road and 225 feet from dredge cut.	1/350 of total core above and below bed-rock.	0.54	0.2	0.10
805-6AB	6	R.L. Hunker Creek & 550 feet below fork of Hester road and 75 feet from dredge cut.	1/270 of total core above and below bed-rock.	0.28	0.1	0.05

The drill was moved to the top of the right limit bench opposite the narrows at Claim 70. When ready to start drilling, it was found that bedrock existed immediately below the moss covering and drilling there was abandoned. A series of test pits at 500 foot intervals were dug normal to the Hunker base line. They all showed no gravel and that the bedrock was black schist similar to that on Paradise Hill with numerous quartz seams interlacing it. There was a definite change in bedrock formation at approximately 1000 feet from the base line and extending to the narrows. It was a very hard material with numerous large angular exposures.

The drill was then moved to Australia Hill; the first hole being drilled in the upper reaches of Hattie Gulch. Bedrock was struck at 8 feet and the value of the hole showed only a trace of gold.

The drill was next moved to the top of the bench where Hole No. 8 was drilled to a depth of 164 feet; bedrock being found at 161 feet. Here too, there were a few very fine colours of gold with

the value of the hole being only a trace. Difficulty developed in pulling the casing and drilling on Australia Hill was temporarily if not permanently abandoned until our drill crew has more experience.

When walking along the slopes and over the top of Australia Hill, one is surprised to see the number of pits and shafts that have been sunk there; some even to the extent that they could be considered small mining operations. It would also appear that knowledge as to the possibility of existence of gold in economic quantity could be obtained more cheaply and possibly more dependably by numerous bulldozer excavations along the bedrock rim than by sinking few and costly drill holes from the top. I would suggest that when the Paradise Hill Hydraulic operation is concluded for this season and the bulldozer used there is made available, that two or three days be spent on trenching on Australia Hill at the bedrock horizon projected from Dago Hill.

With kindest personal regards,

Yours very truly,

THE YUKON CONSOLIDATED GOLD CORPORATION, LIMITED,

BY:

A.M.N.

A.M. Nordale,
Resident Manager.

AMN:G
cc: C.E. McL.

COPY OF LETTER

THE CONSOLIDATED ZINC CORPORATION OF CANADA LIMITED

SUITE 915-17

360, ST. JAMES STREET WEST

MONTREAL, 1.

CABLES AND TELEGRAMS:
CONZINCAN MONTREAL

TELEPHONE:
MARQUETTE 1870 1103

24th June 1957.

C. E. McLeod, Esq.,
The Yukon Consolidated Gold Corporation Limited,
1919 Marine Building,
Vancouver, B.C.

Dear Charlie:

Re: Leases on Right Limit of Hunker Creek

I have a copy of your letter of June 17th to Bill Arbuckle, which includes reference to the drilling on the right limit of Hunker Creek.

It would seem that the results have quickly disproved the presence of any extent of gold-bearing White Channel and amply bear out Warren's original opinion that these values are for the most part confined to the left limit of Hunker.

The only suggestion I would make in this case is that it might be informative if Arnold could arrange to have a plan drawn up showing the exact location of the drill holes and test pits - giving the depth and type of gravel encountered in each. In order to reconcile the plan closely with the air photo interpretation, it would be worth while to etch out on the plan the boundaries of the terrace remnants shown by Belcher and the margins of old river channel indicated by them. I would then arrange to send this plan to Belcher and ask them, free of charge, to reconcile the results with their previous interpretation. It would look as if, by and large, their interpretation was wrong, and there may be a reason for it which might be useful to us in looking at any of the other areas on these air photographs.

With regard to the drilling opposite Hester Creek for the purpose of picking up the high grade galena discards from the dredge, the only suggestion I would make is that should the drill go into bedrock it would be worth while keeping small samples of the bedrock sludge for geological purposes. I have no doubt that Arnold already has this in mind but I thought there would be no harm in mentioning it.

Yours sincerely,



M. F. Nicholson

MFN/F



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 Drilling on Hunker, various reports, various
RG _____ MG 28 R- _____ SERIES/SÉRIE III 43
ACCESSION _____ VOL 37 PAGE(S) 8
BOX/BOÎTE _____ REEL/BOBINE _____
FILE/DOSSIER EXPLORATION YUKON-HUNKER HIGH LEVEL GRAVELS (PT. 4) 1957-1959
DATE JANUARY 2016