

PLACER GOLD EVALUATION REPORT

Ladue River in the Yukon Territory

Prospecting Leases

PL3655 - PL3656 - PL3657 - PL3658
PL3925 - PL3926 - PL3927 - PL3928
PL3929 - PL3930 - PL3931 - PL3932
and PL3933

and

Matson Creek in the Yukon Territory

Prospecting Leases

Gold #1 - A. Mongeon, Gold #2 -
J. C. Edgar and Gold #3 - A. T. Savage
Dawson Mining District, Yukon Territory

N.T.S. Sheets
115-N-2, 7, 9, 10 and 15

for

RUSKIN DEVELOPMENTS LTD.,
Vancouver, B.C.

by

R. G. HILKER, P.Eng.,
Whitehorse, Yukon Territory

11 July 1977

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Scale 1 inch = 4 miles.
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Scale 1:250,000
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INTRODUCTION

GENERAL

During the period 1971 to the present, considerable interest has been revived in the Klondike and Sixty Mile Yukon Territory placer gold fields due to the increase in the price of gold. Several of the creeks in the Dawson area are being re-prospected for the purpose of renewing gold placer mining operations. A few of the mining operations are small and considered to be "sniping" clean-ups on the sides of creeks where dredging operations have been carried out in the past. On Hunker Creek, on bench claims of the White Channel gravels, a large-scale hydraulic monitoring operation started in June of 1973 for recovery of gold at approximately \$1.00/cubic yard in an estimated 10 million cubic yard reserve. Several sluicing operations are being worked by independent miners by removing muck and pushing gravels by crawler-type tractors into metal sluice boxes. The sluicing operations are located on Bonanza, Eldorado, Hunker, Dominion, Sulphur, Quartz and Eureka Creeks, Sixty Mile, Miller, Glacier, Big Gold, Little Gold, California, Ten Mile and Moosehorn Range and the gulches, tributaries and pups which drain into those areas.

The method of transporting gold-bearing material in a creek bed or bench deposit has changed considerably during the period 1882 to 1950. Since 1950, large-size crawler-type diesel tractors have been developed by advanced technology and have therefore permitted large volumes of material to be moved mechanically. In the early years (1886-1930) in the Klondike and Sixty Mile gold fields, the main method of placer mining was by hand, hydraulic monitoring and dredging operations. This method moved gold-bearing gravels through a sluice box to recover the high-density raw gold. In addition, it was necessary to thaw frozen muck and gravel material by hydraulic methods or mechanical and costly steam points or water circulation methods. However, it is presently possible to move large volumes of gold-bearing creek material by using huge D8 and D9 Caterpillar crawler tractors, motor scrapers or by front-end loaders. The crawler-type tractor can be equipped with "rippers" to break permafrost material and expose frozen muck and gravel to the warm atmosphere and sun and so accelerate thawing conditions.

The Sixty Mile gold field is currently extremely active in several areas; the

following companies are conducting substantial placer mining operations:

- (1) Cogasa - this company is working on the Sixty Mile River in the Glacier Creek area. The company is reported to be moving large quantities of gold-bearing gravels in a sluicing operation using nine D9-type crawler tractors and nine scraper-earth movers.
- (2) Oakbay Manor Ten Mile Mining Ltd. - this company is very successfully producing raw gold on Ten Mile Creek. The confluence of Ten Mile Creek and the Yukon River is located on the right limit of the Yukon River, opposite the historical 1886 site of Ogilvie.
- (3) Claymore Resources - this company is placer mining on an unnamed creek which flows into the Ladue River and is located on the eastern drainage system of the Moosehorn Range.
- (4) Yukon ESKCO - a group of American investors have been active during the past three years conducting placer exploration on the Ladue River and North Ladue River.
- (5) Matson Creek has been staked with Placer Prospecting Leases for the past few years. One placer miner, Mr. Gerry Malony, who is now deceased, constructed a tractor road to within four miles of Matson Creek during 1975 and the summer of 1976.

Placer mining ground can be staked in the Yukon in two ways: the first is by staking a placer creek claim 500 feet in length down the centre base line of a creek, with a throw 1,000 feet to either side; the alternative is by staking a Yukon Placer Creek Mining Lease ^{prospecting} which is a minimum of one mile and a maximum of five miles in length along the centre base line, with a throw of 1,000 feet to either side. Placer Bench Claims can also be staked on the sides of creeks and to the right or left limit on a river system.

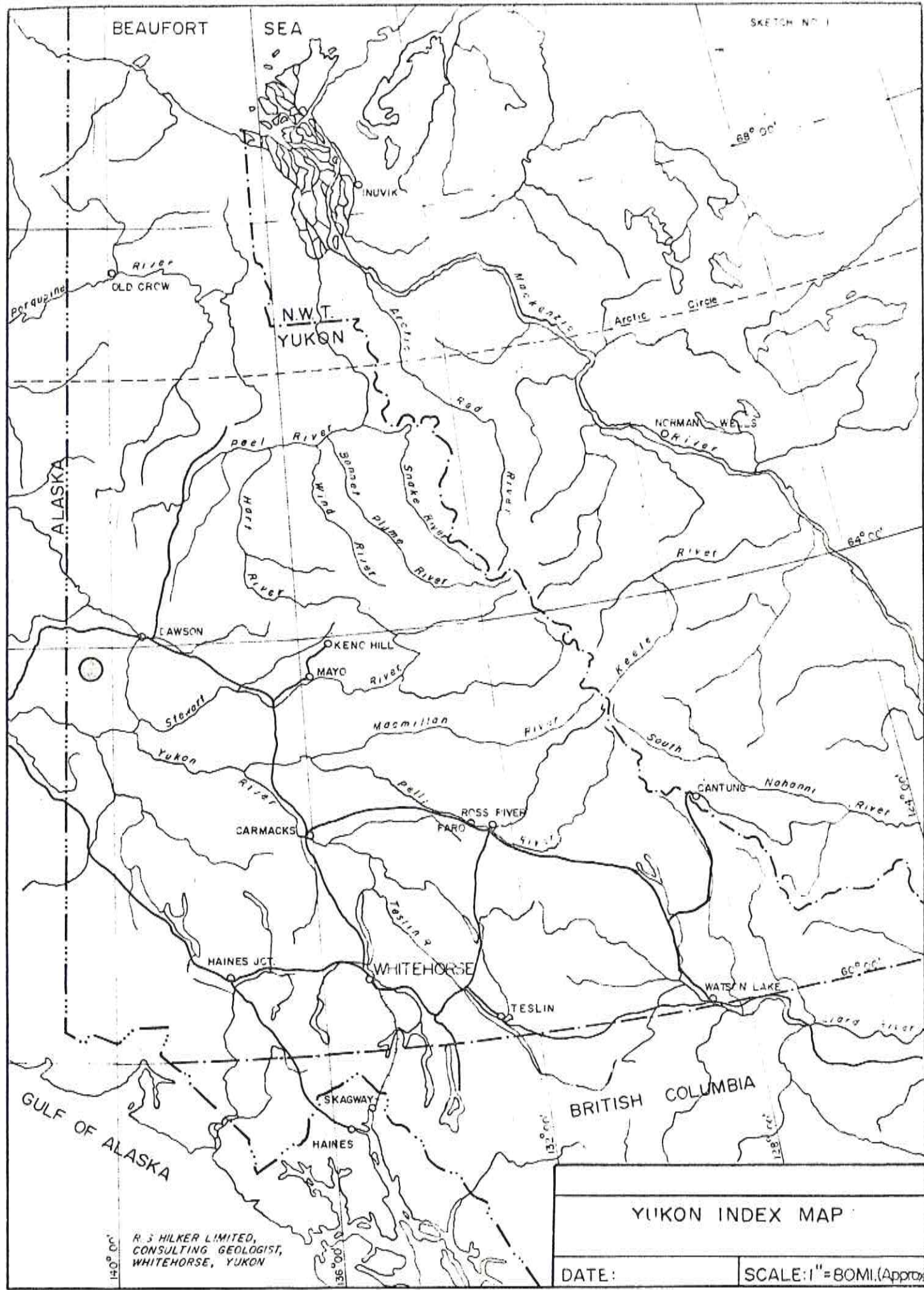
Messrs. J. C. Edgar and A. T. Savage retained the writer on July 6th, 7th and 8th to assist in staking the Gold #1, Gold #2 and Gold #3 creek placer prospecting

leases on Matson Creek in the Sixty Mile gold field.

Mr. A. T. Savage requested and authorized the geological consulting firm of R. G. Hilker Limited to prepare a placer evaluation report on 13 placer prospecting leases on the Ladue River and 3 placer prospecting leases on Matson Creek. The evaluation report was prepared in the company name of Ruskin Developments Ltd., #202, 900 West Pender Street, Vancouver, British Columbia.

The writer assisted in staking and recording the Matson Creek Placer Prospecting Leases and visited the property on July 6th.

A reconnaissance flight, using a rotary blade aircraft, was made over the North Ladue River and a churn drill, located on PL 3932, was inspected.



BEAUFORT

SEA

N.W.T.
YUKON

ALASKA

BRITISH COLUMBIA

GULF OF ALASKA

YUKON INDEX MAP

DATE:

SCALE: 1" = 80 MI. (Approx)

R. S. HILKER LIMITED,
CONSULTING GEOLOGIST,
WHITEHORSE, YUKON

DISCOVERY OF THE KLONDIKE GOLD DEPOSITS

The Klondike gold discoveries created a "stampede" of prospectors and novices in 1898 from areas throughout the world. The lure of gold fired the imaginations of humble and common men and women, as also it inspired the poet Robert Service. The history of those early days have been recorded in books, ballads and poems and have been inscribed in the memories of the men and women who were part of the great Klondike Gold Rush. Incredible ingenuity to overcome hardships was demonstrated by the placer miners, who travelled great distances in search for the gold in the Klondike area. The following is the recorded sequence of events which occurred that caused the Klondike Gold Rush and stampede:

"In the summer of 1882, twelve miners crossed the Dyea Pass and spent the winter at Fort Reliance. One of these miners was Joe Ladue, who later became identified with the development of the territory and who subsequently occupied the trading post at Ogilvie. In 1886, about 100 miners were rocking bars along the Stewart River, the average "find" per man for the season, according to Mr. Ladue, being about \$100 per day. In the autumn of 1886 coarse gold was discovered in the Forty Mile River and, as soon as the news of this discovery reached the Stewart, the usual stampede occurred. In this year, the number of miners in the Yukon basin may be stated at 250, there being 200 on the Forty Mile and about 50 on the Stewart Rivers.

"In 1894 Robert Henderson of Nova Scotia, and a small party, arrived in the territory; they prospected along the bars of the upper Yukon River and rocked out \$54 in fine gold at the mouth of the Pelly. When they reached the trading post at Ogilvie, Joe Ladue contributed the latest information respecting the strikes or discoveries which had been made. As a result of this information and after a short stay at Ogilvie, Henderson started for the Indian River. He prospected along this stream to the mouth of what is now known as Quartz Creek, up which he proceeded to the divide on Hunker. No large prospects were found and Henderson returned to Ogilvie for provisions. During the following year, Henderson prospected on various creeks in the watershed of the Indian River; after cleaning up about \$600 for the season on Quartz Creek, he crossed the divide to Gold Bottom where he found a two cent prospect.

"During the summer of 1896, Henderson made a trip to Ladue's post at Ogilvie for supplies. The water in Indian River was low and he knew that it would be almost impossible to proceed up that stream; he came to the conclusion that Gold Bottom flowed into a tributary of the Yukon some distance below Ogilvie so he proceeded down the Yukon to its confluence with the Tron Deg (which is the Indian name for the Klondike) where he found George W. Carmack and two Indians, "Skookum Jim" and "Tagish Charlie", who were fishing for salmon. In accordance with the usual custom, Henderson announced the discovery he had made and invited Carmack to stake on Gold Bottom. A short time afterwards, Carmack and the two Indians proceeded to Gold Bottom and staked claims near to where Henderson and his party

were working. Henderson states that he advised Carmack and the Indians to cross the divide and prospect in the gravels of what is now known as Bonanza Creek. He asked Carmack to advise him, by sending back an Indian, if good prospects were discovered.

"As a result of this trip, rich prospects were discovered on Discovery Claim which Carmack staked as well as No. 1 below. "Tagish Charlie staked No. 2 below and "Skookum Jim" staked No. 1 above. Carmack and the Indians at once proceeded to Forty Mile and filed their applications with the Recorder for the district. Up to this time, the majority of the miners in the territory had been working on Forty Mile, but as soon as the discovery on Bonanza became known all the miners in the Forty Mile district stampeded to the new strike and in a short time Bonanza Creek was staked from end to end. Meantime, Henderson and his party were working on Gold Bottom and did not hear of the new strike until all the creek had been staked. Extensive prospecting at once commenced at Bonanza and in a few months the remarkable wealth contained in the gravels of Bonanza and Eldorado Creeks was revealed.

"As soon as the news of the rich strike reached the outside world, thousands of gold seekers immediately started out for the Klondike. Probably never before in the history of gold mining camps has there been such a rush of people from almost every country in the world and of almost every vocation in life as was seen in that irresistible stream of fortune-seekers who climbed the Chilkoot Pass and pressed on to Lake Lindeman, where the most primitive boats and other flimsy craft were hastily constructed for the journey of 500 miles down the Yukon River to Dawson."

HISTORY OF SIXTY MILE AND LADUE RIVER AREA GOLD DEPOSITS

The existence of gold on the Yukon River has been known since 1869 at least. The first gold prospectors entered the country in 1878, according to Dawson, and in 1873 as reported by Goodrich. Sand-bar placer mining was carried out on the Big Salmon in 1881 and discoveries of gold productive bars on the Lewes, Pelly and Stewart Rivers soon followed. The Stewart River proved the most productive and in 1885 and 1886 was actively worked. The first discovery of coarse gold was made in 1886 on the Forty Mile River; however, the greatest part of the gold field was located in the Alaska Territory. Further discoveries extended the producing area to the drainage streams flowing into the Sixty Mile River in the Yukon Territory. The Sixty Mile River drainage system was the chief producer of placer gold until the discovery of the rich creeks in the Klondike district in 1896.

In 1892 the Forty Mile gold field was extended to tributaries of the Sixty Mile River; a Mr. C. Miller received credit for the discovery. Miller Creek flows into the Sixty Mile River a few miles south of the old Sixty Mile site and the Glacier Creek post office site.

The first organized mining on Miller Creek was conducted during the summer of 1892 and \$6,000.00 worth of gold was recovered. The approximate price of placer gold in 1892 was \$17.00 per ounce and refined gold was \$20.67 per ounce. Therefore, about 353 ounces of placer gold were recovered after the discovery claim was first recorded on Miller Creek. During the summer of 1892, gold discoveries were made on Glacier and Big Gold Creeks. The three creeks accounted for the main gold production until 1896 when interest was shifted from the Sixty Mile area to the Klondike.

In the winter of 1912, a dredge was installed on Miller Creek by the Northern American Transportation and Trading Company. The dredge was steam-operated and of the Ridsen type, with an open bucket line and a bucket capacity of 5 1/3 cubic feet. In 1915 the dredge produced about 13,000 ounces and in 1916 about 8,900 ounces of gold. The dredge was closed down for over ten years, probably due to the First World War, 1914-1918, and was put back into operation by the Holbrook Dredging

Company in 1929. The Holbrook Dredging Company continued operations with the steam dredge in 1930, 1931, 1932 and 1933 on Miller Creek. No production figures are available for the four-year dredging operation. In 1934 the dredge operation reported 5,817.80 ounces of crude gold and in 1935 a total of 3,700.95 ounces of crude gold were recovered.

The following data concerning the 1934 and 1935 dredging operation is from Memoir 193 - Mining Industry of Yukon, 1935:

<u>Year</u>	<u>yd³ Dug</u>	<u>Oz Crude Gold</u>	<u>Calculated Yield</u>
1934	207,216	5,817.80	.028 oz/yd ³
1935	172,347	3,700.95	.021 oz/yd ³

In 1936 the Miller Creek dredge reported to have dug 54,276 cubic yards for the season due to a lack of thawed ground.

In 1937 the steam dredge on Miller Creek was converted to diesel power and it was reported to be more efficient and making good gold recoveries.

The Holbrook Dredging Company continued to operate in the Sixty Mile valley in 1938.

In 1939 and 1940 the Holbrooke Dredging Company was under receivership but continued to operate on the Miller Creek side of the Sixty Mile valley and between claims No. 2 and No. 3 above Discovery.

<u>Year</u>	<u>yd³ Dug</u>	<u>Oz Crude Gold</u>	<u>Value</u>	<u>Calculated Yield</u>	<u>Value/yd³</u>	<u>Gold Price</u>
1939	225,439	3,024.54	\$83,412.62	0.0134 oz/yd ³	\$0.369	\$36.14/oz
1940	270,000	2,886.70	\$83,422.59	0.0107 oz/yd ³	\$0.309	\$38.50/oz

During the period 1929 to 1940, various prospect drilling was conducted on the Sixty Mile River and Miller Creek. Small sluicing operations were conducted by individual miners and reported on Miller, Glacier and Big Gold Creeks and on the Sixty Mile River.

During the 1933 season, a few individual miners were reported to be working on Matson Creek.

Very little placer mining occurred on the Sixty Mile River gold field during the period 1941 through 1971. Interest in the Sixty Mile area was re-stimulated by Mr. Bill Hakanson when the price of gold increased in value in 1972. Prospecting leases were staked on the main Sixty Mile River gold field and active placer mining started near Miller Creek by Cogasa and on the Ten Mile Creek by J. C. Edgar, opposite the site of Ogilvie.

The Ladue River and the North Ladue River drainage is located on the west side of the Sixty Mile area and is situated nearly parallel to the Alaska boundary.

HISTORY OF MATSON CREEK

Matson Creek forms what is referred to as the South Fork of the Sixty Mile River and contains a watershed comparable to the river above the forks. The headwaters of Matson Creek reach the divide near the North Fork of the North Ladue River and flow in a northeasterly direction to the Sixty Mile River (see Plan #2). The creek is gently-sloping, within a wide valley, and is over 30 miles in length. The Discovery Claim was staked in 1911 and was therefore referred to as "being discovered in 1911". The Discovery Claim is situated towards the head of the Matson Creek and at the foot of Weide Gulch. Matson Creek rises from the confluence of the Sixty Mile River to within 10 miles of the Alaska border.

Matson Creek and all its drainage tributaries were staked from end to end in 1911. Weide Gulch is located about 5 miles above the forks in Matson and Marion Creek.

Gold values were reported by W. E. Cockfield in 1917 to be \$0.18 and \$1.00 per square foot of both coarse and fine gold.

Placer claims located near Weide Gulch were worked by Mr. J. Matson who lived on the creek and placer-mined from about 1911 until 1942. The creek was named for Mr. Matson, who also had the distinction of having married the famous "Klondike Kate" of Dawson City fame. Mr. Matson died in 1942 and the sudden cause of his death is still shrouded in mystery, although there are numerous rumours as to the reason for his decease.

Placer prospecting leases were staked on Matson Creek in 1951 and located about 5 miles upstream from the confluence of the Sixty Mile River.

In recent years, Placer Prospecting Leases have been staked on Matson Creek. Mr. Gerry Malone (now deceased) started to build a tractor road from Glacier Creek site to Matson Creek in 1975 and the summer of 1976. The road was never completed and is about 4 miles north of Matson Creek; however, the route of the road is not suitable for tractor-train travel.