

Seattle, Wash.
Fall of 1922.

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*2nd attempt of
Pendleton Corporation
several thousands of dollars
squandered in junk stock
nothing accomplished due to mis-
management. wages incurred
representations made to
Over \$27,000.00
not paid*

REPORT ON HOLDINGS

OF THE

PENDLETON GOLD MINING CORPORATION.

The Pendleton Gold Mining Corporation's holding consists of a lease of approximately sixty-five (65) acres of placer ground, said lease having been issued by the Minister of Mines of the Province of British Columbia, Canada, and is known as the Agnes Placer Lease No. 69, and is located on McDame Creek, Liard Division of the Cassiar Mining District, British Columbia, Canada.

McDame Creek is not a newly discovered bonanza. The first time the name of the creek appeared in the mining news of the Northwest was more than a quarter of a century ago. A party of colored prospectors came from the McKenzie River up the Liard to the Dease River, then up the Dease to McDames Creek. More than fifty claims were staked and good pay found. The benches were fairly easy to work and prospectors have taken hundreds of thousands of dollars out of the benches and surface workings. But in the valley below the canyon, where the property of the Pendleton Corporation lies, it was another story; here they encountered the difficulties of the deeper ground and would become discouraged when a freshet swept away their crude dams and pumps, this, with the news of a discovery of rich ground that could be more easily worked and was better suited to the simple methods would draw them away. The Dawson rush of 1898 depopulated the creek; it was deserted for the Klondike, except for some Chinese snipers.

The Canyon cuts mostly through solid rock. Below, the valley widens out and the creek wanders slowly through it, with but a slight drop. The floor from hills to hills on either side is almost level.

The old time prospectors knew there was gold in the valley, millions, but they couldn't get it out with their crude methods. Making use of wing dams and Chinese wheels and pumps, they did little surface work. They would put in a wing dam in the spring, build a wheel and begin operation about the middle of June; the first freshet would wipe out all their work and most of them would become discouraged and give up their creek claims and take up bench claims, maintaining that the creek could not be worked by the ordinary methods, because of the volume of water.

Several million dollars in placer gold were produced from this section in the early days from 1873, principally from Dease and thibert Creeks, emptying into Dease Lake, and McDame Creek, flowing into Dease River fifty-five miles below the lake. Numerous other small creeks yielded good returns for a short time. Official records show that the gold output from 1874 to 1887 totaled about Five Million (\$5,000,000.00) Dollars. In several places the gold was very rough and contained in quartz, suggesting possibilities of rich gold viens.

The biggest nugget ever found in British Columbia was taken from McDame Creek in 1877. This nugget was valued at \$1300.00 and it beat the \$800.00 record which had been established by Dease Creek two years before.

The sudden and gradual subsidence of gold production during the period is shown by the tabulation below:

<u>Year</u>	<u>Dease</u>	<u>Thibert</u>	<u>McDame</u>	<u>Various</u>	<u>Total</u>
1874	\$400,000.	\$400,000.	\$200,000.	\$-----	\$1,000,000.00
1875	350,000.	150,000.	300,000.	30,000.	830,000.00
1876	160,300.	139,700.	163,700.	--,----	463,700.00
1877	81,300.	173,700.	144,800.	--,----	399,800.00
1878	62,800.	65,600.	101,300.	290,000.	519,700.00
1879	56,000.	71,000.	113,200.	165,000.	405,200.00
1880	60,900.	57,900.	120,000.	60,000.	298,800.00
1881	37,500.	29,900.	95,000.	36,500.	198,900.00
1882	29,000.	39,000.	70,500.	43,700.	182,800.00
1883	14,000.	29,000.	65,000.	11,000.	119,000.00
1884	10,000.	30,000.	49,100.	12,500.	101,600.00
1885	12,400.	12,600.	16,500.	9,200.	50,700.00
1886	21,500.	14,200.	20,600.	7,400.	63,700.00
1887	18,400.	10,000.	22,800.	4,000.	55,200.00
1888	13,600.	6,700.	19,000.	4,000.	43,300.00
1889	11,200.	10,800.	28,400.	4,500.	54,900.00
1890	12,000.	10,000.	18,000.	4,000.	44,000.00
1891	12,000.	10,000.	13,000.	5,000.	40,000.00
1892	8,700.	6,500.	8,500.	5,300.	29,000.00
1893	6,500.	4,400.	8,800.	3,200.	22,900.00
1894	8,300.	4,000.	9,700.	700.	22,700.00
1895	8,500.	4,000.	9,600.	500.	22,600.00

\$1,394,900. \$1,279,600. \$1,597,500. \$696,500. \$4,968,500.00

These figures have been taken from the annual reports of the Gold Commissioners which appear in the published reports of the Minister of Mines. It should be remembered that gold in its raw, uncoined state is always the medium of exchange throughout placer diggings. Wages are paid with it, balances with the trader are settled with it and it is squandered over the bar. It is impossible to get accurate figures therefore. Some of the amounts in the table must be far ^tbelow. It is safe to say they are all to low, perhaps from ten to fifty percent.

During the past centuries, millions of cubic yards of sand and gravel have been washed into the valley from the surrounding hills and benches, and with it the gold that they contained and the valley is a veritable treasure chest of nature. On the surface

is from twelve to fourteen feet of gravel and sand, carrying small gold values; immediately beneath is the red or ruby sand carrying from \$5.00 to \$35.00 per cubic yard in course gold and nuggets, some ten to fifteen feet below that is bedrock. The ground is all thawed; there is no overburden to handle as the gold bearing gravel is to be found from the grass roots and there is no clay or heavy sediment to contend with; no boulders have been encountered that two men cannot handle. The gold appears to be evenly distributed over the creek from rim to rim with the greatest concentration in the red or brown sand, called by some of the miners and prospectors, ruby sand, as it somewhat resembles the Nome ruby sand, and, it is only natural to suppose that the greatest values will be found in bedrock. The gold is course, rough and easily saved.

A few years ago, ten (10) men combined to sink a shaft to bedrock, they installed a China pump, which took six (6) men to operate and the other four (4) men digging below the water line. The ground caved in as fast as they could dig it out; so, after a months work, they were only down fourteen (14) feet but they took out six thousand (6,000.00) Dollars in gold.

At another place on the ground now held by the Corporation a bunch of Chinamen combined and put in a wing-dam. Through not getting to bedrock behind this dam, they were taking out large quantities of course gold. This while only a surface showing and worked in a very crude maner, showed wonderful pay and makes one wonder what recovery could be made by putting in modern equipment, going to bedrock and handling a thousand or more cubic yards of sand and gravel per day.

At still another place on the Corporation's ground, a party of 22 Chinamen organized the Ah Sing Mining Company and sunk a pit measuring 40 feet by 20 feet on the surface. They reached a depth of 14 feet and with only 6 men shoveling in the bottom of the pit and in two feet of water, for five days, they recovered \$33,000. in course gold and nuggets. The spring freshets forced them out. The entire operations of this party were performed in 17 days.

The ground has been thoroughly prospected, over 200 holes have been put down, from 2 1/2 feet to 9 1/2 feet in depth, covering practically the entire lease, and gold was found from grass roots to such a depth as could be reached and values found in every hole, running from \$1.00 to \$3.50 per cubic yard; values according to depth.

The history of every gold mine follows the same cycle of events. First, comes the strike and the mad rush of fortune seekers, then the gradual but certain exhaustion of the pick and shovel diggings, to be followed in turn by dredging, operations requiring capital, machinery and application of business methods.

ROUTE. The Corporation's property is reached by traveling from Seattle, Washington to Wrangel, Alaska by steamer, a three days journey. From Wrangel up the Stikine River to Telegraph Creek a distance of 165 miles, by river boat, a two days journey. Thence by wagon Road to the head of Dease Lake, 72 miles, and here you enter to heart of Cassiar. From the head of Dease Lake to McDame Post on the Dease River, by scow, a distance of 90 miles. From McDame Post to the Corporation's property by road, a distance of 11 miles.

MINING FACILITIES:

WATER There is sufficient water at all times for either hydraulicing or dredging operations. A 700' flume will furnish water at sufficient height for all sluicing operations.

TIMBER Plenty of timber for saw logs and cabins on the property and immediate vicinity.

Fuel There is also plenty of wood for fuel available on the property.

FOOD Potatoes can be grown on the hill sides almost as prolifically as in the State of Washington. Lettuce, radishes, turnips and beets can be raised. Bleberries (same as Washington huckleberries) are to be found ingreat abundance; some wild currants; cranberries in unlimited quantities, red raspberries an and wild oats.

Meat can be obtained for the camp by keeping an Indian hunter, at about \$2.50 per day. The principal meat will be moose, which is just as good as beef, some caribou, and sheep on the higher ranges. The river abounds in fish; grayling, whitefish, pike and pickerel. There is enough of these provisions for an army of men and are all available for the outfit.

This territory also produces some of the largest brown and grizzly bears of the Northwest. Wild ducks and geese are to be found in great numbers.

EQUIPMENT

The equipment owned by the Corporation and on the property consists of; Saw Mill complete, Blacksmith shop, complete, 12 H. P. Engine, Pumps, Blocks, Small Tools, 100 Cords wood for Drag-line, cabins etc. Value \$25,000.00

METHOD OF WORKING

It is our intention to install a drag-line dredge, We find that a drag-line dredge for ground that is 25 feet to 30 feet to bedrock, presents a very cheap method of handling yardage. It is conservative to estimate that a drag-line with a 75 foot line and a one yard bucket will handle 1,000 yards of gravel every 24 hours (2) ten hour shifts, 3 men to the shift. We propose to work 24 hours per day, as the season is short.

This machine will raise the dirt 18 feet from the level of the surface and deposit it in the sluice box; 18 feet being sufficient height for all sluicing purposes. The drag-line sits on the surface of the ground and does its digging in the water; therefore, the water can do no harm. Another thing in favor of the drag-line is, that the bucket drops at the outer end of the boom pulling towards the machine until it is filled, then raising and dumping. This method is continuous; so you can see that the bucket repeatedly dragging over the bedrock, keeps the gold drawn into the bank of gravel ahead of the bucket. If any of the gold is dropped it lies in a convenient position for the next bucket to pick up. These facts are based upon two years operation of these machines where Mr. Fred W. Craig was foreman, and at that time it cost less than 6 cents per cubic yard to move the gravel.

The dragline dredge, which we will build for operation in our district, will be capable of handling dirt at less than 10 cents per cubic yard and will successfully operate to a depth of 30 feet. The wear and tear on a drag-line dredge is the minimum in moving gravel as one has only 75 feet of cable that comes in any-way in contact with the gravel, the other cable wearing indefinitely. That 75 feet of cable will hoist from 15,000 to 30,000 cubic yards of gravel before it wears out. The bucket (the first cost of which is \$1,250.00) is good for 200,000 cubic yards of gravel before it is worn out and then it can be repaired in our blacksmith shop on the ground. The general average of gravel per cubic yard on our lease is from \$1.00 to \$3.50 and with a movable sluicing rig and a drag-line dredge, you can readily see the possibilities of making big money even at 50 cents per cubic yard. The gold on our lease is very coarse and shotty, making a very good gold to save very easily by the sluicing method. From the general formation of the country and the geological reports, we think we will strike bedrock from twenty to thirty feet from the surface.

ESTIMATE YARDAGE, VALUE AND COST OF HANDLING:

65 Acres
Average Depth 28'
3,000,000 Cubic Yards
Cost per cubic yard to handle \$0.10
Average value per cubic yard \$2.00

GENERAL CONDITIONS

The snow does not begin to fall until between October 1st and the 15th and is but light, the heavier snows coming in February and March. The rainfall in Summer is light, coming during the month of July.

It will be possible for the Corporation to operate from 150 days to 180 days, during a season, once the equipment is installed. This season (1923) we feel confident we will have the equipment installed and be able to operate at least 90 days.

The Corporation will have a 40 horsepower tractor to haul the machinery and supplies from Telegraph Creek to Dease Lake and there Construct a scow at the head of the Lake to transport the machinery and equipment down the lake and river to McDame Post and from McDame Post to the Property with the Tractor. The Tractor will also be used for logging purposes and in shifting the machinery.

THE PENDLETON GOLD MINING CORPORATION.

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(A WASHINGTON CORPORATION)

Trustees

H. C. Bradford, Seattle, Wash.
H. A. Kuehl, "
Fred W. Craig "
Steve Johnson "
G. W. Pendleton "

OFFICERS

Frederick Preeg, Pres.
H. A. Kuehl, Vice-PRES.
Frances Green, Sec.
H. A. Kuehl, Treas.
E. E. Shields, Counsel.

C. H. ...
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E. B. ...
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(V. ...)

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Property of R. G. Wilms
Tulsequah Bl.
Taku River.