

SUMMARY REPORT OF MINING INVESTIGATIONS IN THE GOODNEWS BAY DISTRICT TO THE COMMISSIONER OF MINES, JUNEAU, ALASKA and

ITINERARY OF J. C. ROEHM, ASSOCIATE ENGINEER, TERRITORIAL DEPARTMENT OF MINES, JULY 6 TO AUGUST 1, 1937.

July 6 to 9. En route to Anchorage via Seward. Harry Townsend and Mr. Cameron were on board the SS. Alaska en route to the Luckyshot Mine to investigate properties. Mr. Cameron later intends to examine the Peterson Bros. prospect in the Chisana district and the Rock Creek molybdenum property. Mr. Sticknee from San Francisco was en route to Unga Island to pump out, sample and make an examination of the Apollo Mine for San Francisco capital. Mr. Charlie Johnson of Yakutat reports a large deposit of gypsum 4 miles from the head of Enchantment Bay, 72 miles from Yakutat.

July 10 to 11. En route via Star Air Service to Platinum, Alaska, Goodnews Bay district. Approximately 200 whites comprise the population of the town and surrounding camps. The town has three well stocked trading stores; namely, Alaska Traders owned by Pete Wold, N. P. Hanson store owned by D. Strandberg, and Felder and Gale, Inc.. The Berg hotel has accommodations for 30 people, with beds and rooms, and serve regular meals. A coffee shop and laundry are maintained. There are also several frame cabins and several tents. There are about 40 natives camped in the town. The location of the town on the South Spit at the entrance of Goodnews Bay was so situated due to the existence of a low sand dune that elevates it slightly above the surrounding low flat country. This also serves as a landing field for wheel planes and the inside water of the bay serves as a landing for pontoon planes and for unloading barges at high tide. Freight rates vary from \$16 to \$22.50 per ton from Seattle on the large boats. The Fern and Tupper freight boats make monthly or bi-monthly trips and unload on barges outside the bay. Lighterage costs \$8 per ton. This makes a rate of a cent and a half per pound. The Alaska Steamship Latouche has made two trips this season and will be bringing the dredge for the Goodnews Bay Mining Company in August. The Northland Transportation Company's agent stated that the company may operate a boat in here if development warrants. The Star Air Service of Anchorage makes weekly trips with mail, freight and passengers. Also other planes occasionally make charter trips. The passenger fare from Anchorage is \$96, allowing 30 pounds of baggage. All additional goes under the regular freight rate of 48 cents per pound.

July 11 to 12. The operations of the Clara Creek Mining Company. This company is under the management of David Strandberg. This company is operating a dragline which started the 20th of June and started sluicing the 25th of June. The first clean-up was on this date of approximately 50,000 feet of bedrock. While in a platinum clean-up the amount of fine platinum minerals are not definitely known due to the

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amount of remaining black sands and platinum in black sand concentrates, the clean-up was estimated roughly between five and six hundred ounces. They are operating on Claim No. 3 above discovery with a cut 200 to 250 feet in width. The present operation is nearly to the head of Clara Creek. However, the pay is of a greater width on this claim than the claim below. Another season at this rate of operation will exhaust their ground on the creek bed and future operation will depend upon the pay on the benches. Mr. Strandberg stated that they are only saving 70 per cent of the values due to the fineness of the platinum, etc., by this method of recovery. An occasional platinum nugget is found and the largest last year was 1.4 ounces. The company operates three 8-hour shifts and employs 23 men and wages vary from \$7.50 to \$10 per day and board. Strandberg and Sons, Inc. have 18 claims under lease on lower Salmon River and 50 claims on the Arolic River. They are at present taking a drill inland from the north side of Goodnews Bay to Snow Gulch, a tributary of the Arolic.

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July 13 to 14. The Goodnews Bay Mining Company has 60 claims under lease on Squirrel, Platinum, Clara, Medicine, Quartz, Fox, Dowery creeks and Salmon River. At the present time they are operating two draglines on Platinum Creek. Squirrel Creek has been worked nearly to the head and operations were discontinued due to thinness of gravel and large boulders. However, good pay was reported as still remaining. Mr. Ed. Olson is manager and W. W. Spencer is engineer for the company. They employ 29 men and pay a minimum wage of \$7 and board. They maintain a short wave radio station and they have just completed a new aviation field. They started early in June and have had several clean-ups. No information was given as to the amounts recovered. They make a clean-up every 20,000 feet of bedrock. *KX 23.2*

The company has two drills in operation and have drilled nearly 700 holes. Lines of holes extend for two miles on Salmon River below the mouth of Platinum. Good dredge values were reported over most of the distance with lean values on the lower portion. The dredge pond has been dug and some of the dredge has been freighted and preparations for its construction are underway. Freight is hauled from Platinum with caterpillar along the beach to the mouth of Salmon and up the river to camp. A road has been surveyed by the Road Commission from Platinum via Clara Creek, but no development has started.

Other than the drilling of the Goodnews Bay Mining Company on Salmon and Platinum creeks herein is a list of the drilling activities in this district:

Most of the drilling activity has been confined to the low flat country that extends along the beach from Platinum to Red Mountain, and along the seaward side of Red Mountain. This has been the result of a discovery of platinum in one hole last fall on a group of 18 claims owned by Haraldsen, Wicklund, Brevik and Burness. This hole was drilled by hand to a depth of 38 feet and bedrock was reported. The location of the hole is midway between the base of Red Mountain and the present beach, a distance of approximately 4,000 feet. The platinum was reported as above No. 1 in size and comparatively of the same size. Fine platinum and abundance of black sand were lacking. A total of 152 milligrams was recovered for the hole. On the strength of this hole the owners purchased a power drill and this season started a hole 6 feet away from the discovery hole, drilled to a depth of 76 feet, found no bedrock and no platinum. Since they have drilled four more holes with the same negative results. It is now a popular belief among the owners and the other operators that this hole was salted by one of the owners who helped drill the hole last fall. KX 123-10

Strandberg and Sons, Inc. have the Swede Association leased which adjoins the above property on the north. They put down one hole less than 1,000 feet away and were the first to reach bedrock at a 110 foot depth. They found nothing, according to a statement from the panner himself and verified by Wm. Strandberg and only a small amount of black sand was found in the hole and on bedrock. A sample of this bedrock has been forwarded and appears to be of Red Mountain formation.

Shonbeck and Beaton drilled one hole located less than 300 feet from the beach and nearly three miles northwest of Red Mountain. They drilled to a depth of one hundred and twenty-feet or one hundred and one feet below high tide level and found no bedrock or platinum. They encountered what they termed glaciated beach gravels.

M. W. Roslund started drilling on a group of eight claims owned by himself and 2,000 feet from Red Mountain and north of discovery group. He was down only a few feet on date of visit in his first hole. He is beginning to get some platinum.

Walter Culver drilled four holes on the Hillside group on Seattle Creek for W. Johnson & Gale. These claims are one mile north of Discovery group and half a mile from the beach. All holes were drilled to below the present tide level and encountered no bedrock. I saw the black sand from these holes. There is an occasional gold color in them and possibly some platinum, as they have not been cleaned. The total amount was small and would not indicate any commercial platinum values. Mr. A. Deleray, in charge for W. W. Johnson and Gale interests, showed them and expressed that opinion. I have a skeleton log of these holes.

Shonbeck & Beaton have just drilled four holes on Happy Creek, the first tributary of Salmon River on the left limit up from the mouth. This would be approximately two miles from the beach. They found only a trace of gold. Also found the bedrock dipping away from the beach and discontinued due to no values and depth of bedrock over 100 feet. Have obtained a plat and logs of two of these holes.

July 15. At the request of W. J. Grohnert of Anchorage, I visited a group of five claims bought by the above from Pete Brevik and located as bench claims on the left limit of Clara Creek adjoining the ground of the Clara Creek Mining Company. Some of the pits to bedrock were sampled and only low prospects were obtained. The lower two claims showed the best prospects which might have possibilities as a portion of dredging ground if it is ever attempted in this section.

July 16 to 26. On this date I flew into the central portion of the last section of interest known as the Slug River area. The interest has been mainly staking based upon five surface prospect discoveries of gold and black sand. Platinum was also reported and another Red Mountain was supposed to be located. No platinum was seen nor was any formation of ultra-basic intrusives similar to Red Mountain. However, not all of the section was covered, but the discoveries were visited. Two concentrations of black sand containing gold values have been discovered on the beach between Cape Pierce east to a point opposite Hagemester Island. These deposits are the result of wave concentration in wearing down high gravel banks leaving the black sands at the foot and plus wind action blowing the lighter sands away. By skimming the black sands on the surface, ten cent pans may be obtained. There are some short sections that could possibly be worked profitably with hand methods. These discoveries led to staking up the river and creeks with several surface gold prospects. Slug River and its tributaries drain most of the area between Chagvan Bay and Hagemester Strait. It has a length of 12 miles and empties into the long slough north of Cape Pierce. Since several hundred claims have been recently staked within this area, several days were spent scouting and roughly sketching the area. While to date no prospecting has been done on bedrock other than that done by myself on a few rims found and a few reports of others, this area is not definitely proven. Other conditions as studied show unsuitable and unfavorable results drawn from the following observations:

1. Area covered with outwash plain gravels.
2. Gravels deep in valleys and bedrock rims show only in a few places along the creeks other than heads.
3. Most of gravels are made up of foreign material as compared to showing outcrops.

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