PE-114-6

PRELIMINARY REPORT OF ALASKA GOLD DIGGER GROUP NO. 2,
KLAG BAY, WEST COAST CHICHAGOF ISLAND,
July 8, 1936.

Location:

The Alaska Gold Digger Group No. 2 consists of five individually named groups and two claims, totalling 67 individual claims. They extend from the west shore of Klag Bay across the long peninsula to Ogden Passage. They are bounded on the south and east by the claims formerly held by the Klag Bay Mining Company. The north boundary of the group is approximately one mile south of the town of Chichagof. The latter is near the head of Klag Bay on the west coast of Chichagof Island.

History and Claim Groups:

A small quartz vein containing visible gold was found 2600 feet back from the beach, elevation 600 feet, by Mike McKallick in 1934. This was followed by the staking of the Golden Slipper and Silver Slipper claims along the strike of the vein. Later five groups of claims were staked; namely, Leda Group Nos. 1 to 5, inclusive; Alaska Group Nos. 1 to 5, inclusive; Goldfield Group Nos. 1 to 10, inclusive; Gilmore Group Nos. 1 to 20, inclusive; King Bee Group Nos. 1 to 25, inclusive.

Development work has been mainly confined to the showings on the Golden Slipper claims. The small vein was sampled by F. A. Hill for the Chichagoff Mining Company during the summer of 1935. Since, these groups have been under option and the option was dropped following an examination. Several individuals of Juneau have been associated with McKallick in these groups. The number and extent of interests held by them is unknown. On the date of visit M. McKallick was engaged in assessment work on these groups.

Geology:

The graywacke and slate formation of which these groups are wholly inclosed is well described in Bull. 692, "Mineral Resources of Alaska, 1917" under title "Geology and Mineral Resources of the West Coast of Chichagof Island" by R. M. Overbeck, pp. 100-109, inclusive. This formation is classified as being of probable upper Jurassic age. The graywacke and slate formations in this region has been metamorphosed and somewhat altered. A series of parallel thrust fault zones, locally called shear zones, have developed. The strike of these zones is generally N. 40° W. with a steep dip to the west. The small vein which

outcrops on this property is inclosed in one of these fault zones. A small 4' greenish albite dike strikes southwest-northeast and is cut and displaced a few feet by the vein.

Showing and Development Work:

The quartz vein has been exposed by stripping and cuts for a distance of 200'. Its strike is N. 40° W. and dip 67° W. This fault vein can be traced for a distance of 700' over the top of the ridge northwest. The quartz has a width that varies from 2 inches to 10 inches. The greatest width of quartz is between the displacement of the dike on the vein. This small distance of approximately 12 feet contains angular pieces of dike cemented by quartz. A small amount of quartz is alongside the dike. Visible gold can be seen in several places along the vein. Most of the work has been confined to a tunnel approximately 80' below the surface showings. This tunnel is to date 75 feet in length with a 38-foot crosscut extending west. At a point 19 feet in the crosscut from the drift, a 4-inch gouge was cut. This may or may not be the vein above. However, it has the same strike and dip. It may be an individual shear of this zone. Sample No. 28 was taken across the 4 inches of gouge. A little crushed quartz and crushed graywacke made up the material. This sample gave 0.10 ounces of gold and 0.4 ounces of silver per ton. This gouge is the only showing thus far encountered in the tunnel that warranted sampling. Sample No. 27 was taken across the quartz vein on the surface at the intersection of the vein with the dike on the footwall. Its width is 8 inches and gave results of 0.04 ounces gold and 0.2 ounces silver per ton.

The mineralization consists of free gold sparsely scattered in the quartz, a sparse amount of pyrite. The gangue minerals are milky white quartz, pieces of greenish dike, and pieces of graywacke.

Prospecting in this region is rather difficult due to large amount of rainfall, dense growth of small timber and brush, thick mantle of moss and grass roots. Glacial material is scattered along the ridges and filled most of the low depressions. The formation is rather flat lying and with the exception of one mountain the remaining favorable graywacke and slate is only a few feet above sea level.

(8.3,11.4)
136°06'W
57°39'N

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PRELIMINARY REPORT SUPPLEMENTARY TO ALASKA GOLD DIGGER GROUP NO. 2,*AMERICAN GOLD COMPANY, CHICHAGOF ISLAND, ALASKA
October 24, 1937.

K-114-32

The Alaska Gold Digger Group No. 2 was revisited on the above date to obtain samples, widths, lengths of a new vein discovered in further development work of the past year, and further to check the present showings against the possibilities that might warrant the sale of stock in the recently formed corporation.

Holdings of American Gold Company:

The total number of claims held by this company is 67 individual claims or the total extremities of the Alaska Gold Digger Group No. 2, which consists of five individually named groups and two claims. Extremities are given under location, p. 1, op. cit.

The American Gold Company has a capitalization of one million dollars and one million shares. Mr. M. McKallick is president, J. Hermle, vice president, and J. Thibodeau, secretary. Very little stock has been sold to date.

The total work done on these holdings since its discovery in 1934 consists of 108 feet of drift and 46 feet of crosscut, stripping and several shallow rock cuts on the surface over an entire length of 300 feet, a trail cut from the beach, and a small bunk and cook house on the beach. Since the visit to this property on July 8, 1936, a total of 33 feet of drift and 8 feet of crosscut has been completed. However, with the 8 feet of crosscut another small quartz vein was discovered. This vein has an exposed length of over 30 feet and averages 4 inches in width. At the intersection of the crosscut and drift 4 inches of a white milky quartz shows free gold. This vein strikes N. 40° W. and dips 72° W. This vein is another small shear of a major shear zone that extends for great distance in the slate-graywacke formations cutting the schistosity at a low angle.

The accompanying sketch shows the three small veins in the underground workings which are on shears which show a few feet of displacement. This is evident by the 4-foot green dike that strikes nearly east-west and dips 80° south. This dike is cut into blocks and between the segments on the shears small quartz lenses occur. Some of these contain visible gold. Along the shears the slate is slightly folded and crumpled and contains small quartz veinlets. However, a sample taken across 4 feet at the face of No. 1 drift gave only a trace of gold. (note assay sheet). The No. 2 drift vein was sampled at

*Preliminary Report of Alaska Gold Digger Group No. 2, by J. C. Roehm.

5-foot intervals across the vein its entire length with values from a trace to $6.42 per ton gold and silver.

The No. 2 drift was not through the dike that occurs at the end (note sketch) on date of visit. Later reports were to the effect that a wider width of quartz was hit past this dike, and it was also reported as containing free gold. Surface assays will be noted in the above-mentioned report of last year. The mineralization of the vein in No. 2 drift is the same as that found on the surface vein and in No. 1 drift.

ASSAY SHEET TO ACCOMPANY SKETCH OF UNDERGROUND WORKINGS OF THE AMERICAN GOLD COMPANY, CHICHAGOF ISLAND

Sample No.	Location	Description	Width	Ounces per ton Gold	Ounces per ton Silver	Value per ton
310	No. 2 drift 24' N. of crosscut 6' back from face, top of drift.	Across vein--banded qtz. & gouge.	4"	0.02	Nil	$0.70
311	No. 2 drift 30' N. of crosscut.	Across mineralized dike--footwall.	4'	Nil	Nil	
312	No. 2 drift 19' N. of crosscut 11' back from face--bottom of drift.	Across vein--qtz. & gouge.	3"	0.06	0.22	2.20
313	No. 2 drift 14' N. of crosscut 16' back from face--top.	Across vein mixed qtz. & gouge.	4"	Trace	Nil	
314	No. 2 drift 9' N. of crosscut, 21' back from face--top.	"	4"	"	"	
315	No. 2 drift 4' N. of crosscut, 26' back from face--top.	Banded quartz	4"	0.02	Nil	0.70
316	No. 2 drift, intersection crosscut & drift, bottom of drift.	White quartz	4"	0.18	0.28	6.42
317	No. 1 drift, face, bottom.	Across shear zone with quartz stringers	4'	Trace	Nil	
28	Crosscut between No. 1 & No. 2 drift--vein 19' W. of No. 1 drift.	Across vein--crushed quartz.	4"	0.10	0.4	3.60