

-RECORD OF-

THE KERRICK PROMOTION COMPANY.

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GOLDEN, COLORADO

For The Year 1901

MINES MANAGERS' REPORT PAGE 4322

STATE BUREAU OF MINES

STATE OF COLORADO

THE KENDRICK PROMOTION COMPANY.

Denver, Colorado, Nov. 25th, 1901

Dear Sir:-

Since the last quarterly report of The Kendrick and Colder Smelting Company was issued, showing assets of \$2,145,032.24, there has been considerable more ore development. Its property, including mines and smelter, are free and clear of debt. We have put on a power plant at No. 7 level, and will drive that actively this winter, and by spring should have the ore reserves doubled. This level will develop the ore four hundred feet below No. 5, and as we have sunk two winzes in No. 5, and proven the ore to continue down, and the highest grade ore so far opened in the mines, we have no question whatever that we will more than double the value of the ores on hand by next spring or summer. No. 7 tunnel is in six hundred feet as a crosscut, and has passed through considerably over one hundred feet of mineral, separate and distinct from the Henrietta-Lizzie vein. The tunnel will intersect the Henrietta-Lizzie vein within probably thirty days. We have never figured this large ore body in any of our statements given to our clients, although we have valued it as something for future development.

This large ore body contains gold and silver, with more or less lead and copper. The most of the ore is a concentrating material with some high grade smelting ore, carrying gold, silver, lead, and some copper, an ore being very desirable and profitable. The company will now commence drifting to ascertain the magnitude and character of this vein, which may prove of as much value as the main Henrietta-Lizzie vein, as it is much larger where intersected.

The company has great bodies of ore. It has several veins. The Humboldt, as you will notice in the picture in the Western Miner and Financier of September 5, on page 9, a copy of which we send you in a separate wrapper, has surface appearances similar to the Henrietta. We have not proven this vein in depth, but No. 7 tunnel will cross-cut to it after we cut the Henrietta. All of this ore can be brought out and delivered at the south of No. 7 tunnel without hoisting and thus save that expense, and can be delivered from there to the railroad track, 5500 feet distant, by a suspension wire traway, the same as used by the other large mines of the district, at an expense of ten cents per ton. At the present time it costs us \$1.25 per ton to take it by wagon haul and fully 25¢ per ton to keep up the roads, making \$1.50 per ton, and with a traway we will deliver our ore every day of the year regardless of storms.

In our estimation of values in the report of the company June 30th, showing assets of \$2,145,032.24, we did not figure one dollar of valuation in any of these other veins, or anything that is yet undeveloped in the Henrietta vein.

In the Henrietta and Lizzie mines there are now about two hundred thousand tons of ore opened; a large proportion of it is milling ore, and the other smelting ore. The ore can be mined, taken out, and delivered to the concentrating mill or cars, when the traway is completed, at less expense than is the mere expense now of hauling it by wagon. This alone will save hundreds of dollars per day. The four hundred tons per day handled by the mill will make from 80 to 100 tons a day of clean concentrated material ready for the smelter. The taking out of this milling ore will furnish a large amount of smelting ore in addition. At the present time, in taking out the smelting ore we have

to take out several tons of milling ore to each ton of smelting ore, and as we have as yet no mill to handle it we have to put it over the dump, which you can see in the picture above mentioned, and only ship the smelting ore. In doing this we have to put in heavy timbers to hold up the massive quantities of milling ore which is more or less loose. When we get to taking out all the milling ore and treating it, we will not have to timber this way, and the mining will be much less expensive; in fact, we can mine the ore and deliver it into the mill under contract, I think, for sixty cents a ton, after the levels are run, and that will include the ore now developed.

We have arranged for a company to take hold of some adjoining properties, and drive a tunnel on the vein, which will develop the Henrietta vein to about twenty-four hundred feet below the mountain top, and about seventeen hundred feet below the No. 7 tunnel, which should give enough ore bodies to last for generations to come, to treat at the rate of from five hundred to one thousand tons a day. These workings will start some time this winter, and we expect them to be pushed continuously and vigorously by power machinery.

We are also enlarging the smelter, which has made good profits ever since it first started, and putting in many thousands of dollars worth of improvements in a way that we can handle a greater variety of ores, and a larger quantity. We are erecting a large, strong additional building.

We recently called your attention to the fact that we would soon bring out the safest proposition that we have ever made to the public for subscription to stock. We now have it in position to present to our regular clients, and send you, in separate wrapper, a copy of the Western Miner and Financier, containing a preliminary prospectus of the same. A more elaborate and illustrated prospectus will be issued shortly, but probably the stock by that time will be selling to the general public at fifty per cent advance of the present offering.

The proposition is a combined reduction and mining company, viz., The Oliver Reduction Company, whose mines and operations are located in the Silverton mining district, Colorado, which section contains the largest and strongest veins to be found in the state.

In the annual official report of the Colorado State Bureau of Mines, the commissioner shows that for the year 1900, the mines produced the remarkable annual product of \$1,600, for every man employed in the mines and mills of the entire county. This is the strongest possible testimony (being official) as to the large profits in mining in San Juan County. When we stop to consider that many of these men were employed in prospecting work and others in the construction of permanent improvements, which will aid the future output and increase the profits, the showing is really phenomenal.

The statistics of the district also show that about nine-tenths of the total product of the county is from the milling grade of ore, which is found in that district in great veins and masses.

It is not a poor man's camp; it is a camp where it takes sufficient capital to open the mines for a large tonnage production, and the erection of concentrating or reduction mills for cheaply treating the ores from the mines and concentrating it into a clean smelting and high grade product. Concentration in the San Juan country has reached the greatest perfection of any portion of the

state. The concentration is accomplished by the crushing of the ore and washing out the waste material by the use of water over the most improved and modern machinery at a very small cost, retaining the clean material in the most desirable form for the smelting works. These concentrates are then shipped to the smelter and the highest price, according to their values, received for them. But few of these great mines which pay such large profits could make any profit at all without the concentrating mills.

The veins of the district are of enormous size. The mountains are the steepest and most rugged in the state, as is shown by the illustrations we have sent out to our clients in the prospectus of the Kendrick & Gelder Smelting Company. These veins can be traced over the mountains and down their sides into the valleys for a depth of over three thousand feet from the peaks, and development proves them to be continuous to unknown depth. They can be cheaply mined by tunnel levels for ages to come.

The Kendrick & Gelder Smelting Company, one of the most successful, found in developing its Henrietta and Lissie mines, that the veins carried, beside the smelting ore, enormous bodies of milling ore which could be made a very valuable product by means of concentration. Heretofore only so much of this ore has been taken out as was necessary in mining the smelting ore, and what was taken out had to be thrown over the dump. Careful examination and exhaustive tests prove the ore bodies to be very large, the milling ore to carry an average value of \$9.00 per ton, and smelting ore a value of 25.00 per ton. This milling ore could be treated by the smelter, but for the fact that it contains a large percentage of alumina, which, when in quantity, is refractory in smelting, but in concentration, with a large daily tonnage, is washed out at an expense of a few cents a ton, leaving a clean product that is most desirable for the smelter.

Very truly yours,

THE KENDRICK PROSPECTED COMPANY

By W. R. Kendrick  
President

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