

*Palmer to  
Wander*  
COPY

The American Metal Co. Ltd.,  
Denver, Colorado

Denver, August 4, 1919

The American Metal Company, Limited,  
Denver, Colorado.

Dear Sirs:

Doctor Mine,  
Gunnison County, Colorado

This property was examined by Mr. Brown in October, 1915. Since that time the mine has been worked continuously under lease by Mr. Hoheisel and associates. Up to the present time they have shipped a total of 18,000 tons of ore averaging 33% zinc, 10% iron, and from a trace to .2% lead.

This lease expires in November of this year, and at the time of my visit Mr. D. B. Myers, Consulting Engineer for the owners of the property, was at the mine making an examination, the object of which was to determine whether or not it was advisable for them to grant Hoheisel a new lease, or operate the property themselves. Mr. Myers told me that the owners of the property are all wealthy men, and it is quite possible that they will undertake to develop the mine.

All of the ore has been shipped to the Empire Zinc Company under the following terms:

Basis 30% zinc; pay for 60% of zinc contents at a minimum price of 8¢, equivalent to \$28.80 per ton.

Shipments f.o.b. Pueblo.

Unit Variation: \$1.00 up or down from 30%

Price Variation: For each one cent advance in spelter add \$3.00 per ton to the base price.

This schedule was in force up until June of this year, when the minimum price paid for the zinc content was reduced from 8¢ to 7¢ per lb. This contract is in force until November of this year, when the lease expires. I understand that the ore is being shipped to Palmerton, where it is used for oxide purposes.

Since Mr. Brown's visit to this property the ore shoot which they were then mining has been stoped out, and the stope is now caved in. In addition to this ore, they have also opened up two new ore bodies farther to the West, which have been stoped out with the exception possible of 3,000 or 4,000 tons. The future of the mine depends upon the extension of the known ore shoots below the tunnel level and the possibility of opening up new ore shoots above this level. On the lower tunnel two ore shoots are now exposed. One of these is approximately 30 ft. long and about 10 ft. thick, and the other has been proven for a length of 40 ft., with the possibility of its extending farther to the South. The ore zone at this point is made up of an upper seam of ore about 8 ft. thick, and a lower bed of ore about 12 ft. thick, separated by about 10 ft. of barren limestone. Although it is true that further prospecting on this level may disclose other ore shoots, it will be readily seen that the possibilities for a large tonnage are rather remote. I believe however, that the ore shoots now exposed on this level will extend to a considerable depth, and of course there is always the possibility of pipes, such as those exposed



or this level, opening up in depth into fairly large ore bodies. One striking feature about the property is the fact there the contact between pay ore and unreplaced limestone is very distinct. One might assume in a deposit of this character, that the replacement of the lime would be more or less incomplete in places, which would thus yield a body of low grade ore. This, however, is not the case, since practically all of the ore averages better than 30% zinc.

The property is certainly worth additional prospecting, and owing to the fact that the ore is lead free, and therefore very desirable for oxide purposes, the mine will undoubtedly be operated for some time to come, either under lease or by the owners themselves.

COSTS:

Mr. Hoheisel estimated his costs as follows:

Mining	\$5.00 per ton
Haulage to railroad (20 miles)	6.50
Freight (Almont to Pueblo)	<u>4.00</u>
Total	\$15.50

This yields them, under their present schedule, with a minimum price of 7¢, \$9.70 per ton profit.

Very truly yours,

(SIGNED)

M. W. Hayward

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