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GOLDEN, COLORADO

Syndicate Mine
Clear Creek Co, Colo

Denver, Colorado, October 6, 1906

Mr. J. O. Becarft,
Dowagiac, Mich.

Dear Sir:

In compliance with your request, I have examined the Syndicate Mine at Dumont, Colorado, and beg to submit the following statement of facts and conclusions, as I view them.

PROPERTY.

Consists of the Syndicate, Golden Rule, and John Sherman claims, all patented and prior to anything else in the vicinity.

The location is on a steep mountain side, requiring nothing but tunnel work for opening them up, and the lower or 900 ft. level (tunnel), is less than one-quarter mile from the C. & S. Railroad, at which point is also located a mill equipped for concentration and cyaniding, which you are now operating under rental conditions with an option for purchase.

The purchase price of the three mining claims was \$25,000, of which you have already paid \$7,500, the balance of \$17,500 coming due as follows: \$7,500, the balance of \$17,500 coming due as follows: \$7,500 December 31, 1906, \$5,000 June 30, 1907, and \$5,000 December 31, 1907.

The owner has made a proposition to accept \$8,000 in full payment if made by October 11th next, and my examination was for the purpose of advising whether or not to accept this offer.

GEOLOGY:

A very strong fissure vein in granite and schist formation is, from all indications, properly covered at its apex by the Syndicate and Golden Rule claims, and can well be called a clever piece of work on the part of the original locator, for on account of the flat dip

of the vein, 52 deg. to the north from the horizontal, its apex has the form of a horse-shoe, due to passing over a high mountain, although its direction on a level is quite uniform and about N. 77 deg. W.

Having the top or apex of the vein within the claims, gives legal right to follow the vein in depth beyond the side lines, and I see no occasion for any trouble from this source, which is an important matter, as your workings are mostly outside the vertical boundaries of the claims.

DEVELOPMENT.

This is shown both on Plan Map and on Longitudinal Section, the latter being on the dip of the vein, and showing actual distances along same, on scale of 100 feet to the inch; for example, a raise or stope on the vein from the 800 to 300 ft. level would be 650 feet (6.5 inches on map), while the vertical difference between them is but 515 feet.

There is something over 1,500 feet of drifting on the vein in the various tunnel levels now open to inspection, and it must be admitted the results have not been very satisfactory, although some low grade ore was mined from the stope in 800 level.

ORE BODIES.

The principal ore body appears to have been on top of the hill at the working marked "Caved Shaft," now entirely inaccessible.

A Mr. Dingle, whom I met in Dumont, says he worked in this caved shaft under lease some sixteen years ago, drove a level 100 feet or more east and some 25 feet west, and took out about \$10,000 worth of ore (net smelter returns) all high grade material of from \$40 to \$200 per ton, carrying a high percent. of lead, which means a low treatment charge. He says this ore was 8 to 12 inches thick when high grade

and would widen out to 2 feet on the lower grade stuff, but that anything under \$40 they did not attempt to mine. He states too that other parties took out a considerable quantity of good ore.

Mr. P. R. Stanhope, one of the owners of the property, has shown me statements from an ore buying agency covering about \$8,000 of Mr. Dingle's shipments, so I am inclined to believe they are reliable, but it is unfortunate that none of these old workings are open to inspection.

It will be noticed on the map that none of the present tunnels have yet reached the vicinity of the ore body described by Mr. Dingle, although the 100 and 300 levels should be very close to it if it continues in depth.

I took 22 samples at the various points marked on the map, and the assay results returned by Mr. Bond, assayer, at the mill, are as follows:

No.	Width inches	Gold Oz.	Silver Oz.	Value Per Ton	Description.
1	8	.78	42.0	\$43.00	100 ft. level, face.
2	36	.39	15.4	17.80	" " " "
3	24	.76	24.2	30.90	" " " " at mouth
4	30	.30	12.6	14.20	surface cut.
5	24	.46	5.2	12.60	" "
6	20	.24	7.1	9.40	" "
7	30	.10	8.7	7.65	" "
8	4	.10	2.9	3.90	300 ft. level, face
9	10	.16	9.3	9.20	" " " "
10	15	.40	5.4	11.50	800 ft. level, stope
11	4	.38	5.8	11.40	" " " "
12	9	.59	3.0	13.75	" " " "

No.	Width inches	Gold oz.	Silver oz.	Value per ton.	Description
13	10	.28	2.7	7.35	800 ft. level, stope
14	5	1.10	5.0	25.25	" " " winze.
15	10	.42	3.8	10.90	900 ft. level, face
16	15	.06	1.0	1.85	300 ft. level, 170 ft. from mouth
17	18	.05	1.6	2.00	" ft. level, 170 ft. from mouth
18	24	.08	20.1	14.05	100 ft. level, 20 ft from mouth
19	12	.20	17.0	15.05	" ft. level, 38 ft. from mouth
20	24	1.68	6.9	38.10	" ft. level, 50 ft. from mouth
21	4	.19	65.2	46.20	Stope on south vein.
22	12	.46	6.7	13.55	Upper Syndicate tunnel

Gold is figured at \$20.00 and Silver at 65¢ per oz.

From the above it will be seen that good ore has just ⁱⁿ comexat the face of the 100 level, and the 300 level is beginning to show values also, which may be the beginning of the ore shoot worked by Mr. Dingle.

A good grade of oxidized ore is also found at the surface near the mouth of the 100 level and extending for an unknown distance below same, although it does not appear in the 300 level. I am informed by Mr. Harmon, superintendent, and Mr. Bond the assayer, that a very high percent. of the values can be extracted from this ore by cyaniding, and if so it will yield considerable profit, as \$5 per ton ought to cover the cost of mining, hauling and treatment, and samples 3 to 7 and 18 to 20 both inclusive show values running from \$7.35 to \$38.10 per ton.

Samples from the 800 level stope also show low grade values, and ore is exposed along the level for a distance which indicates an ore shoot of some 180 feet in total length, which may perhaps be mined

at a small profit per ton, which can be determined by trial in the mill.

The 900 level is also opening out into ore, a 10 inch streak giving \$10.90 assay value.

All the above facts are good indications, and promise some revenue, but do not afford data sufficient for placing any definite valuation to the property.

This depends very largely on what the next 200 feet will develop in the 300 level, as that distance will carry it entirely under the ore body described by Mr. Dingle, and demonstrate whether it extends downward.

This 200 feet could doubtless be run before December 31st, when the next payment falls due, and the appearance of the mine fully warrants pushing this ahead as fast as possible, so that the only question is whether on December 31st the mine will look so hopeless you will feel like throwing it up altogether, for if it justifies the next payment then of course the \$8,000, which is practically the same amount, had better be paid now and clean up the title in full.

Considering you have already made one payment, in addition to expending quite a sum in development, and the only way of getting this back is to keep on, I am of the opinion that on December 31st you will not feel inclined to let go entirely, which is the same as saying better pay the \$8,000 now and take up the property.

It is not an easy question to decide however, and depends very much on the speculative nature or otherwise of the purchaser, but considering all the circumstances, such as the indications of the 100 and 300 levels coming into an ore shoot, the appearance of the 900 while yet so far removed from the known ore shoot in the 800, and the facilities for operating the property, my judgment is the mine will

stand the further investment of \$8,000.

Even if ore sufficient to reimburse this is not found right away the mine has large areas of undeveloped ground in which there are good possibilities for ore, judging from the general appearance of the vein. The contour of the mountain is such that another tunnel would be driven 100 feet or more below the 900, or the property could be explored through the Monarch tunnel which on the slope of the vein is 200 feet below the 900.

The facilities for cheap mining and ore treatment are of the best.

There is also another vein which I have called the "South Vein" lying 50 feet south of the main vein, and having much the same course and dip. It has a 40 ft. shaft with a drift and stope 100 feet west, from which some ore has been extracted. The pay streak is but a few inches thick, but judging from sample 21, carried good values.

It would be worth while later on to continue the present cross cut in the 300 level, as it will require but a short distance to intersect this vein.

Driving the 300 level ahead however, is the most important development at present followed by the 900 or both together.

Very respectfully,

Edwin E. Chase.

Mining Engineer.

SCHEDULE "K"

GOLD SILVER & LEAD ORES.

HUDSON REDUCTION CO.

IDAHO SPRINGS, COLORADO.

SCHEDULE FOR ORES IN 12 TON LOTS & OVER, F.O.B. HUDSON MILL.

October 1st, 1912.

SUBJECT TO CHANGE WITHOUT NOTICE.

GOLD: \$19.00 per oz. if 5/100 to 2.00 ozs. per ton.
 \$19.50 per oz. if 2.00 ozs. and over per ton.

SILVER: Where assays are 1 oz. per ton and over, pay 90% of the New York Quotation, date of assay.

LEAD: Where assays are 4% per ton or over, deduct 2% and pay 25¢ per unit.

COPPER: Deduct 1.5% from wet assay and pay \$1.00 per unit for the balance.

ZINC: No pay. No penalty.

No sampling charges.

TREATMENT CHARGES.

Up to \$3.00	Gross value per ton.	\$2.00
Over \$3.00 to \$4.00	" " " "	2.33
" 4.00 to 5.00	" " " "	2.63
" 5.00 to 6.00	" " " "	2.97
" 6.00 to 7.00	" " " "	3.29
" 7.00 to 8.00	" " " "	3.61
" 8.00 to 9.00	" " " "	3.93
" 9.00 to 10.00	" " " "	4.25
" 10.00 to 11.00	" " " "	4.50
" 11.00 to 14.00	" " " "	4.75
" 14.00 to 20.00	" " " "	5.00
" 20.00 to 25.00	" " " "	5.75
" 25.00 to 30.00	" " " "	7.00
" 30.00 to 35.00	" " " "	8.00
" 35.00 to 40.00	" " " "	9.00
" 40.00 to 45.00	" " " "	9.50
" 45.00 to 50.00	" " " "	10.00
" 50.00 to 75.00	" " " "	11.00
" 75.00 to 100.00	" " " "	12.00

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