

PINE MARTIN GROUP.

The following is a brief outline of the various workings and ores in connection with the Pine Martin Group:

In the dumps, there is in round figures, 200,000 tons of ore that will assay, by throwing out some of the coarser quartz, \$7.00 to \$10.00 per ton. The ores in sight in the various workings of the mine, will measure up, in round figures, 200,000 tons. And this ore will assay from \$5.00 to \$15.00. This, of course, represents the low grade, or milling ores. The ores that we ship to the smelter, you will note by the smelter returns that you have in hand are very much higher. There is 5 to 8 thousand feet of tunneling done on this property at different points, nearly all of which is in ore of more or less value, all of which would cyanide at a big profit. Two plants of machinery, two R. R. spurs and one wire rope aerial tram are in place on this property. In order to work this property from three points, one on the North, one on the South, and one in the center, and to handle an almost unlimited amount of mill dirt, it will be necessary to erect a car tram on the north side 900 ft. long, and a R. R. spur sufficient to hold two cars at an approximate expense of \$1,000.00.

In estimating the values of the 400,000 tons of ore, the high grade ore which we must encounter, is not taken into consideration.

As to the lease on the Alpine, which you hold, you will note that the lease only calls for the dumps. This lease was drawn at my dictation and the reason for not including the mine itself was that owners required that work be done in the mines, which I thought we did not care to do at present, and we can get the mine workings at any time we wish as they are not being worked at present. In the dumps from this mine, there is some 75,000 tons that will assay \$6.00 to \$10.00 per ton, and this dump and mine are so situated that the proposed tram, heretofore mentioned to be constructed, will pass

at the base of this property, and practically no additional expense would be necessary to handle these dump and mine ores. In order to hold this lease, as ground was not patented, The Commonwealth Co., did the assessment work of \$100.00.

In reference to the lease from M. Wheat to E. P. Young you will note the conditions of the lease are so many shifts per month, and of course, when this work is not done, the lease is subject to cancellation. So far myself and with some of the work the company did, this lease has been kept intact. There is available, and in sight, 150,000 tons of mill dirt that will assay \$4.00 to \$10.00 per ton. Outside of this there is an immense porphyry dyke that has been developed by short tunnels and cross cuts that would approximately measure up, with a reasonable certainty 2 to 5 hundred thousand tons. This ore will assay \$4.00 to \$5.00 per ton. To operate this property it would be necessary to erect a wire rope tram to carry the ore to a R. R. spur which is now in place on the Pine Martin mine, approximately this would cost \$500.00.

The Last Chance lease made from Ben. L. Cress to E. P. Young, which I think you must have, and has never been transferred by me. There is on this property an immense porphyry fissure vein, 30 to 40 ft. on the surface and developments enough to show 100,000 tons of this character of ore that will run from \$7.00 to \$10.00.

In addition to the above leases, parties owning the Ground Hog mine that adjoins the Pine Martin on the south side, are ready to make us a good lease, and I can safely estimate 100,000 tons of ore in the dumps and broken in the mine, a good plant of machinery and air drills. Very little additional expense would be required to operate this property as the tram first mentioned on the Pine Martin, to be erected would handle these ores to the R. R.

All of the above ores have been thoroughly tested by competent metallurgists and found ideal for cyanide at a saving of 95% to 98% of the values. These ores are very nearly all an oxide ore,

carring no copper, lead or zinc, and little iron, and the values are about 8/10 gold and 2/10 silver. The royalties, you will notice, run from 5 to 15 per cent. In addition to the above properties, a very large mine joins the Pine Martin on the North, with an immense tonnage of ore, variously estimated in sight on the dumps and in the mine, at 300,000 tons that will assay 5 to 10 dollars per ton. This property is known as the Pursey Chester and we can get a lease and bond on this property if we wish.

These properties all adjoin one another in a group, are situated on Battle Mountain, in the heart of one of the best mining districts in Colorado, Eagle County. The main line of the Denver & Rio Grande R. R. passes through this group of mines. Eagle River, a large mountain stream cuts directly through these properties, and owing to the narrowness of the canon, it was considered policy to secure a millsite 4 miles below, and down the river, where the valley, or canon opens up and here I had located a placer of 40 acres for mill purposes. An ideal place, a photograph and papers of which you have in your possession. The Railroad charges for transportation of ore from mines to mill will be 30¢ per ton, possibly, maybe reduced to 25¢ per ton, by handling not less than 100 tons per day.

While in Denver from the 23d of December (date of Lawry's death) until January 26th, I worked incessantly to get details and facts as per your request in your letter, requesting me to do so, on a proposed 100 ton cyanide plant, and I herewith submit the following;- some of the following machinery has been used some, but is as good as new in every particular.

APPROXIMATE EXPENSE OF OPERATING 100 TON CYANIDE PLANT.

EACH 24 HOURS - 12 HOUR SHIFTS.

DAY SHIFT OF 12 HOURS.

| | | | |
|---------------------------------|----|------|----------------|
| Mill Superintendent or mill man | \$ | 5.00 | |
| Cyanide man | | 5.00 | |
| Engineer | | 4.00 | |
| Stamp or Battery man | | 4.00 | |
| Crusher Man | | 3.00 | |
| 2 Helpers | | 6.00 | |
| | | | <u>\$27.00</u> |

NIGHT SHIFT OF 12 HOURS.

| | | | |
|-------------|--|------|----------------|
| Mill Man | | 4.00 | |
| Engineer | | 4.00 | |
| Battery man | | 4.00 | |
| 1 Helper | | 3.00 | |
| | | | <u>\$15.00</u> |

Total Mill Labor for 24 Hours----- \$42.00

OTHER EXPENSES.

| | | | |
|---|--|-------|-----------------|
| Cyanide for 100 tons | | 40.00 | |
| Other chemicals | | 5.00 | |
| Royalties 5% on \$7.00 ore (100 tons) | | 35.00 | |
| R. R. Freight Charges 30¢ per ton, 100 tons | | 30.00 | |
| 15 Men at mines \$3.00 per day | | 45.00 | |
| Incidentals such as powders, caps, candles, fuse and oil | | 5.00 | |
| Coal for mill | | 6.00 | |
| | | | <u>\$166.00</u> |

Total expense Mill & Mine each day, 24 hours----- \$208.00

| | | |
|---|--|-----------------|
| GROSS RECEIPTS EACH DAY OF 24 HOURS 100 TONS \$7.00 ORE | | 700.00 |
| 5% loss in treatment | | \$35.00 |
| Daily expenses | | 208.00 |
| | | <u>\$243.00</u> |
| Daily Net Receipts | | <u>243.00</u> |
| | | <u>\$457.00</u> |

MONTHLY RECEIPTS OF 26 DAYS \$11,882.00

TOTAL NET RECEIPTS FOR 12 MONTHS \$142,584.00

APPROXIMATE COST OF A 100 TON CYANIDE PLANT.

| | | | |
|-----|---|----------|--------------------|
| 20 | 1,000 double issue stamps with automatic ore feeders | | |
| | | in place | \$3,000.00 |
| 1 | Large Blake Crusher | " " | 500.00 |
| | Necessary tanks, for cyanide, storage, solution and pumps for agitation | | 2,500.00 |
| | Tube Mill----- | in place | 1,000.00 |
| 100 | H. P. high pressure boiler----- | " " | 800.00 |
| 100 | H. P. Engine----- | " " | 700.00 |
| | Lumber for building----- | | 1,000.00 |
| | Excavating for building----- | | 500.00 |
| | Concrete Foundations----- | | 500.00 |
| | Ruberoïd roofing for roof and sides of building----- | | 500.00 |
| | Labor for construction----- | | 1,000.00 |
| | Boarding and bunk houses----- | | 500.00 |
| | R. R. Spur (which will be rebated)----- | | 1,500.00 |
| | Ore elevator----- | | 250.00 |
| | Automatic ore sampler----- | | 100.00 |
| | Small rolls for sample room----- | | 100.00 |
| | Assay outfit----- | | 250.00 |
| | Water line for mill----- | | 300.00 |
| | Boarding & Bunk House, furniture----- | | 200.00 |
| | Shafting, belts and pulleys----- | | 500.00 |
| | Windows and nails for buildings----- | | 100.00 |
| | Tools for mill building----- | | 100.00 |
| | Motor for electric lights----- | | 300.00 |
| | Incidentals & <u>possible underestimates</u> ----- | | 800.00 |
| | | | <u>\$17,000.00</u> |