

-REPORT ON-

THE ANCHERIA-LELAND
MINING and MILLING COMPANY.

For The Year 1902

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MINE MANAGER'S REPORT

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STATE BUREAU OF MINES

STATE OF COLORADO.

REPORT OF PRESIDENT.

To the Stockholders of The Anchoric-Leland Mining and Milling Company:

The twelve months that have elapsed since the last annual meeting of the Stockholders has been a period of active development work upon all of the properties of the Company. The many important discoveries made during that time has brought the property up from a promising prospect to a foremost position among the mines of the Cripple Creek District.

The policy of leasing in small tracts adopted in the latter part of 1894 has proved very advantageous to the Company. It has been the means of developing the mines of the Company to an extent that would not have been possible otherwise, except at an outlay of a very large sum of money.

Largely as a result of this policy fifteen separate and distinct veins of ore have been disclosed, and upon these veins thirty-five shafts of from 40 to 460 feet in depth have been sunk, and drifts and stopes run out from some to the extent of several thousand feet. Ore has been shipped from twelve of these shafts, and almost every one of the others show favorable indications. Sixteen of these shafts are still being worked by lessees. Five of the producing ones have recently come into the possession of the Company, and the workings are now being put in shape for a large output of ore.

Among the most important discoveries in the Cripple Creek District during the past year, was that of the Chance vein extending across the west end of the Chance and the east end of the Anchor claims. The ore was found at depths varying from 65 to 125 feet from the surface, and so far has been developed to a depth of about 300 feet. The ore chute has been opened up for about 500 feet in length, and has an average width of about 8 feet. Some of the ore found in this vein is of marvelous richness; one small lot having a value of \$5,400 per ton. The total amount of ore shipped from May 1st, 1895, to May 1st, 1896, from the various workings being 5,322.64 tons, having a gross value of \$231,191.82; the average value per ton being \$41.95. The Company received during that period \$25,926.58 from lessees as royalty on ore shipped, and in addition to this, \$11,651.29 has been received from ore mined and shipped by the Company. A full and detailed account of the receipts and expenditures for the year will be found in the Secretary's report.

The leases on the Chance vein expired on the 30th of April, and the Company is now in possession. An examination of the workings of the various leases on this vein made since that time, shows the stopes to be in a fair condition, and much more ore in sight than we has reason to anticipate. We are running a level along the entire length of the ore chute at 300 feet from the surface. It is safe to say that there is already enough ore opened up above that level to keep a large number of men employed for several months. None of the shafts on the Chance vein being suitable for deep or extensive mining, it was deemed advisable to put down a large working shaft of sufficient size and strength for use to any depth that may hereafter be required. The sinking of such shaft was commenced

in January last, and has now reached a depth of a little over 300 feet. The shaft is 5 by 15 feet in the clear, divided into three compartments, and strongly timbered. It is the purpose of the present management to continue the sinking without intermission until the shaft reaches a depth of seven or eight hundred feet.

An entirely new plant of hoisting machinery, having a capacity amply sufficient for all uses until the workings reach a depth of 1,200 feet, has been purchased and is now being put up at the new shaft. The new machinery consists of a 100-horse-power boiler, double-drum hoister, compressor, air drills, etc. A boiler house large enough to hold two 100-horse-power boilers and the necessary coal bins, has been erected.

A very complete shaft-house has been put up around the new shaft and hoisting machinery, and the plans have been drawn for an ore house with ample bin room and floor space on which to ampling machinery if, in the future, it is found desirable to do so. The plant when completed will be a model one, and will give every facility for an economical working of the property and handling of the ore. The total cost of the buildings, machinery, and shaft sunk to a depth of 400 feet, will be about \$30,000.

During the latter part of last year this Company became involved in a controversy with the Gold and Globe Mining Company, over the right to a vein which crossed the west end of Anchor No. 2 claim. Proceedings were instituted in court to establish our rights. The litigation promised to be long and expensive. Soon after the commencement of the suit, an offer was made by the Moon-Anchor Mining Company to purchase the tract containing the vein in dispute, which offer we accepted. We received payment in stock of that Company, and immediately thereafter we gave parties an option to purchase the same. We have already received on that account something over \$15,000, and are to receive \$45,000 more within the next few months. The deferred payments are amply secured. The amount of land disposed of was a little less than two acres. This loss of acreage has been more than made up by the purchase of a small part of the Cotton Tail claim and a seven-eighths interest in the City View, and the patenting of a small fraction under the name of First National. A portion of the City View laid across the Anchors, and threatened to involve us in a controversy as to cross-vein rights. The land secured by the purchase of these fractional claims amounts to between two and three acres, and is much better located with reference to our main workings, and cost less than one-third of the amount we are to receive for the part of the Anchor sold to the Moon-Anchor Mining Company. The total acreage now owned by the Company is a little over forty acres. All of the claims are adjoining or contiguous to each other, and within a half a mile of both railways. The possibilities of this property, with its great network of veins and its favorable location for the handling and shipment of ores, is very great. Of course it is reasonably certain that vast quantities of ore having a value of from \$6 to \$15 per ton can be mined from most of them. The great advance I think, warrants me in predicting that our large bodies of low grade will ultimately be a source of great profit to the Company.

From the organization of the Company to the present time it has been the policy of the management to conduct the affairs in an economical and business-like way. It is proposed that this policy be adhered to even more rigidly than heretofore. All plans for the future made during the past year have had that end in view. The large shaft, the new machinery and buildings have all been planned with view to an economical working of the property.

In conclusion, I wish to congratulate the Stockholders upon the remarkable enhancement in the value of their stock during the past year, and the very favorable outlook for the future. I think every one will concede that the developments made upon the Anchoria-Leland properties during the last twelve months have not been equaled by that upon any other property in the Cripple Creek District. The large bodies of ore in sight, and the improved facilities for mining, warrant the belief that the Company will soon be in shape to pay regular monthly dividends.

Very respectfully,

IRVING EDWARDS,

President.

Colorado Springs, Colo., May 12th, 1896.