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Ute Gold Mining Co.
Gilpin Co., Colo.
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A REPORT ON THE GILPIN COUNTY PROPERTIES
OF
THE UTE GOLD MINING COMPANY

LOCATION:

The properties are located in the Lake Mining District in Gilpin County, Colorado, They are within two miles of Central City and are easily accessible over the State Highway and a very good truck road.

HISTORY:

The Pittsburg and Notaway mines were first operated in the early nineties. They were operated almost continuously until 1918 when they were shut down, not because of a scarcity of ore but because of the extremely high cost of labor and supplies. The history of these mines is interwoven with the history of Gilpin County. It contains all the romance connected with the mining of gold. Gilpin County was the cradle of modern gold mining and milling in the United States. Estimates as to the total production of gold in this area vary from a total of \$125,000,000 to a total of \$300,000,000. Engineers who are familiar with the region say that its resources have been barely scratched.

During the war period and the period of price inflation following the war gold mining in this district almost died and capital will be required to undo the damage done to the mines during their long period of idleness. It is my firm belief that capital properly handled will put this industry on its feet and yield a handsome profit to the investors.

PROPERTY:

The property in Gilpin County consists of 19 lode claims with a total acreage of 54.17 acres and are as follows:

MINING CLAIMS

<u>Claim</u>	<u>Survey No.</u>	<u>Acreage</u>
Independence	Surface Rights	
Pittsburg Ext.	7096	3.31
Calumet & Hecla #1	11267	5.02
" " #2	13048)	7.44
Golden Gad	")	
Pittsburg	871	3.52
Meeker	870	3.44
Golden Wedge	406	0.34
Annie May	11571	4.34
Dorchester	408	0.23
Mattie May	731	3.72
Seeker Finder	15744	4.87
Evelyn	15742	3.48
Buffalo	15740	0.77
Howard	19228	0.91
Margaret	19229	2.52

PROPERTY: (Cont.)

MINING CLAIMS

<u>Claim</u>	<u>Survey No.</u>	<u>Acreage</u>
Little Raven	16779	4.25
Notaway	136	0.80
Notaway	328	1.38
Black Diamond	17634	3.83

These claims are all patented and are the property of the Ute Company.

MILLING PLANT

The concentration-flotation plant of the Ute Gold Mining Company is modern in every detail. It is capable of milling economically from 100 to 200 tons per day according to the hardness of the ore.

The construction cost of this mill was approximately \$60,000. This plant is extremely valuable both for the treatment of the company's ores and the treatment of the ores of the district.

ORE RESERVES (Dump Ores)

For immediate ore we have several dumps that will total in the neighborhood of 350,000 tons. These, when sorted will shrink to about 275,000 tons. Several mill runs have been made on this ore and all show it to be commercial with a substantial profit for the company.

In addition to this available ore there is a large quantity of broken ore in the underground stopes of the Pittsburg Mine and it is my firm opinion that we will develop a very good tonnage of milling and smelting ores in our own mining properties.

Herewith is a compilation of our immediate ore supply. In addition to this ore our own very valuable mines remain to be developed and a very attractive custom ore business can be worked up in the district.

Saratoga Dumps	200,000 Tons
Notaway Dumps	60,000 Tons
Golden Wedge Dump.	15,000 Tons
Stope Fillings in Pittsburg Mine . . .	25,000 Tons
	300,000 Tons

MILL RUN ON NOTAWAY DUMP ORES:

Milled at the Polar Star Mill during January 1933.

Treated by amalgamation and concentration. Tailing loss was high due to not being protected by flotation.

Fifteen (15) dry tons of ore treated.

RESULTS

Product:

1 ounce of bullion at \$15.00 per oz	\$15.00
1600 lbs. of concentrates at \$43.20 per ton	<u>34.56</u>
Total recovered values	\$49.56
Recovered value per ton	3.30
Concentration at 18 to 1.	

Cost of Production and Expected Profit:

Screening, loading and trucking to the mill	\$ 0.35
Milling Cost	<u>1.35</u>
Total Costs	\$ 1.70
Total recovery per ton	\$ 3.30
Total costs per ton	<u>1.70</u>
Expected profits per ton	\$ 1.60

NOTE

These results could be greatly improved in the Ute Mill as the ore would be handled under better milling conditions and the tailing loss would be greatly reduced by flotation.

MILL RUN ON SARATOGA DUMP ORES:

Milled at the Polar Star Mill during January and February 1933.

Treated by amalgamation and concentration. Tailing loss was high due to not being protected by flotation.

One Hundred Fifty (150) dry tons of ore treated.

RESULTS

Product:

11.51 ounces of bullion at \$15.00 per ounce	\$172.65
12.4 tons of concentrates at \$21.71 per ton	267.20
Iron value at \$4.00 per ton of concentrates	<u>49.60</u>
Total recovered values	\$489.60
Recovered value per ton	3.26
Concentration at 12 to 1.	

MILL RUN ON SARATOGA DUMP ORES: (Cont.)

Cost of Production and Expected Profits:

Loading and trucking to the mill	\$ 0.45
Royalty	\$ 0.25
Milling	1.35
(Milling includes freight and treatment on concentrates)	
Total cost per ton	\$ 2.05
Total recovery per ton	\$ 3.26
Total cost per ton	2.05
Expected Profit	\$ 1.21

NOTE:

These results could be greatly improved in the UTE MILL as the ore would be handled under better milling conditions and the tailing loss would be greatly reduced by flotation.

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In addition to this mill test on the Saratoga ores we have thoroughly sampled 1,006 tons from these dumps through the sampling plant of the Chain-O - Mines, Inc. This sampling showed an average value of \$4.86 per ton. This is a very good grade of ore for the Ute plant.

These mill tests are the best possible means for the determination of the value of gold ores. While these tests show a much greater average profit, an average net profit of \$1.00 per ton on the Notaway and Saratoga would mean a profit of \$150.00 per day if we treated 150 tons daily, or with a monthly run of thirty days it would show a profit of \$54,000.00 per year. With ultimately only approximately \$375,000.00 outstanding in stock this would be in the neighborhood of 14% per year on outstanding stock.

CUSTOM ORES:

In addition to our own ores there are many mines in Gilpin County that are without reduction or treatment plants. With our modern facilities, we could work this business into a very attractive proposition. I am quoting from a report by the Deputy State Mine Inspector as to the possibilities of ore production in Gilpin County:

(Report by State Mine Inspector George Becker, District No. 1, to the Commissioner of Mines, State of Colorado):

November 28, 1930.

Mr. John T. Joyce
Commissioner of Mines,
State House, Denver, Colorado.

"Dear Mr. Joyce:

As per your request, I have made a careful survey of my

(Report by State Mine Inspector George Becker) Cont.

district, and I find the following mines could produce complex ores showing values from \$10.00 to \$25.00 per ton:

	Crude and Concentrates Tons per Day
Boulder County	235
Clear Creek County	205
Grand County	250
Park County	135
Routt County	55
Summit County	550
<u>Gilpin County</u>	<u>135</u>
Total. 1,565 tons per day	

"I consider the estimated tonnage given to be very conservative and if there is a market established to encourage the mining of complex ores, this tonnage would be doubled in a very short time.

"There are also a number of prospects in my district that would add to the tonnage mentioned, if encouraged by a market.

"Respectfully submitted,
"Signed) GEORGE BECKER,

"State Mines Inspector, District No. 1"

You will note that Mr. Becker's report states ore of from \$15.00 to \$25.00. With our plant we can lower the value required down to \$6.00 per ton and still show a profit for both the miner and ourselves. By the lowering of the value required the volume of ore produced for milling would naturally increase and in this way increase our custom ore reserves.

I think that with our dump ores and custom ores combined we would operate indefinitely. It is my intention, however, to develop our mines while we are milling these ores. I intend doing this development of our mines in a sane and miner-like way. The ores that we have secured for the mill will allow us to do this. As I have said, before, we own 19 patented lode claims. Many of these are undeveloped. Many of these undeveloped claims show a promise of developing into mines as they are in a rich mining district. In keeping with this opinion, it would be well to state that there has been a recent sensational strike in the War Dance mine. This property is one of our neighbors and shows what might be expected.

MANAGEMENT:

The management, both business and technical, of your property is vested in Mr. J. N. McLellan and myself.

Mr. McLellan's experience in metallurgical plants covers almost twenty (20) years in Western United States and he has held many positions of responsibility and trust.

MANAGEMENT: (Cont.)

My experience in mining has been gained in sixteen (16) years of service in the United States and Mexico.

I am submitting Mr. McLellan's record and my own in the metallurgical and mining fields.

MINING RECORD OF HARRY L. BARR

EDUCATION:

University of Missouri

1917-1918

Assayer & Surveyor for the Mogul Mining Co., Terry, S. Dakota
Mining & Milling gold and silver ores.

1918-1921

Surveyor-Asst. Chief Engineer & Chief Engineer for the Arizona Copper Co.,
Ltd., Morenci, Arizona.
Mining and milling 5000 tons of copper ore daily.

1921-1926

Asst. Chief Engineer, Examination of mines and Geologist for the Cia de Real
del Monte y Pachuca, Pachuca, Hgo, Mexico.
Mining and milling silver and gold ores. This was the largest
silver producer in the world.

1926-1927

Mine Foreman, U. S. Vanadium Co., Rifle, Colorado
Mining and milling Vanadium ores.

1927-1931

Mine Foreman, Mine Superintendent of Emma Nevada Mine of Consolidated
Copper Mines, Corp., Kimberly, Nevada.
Mining 3000 tons of copper ore daily.

1931-1932

General Superintendent of Chain-O-Mines, Inc. Central City, Colorado.
Mining and milling gold ores.

REFERENCES:

E. L. Young
Apartado, 3.
Pachuca, Hgo, Mexico

H. A. Leidich,
Globe, Arizona

B. Berthelson
Kimberly, Nevada

Geo. E. Collins,
Boston Bldg.,
Denver, Colorado

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MILLING RECORD OF JOHN N. McLELLAN

1914-1918

Clean up man to mill shift boss, Basin Salvage Company, Basin, Montana
Milling gold ores.

1918-1922

Flotation operator to shift foreman, Timber Butte Milling Co., Butte, Montana
Milling copper ores.

1922-1924

Shift Boss - Mill Superintendent, combined Metals Reduction Company,
Bauer, Utah
Milling lead, zinc, copper, silver and gold ores.

1924-1926

Mill superintendent - California Zinc Company, Winthrop, Cal.
Milling zinc ores.

1926-1931

Mill Superintendent - Rawley Mines, Inc., Bonanza, Colorado
Milling lead, copper, silver and gold ores.

1931-1932

Mill Superintendent Chain-O-Mines, Inc., Central City, Colorado
Milling gold ores.

REFERENCES:

E. H. Snyder
Bauer, Utah

A. S. Winther
N'Kana, Rhodesia, So. Africa

A. E. Ring
607 McCormick Bldg.,
Salt Lake City, Utah

A. N. Sweet
117 So. Citrus Avenue
Los Angeles, California

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In addition to our Gilpin County property we own or control about a thousand acres in the Tarryall district, Park County, Colorado. This is but a short distance from the famous Alma Mines which are among the richest in the world. I intend making a thorough geological examination of this property in the spring. I think it will prove a valuable asset to our company.

The Ute property, (both mines and mill), is a very valuable one and has the advantage of being able to show a profit at the start with the chance of making a real stake through the development of the mine.

I am submitting this short report to you in an effort to acquaint you with facts concerning your property and to show you in a small way its possibilities.

Harry L. Barr
MINING ENGINEER.