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FIFTH ANNUAL MEETING

OF

STOCKHOLDERS

OF THE

COLORADO CENTRAL CONSOLIDATED

MINING COMPANY,

NEW YORK

AND

GEORGETOWN, COLORADO.

NEW YORK:
PRESS OF SEARING & HYDE.
1884.

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AT THE REGULAR ANNUAL MEETING
OF THE
STOCKHOLDERS
OF THE
COLORADO CENTRAL CONSOLIDATED
MINING COMPANY,

Convened pursuant to notice, dated October 17th, 1884, and held on the 13th day of November, 1884, a majority of votes being present, the following business was transacted :

By an unanimous vote Mr. Paul Lichtenstein was elected Chairman, and Mr. Paul O. d'Esterhazy Secretary on this occasion.

The Chairman announced that a quorum of Stockholders was present, representing in person and by proxies a majority of 212,978 votes, it was unanimously

Resolved, To dispense with the reading of the minutes of the last meeting, which stand approved.

The Secretary thereupon read a report made by the Committee of Investigation, who, under instructions given by the Board of Trustees to examine certain matters in connection with the management of the Company's affairs at Georgetown, Colorado, have just returned from that part of the country after having discharged the duties imposed upon them by the Board. It was unanimously

Resolved, To accept the Report of the Committee of Investigation, and to place it on record. It was proposed, and carried, that the report be printed and embodied in the Annual Report of the Company.

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The Report of Mr. Wilson, the mining expert who accompanied the Committee of Investigation into the mines of the Company near Georgetown, Colorado, not being ready in time for this meeting, it was proposed by Mr. F. Grant, seconded by Mr. H. M. Castle, and unanimously carried, that on receipt of said report it shall be printed and embodied in the Annual Report of the Company.

The Secretary then read the Annual Report of Superintendent Geo. W. Hall, which, on motion of Mr. Jos. Offenbach, seconded by Mr. R. V. Martinsen, and unanimously carried, was received and placed on record.

The Secretary thereupon read the Annual Statement of Ore Product, Receipts and Expenses from November 1st, 1883, to November 1st, 1884, at Georgetown, Colorado; also, the Annual Statement of Receipts and Expenses at the Head Office, New York, for the same period; and, Statement of Cash Balances in Banks November 1st, 1884, at Georgetown, Colorado, and in New York City; all of which was received and placed on record.

Mr. D. C. Wilcox thereupon suggested that the newly elected Trustees, as soon as practicable, should earnestly consider the subject of declaring a dividend, however small that may have to be made, and merely for the purpose of satisfying the public that there is money in this property. Mr. Wilcox's suggestion was received and placed on record for future reference.

The Secretary thereupon announced that the accounts for the year 1882-83 have been carefully audited by Mr. V. Schaller and L. F. Lehmeier, and by these gentlemen subscribed as "found correct."

The Secretary thereupon read the following resolution offered by Mr. Jos. Offenbach, seconded by Mr. D. C. Wilcox, and unanimously carried:

1. *Resolved*, That a Committee consisting of George W. Hall, of Georgetown, State of Colorado, and Paul Lichtenstein, of the City of New York, are hereby appointed to meet and confer with a committee composed of two persons named by the Equator Mining and Smelting Company, for a settlement of all matters in controversy between the Colorado Central Consolidated Mining Company and said Equator Mining and Smelting Company, in-

cluding suits at law and equity, upon such terms as such joint committee shall agree upon. Said committee so appointed is authorized to settle and adjust such controversies upon such terms and conditions as they may mutually agree upon, that is to say: *First*, by agreeing upon a dividing line between the properties of the two companies. *Second*, by agreeing upon any sum of money to be paid by one company to the other. *Third*, by agreeing upon any certain amount of stock of one company to be issued to the stockholders of the other. *Fourth*, by a combination of any two or all of the three above propositions, with full power to dismiss suits, give and accept releases, pay or receive stock or monies, and otherwise to carry out in detail all the terms of settlement which may be agreed upon.

2. *Resolved*, That the President of the Colorado Central Consolidated Mining Company be and is hereby directed to execute and deliver to George W. Hall and Paul Lichtenstein a written power of attorney under the seal of the Company, empowering them as the attorneys in fact of the Company, to make, execute and deliver any deed which may become necessary to be delivered in case the settlement of said matters in controversy be made in the form of an agreed boundary line, requiring one deed to be executed by and another deed to be received from each company respectively.

3. *Resolved*, That said joint committee are empowered in case they fail to agree upon terms of settlement, to assent to a fifth person in addition to the persons composing the joint committee, who, in connection with said joint committee, shall determine upon the terms of settlement by a majority vote, but such fifth person shall not be named until each member of the joint committee shall agree upon the person to be selected.

4. *Resolved*, That said committee hereby appointed shall meet the committee to be appointed by the Equator Mining and Smelting Company at the City of New York, at such office as they may mutually designate, and shall conclude and finally determine all matters which they are empowered to consider, within forty days from the passage of these resolutions, at the end of which period the powers hereby conferred shall cease and determine, unless during that period a final settlement shall be agreed upon.

The Chairman thereupon appointed Mr. Victor Schaller and Mr. L. F. Leymeyer to audit the present accounts of the Company as laid before the meeting.

The Chairman thereupon appointed Mr. E. Schmieder and Mr. H. M. Castle to be Inspectors of the Election of Trustees, now in order.

The following gentlemen were nominated for the office of Trustees for the ensuing year: Paul Lichtenstein, Herm. R. Baltzer, John Pondir, R. V. Martinsen, Geo. W. Hall, Paul O. d'Esterhazy, Joseph Offenbach, F. Grant, H. M. Castle.

The election was proceeded with, Mr. Schmieder and Mr. Castle acting as inspectors.

The polls, pursuant to the provisions of the resolution passed, and in accordance with Section 3 of the Company's By-Laws, were declared open at twelve o'clock noon and to remain open until one o'clock P. M. Ballots were thereupon cast and at one o'clock all present having voted, the polls were declared closed.

The Inspectors proceeded to count the ballots, and on completion of this they announced that the gentlemen before nominated had received a majority of votes cast and were duly elected Trustees for the ensuing year.

The Chairman thereupon invited the Stockholders present to call at the office of the Company at any time that may suit them best to discuss the subject of Mr. Wilson's report on the condition of the Company's mining property at Georgetown, Colorado.

Thereupon the meeting adjourned.

REPORT OF SPECIAL COMMITTEE OF H. R. BALTZER AND JOS. OFFENBACH, TRUSTEES.

DENVER, COLORADO, November 7th, 1884.

To the President and the Board of Directors of the Colorado Central Consolidated Mining Company of New York:

GENTLEMEN,—

In accordance with the resolution passed at a recent meeting of your Board to investigate the condition of affairs of the management and state of the Colorado Central Consolidated Mining

Company, we, the undersigned, who have been entrusted with the examination thereof, report the following:

After having personally inspected the location and working of the mine we have acquired the conviction that the management in Georgetown has been and is using strenuous efforts to develop the mine according to business principles in the interest of the Stockholders, and that your able superintendent is using his best judgment for the development of the mine according to the character of the same. All reports to the contrary which have been the primary cause of this examination, are based on mere hearsay, and this statement has been verbally made to the undersigned by the party that has given the reports to private individuals in New York, at whose instigation the said party has met the undersigned in order to assist in this examination if thought advisable.

We feel fully justified in stating to you herewith that the confidence which you have placed in Mr. Hall as superintendent of affairs of the mine has not been a misplaced one; that Mr. Hall, according to all reports from unprejudiced parties; which have been verified by our own inspection, has constantly exerted himself for the benefit of all parties interested in the concern, and that it is owing to his serious, cautious and conscientious management principally that catastrophies at times threatening the very existence of the Company have always been averted, and that we are now enabled to report, as we take pleasure in doing, that the financial condition of your property is secured beyond a doubt; that the prospects of a paying basis are, as far as all appearances go, assured, and that the Stockholders may expect a fair return for their investment, which, with this conservative management continued, will be maintained for a long time to come.

We have found—and this opinion is coincided in by the expert, Mr. Wilson, who, according to your resolution, has accompanied us on this tour—that the improvements on the property and the expenses pertaining thereto, which have been suggested to you by Mr. Hall, are necessary and will result in a reduced cost for the extraction of ores, and at the same time without any further considerable addition to running expenses will help to enlarge the

output of the precious metal. We abstain from further reporting in regard to the technical points concerning the property as these will be more explicitly given in the separate report of Mr. Wilson.

The books of the Company in Georgetown are kept in a most commendable way; we have merely suggested the opening of a separate account with the main office at New York, the remittances to the same having been hitherto entered on expense account. We have verbally informed the Superintendent of your resolution that not more than \$5,000 should be kept in the bank at Georgetown, and that every larger amount exceeding this sum should be remitted to the treasury in New York; but as the average running expenses of the property during every month usually exceed this amount, we have taken it on our own responsibility to increase this balance to \$8,000, as the settlements for the ores extracted from the mine and sold to the mill are made only on or about the 25th of each month, and the net proceeds consequently can only then be accounted for and become available. It is our place to state here that the exclusive buyers of our ores are the firm of G. W. Hall & Co. This has been one of the points hitherto complained of; we have come to the conclusion that at the present time it is most practical, and we believe, best for the interests of the Stockholders, that this method should be continued, the actual output of the mine of paying ore is not sufficient to keep a mill constantly in full employment, it would therefore be a wrong policy to go into the expense of constructing one now; later, however, when our expectations of an enhanced production, consequent upon the projected improvements will be realised it will doubtless become not only advisable but even necessary to construct our own crushing mill. The ores coming from the mine are directly shipped from the mine to the mill which is in close proximity to the office of the Colorado Central Consolidated Mining Company; there the ores are weighed and the result directly given to and controlled by our Cashier, Mr. Mantius. The firm of G. W. Hall & Co., owners of the mill, which is a custom mill, re-sample and assay the ores, which assay is again controlled by one of the numerous county assayers residing in Georgetown. In order to further control the assay to the satisfaction of the Board,

of Directors of the Company we have instructed the office in Georgetown to forward a third sample to New York, in order to repeat an assaying whenever it is the pleasure of the Board to do so. We have found that the difference between selling the ores directly to the smelter at Denver, which involves shipping charges, freight (on which the crushing mills at Georgetown enjoy an exclusive rebate) and sampling labor and supervision at Denver, where we would have to employ a reliable man for the purpose and run the risk thereof, when compared to the prices we could obtain there and those paid in Georgetown, is so insignificant and at the same time uncertain, and that the whole proceeding would be so laborious and cumbersome, considering the limited quantity now produced, that we consider it advisable for the present to adhere to the method now pursued.

As far as supplies—timber and lumber—are concerned, they are and always have been bought, not through the firm of G. W. Hall & Co., but by Mr. Hall, as our Superintendent, for account of this Company, in wholesale at reduced prices, wherever they can be purchased the cheapest; the bills, therefore, are directly sent to our office and are there accounted and settled for. It has been another special point of our investigation to examine the correctness and the practicability of the lessee work; we have come to the conclusion that the way of leasing is the best one considering the character of these mines; it has opened and is opening new ground in the property without any considerable expense to the Company, and it is our conviction that without this method it would have been a matter of impossibility to reach the result which has been obtained. This lessee work is, to express it briefly, nothing but a joint account transaction; the Company advances the supplies to the debit of the lessee; the royalty paid to the Company varies from 25 to 50 per cent., according to the character of the ore. As soon as the lessee strikes pay ore the royalty is from the start deducted from the gross proceeds; the back and running expenses are then equally divided between the Company and the lessee and so are the then remaining net proceeds. We have been informed from various sides that all the mines in this neighborhood are worked on this same basis to the satisfaction of all parties concerned,

and there is only one voice as to the efficiency of such a way of working.

It is impossible to give an estimate of the quantity and value of the ores lying on the "dump." The dimension of the dump is, however, very large, and secured from being washed away by waters running close by, by the construction of a strong stone wall now under way, sufficiently progressed to protect them for the winter. Mr. Hall, our Superintendent, has leased out so-called dump picking work at the rate of 25 per cent. royalty to some Germans of the neighborhood, the difference of 75 per cent. we reckon, hardly pays them for daily labor. The proportion of ores going on the dump may be estimated at between 350 and 450 tons monthly.

It is a fact known to you that our cashier, Mr. Mantius, on account of the state of his health is compelled to absent himself from his post for the period of three months, for which he has received leave. During his absence his position will be cared for by Mr. Foster, our Surveyor, who is recommended to us as a very reliable gentleman, and whose reputation in the community where he has been living for a large number of years is a guarantee that he will conscientiously fulfill his duties.

As far as our litigations are concerned we have had consultation with our lawyer, Mr. Morrison; he says that the bond warrant from Mr. Hall, which you already possess, gives us complete security to possession of the Ocean Wave Tunnel property. The final settlement will be made at the next Term of the Circuit Court, when the remaining $\frac{3}{8}$ of the title, being owned by minors, will be sold out under decree of the Court to Mr. Hall, and thus go likewise into possession of this Company, in the form of receiver's receipt which will be converted into a patent. The original purchase money having been \$12,000, there remains now the sum of about \$3,800 to be paid yet to complete the contract, due when the title is perfected.

The proposed settlement between the Equator and our Company is still pending. We have been informed that a meeting of representatives of our and their company has been arranged for about December 1st. at New York. You know that our Georgetown office has brought a suit against the Equator Company to the extent of

\$115,000. Our lawyer, Mr. Morrison, who has the case in charge says that we have a good case as it is a positive fact that the Equator Company has extracted a considerable amount of rich ore from our lode, for which they are responsible if it can be proven; to prove it Mr. Hall has made exertions in collecting all possible evidence, and has, so far, had great success. We abstain from giving a personal opinion on the advisability of pushing a suit or making a settlement as this is a matter belonging to the province of the Board.

Our lawyer further states that the Kirtly litigation, which involves possession of our lode No. 10, will soon be tried; that this suit, like all similar suits instigated against the Colorado Central Consolidated Mining Company, has been brought upon us for malicious reasons to embarrass the Company. The patent on this lode being invulnerable they consider the case as good as won. It is, according to the statement of Mr. Morrison, a matter of congratulation that different companies have been struggling for ground belonging to this Company, showing how much value they attribute to the Company's property as they would not spend money to fight for a worthless object.

According to information which our lawyer gives us there are no other suits pending filed on the docket against the Colorado Central Consolidated Mining Company.

We would suggest that your Board try to have members of it more frequently visit the mines than hitherto has been done; it would certainly be the best means of confirming their faith in the good management of the property, prevent any idle rumors to the contrary from gaining ground and disturbing the harmony and good feeling that ought to exist.

Respectfully,

H. R. BALTZER,

JOS. OFFENBACH,

Committee.

MR. SUPERINTENDENT G. W. HALL'S REPORT.

GEORGETOWN, COL., November 1st, 1884.

To the President and Board of Directors of the Colorado Central Consolidated Mining Company of New York City.

GENTLEMEN,--

I beg leave to submit the following report of your mines for the year ending October 31st, A. D. 1884 :

I have the pleasure of giving you a more favorable report at this time than at the close of any previous year. We have not done quite as much development work the past year as former years, but what we have done has been done with much better results.

Our development work for the fiscal year consists of drifting, cross-cutting, raising and sinking of winzes, as follows, to wit :

One cross-cut from the 330 foot level south 13 feet one cross-cut to the north 18 feet. From the breast of this cross-cut a level had been driven west 25 feet. The winze which was commenced last year, below this level, has been continued down 35 feet to a point where it is now connected with the 400 foot level, with ore showing nearly the whole depth. The raise above the 330 foot level has been continued up 40 feet, to where it connects with the Harris' shaft, and makes good ventilation for this part of the mine, and also for the 400 and 500 foot levels. The south 330 foot level has been driven 12 feet.

400 FEET LEVEL.

This north level has been driven 297 feet, showing ore nearly the whole distance. The south level has been driven 134 feet, showing ore a *portion* of the distance. One cross-cut has been driven to the south 6 feet, and one to the north 18 feet. A winze has been sunk on the south ore body 12 feet. Some stoping has been done on both the above levels.

500 FEET LEVEL.

We have driven 239 feet of cross-cuts from this level. The north drift has been run 190 feet. Another drift has been run

between the 400 and 500 foot levels, a distance of 140 feet, all of which are driven in ore, and some stoping has been done over these levels. One winze has been sunk a depth of 65 feet and another of 20 feet, showing ore all the distance. A mill hole has been raised 40 feet, connecting with the intermediate level; another mill hole has been raised from the intermediate level to the 400 foot level, a distance of 50 feet.

There has been nothing done on the 600 foot level.

650 FEET LEVEL.

This level has been driven only 14 feet and a small amount of stoping has been done above this drift. We have a nice body of ore at this point, but not enough development to determine its extent. We have done no work at this point for the past eight months; we were obliged to stop on account of bad air and a considerable amount of water, therefore, I determined to stop the work at this point until such time as we could sink our main shaft down to this level, it being 100 feet deeper than the main shaft, and the sinking of the main shaft cannot be done to advantage until we put up a larger plant for hoisting.

The Marshall Tunnel has been driven 25 feet, which covers our assessment work for the unpatented claims. A drift has been driven out from the Marshall Tunnel, on Tunnel Lode No. 5, a distance of 68 feet.

TOTAL.

Number of feet levels driven during the year.....	880 feet
Cross-cuts.....	294 feet
Winzes raised and sunk.....	262 feet
Number of fathoms stoped.....	320
“ “ of ground opened.....	1,472

PERMANENT IMPROVEMENTS.

The old ore house at the mouth of the Marshall Tunnell, at which point all the ore is delivered, was very small; and in order to handle the ore that was coming out of the mines, I found it necessary to put up a larger and much more secure building for

this purpose, and about the middle of May I commenced moving the old ore house and blacksmith shop, and to grade for the new ore house, which work was all rock work, and have now erected a good and substantial building 23 feet wide by 55 feet long.

In May last I put in a new flume to carry the water past the dump. The old one was considerably worn, and was considered too small, as there was more snow on the high mountains than there had been for many years, and when the thaw came the quantity of water was so great that it caused a large quantity of sand, gravel and boulders to come down the creek channel, choking up the flume, and causing the water to overflow the dump carrying with it some lumber and mining timbers, and also a portion of the flume and dump and completely destroying a portion of the wagon road to the mine, and I was obliged to build the road at two points before I could get supplies to and from the mines.

This loss, however, did not exceed \$1,200 excepting what value there may have been in the dump which was carried away. It is impossible to estimate the value without knowing what per cent. of the value of the dump can be saved by concentration.

The old ore house has been repaired and is now used for storing ore.

We have two blacksmith shops at the Marshall Tunnell which have been moved on ground graded with the side of the mountain for the purpose, and put in good repair, and set at a sufficient distance apart from each other and from other buildings so that in case of fire in either, it would not endanger the others. As these buildings were formerly located, they were in danger of being destroyed by flood in which we had some experience last June. When a portion of the flume and dump was carried away all of the buildings except the new ore house, then being constructed, were in danger of being carried away by the flood. Since the flood I have put up a substantial stone wall across the gulch 8 ft. thick and 25 ft. high to prevent any further wash-out of the dump, and for the protection of the car track, timber yard, &c.

I am now building the foundation walls for the water wheel.

During the past six months I have had two tests made of our low grade, or concentrating ore which resulted unfavorably. The

first trial was at Black Hawk on a lot of about 20 tons containing 23 ozs. silver per ton. The concentrating machine was run under very adverse circumstances and resulted in a loss of about 75 per cent. of the assay value of the ore. I believe, however, that the machine is a very good one, and I think would do much better work under more favorable circumstances.

The other trial was made at the Pay Rock Mill with the Hartz jiggs on a lot of 25 tons of 23 oz. ore. The returns from this lot of ore was 304 lbs. assaying 246 ozs, and 831 lbs. assaying 104 ozs. Total 78 ozs, which shows too great a loss to make it profitable concentrating. But I will say, that it is impossible to make a fair test of any ore with jiggs, buddle, &c., on such a small quantity, but I could not get a larger lot run at this mill, and I would recommend making further tests before deciding about concentrating works.

As I have before mentioned, our mines, or that portion of them now being worked are looking better than at any time during the past five years, and I predict that the next twelve months will be the most prosperous that the company has ever experienced; and should the company decide to put up the necessary improvements for deep mining, I believe our mines will pay for many years to come.

For the past five years our mining has been carried on, on rather a small scale, but as largely as our plant and means would admit of, and now that our mines have proven to be valuable, I think the time has come when we should prepare to carry on the work more extensively. In order to do this we must put up larger plants for hoisting. This should be done before the mine is worked out above the 600 feet level, so that other ground below this level may be opened while the ore bodies now in sight are being worked out. We have a fine ore body 250 feet below the deepest point in ore now working, but our present power is not capable of doing the work to that depth.

I would now recommend that larger hoisting machinery be put up, also an air compressor and other machinery necessary for prosecuting our mining operations on a larger scale, and that the sinking of the main shaft be commenced as soon as the machinery

is in place, for, I believe that larger bodies of ore lay deeper than our present workings.

I would further recommend that the company appoint some one as your agent whom you have confidence in.

In regard to the litigation, which has given us so much trouble for years past, seems to be drawing to a close. There has been no suits of importance tried during the past year, except the case known as the Cayuga against Tunnel Lode No. 5. This was a case where suit was brought to set aside the patent to Tunnel Lode No. 5. The case has been tried and decided in our favor. All other suits stand the same as they did one year ago.

Yours obediently,

G. W. HALL, *Superintendent.*

REPORT OF J. WENTZ WILSON, MINING, MECHANICAL
AND CONSULTING ENGINEER.

To the President and Directors of the Colorado Central Consolidated Mining Company.

GENTLEMEN,—

NEW YORK CITY, November 14th, 1884.

Having just completed my examination of the Company's Mining property in Colorado, in accordance with instructions contained in a memorandum to the "Board of Investigation," "to examine and report upon the important places in the Mine," etc., I beg to submit the following report as the result of my investigation into the matters referred to.

Very respectfully and truly,

J. WENTZ WILSON,
Mining, Mechanical and Consulting Engineer.

PREFACE.

It is not necessary nor pertinent in this instance to go over the ground which is already familiar to you as to the geographical location of your property, the geological characteristics, nor to

the general developments of the mine from the beginning. The important places in the mine, and the necessary improvements at the mine, in accordance with instructions given me, will form the basis of my report.

As to legal matters and litigation pending, I have omitted all reference to the same, for the reason that more time would have been necessary than at my disposal to have made a satisfactory investigation of these matters, and your Committee have, no doubt, given this part of the business their attention, so as to cover all the necessities of the case for the present.

We pass, therefore to the consideration of the property as above referred to.

The main entrance to the mine and ore bodies is through the Marshall Tunnel.

From the No. 2 shaft in the Marshall Tunnel level, to the Stewart shaft or winze, there has been considerable exploration made but no appreciable quantity of ore has been met with. But going west from this latter point, the Stewart winze in the

SOUTH FIVE HUNDRED FEET LEVEL

a distance of one hundred and ten feet, the ground has been stoped out about fifty feet vertical by one hundred and ten feet in length, but this ground proving rather poor this stope was discontinued.

Continuing west on this five hundred feet level a distance of forty-five feet, we come to the Gressenger cross-cut; here a fine showing of ore is met with. This latter cross-cut is driven in a northerly direction a distance of about twenty feet, but there has been no drifting nor stoping done upon the ore body in this cross cut; the cross-cut is being driven to the north wall preparatory to extracting ore.

Twenty-seven feet westerly from the Gressenger cross-cut last mentioned, another cross-cut has been driven, in nearly the same direction, which is called the Forsland Cross-cut. From this latter cross-cut the south five hundred feet level has been continued for a distance of three hundred feet.

About forty feet back from the breast of the tunnel last mentioned, a raise has been made on a small seam of ore, about twenty

feet long by twenty-five feet high, with ore still visible in the roof. and I am informed the showing is better for a continuance of ore than it was in the bottom.

Returning to a point fifty feet westerly from the Stewart winze we find a shaft has been sunk to a depth of about fifty feet, and a level has been driven from the bottom of this shaft about forty feet in length, from which level a stope has been made to the five hundred feet level, the whole length of this forty feet level.

At a point one hundred and eighty-two feet westerly from the Forsland cross-cut is another cross-cut driven in a northerly direction to connect with the north five hundred feet level.

In this latter cross-cut, and about thirty feet from the South five hundred feet level, is a shaft sunk to a depth of sixty feet. This shaft was sunk upon a small vein of rich ore. There is no work being done in this shaft at the present on account of the bad air.

From the breast of the cross-cut last mentioned, a level has been driven in an easterly course, and from the breast of the Forsland cross-cut, a level has been driven in a westerly course until connection has been made with the two levels, completing what is called the North five hundred feet level, which is two hundred and ten feet in length.

This latter level shows ore throughout nearly its entire length, and in this level is found the principal ore body from which ore is now being extracted.

From this last mentioned level a winze or shaft is now being sunk on the same ore vein, and is down to a depth of about twenty-five feet, showing ore in the bottom.

At and above the shaft last mentioned, there is a stope commenced, which is about fifty-seven feet long at the level, and is carried up forty-eight feet; this stope is shortened up at the top to thirty feet in length; this stope was carried up partly to connect with a temporary level, forty feet above the five hundred feet level, for the purpose of ventilation.

The stope here last referred to, is partly on Company's ground, and partly on lessee's ground, the proportion being about one-third on Company's ground and two-thirds on lessee's ground, as now being worked.

The remaining ground on this level is Company ground, which is about one hundred and twenty feet long by eighty feet high, up to the four hundred feet level.

Immediately west of the level last referred to, the work preparatory to stoping is being done, having been raised about five feet from the level and about twenty-five feet in length, showing a very fine vein of ore and of high quality.

The temporary level before mentioned, is about one hundred and forty feet in length, being and lying easterly from the stope above referred to.

The ground above this "temporary level," up to the four hundred feet level, has been about one-half stoped out, the easterly end of the stope having been carried up to the four hundred feet level.

There is now remaining between the temporary level and the five hundred feet level a block of ground unstoped, of about seventy feet in length by thirty-five feet in height, this block of ground shows some mineral, but does not look as well as the ground west of it.

FOUR HUNDRED FEET LEVEL.

The stoping in this level begins at a point about one hundred and ten feet west from the Stewart winze, and extends westerly a distance of two hundred and twenty feet, and is raised forty feet above the level at the east end and running down to the roof of the level at the west end, making an average of twenty feet in height for the distance run.

One hundred and seventy feet of this stope is on Company ground, and fifty feet of the east end is on Lessee's ground.

This level has been driven westerly from the Stewart winze about four hundred and ten feet, and is still being driven ahead.

The mineral in this level commenced at a point one hundred and ten feet west of the Stewart winze, and continues to the breast of the level, two hundred and ninety-three feet beyond the point last named. There has been no stoping done in this level, except as before mentioned.

At a point one hundred and ninety-five feet west of the Stewart winze, a shaft was sunk from the McClusky level to the four hun-

dred feet level, showing mineral nearly the whole distance, being about eighty feet up from the four hundred feet level.

About fifteen feet south of the ore body above referred to, is another small vein which has been drifted upon for about sixty feet and has been stoped up about seven feet above the level. There is some ore showing in this stope, but the formation is not uniform or regular.

There is a shaft being sunk from the floor of this level which is now down to a depth of thirteen feet showing a small vein of ore about two inches in thickness, but from indications here shown, there is probably not a large ore deposit in this particular locality.

RESERVES OF ORE.

Having described somewhat minutely the ground in the mine that is now producing ore, and the dimensions of the stopes from which ore has been extracted at these points, it seems appropriate to mention in this connection more particularly the amount of ground immediately adjacent to the stoped out ground, to form some conception of the paying power of the mine at the present moment. And with the present development of reserves, for a continuation of the production upon the basis of present working operations at the mine.

Some of the unstoped ground has been mentioned incidentally in connection with ground from which the ore has been, and is now being extracted, but the ground from which no ore has been taken will now be referred to in detail.

Commencing on the South five hundred feet level, as in the first instance, as this was the point at which the examination was begun, on account of the better facilities for entering the mine and workings on this level.

Beginning at the Stewart winze to the South five hundred feet level, we find ore ground partially stoped out above said level, the remaining virgin ground containing ore up to the Four hundred feet level, amounts approximately to sixteen thousand six hundred and thirty feet, without including a small portion belonging to the Company in leased ground, and it is safe to assume that the ground below this level to the depth of the shaft, sunk

fifty feet deep and fifty feet west of the Stewart winze is ore bearing to the end of this level, from the Stewart winze, which is four hundred and eighty-three feet, and giving by measurement twenty-four thousand one hundred and fifty feet of unworked ground.

Now passing through the cross-cuts before described, to the North five hundred feet level, we here meet with the best ore body in the present workings, both as to grade and quantity. There is a small stope here before mentioned, fifty-seven feet long by forty-eighth feet high of triangular form, and this is partly Company ground and partly Lessee's ground, but the unstoped ground is estimated to contain, exclusive of Lessee's ground by making an average of ore shown in the sixty feet shaft, and the twenty-five feet shaft sunk in the cross-cut and level. This block of ground should amount to about forty-two feet by three hundred feet, as the showing is good for a continuance of ore, and of better quality in the west end of the level. This with the two blocks of ground before mentioned as remaining in this level, gives a total of twenty-two thousand five hundred and seventy-five feet, superficial measurement.

Entering the four hundred feet level to estimate the value of unbroken ground here, the amount exclusive of leased ground, is found to be twenty three thousand and fifty feet from the floor of this level up to McClusky level, extending from a point five feet west of the Stewart winze to the end of the four hundred feet level, making a total of all unstoped ground in this part of the mine, of sixty-nine thousand seven hundred and seventy-five feet superficial measurement.

The irregularity of the ore formations on this property, preclude the possibility of making absolutely a correct or infallible estimate of the ore in sight, in any one section of unopened ground. And the measurements taken, varied from a mere seam of ore up to fifteen inches in width. The width of the ore vein proper, from measurements made, gave from one to fifteen inches, this gives an average result of seven inches and three-ninths of an inch.

But from the irregularities in the ore formation, as before mentioned, and making a liberal allowance for lack of persist-

ency in the vein of mineral throughout the ground examined, we feel constrained upon conservative grounds, to fix the average width of the mineral vein at three inches; and upon this basis we find a total of seventeen thousand four hundred and forty-four cubic feet of mineral.

Not having the facilities at hand for obtaining the exact specific gravity of the ore, we estimate this quantity in tons, from data given by constant measurements of the ore as adopted at the mine, to be one thousand five hundred and eighty-five and three-fourth tons.

This amount of ore, at one hundred and sixty dollars per ton, which is about the amount of the cash value of the last lots of ore sold, would give a gross value to the ore, in place in the mine, and within the limited area of ground examined, of two hundred and fifty-three thousand seven hundred and twenty dollars.

It may be remarked that if there is any variation from the estimate of the value of the ore as here stated, it will be likely to exceed the amount given, for the reason, that the vein may, and probably will, average wider than the measurements adopted in the calculations as here given, as greater depth is obtained in the progress of development.

MARSHALL TUNNEL DUMP.

The largest and probably the most valuable quantity of this dump material is located at the Marshall Tunnel. The measurements for this refuse matter were not made sufficiently exact to give more than an approximate estimate of the amount contained but the quantity stated will be under the real amount there without doubt.

The quantity of stuff in this dump is about fifty thousand tons. It would be impossible to give a reliable estimate of the value of this material, except the dump was tunneled through and drifts run to obtain samples from every part for a test of its value. But if the whole would average one dollar per ton you could, by improving the excellent facilities which you have in the ample water power, which is one of the invaluable franchises belonging to your Company, work this ore stuff to a satisfactory profit.

THOMPSON TUNNEL DUMP.

This dump contains about ten thousand tons of material the value of which is unknown, but from the casual inspection made it would not compare in value with the Marshall Tunnel dump, however all this stuff would be concentrated and this will show the value. The hauling or delivery to the mill which you would erect to work this product should not cost more than twenty-five cents per ton, and perhaps not so much.

O. K. DUMP.

This dump contains about one thousand three hundred and fifty tons.

All these dumps are located above the Marshall Tunnel dump, and the material can be sent down on a tramway of some kind, or shunted part of the way in shutes, which would reduce the cost of transportation to a minimum.

A small expense would determine the whole question with reference to the practicability, value and profit which might accrue from working this dump material.

CONCENTRATING ORES.

Your manager at the mine informs me that about four hundred tons of ore per month is produced which is dump material, and this stuff is dumped from the car and rolls down over the surface of the dump, and this ore will average about fifteen ounces silver per ton, without further concentration. This shows a gross value of six thousand dollars per month, and there is no doubt but that with proper concentrating plant, this product would pay a large profit to the Company, as, at an expense of say fifty cents per ton this product could be concentrated eight to one, or eight tons would be reduced to one ton, and this one ton of concentrates would be worth about one hundred and twenty dollars, which is thus made into a merchantable product at less cost or waste than to mix it with rich ore in order to sell it, and thereby reducing the market value of the richer ore, besides the saving in freight to put this less valuable product on the market; and this is a very important point, for the smelters will frequently make a lower as-

say on a lot of ore than the assay you have made, especially when there is a considerable variation in the value of the ore sold or sent to them, and it is less expensive to stand their reduction than it would be to move your ore away. So you have to stand a loss, while on the other hand, if your ore is of a uniform high grade, they will be glad to get it at full value.

This last remark opens the whole question as to concentration, whether, with your very valuable and ample water power, it will not be best in the near future, to concentrate a considerable portion of the output from your mine.

IMPROVEMENTS AT MINES.

While upon the important subject of dealing with your ore product we cannot refrain from venturing the suggestion that it will be found profitable to adopt a process for work and milling your ore on the ground where produced. The ore product could be converted into bullion, with the aid of the valuable auxiliary, your water power, at about one-half the cost of the smelting charges, which you now pay. This would of course involve the expense of erecting a mill, and this would not be advisable perhaps until you have settled and wiped out all litigation now hanging over your property. But the curtailment of cost for converting your ore product into bullion, should not be lost sight of.

At the present time the smelters will pay for your ore, "assaying from one hundred to two hundred dollars per ton, ninety-two per cent less fifteen dollars per ton." Therefore, if you have ore assaying one hundred dollars per ton you get only ninety-two dollars. This deduction is made to cover loss in smelting; then the cost of smelting is deducted, fifteen dollars per ton; then again comes the freight charges to Denver, five dollars and forty cents per ton; and finally the cost of sampling, which is two dollars more per ton, making a total cost to be deducted from your ore per ton, of thirty dollars and forty cents.

Therefore, it can be reiterated with much confidence, if you avail yourselves of the ample water power at your disposal the cost of converting your ore into bullion can be reduced at least by one-half, and this saving will amount to a considerable profit in working large quantities of ore.

No work or improvements at the mine as above suggested should deter or delay for a moment the completion of the work now in progress for obtaining additional and better power for prosecuting the work in the mine on a larger scale.

The small engine now in use for hoisting is inadequate for doing this work, especially in the lower levels, which it is now proposed to open, besides the excessive heat generated in the boiler, as located in the mine, is very oppressive, and retards the work to a degree, and more than that, the heat diffused into the surrounding moisture, hastens the decay of timbers in the mine, the frequent renewal of which from this cause, will form a large item of expense. But when the water wheel is in place the work which your manager has now under way, all this trouble will be overcome, and you can have ample power for all work for "almost nothing," besides perfect immunity from danger of fire, and the expense of engineers and other incidental expenses in running an engine.

You must not stop nor delay in your work of development.

That you have a great and valuable mining property, the present production, brought about through the energetic and intelligent management of your Superintendent, without the aid of "outside capital" raised or contributed for developing and working this mine, there can be no question.

You have arrived at a point, financially, as your manager informs me, where you can afford from the net surplus earnings of this property to put the requisite machinery for further needed development in place, and at the same time pay a small dividend to the stockholders, and when these plans of your manager are carried out, the machinery at work, and the proposed developments in the mine sufficiently advanced to warrant the act, you can increase your dividends to that extent, but always upon a wise and prudent basis, which will make this property a safe and inviting investment, and thereby satisfactory to all concerned.

In answer to the proposition for immediately increasing the output of ore for paying a large dividend to the stockholders; such an act, under the circumstances, would meet with my unqualified disapproval, and for the following reasons:

First,—From the character and proportions of the ore formations, which have before been referred to, and which are now com-

paratively limited, the vein or streaks of mineral are narrow, and not always continuous. This circumstance alone should and probably will restrict the output within certain limits.

Second.—The amount of ore bearing ground now open is not sufficiently large to withstand the strain of greatly increased production, without bringing about premature exhaustion of the ore reserves now in sight, and this latter policy, or system of working the mine would be both disastrous and suicidal to the interests of all concerned.

In a mine of this character it is absolutely necessary to keep your development work so far ahead of the ground from which ore is being extracted, that there can be no possibility of exhausting ore reserves, whereby the property may be rendered unproductive.

CONCLUSION.

Your property bears so striking a resemblance in ore formations and the character of the ore, to the celebrated Manhattan Mine, in the State of Nevada, that I consider it interesting and worthy of passing notice.

In this mine, while they have narrow seams of ore with much irregularity in the formation, still they keep their development work so much in advance of the ground where ore is being extracted, that they are able to pay regularly a *net profit* of over one million dollars per annum, and this result is obtained while employing expensive steam power to do their hoisting, pumping and milling. But their mining is done largely on the "tribute" system, similar to the manner in which your manager leases his mining work, and by the adoption of this system of working in your mine by your manager, you are largely, if not wholly, indebted to him for the present sound condition of your property. And with a continuation of the same conscientious and intelligent management at the mine your prosperity should be assured.

I am, very respectfully, yours,

J. WENTZ WILSON,

Mining, Mechanical and Consulting Engineer.

New York City, Nov. 15th, 1884.

At the meeting of the Trustees held on the 13th November, 1884, the following Trustees were unanimously elected Officers of the Company for the ensuing year :

President—PAUL LICHTENSTEIN.

Vice-President—HERM. R. BALTZER.

Secretary—PAUL O. D'ESTERHAZY.

Treasurer—R. V. MARTINSEN.

Superintendent at Georgetown, Colorado—GEO. W. HALL.

Cashier at Georgetown, Col.—W. E. MANTIUS.

The Executive Committee appointed are :

The *President* or *Vice-President* presiding.

Members :

JOHN PONDIR, F. GRANT, JOSEPH OFFENBACH and
PAUL O. D'ESTERHAZY.

The above Reports were ordered to be printed.

STATEMENT OF RECEIPTS AND EXPENSES
OF THE
COLORADO CENTRAL CONSOLIDATED MINING COMPANY
HEAD OFFICE, 25 WILLIAM ST., NEW YORK CITY,
From November 8th, 1883, to November 11th 1884.

Dr.	Cr.
To Cash Balance November 8th, 1883.....	By Printing Annual Report, 1882-1883.....
Cash Rent, N. G. Lloyd	Expenses incidental Annual Meeting.....
1884.	Advertising Account....
Oct. 27th, Cash Remittance from Georgetown, Col.	Janitor, Office Cleaning, Fuel, &c.....
	Stationery and Printing.
	Secretary's Salary, 1883-'84.....
	Petty Cash Account do.
	Wm. N. Symington, Balance of Account.....
	Due President, per his Cash Account.....
	Unsettled acct. of J. Jeffys for office partition 29 Broad St., Jany, 1881.
	Due Secretary, old acct. not charged in 1882-83.
	President's Clerical help, Nov. and Dec., 1883..
	Office Railing, Matting, Stove and Gas Fixtures bought in office No. 25 William St.....
	Moving Co.'s Furniture to Do. Jany, 1884.....
	Corporation Attorney's account, balance.....
	Office Rent to Nov. 1st, 1884.....
	Am. Bank Note Co., Stock Books.....
	B. S. Demarest, Binding Co.'s Maps.....
	Committee of Investigation, on account of expenses authorized.....
	Cash Balance in Bank, (New York).....
Total.....	Total.....

November 11th, 1884, To Cash Balance in Bank \$16,319 62.

OFFICE COLORADO CENTRAL CONSOLIDATED MINING CO.,
25 William St., New York, Nov. 11th, 1884.

Audited and found..... PAUL O. D'ESTERHAZY, Secretary.

Statement of Ore Product, Receipts and Expenses of the COLORADO CENTRAL CONSOLIDATED MINING COMPANY, Georgetown, Colorado, from November 1st, 1883, to November 1st, 1884.

MONTHS.	NET TONNAGE		Average Assay, No. of ounces Silver per Ton.	Price of Silver per Ton.	RECEIPTS.				EXPENSES.							BALANCES IN BANK AT GEORGETOWN, COL., ON THE FIRST OF EACH MONTH.		
	Tons.	Lbs.			Proceeds by Sale of Ore.	Proceeds by sale of Supplies.	Company's Interest in Leases.	Totals.	Royalty to Lessees.	Contract and Daymen. Dead Work.	Tools and Supplies.	Wood and Timber.	Office Salaries and Miscellaneous.	Law and Court Fees.	Remittances to New York.		Totals.	
1883																		
November...	10	1574	Average Assay 223 ounces.	229 60	Cash advanced by G. W. Hall & Co. 700 00				\$176 00	\$1,831 01	\$336 01	\$124 05	\$1,021 99			\$3,489 06	\$595 78	
December...	20	1709		119 75	Cash advanced by G. W. Hall & Co. 1000 00				835 70	1,714 20	166 65	118 13	1,233 40	\$386 20			4,454 28	531 77
1884																		
January.....	31	1314		154 80	4,954 15	223 40	293 75	5,471 30	905 85	1,889 55	304 37	89 84	998 40	554 97			4,742 98	3 99
February....	27	1637		207 00	5,826 80	108 92	70 00	6,005 72	980 65	1,808 90	276 02	78 53	975 54	341 90			4,401 54	732 31
March.....	32	1963		216 75	6,936 10	45 05	47 85	7,029 00	798 70	2,210 15	188 12	116 52	975 59	80 40			4,369 48	576 49
April.....	38	1175		216 41	8,440 20	73 64	173 60	8,687 44	1,229 95	2,187 20	278 57	332 82	993 49	121 40			5,143 43	3,236 01
May.....	39	1106		230 85	9,234 40	96 90	870 60	10,201 90	1,961 30	2,593 45	On account of Ocean Wave Tunnel Purchase.						5,000 00	6,780 03
June.....	71	176		163 70	11,578 60	123 10	161 00	11,862 70	4,384 20	2,627 32	332 47	186 10	1,011 89	575 68			6,660 89	8,755 99
July.....	86	1555		137 45	11,959 70	66 70	1,964 77	13,991 17	3,830 25	3,278 42	435 02	163 87	1,068 68	76 90			8,755 99	5,321 04
August.....	63	1616		179 00	11,460 70	63 65	1,842 05	13,366 40	3,279 95	3,476 11	373 95	536 40	936 09	4 00			8,959 11	8,427 72
September...	77	159		168 55	12,981 00	47 02	1,898 70	14,926 72	3,639 85	3,660 13	628 08	216 40	1,085 89				8,686 43	13,601 40
October.....	97	392	156 84	15,206 90	14 55	2,233 80	17,455 25	4,336 45	4,213 87	547 71	287 91	970 19	300 00			9,405 79	18,281 37	
Totals.....	598	376		\$103,270 40	\$1,020 28	\$10,358 47	\$116,490 75	\$26,358 85	\$31,490 31	\$4,057 63	\$2,581 62	\$12,295 99	\$2,441 45	\$15,000 00		\$100,925 85		
Georgetown, November 1st, 1883, Balance in Bank					595 78			Georgetown, Col., Balance in Bank							16,160 68	Nov. 1st, 1884.		

OFFICE COLORADO CENTRAL CONSOLIDATED MINING COMPANY,

No. 25 William Street, New York, November 11th, 1884.

PAUL O. D'ESTERHAZY, Secretary.

Examined and Found.....

STATEMENT

OF THE

CASH BALANCE IN BANKS

TO THE CREDIT OF THE

Colorado Central Consolidated Mining Company,

NOVEMBER 8TH, 1884,

In Bank at GEORGETOWN, Colorado.....\$16,160 68

In Bank at NEW YORK CITY..... 16,319 62

Total in Banks.....\$32,480 30

Office

COLORADO CENTRAL CONSOLIDATED

MINING COMPANY,

No. 25 William Street, New York,

November 8th, 1884.

PAUL LICHTENSTEIN,

President.

R. V. MARTINSEN,

Treasurer.

PAUL O. WESTERHAZY,

Secretary.