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SUPERINTENDENT'S REPORT
Tarasca Gold Mining Company of Mexico

SUBMITTED AT
ANNUAL MEETING OF STOCKHOLDERS

November, 20, 1903

SUPERINTENDENT'S REPORT

TARASCA MINES, STATE OF SONORA, November 15, 1903.

To the Directors and Stockholders
Tarasca Gold Mining Company of Mexico.

GENTLEMEN:—

I herewith submit the following report of my stewardship as Superintendent of your Company, for the ten months ending September 15, 1903:

During this period, I have received in U. S. money from our San Francisco Office, the sum of..... \$18,721.24
This money has been deposited with the Banco de Sonora of Hermosillo, Mexico, and converted into Mexican money, at ruling rate of exchange, and represents in Mexican money, the sum of..... 42,928.74
(This statement, unless otherwise expressed, will hereafter represent values in Mexican money.)

EXPENDITURES.

Paid out for labor.....	\$24,977.67
Paid out for mine supplies, which include mine timbers and lumber, track iron, drill steel, powder, fuse, caps, candles, charcoal, engine oil, coal oil, improvements and repairs on machinery and buildings, horse feed, water carts and animals, mining utensils, and all other expenses chargeable to this account.....	9,469.46
Paid out for taxes on mining claim, known as "Ubarbo," "Carrena," "Minetura," "Hermosillo," and "Llano."	214.93
Paid out for wood.....	878.20
Paid out for incidental expenses.....	1,394.18
Paid out for new machinery, erected on "Llano" Mine.....	3,888.00
Paid out for assay supplies.....	245.88
Paid for denouncing claims, known as "Senorita" and "San Jorge," and in obtaining bond on claims, known as "Nina Eva," "Nine Bertha," "Zacatecas," "Sonadora" and continuation of "El Ubarbo," being extensions North and South of the Tarasca Gold Mining Company.....	232.00
Paid out for taking care of injured miner and doctor bills.....	182.50
Paid out for groceries and supplies for store at mine.....	\$5,298.47
Deduct from this amount, for supplies sold.....	3,893.13
Chargeable to this account.....	1,405.34

Total amount paid out..... \$42,888.16

NOTE.—Storekeeper's inventory, which I requested him to take November 15th, will show balance of stock on hand in store. The greater part of the \$3,883.13 supplies sold, being sold to the Mexican miners and deducted from their wages, belongs to labor account.

WORK ACCOMPLISHED.

1st. Cleaning out and timbering up air shaft that cuts our main shaft at a depth of 70 feet; this work had to be done before we could enter our main shaft, which was at that time full of foul air.

2d. Straightening up main shaft on 200-foot level; to accomplish this task, we had to raise fifteen sets of timbers with jack-screws, to get them in place. This was a long and tedious task.

3rd. Cleaning out and timbering up South drift, on "Ubarbo" Vein, from station on 200-foot level. This ground was so badly caved that at one time it looked as if we would have to abandon it. This drift is now in a distance of 190 feet—all timbered up, with good, square sets of timber 8x8 inches, and lagged with 3x6 lagging.

4th. Cleaning out and timbering up North drift. This drift is now in 373 feet—all timbered up with good, square sets of timber 8x8, and lagged with 3x6 lagging.

This was another long and tedious job and required seven months to accomplish, with night and day shifts.

5th. Extending cross-cut drift, through very hard rock, a distance of 310 feet. This drift has been driven from the 200-foot level, on "Ubarbo" Vein, for the purpose of cutting the Great "Tarasca" or "Carrena" Vein.

6th. Sinking an incline shaft, from surface, north of our present working shaft on "Ubarbo" Vein.

This shaft was completed October 1st, and connects with the North Drift on the 200-foot level. It gives us plenty of ventilation, besides giving an opportunity for escape in event of any accident occurring to our main shaft.

Before this shaft was completed, it was nearly impossible to work on the 200-foot level, on account of the intense heat.

This shaft connects with the North drift at 258 feet north of our main shaft, and is 187 feet in depth.

7th. Sinking a prospect shaft on Hermosillo Vein a distance of 80 feet. We found some very good ore in this vein, but none that would pay to ship.

8th. Straightening up and timbering "Llano" shaft, a distance of 100 feet. We have also erected a gallows-frame, put in a good hoist, 40 horsepower boiler, No. 6 Cameron sinking pump, etc., etc., which is in excellent running order. In the bottom of this shaft we have some very promising looking ore, and hope soon to open up a good body of ore in this vein, besides increasing our water supply by sinking.

9th. We commenced sinking on great Tarasca or Carrena Vein, but found that the open cut was filled with fine sand and debris, and that it would be a very slow and expensive task to open up this vein from the surface; we, therefore, at a depth of 30 feet, stopped this work.

10th. We have also run a drift 22 feet on stringers found in the cross-cut drift, which shows very promising results.

Total. This makes a total of 1,362 feet of work accomplished.

ORE EXTRACTED.

In running the North and South drift of the 200-foot level, of the "Ubarbo" Vein, since getting through the caved ground, we have extracted about 200 tons of ore, that is now on the dump and in sacks, ready for treatment, and according to our assayer's averages about \$50.00 a ton, U. S. money.

To check our assayer, I sent 16½ tons of this ore to the agent, at Hermosillo, of the El Paso Smelting Works of Texas, and received for this ore \$511.24, U. S. money, per ton net. The charges and freight on this 16½ tons of ore amounted to \$51.53 making this ore worth \$62.00 per ton, U. S. money.

In addition to this 200 tons, we have also extracted from the South drift, 200-foot level, six tons of high-grade

ore; 900 lbs. of this ore we shipped to the Selby Lead and Smelting Works of San Francisco, Cal., and they gave returns showing this ore to be worth \$440 to the ton in U. S. money. We have also extracted from the "Ubarbo" Vein several hundred tons of less value.

ORE RESERVES.

From the main shaft, both north and south, a total distance of 563 feet, the floors of these drifts are in ore; in some places very rich, as shown by the shipping ore extracted; while in other places, although not so rich, as shown by the ore on the dump in sacks, and that shipped to the El Paso Smelting Works, nevertheless, will pay handsome returns as soon as we have the proper machinery and facilities to work it ourselves, or can make arrangements to handle it economically.

It is a difficult matter, owing to the caved ground, both north and south on the main shaft of the 200-foot level, to give any estimate of the ore in sight above this level; however, Mr. H. H. Light, a practical mining engineer and surveyor, who examined and surveyed the underground workings, estimates that there are 10,000 tons of ore opened up ready for stopping. (See his letter attached.)

The incline shaft is in ore from surface to bottom, where it connects with the North drift on the 200-foot level, but as this ore varies so in value, as shown by our assayer, going from \$10.00 to \$600.00, U. S. money, per ton, it is a difficult problem for me to give any definite figures relative to the value of this body of ore.

Over four years ago I was in charge of this property, and during my administration we extracted and shipped \$12,000.00 worth of high-grade ore, U. S. money; nearly all of this amount was taken from below the 200-foot level on the "Ubarbo" Vein. The best shipping ore I have ever seen in this mine, we extracted from the shaft extending down from the 200 to the 300-foot level and from drifts run on the 300-foot level, north and south.

The ground is so badly caved, I deem it a waste of time and money to attempt to open it up from the main shaft, and suggest that our new incline shaft be extended down another 100 feet, and drifts be run to open up this ground; this can be done at little expense for machinery, as we can utilize either the machinery at the "Llano," or that at the main shaft, to do this work with.

WATER.

The water question has been an important subject. All the water we now have on the property is obtained at the "Llano" shaft, which is sufficient for domestic and boiler purposes only; we may increase this supply by sinking, but unless we can do so, we will have to pipe water to the property. I find we can secure an interest in a ranch, for a nominal sum, that will give us ample water privileges, at a place called "Rio Lieta," about seven miles distant from our property, and in railroad communication with the town of Torres. This will give us an abundant and inexhaustible supply. I think, therefore, we have solved the water problem; however, as this water supply is seven miles away, before going too far, I concluded to submit the proposition to you, gentlemen. The water can be piped to the mine at comparatively little cost.

MACHINERY AND PROPERTY ON THE MINES.

All machinery, buildings and utensils are in first-class order, and could not be put up on the property for \$10,000, U. S. money.

In conclusion, will say it has been my aim to open up this property so that every stick of powder used would break ore and not be used in dead work. So far as the "Ubarbo" Vein is concerned, we have accomplished this, and this mine is now in good working shape.

I had hoped, a few months ago, to have this property on a dividend paying basis before the end of this year, but I have been unexpectedly hampered in securing and keeping Mexican miners at the property during the past four months, owing to the fact that we have no accommodations for the large number of men it was our wish to employ, together with the almost suffocating temperature of the 200-foot level, before its connection with the incline air shaft, on October first.

Day after day my men quit, refusing to sleep in brush huts, and this necessitated a journey to other camps for men to take their places. Only now and then, have we been able to get a miner who remains for any length of time, except the few that we are able to house. This difficulty can now be overcome by furnishing a few thousand sun-dried bricks or adobes and a very little lumber; these bricks cost about \$13.00 a thousand, and the Mexicans will erect their own houses, which makes them permanent residents. The entire cost to the Company, for a sufficient number of these Mexican homes to keep one hundred men, can be made for a sum not to exceed \$500.00 in gold, and this will all come back to us many times in the future, through profits of the store, where the residents all trade.

Sufficient men on the property to do the work, and these mines will soon fulfill every prediction that I and other mining men have made, relative to their vast richness.

Respectfully submitted,

Robert Barnett,

Superintendent.

P. S.—I desire to submit with my report that of Mining Engineer H. H. Light, a most competent engineer of Hermosillo, Mexico.

MR. ROBERT BARNETT,

Supt. Tarasca Gold Mining Company,
Torres, Mexico.

Dear Sir:—

I have just returned from a trip to the various properties of the Tarasca Gold Mining Company, spending a week, tracing out the veins and mines.

I found ample evidence that the properties possess great value; the surface excavations alone proving this conclusively. The Ubarbo Vein has been worked by the ancients for a continuous distance of 6,200 feet.

The Carrena Vein shows such workings for a distance of 8,700 feet.

Some of the old shafts on the veins have a depth of from 100 to 150 feet, with dumps showing big excavation of ore. The Ubarbo Mine is looking well. Ore reserves have been blocked out from the 200-foot level to the surface for a length of 298 feet. The vein averages about five feet; this makes this block of ore measure up 20,000 tons, but probably half, or to the 100-foot level, has already been worked out, leaving an estimated ore reserve of 10,000 tons. The mine run ore from this mine is stated to carry values of \$50.00 per ton. This month you will cut the Carrena Vein, and increase your ore reserves still further.

Yours respectfully,

(Signed.) H. H. LIGHT.

Reference—Banco de Sonora, Hermosillo, Mexico.

TREASURER'S REPORT

Tarasca Gold Mining Company of Mexico

SUBMITTED AT

ANNUAL MEETING OF STOCKHOLDERS

November 20, 1903

*To the Directors and Stockholders
of the Tarasca Gold Mining Company of Mexico.*

GENTLEMEN:—

Herewith I beg to hand you, for your consideration, my Annual Report, as Treasurer, to November 15, 1903:

1902			
Dec. 31.	Received from sales of Treasury Stock.....	\$1,914.92	
1903			
Jan. 31.	Received from sales of Treasury Stock.....	2,946.78	
Feb. 28.	Received from sales of Treasury Stock.....	6,163.89	
Mar. 31.	Received from sales of Treasury Stock.....	8,090.83	
Apr. 30.	Received from sales of Treasury Stock.....	4,135.46	
May 30.	Received from sales of Treasury Stock.....	3,608.11	
June 30.	Received from sales of Treasury Stock.....	3,637.12	
July 31.	Received from sales of Treasury Stock.....	3,529.72	
Aug. 31.	Received from sales of Treasury Stock.....	3,319.04	
Sept. 31.	Received from sales of Treasury Stock.....	3,043.40	
Oct. 31.	Received from sales of Treasury Stock.....	2,606.31	
Nov. 15.	Received from sales of Treasury Stock.....	887.55	
			\$43,883.13
Aug. 6.	Received from Selby Smelting and Lead Co.—ore sales 17 sacks net.....	200.47	
Oct. 24.	Received from Mexican Ore Co.—ore sales 15 sacks net.....	33.40	
Nov. 14.	Received from Mexican Ore Co.—ore sales 250 sacks..... 110 sacks.....	1,333.42 511.24	
			2,078.53
	Mine expense, paid through Supt. Barnett.....	\$18,721.24	
	Mine expense, paid from San Francisco Office.....	5,109.61	
	Stationery, books, etc.....	1,067.46	
	Advertising.....	6,996.77	
	Cash on hand.....	14,066.58	
		\$45,961.66	\$45,961.66

There has been subscribed a total of 243,990 shares of Treasury Stock. Of this amount, 119,144 shares have been paid for in full, and certificates issued for same, leaving a balance of 124,846 shares on which part payments have been made.

There is due on maturing payments \$6,966.25, which will be paid into the Company within a short time. This leaves a balance of about 40,000 shares upon which payments are past due and unpaid, and I recommend that stock be issued to these parties for the amount they have paid, and that the Directors be instructed to declare all unpaid for stock delinquent, and that they sell the same at once, offering it at first to the present stockholders.

H. I. Martin,

Treasurer.

SUMMARY.

Cash in Bank.....	\$14,066.58	
Cash payments maturing.....	6,966.25	
Cash from sale of Delinquent Stock.....	20,000.00	
		\$ 41,032.83
Balance of Treasury Stock on hand— 256,010 shares, valued at \$1.00 per share.....		256,010.00
		\$297,042.83