LOCATION.

The Red Elephant Group of Mines is located on Red Elephant Mountain, at Lawson, Colorado, which is one of the richest and most famous lead and silver-producing mountains in the State.

These mines are right by the Colorado and Southern Railroad, and Clear Creek, giving excellent opportunities for power, milling and shipping, and only forty-six miles from Denver. Fine automobile roads all the way.

POSESSIONS.

There are fifty-eight (58) patented claims and four mill-sites, covering over three hundred and fifty acres of mineralized ground and over one mile of the White vein, which is mineralized from the surface down the entire extent, and has an average width of 15 feet. This is the Mother Vein of the mountain. There are numerous other true fissure veins that are good producers, namely: The St. James, Boulder Nest, Tabor, Free America, Lincoln, Young America, Lulu, Flatiron and Little Giant, which are mineralized from the grass roots down.

There is a concentrating mill with a daily capacity of fifty (50) tons. The building is arranged so that two (2) more units can be added.

Cars from the Commodore Tunnel run into the mill which is located at the Colorado and Southern Railroad tracks.

TUNNELS.

Two tunnels, The Commodore and the Tabor. The Commodore bore is 8' x 8'; starts near the Colorado and Southern Railroad, and is driven into the mountain 3,500 feet, cutting the veins at a depth varying from 400 feet to 1,000 feet. This tunnel is connected with the surface by the Schwartz Shaft, which is on an incline of 45 degrees, making a good circulation and eliminating all bad air. It is all equipped with 30 lb. rail track, and 4 inch air-pipe, all in place; 135 H.P. boiler, cars, blacksmith's tools and all tools for mining operation.
There are two electric power lines within a few feet of the mill.

**THE PRODUCERS.**

<table>
<thead>
<tr>
<th>Mine Name</th>
<th>Tonnage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boulder Nest</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Free America and Free America Extension</td>
<td>400,000</td>
</tr>
<tr>
<td>Little Giant</td>
<td>800,000</td>
</tr>
<tr>
<td>Flat Iron</td>
<td>200,000</td>
</tr>
<tr>
<td>White</td>
<td>1,500,000</td>
</tr>
<tr>
<td>White Extension</td>
<td>100,000</td>
</tr>
<tr>
<td>Lincoln</td>
<td>200,000</td>
</tr>
<tr>
<td>Tabor</td>
<td>100,000</td>
</tr>
<tr>
<td>Lulu</td>
<td>50,000</td>
</tr>
<tr>
<td>St. James</td>
<td>100,000</td>
</tr>
<tr>
<td>Young America</td>
<td>60,000</td>
</tr>
<tr>
<td>Total</td>
<td>$4,270,000</td>
</tr>
</tbody>
</table>

These mines have shafts and levels from two hundred feet to seven hundred feet deep. By connecting these workings with the Commodore Tunnel it does away with all shaft mining.

Norton Mitchell, who was active Superintendent states as follows:

"A careful estimate of the mill ores available and ready to be broken in the St. James vein, 250,000 tons; Boulder Nest vein, 50,000 tons; White vein, 25,000 tons. This ore is all above the Commodore Tunnel, which is the main Transportation Tunnel for this property, and brings the one to the head end of the mill. All the ore can be lowered by gravity through chutes to the tunnel level ready to be loaded into the cars.

There is also approximately 400,000 tons of mill ore broken in stopes of Boulder Nest and White veins, which can be lowered to the tunnel through raises, which have been put up to connect with the upper workings for that purpose."

Frank A. Maxwell, Mining Engineer, states as follows:

"The tonnage of the various dumps on the property is as follows, assuming that the specific gravity is the same as granite, 100 pounds to the cubic foot.

Bush Willis Dump ... 1608 tons.   | Schwarts dump ... 27788 tons.
Boulder Nest Dump ... 19328 tons. | White Level No. 6 ... 4225 tons.
Free America Dump ... 18669 tons.  | Disbro Dump ... 1449 tons.

Numerous other small dumps makes the tonnage, ... 100,000 tons.

This dump ore can be taken down through the Schwarts shaft to the Commodore Tunnel and to the mill."

*Taken from Frank Bossetts Geographical Report:*
"In two weeks of June 1878, four men took from the Boulder Nest 11½ tons of ore selling for $3869.00. For sometime the White paid profits of $10,000 per month." "From the Free America Extension two men mined in one day ore selling for $1,000.00."

As an illustration of the profits from a mine in good ore the same authority says: "The Tucker lease on the Boulder Nest in the six months ending April 30, 1878, yielded 2192 tons of ore that sold for $125,151.00. The expenses averaged thirty per cent of the receipts. During the year the lessees cleared about $72,000.00 and paid the owners about $27,000.00 royalty."

From
JAMES H. McCLAVE,
Metallurgical Engineer,
Ideal Building,
Denver, Colorado.

Please find enclosed metallurgical report of tests on ores from the Red Elephant Group of Mines.

Before making the tests I examined the group of mines tributary to your Transportation Tunnel to determine if there was any radical difference in the character of the ore in the various veins that you are now developing for future milling operations. I find that all of the veins are of the same general character and no change or special adjustment will be required when treating these ores by oil flotation.

The Transportation Tunnel is the key to your mining problem. When the strong fissure veins that have proven values, as shown by the extensive surface workings, are opened upon the lower tunnel, you will have the most attractive mining proposition I know of in this State. The lower tunnel will cut the veins at a depth ranging from 700 feet to 900 feet, which will give an ore supply that will last for many years.

The successful development of this property depends on low mining and milling costs. The Transportation Tunnel solves the problem of economic mining and oil flotation will solve the problem of ore treatment.

I was very favorably impressed with your plans and method of development. During the past year I have remodeled seven old mills,
installing a flotation department in connection with their present equipment, and now have a number of new mills under construction, and there is only one of these properties that will compare favorably with the Red Elephant for economic mining and milling and developed tonnage. Taking into consideration your location on a railroad, good climatic condition, electric power and low operating cost, you certainly have one of the most attractive mining properties I have ever examined.

Very truly yours,

(Signed) JAMES M. McCLAVE.

Maps shipping returns, assays, etc., can be seen at the mine office. The ore in the dumps will average about nine dollars per ton. The ore in the stopes will average about Eleven dollars ($11.00) per ton. The available ore in the different veins will run from Eleven Dollars ($11.00) to Eighty Dollars ($80.00) per ton.