

These pages contain what is believed to be an authoritative historical synopsis of the Comstock Lode Properties at Virginia City, Nevada, particularly the American Flat Section, in which these three old Companies are at present operating.

Considerable research work has been made from governmental and other reliable sources relating to the Comstock Lode from the time of its discovery in 1859 to the present with the purpose of informing the stockholders of the present status of their mining properties.

For helpful services in the gathering of this information, we are indebted, and acknowledge our gratitude, to the Mechanics Institute of San Francisco; the California State Mining Bureau; the San Francisco Mining Exchange, and the various authorities to which reference is made in the footnotes.

## THE GOLD CURE FOR DEPRESSION

Numerous publications have been commenting on the exceptionally favorable position of gold mining companies under present conditions. The Literary Digest in a recent issue reviews a Washington dispatch by J. C. Royle in which Mr. Royle points out that every period of depression in which fear of gold shortage was a factor, has been followed by startling new discoveries of gold, or development of new methods of gold ore treatment. Under the heading "The Gold Cure for Depression," the Literary Digest says, in part:

"The idea that a first-class gold-rush would knock the depression into a cocked hat has been advanced from time to time. As Mr. Royle looks back:

"Following the Civil war, when the entire country was war-torn and in desperate straits financially, the Homestake mine in the Black Hills, one of the world's greatest producers, was opened up. It was followed by the discovery of the Comstock lode in Nevada and the tremendous Australian developments at Ballarat and Coolgardie, and in other sections of the antipodes.

"In the period of the late 'eighties' when there was recession of business activities, came the finding of ore at Cripple Creek so rich that 'high-graders' carried many thousands of dollars out in the legs of their overalls thrust into their boots. In this same period came the capacity operation of the Rand, which even now accounts for two-thirds of the world's gold production.

"The depression of 1895-96 was followed by the discovery of the Klondike and by the commercial adoption of the cyanide process which made productive millions of tons of low-grade ore and tailings from the old amalgamation mills.

"The 1906 panic was marked by the gold discoveries in Nevada around Goldfield and Tonopah. These were supplanted by the finds in Canada, which have made the Dominion second only to South Africa as a gold producer."

If it is true in a broad, general sense that gold mining is going to be the cure for depression, it is equally true that far-sighted individuals are already finding it a preventive of depression in their own individual cases. Leading gold mining companies are maintaining or increasing their dividend rates and their stocks have shown increasing market values. Opportunities for profit in well-managed, legitimate gold mining enterprises have never been better than they are at the present time.

It is all very good to make these observations, but how can the average man or woman find the money with which to act today!  
Let us help you!!



A quotation from Barron's Weekly Letter of  
Monday, July 18th:

"The original bear crowd, who stuck steadily to their guns in 1930 and 1931 and well into this year, profess to see no profitable speculative medium for the rest of the year save gold stocks. Low costs incidental to deflation are of immense assistance to gold producers that in several cases are close to cashing in on development work of the past year or two. Privately these same bears talk of a wild boom in gold stocks before the year is out."

If history repeats itself, a strike on the Comstock would bring about one of the greatest mining stock booms we have seen for many years.

## "MINES OUR GREATEST INDUSTRY"

Political economists tell us that mining, next to agriculture, is the greatest industry in our country. This is true from the viewpoint that if our soil were untilled there would be little to eat, and famine would stalk the land.

From a financial monetary standpoint, however, to say nothing about relativity, -- and every commodity is relative to the product of the mines, -- the mining industry is the greatest in the world. The truth of this assertion becomes apparent when it is visualized that mining gives us the standard of value, by which the price of almost everything produced by the brain and brawn of man is measured.

Abandon mining and the value of every commodity would be insignificant, humanity would sink back to the barter and exchange age, and financial paralysis would lock in its deadly grasp the industries of mankind. It would be the greatest calamity that ever befell the human race, and in less than a generation civilization would revert to barbarism, when primitive man knew nothing about copper, gold, silver, iron, steel, lead, zinc, and the invaluable mineral resources of Mother Earth.

Those who decry mining are ignorant of history, or they have ulterior purposes to serve. If they know anything they must know that all business; that all industry; that all human progress depends on the mines.

Mining is essential to the advancement of mankind, and to the progress of civilization. Mining has made more poor men millionaires, in the decades of the ages than all other things put together.

The government statistics shows there has been less money lost in mining than in any other important business in our country. These records prove that in mining the failures have been less than 35 per cent as against more than 87 per cent of failures in other industries, throughout the United States during the past 50 years.

More real profit has been made by investments in mining securities during the past century than from any other American industry.

The mines have offered the rank and file of investors an opportunity to acquire stock at ridiculously low prices, many of which subsequently appreciate in value well above the hundred dollar mark.

The wealth from the mines from the dawn of time is the epic of the song and story of human advancement, of man's march along the paths of progress.



Show me a people without mines, and I will show you a people deep in the mire of poverty, and a thousand years behind the procession of civilization.

It was the mines that made the greatness of the past; that made the ancient civilizations; that made Egypt great, and made Greece great, and made Rome great, and in modern times the mines have made Spain, and England and the United States great beyond the dreams of avarice.

Wipe out the mines and people ere long would again be living in caves and mud shacks along the banks of streams, like the river drift men in the dawn of mankind.

Strike down the miner; shackle mining; throttle the mining industry, and civilization will sink back into oblivion ten thousand years.

The greatest benefactor of the human race has been the prospector. The most beneficent of all times are the far seeing men whose brain and brawn developed the earth's natural resources, the men who poured the golden stream of wealth into the lap of civilization; into the channels of trade; into the avenues of commerce and into the house of happiness.

Investment statistics show that profit to investors from mines is about 186 per cent -- more than six times the percentage of any other industry in the country. Next to mining comes:

Life Insurance	31 per cent
Automobiles	18 per cent
Steel	8 per cent
Railroads	5 $\frac{1}{2}$ per cent

Bradstreet's compilation of business successes shows the following:

Merchandising	9 per cent
Manufacturing	13 per cent
Farming	17 per cent
MINING	67 per cent

With the market action of the last two years, you have in all probability experienced a sizeable shrinkage in your investment values.

As a security house, Hewitt & Co. do not feel justified at the present time in making you any particular suggestions relative to new investments.

There is one suggestion, however, we confidently submit to you. It is a speculation of the type best fitted for these times and the general market conditions. The amount of money necessary is small but the opportunity predicated on the past is apparently unlimited.

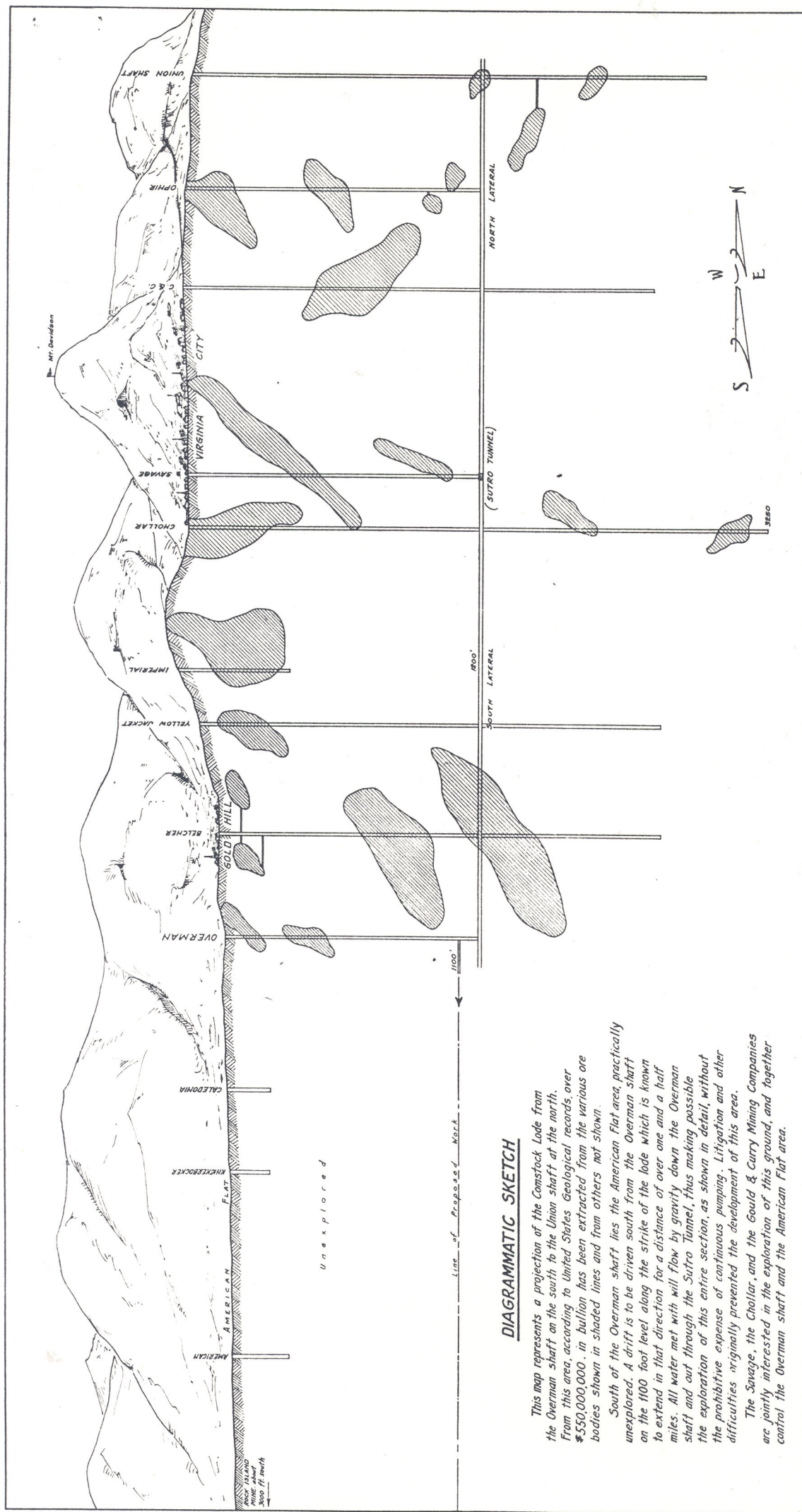
Recently a group of highly reputable men obtained certain properties in the old Comstock District at Virginia City, Nevada, where, due to litigation and other difficulties the development of this rich area has hitherto been prevented. Development work within the past three months has progressed on property immediately adjoining a territory that has yielded over 550,000,000 of dollars in gold and silver bullion.

Today, GOLD is the only known commodity which has not depreciated in value. On the contrary, its value has risen with the fall in general price levels until GOLD has a greater value than at any other time since 1915.

The stocks of the companies controlling this undertaking have been listed for 70 years on the San Francisco Mining Exchange. They have sold for hundreds of dollars a share and today can be acquired for a few cents. It is a known fact that periods such as the present, create great speculative interest in GOLD mining opportunities.

We feel that through this speculation one may easily recuperate a portion of the losses undoubtedly sustained in the past two or three years.





### DIAGRAMMATIC SKETCH

This map represents a projection of the Comstock Lode from the Overman shaft on the south to the Union shaft at the north. From this area, according to United States Geological records, over \$550,000,000. in bullion has been extracted from the various ore bodies shown in shaded lines and from others not shown.

South of the Overman shaft lies the American Flat area, practically unexplored. A drift is to be driven south from the Overman shaft on the 1100 foot level along the strike of the lode which is known to extend in that direction for a distance of over one and a half miles. All water met with will flow by gravity down the Overman shaft and out through the Sutro Tunnel, thus making possible the exploration of this entire section, as shown in detail, without the prohibitive expense of continuous pumping. Litigation and other difficulties originally prevented the development of this area.

The Savage, the Chollar, and the Gould & Curry Mining Companies are jointly interested in the exploration of this ground, and together control the Overman shaft and the American Flat area.



## 1. Discovery

The Comstock lode was discovered in 1859. The opening up of this new lode was one of the direct results of the great influx of gold seekers to the Pacific Coast, although it did not take place until about ten years after the discovery of gold by Marshall at Sutter's Mill in California on the American River. The term "Comstocker" is known in every country and in every language, and the Comstock Miner is everywhere recognized as a post-graduate among miners of other camps (a). The reports of the United States Geological Survey sum up many laborious volumes about the Comstock by such statements as these: "Contributions of the first importance to Mining Science have been furnished". "Through contentions of its rival locators, our National Mining legislation was mainly shaped", and, "No subsequent discoveries can rival the influence of the lode" (b).

## 2. Location

The Comstock lode is situated at Virginia City, Nevada. Easy accessibility is afforded by modern highways and the City is connected by a railroad line. As late as 1866 Virginia City and Gold Hill (two miles south on the lode) combined, had the largest population of any city between Chicago and Sacramento, - and certainly the most active.

## 3. Topography

The Comstock lode lies nearly north and south, has a dip of about 45° to the east, and a heavy clay hanging wall. The lode is a true fissure vein. The mountains adjacent to Virginia City are known as the Washoe, lying east of the Sierra Nevada, and running about parallel with them. Mt. Davidson, the highest peak, is 7,827 feet above sea level, and lies in the midst of a cluster of other mountains. From the outcroppings of the lode the hills slope down to the valley of Carson River.

From the Union Mine at the North, as shown by the map, to the Overman shaft on the south, a distance of approximately two miles, over five hundred and fifty millions of bullion has been extracted from the time of its discovery in 1859 to the present. From the few thousand feet which the early locators supposed it to possess, the lode has been traced in a southerly direction for about two miles. It is the purpose of the present companies to explore (in the American Flat area) approximately one and a half miles along the Black Dyke, which identifies the strike of the Comstock lode, from the Overman shaft territory, which these companies exclusively control. The geological formations generally found along the lode are: Volcanic Tufa; Trachytic; Breccia; and Porphyry (c).

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- (a) Shinn - The Story of the Mine
  - (b) Lord - The U. S. Geological Survey
  - (c) Church - Comstock Lode; Its Formation and History, 1879



#### 4. Von Richthoven's Report (1865)

Frederich Baron Von Richthoven, Ph. D., the leading geologist and mining engineer of his time was brought from Germany by Adolph Sutro to make an unbiased and exhaustive geological and scientific survey of the Comstock area. Sutro had a plan, of which more is written elsewhere in this pamphlet, to drive a tunnel for drainage and other purposes under the mines of the lode. He was not a mine operator or mill owner, nor did he have any claims; Sutro merely wanted to get from Richthoven his opinions concerning the Comstock ore bodies (a).

From Richthoven's Report we quote the following:

"The most unlucky portion of the whole Comstock vein has been American Flat, of which stock speculation took a fatal hold. About one hundred locations were made all over the broad belt of the Flat in which the several branches of the Comstock vein came to the surface, and quite as many 'mines' opened. Many millions of dollars have been expended on these, but no decided result was obtained, on account of the scattered and superficial character of the work. The same outlay of money spent in a thorough and systematic exploration at one place would have sufficed for a definite development, and the nature of that part of the lode would be known. A complete discouragement followed suddenly the greatest excitement, and the mines there have been almost entirely abandoned. Other reasons will retard the resumption of work, as, the expenditure which the adjustment of the numberless conflicting titles would require.

"The vein is unusually wide in the American Flat Section, the diverging branches being about one thousand feet distant on the surface. The place where both walls descend parallel to the east, will therefore be at greater depth than in other portions of the vein, and exploring work ought to descend at once to about eight hundred feet" (b).

Richthoven also predicated that an increase in size of the bodies of ore in depth is more probable than a decrease, and that they are more likely to increase than remain the same size as heretofore.

Reference is made to the accuracy of Von Richthoven's Reports by Eliot Lord, eminent authority, and Special Geological Investigator for the United States Geological Survey. In the Preface of "Comstock Mining and Mines" (1883) Lord says: "For strictly technical discussion of the geology, chemistry, physics, and mechanics of the Lode, reference should be made to the standard treatises of Richthoven \* \* \*"

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(a) Sutro Tunnel Reports 1866

(b) Richthoven Reports for Sutro Tunnel (Page 139)



From the accuracy of Richthoven's Reports for the Sutro Tunnel Company in 1866 it seems strange that Richthoven's suggestions were never carried out in the development of the American Flat area of the Comstock Lode.

#### 5. Sutro Tunnel

The main line of the Sutro Tunnel runs from east to west, a distance of 20,489 feet to the shaft of the Savage Mine and connects with the Overman shaft by the southern lateral and cross cuts. The topography of the hills lends itself scientifically for a perfect drainage by gravity through this tunnel. The enormous expense of having to pump water from the old mines at various depths was the greatest single handicap of the early Comstock Mining companies, and a serious annual expense upon their stockholders.

The Sutro Tunnel was completed in 1879 at an expense of over three millions of dollars, and the subsequent improvements and repairs equal this amount (a).

The tunnel is well timbered and has been kept in excellent condition for drainage purposes.

A perpetual contract is now in existence with the Sutro Tunnel Company for the complete drainage of all water encountered in the American Flat workings.

#### 6. Extraction of Ore

The old stamp mills on the Comstock lode, on account of their wasteful process of pan-amalgamation during the time of the discovery of the big bonanzas, recovered only 65% of the possible bullion, at an average cost of between \$11.00 and \$13.00 per ton. As late as 1877 James G. Fair, one of the Bonanza Kings, congratulated the Board of Directors of the Consolidated Virginia Mining Company on the fact that ore extraction and treatment had cost only \$25.70 per ton (b).

Today, the modern process of cyanidation guarantees from 93% to 98% of bullion extraction at a cost of approximately \$1.75 per ton. Recent developments in the flotation process, while not equal to cyanide treatment in percentage of extraction of bullion, nevertheless can be availed of at a much lower cost per ton.

The U.S. Geological Survey, Lord, "Comstock Mining & Miners" Appendix Table II shows that the ratio of gold and silver bullion increases in gold content in the southern portion of the Lode near the American Flat Area. The Belcher Mine, for instance, from 1871 to 1873 produced \$8,813,196 in gold bullion and \$6,716,231 in silver bullion.

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- (a) Sutro Tunnel Reports to 1932
  - (b) Pacific Coast Mining Review - 1878



## 7. Vitality of Stocks

The rich discoveries of the Comstock lode and the consequent mining excitement that followed between 1860 and 1900 made San Francisco conspicuous among the financial cities of the United States.

The San Francisco Mining Exchange was founded September 1, 1862, from which time it has become the medium through which all the immense transactions in Comstock mining shares has occurred. Seats on the Exchange sold for \$40,000 in 1875.

Chollar, Savage, and Gould & Curry stocks were listed and traded in from the first day of business. Had it not been for this era of speculation it is doubtful if the lode would have ever been developed, particularly after the rich surface ore bodies had been mined out and the persistence of ore in depth had been doubted by some very eminent geologists.

Below are illustrations of the amazing fluctuations in share prices of four famous mines (a):

<u>CHOLLAR</u>		<u>SAVAGE</u>	
Sept., 1862	- - - - \$ 185.00	Feb., 1868	- - - - \$ 200.00
Jan., 1864	- - - - 650.00	Nov., 1868	- - - - 63.00
Nov., 1868	- - - - 118.00	May, 1869	- - - - 121.50
May, 1869	- - - - 467.00	July, 1874	- - - - 48.00
Nov., 1869	- - - - 25.00	Dec., 1874	- - - - 166.00
Apr., 1872	- - - - 380.00	Nov., 1876	- - - - 9.00
Sept., 1873	- - - - 34.00	Apr., 1877	- - - - 2.10
Mar., 1876	- - - - 165.00	Sept., 1878	- - - - 29.00
May, 1877	- - - - 15.75		
Jan., 1879	- - - - 53.00		

<u>GOULD &amp; CURRY</u>		<u>CROWN POINT</u>	
June, 1868	- - - - \$ 116.50	May, 1868	- - - - \$ 140.00
Sept., 1869	- - - - 58.00	Nov., 1868	- - - - 40.00
Mar., 1870	- - - - 500.00	Mar., 1870	- - - - 28.00
July, 1870	- - - - 37.00	Nov., 1870	- - - - 2.00
Nov., 1874	- - - - 14.00	Jan., 1871	- - - - 15.75
Jan., 1875	- - - - 75.25	May, 1872	- - - - 1,825.00
Nov., 1876	- - - - 10.75	Oct., 1872	- - - - 75.00
May, 1877	- - - - 2.90	Dec., 1873	- - - - 142.00
Sept., 1878	- - - - 29.50	Oct., 1886	- - - - 0.95
		Dec., 1886	- - - - 9.25

The Savage Mining Company is incorporated with 224,000 shares; the Gould & Curry Mine with 216,000 shares; the Chollar Mine with 224,000 shares. This contrasts with the ninety-three other mining companies listed on the San Francisco Exchange, eighty-five of

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(a) San Francisco Mining Exchange Records



## 9. Reasons why American Flat Section was Neglected

A. A great rush of locators and prospectors in 1859 staked off hundreds of claims which were not properly recorded, some being illegally claimed. The subsequent litigation was the inevitable result, lasting for a period of many years (a).

B. The adjustment of the numberless conflicting titles required excessive expenditures (b).

C. Excesses of stock speculation were disastrous to organized development in the early days (c).

D. The character of the work that did result was scattered and superficial, and without a semblance of the proper cooperation on the part of neighboring claims (d).

E. All efforts to develop American Flat from the surface through shafts resulted in such floods of water as to put an end to practically all lateral work (e).

F. The south lateral of the Sutro Tunnel was being driven in 1879 toward the American Flat area, but a development in the Justice and Alta Mines at that time caused the lateral to be run far to the east in order to drain those mines (f).

G. D. O. Mills in 1894 sought to control the American Flat area for exploration purposes but was prevented by unreasonable demands and complicated difficulties encountered in obtaining clear titles from alleged owners. Meanwhile, year after year, the owners of the claims were too poor to work them, unwilling to sell, or unable to organize an exploration on any satisfactory basis (g).

## 10. Summary

The Chollar, Savage and Gould & Curry Mining Companies are jointly interested in the development of the American Flat Section. Operations through the Overman Shaft have been resumed, and a drift from the Overman Shaft to the black dyke will carry without difficulty or expense all the water that may be encountered; and by turning south and following this dyke, which is the true footwall, the Comstock Lode will be followed into virgin ground over a mile and a half in length.

This single heading, energetically driven, will open an area in which the possibility of finding a bonanza of the character that made the Comstock famous, is better than anywhere in the district. All necessary equipment is already installed. Men are at work underground. Electric power and water services are connected, and no time will be lost in the actual exploration with what is believed to be one of the outstanding mining speculations, as far as possibilities are concerned, on the Comstock Lode.

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- (a) Richthoven Reports
  - (b) Richthoven Reports
  - (c) Lord - U. S. Geological Survey, 1883
  - (d) Richthoven Reports; also Sutro Reports
  - (e) Sutro Reports to 1932
  - (f) Sutro Tunnel Annual Report 1879
  - (g) H. L. Slosson, Jr., Mining Engineer



THE COMSTOCK SITUATION AS REPRESENTED (CHOLLAR GOLD & SILVER MINING  
TODAY BY: COMPANY  
(GOULD & CURRY MINING COMPANY  
(SAVAGE GOLD & SILVER MINING  
COMPANY

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As is generally known, the above mentioned old mining companies are energetically engaged in the development of the American Flat area through the Overman Shaft. The importance of this work and the great possibilities it possesses in a mining sense are evident to any man familiar with the famous Comstock District and have been evident to Mining Engineers for two generations. It is not generally known to many stockholders of these companies the value of the properties held, the fine character of the equipment and the tangible value that lies back of each share of stock regardless of mining development that the future may disclose. This tangible value is all the more marked when it is realized that each Company has a capitalization of only 224,000 shares except the Gould & Curry which has but 216,000 shares. In other words, the outstanding stock in the three companies is but 664,000 shares which in these days of absurd overcapitalization is certainly a sign of financial sanity. Believing that a clear statement of our mining holdings and a detailed description of the equipment now on the ground and in operation, will be of great interest, we submit it herewith.

#### MINING GROUND

The Chollar Gold & Silver Mining Company holds its original location on the Comstock of 700 feet on the strike of the vein. From this ground above the Sutro Tunnel (1600 level) over \$17,000,000 has been taken. Below the Sutro Tunnel level, the Chollar holds the ground under United States patent. Very little is known regarding this great area, but a crosscut run from the Combination Shaft in 1886 showed quartz over 100 feet wide on the 3000 foot level.

The Gould & Curry Mining Company also holds its original ground from which over \$15,000,000 has been taken, the length of the claim on the strike of the Comstock being 640 feet. The ground above the Sutro Tunnel has been sold, but it has a vast amount of virgin ground in the levels below the Sutro Tunnel which it is believed will some day become extremely valuable.

The Savage Gold & Silver Mining Company holds 776 feet on the strike of the Lode, has produced over \$22,000,000 from its ground. It has never been prospected below the 2000 but a drift sent from the Combination Shaft to the Savage south line in 1885, showed streaks of rich ore in the face. This was accompanied by so much water that further work was stopped. With modern electric pumps this water could be easily handled but at that time it constituted a grave danger. The ground above the Sutro Tunnel was sold, but owns the ground below the Sutro Tunnel.

#### OTHER MINING GROUND JOINTLY HELD

In addition to those old original locations, the Chollar, Gould & Curry and Savage hold five full claims of the Garfield Lode, a fracture running parallel to the Comstock and east of the Sutro Tunnel south lateral which is believed to be most important ground. This fracture which was cut by the Sutro Tunnel on July 2nd, 1881, the day of the assassination of President Garfield, has had but little exploration, but quartz has been cut which in spots assayed as high as \$55.00 a ton. It can best be opened by a drift sent southeast from the Combination Shaft, a point that will be touched on later.

The Chollar, Gould & Curry, and Savage companies control a continuous line of locations from the Overman Shaft to the Rock Island Mine a distance of over 8000 feet. These locations cover the



Overman and the Caledonia Mines which have jointly produced several millions of dollars, the Knockerbocker, the Owl, the Hawk, the Frankel and several other properties, all of which will be drained into the Sutro Tunnel by the drift now being projected from the Overman Shaft on the 1100 foot level, which is 100 feet above the Sutro Tunnel level at this point. The area is enormous and when it is considered that on the Comstock over \$150,000,000 can be mined from an area less than 1000 feet in length, some realization of the possibilities can be comprehended.

#### SHAFTS

The Chollar, Gould & Curry, and Savage control two splendid mining shafts, viz; the Overman Shaft and the Combination Shaft.

The Overman Shaft through which work is now being conducted is 1600 feet in vertical depth, but is flooded below the 1200 which is the Sutro Tunnel level. It is a three compartment shaft, is now in fine condition and is finely ventilated by a current of air from the New York shaft about 1500 feet to the southeast. A full account of the equipment will be given later.

The Combination Shaft is situated in the very center of the Comstock Lode and is controlled by the Chollar and Savage companies. It is a magnificently timbered four compartment shaft, 3265 feet in vertical depth and in 1886 was the deepest shaft in the World. No equipment is on the ground at the present, the old obsolete steam hoist and pumps having been removed years ago, but with a modern electrical equipment installed, it is the key to an immense unexplored area both in depth and laterally. It is said to have cost \$3,000,000 to sink and equip and is in as good condition as the day it was sunk.

#### EQUIPMENT

At the Overman Shaft now in operation, the equipment on the surface consists of a gallows frame of fine electric hoist, an Ingersoll Rand two stage compressor, blacksmith shop, change room and transformer shed and on the eleven hundred foot level a Chicago Pneumatic Tool Company single stage compressor coupled to a 45 Horse Power Motor and large ventilator fan driven by 10 Horse Power Motor. It constitutes the best and most up-to-date equipment on the Comstock and from it explorations can be conducted for thousands of feet. The shaft is being piped for compressed air with four inch pipe and four receivers are being installed to effect sustained pressure for the drills. As has been stated, the foundations at the Combination shaft are ready for a similar equipment when it is decided to act.

Reviewing the situation it can be said that millions of dollars and years of hard work have been spent to effect and create the conditions that are now controlled by the Chollar, Gould & Curry, and Savage Mining Companies. It can be conservatively stated that if each company spent \$10.00 on every share of the 665,000 shares outstanding, they could not duplicate the present shafts and equipments that now exist and are in operation.

#### THE SUTRO TUNNEL CONNECTION

The Chollar, Gould & Curry, and Savage Mining Companies by reason of the contract signed in 1879, have free and perpetual drainage right through the famous Sutro Tunnel. This great work in its day the greatest mining enterprise in the World, penetrates the Comstock at a depth of 1640 feet below Virginia City and about 1250 feet below the American Flat area. The Tunnel was driven 21,000 feet



which are capitalized in excess of a million shares each and only five others are capitalized at less than one million shares each (a). The shares of the three mentioned companies are all assessable.

There is much to be said for this system of mine development in a district where mining must of necessity be highly speculative. The public over and over again paid assessments and carried on speculation where the millionaire, advised by a cautious engineer, would have stopped long before. The Consolidated Virginia, which was a barren piece of ground down to the 1100 ft. level, and which yielded the world's greatest ore-body below the level, is a case that illustrates how this system is sometimes rewarded (b).

#### 8. The Black Dyke

This intrusive body is one of the most interesting geological features of the Comstock district. It is from 10 to 40 feet in thickness and forms the footwall of the Comstock throughout its southern portion which is known to exist in the American Flat area (c). Quoting from Church: The Comstock Lode; Its Formation and History, (1879):

"The black dyke is, for purposes of exploration, the all-important member of the lode rocks . . . . . The situation of the thickest parts of most bonanzas in or near the troughs of the black dyke, points to such places as more promising for exploration than the broad top of the ridges between these troughs. It is to be remembered, however, that the real bonanza lies less in the depths of a trough than on the shoulder of the curve that forms it. . . . ."

"The Comstock lode is composed of quartz masses distributed on a certain line, and where they are absent there is no vein though there may be in the same line sufficient decomposition to guide the miner to the direction of new quartz deposits. Even this, however, may fail, for the true guide is the west wall. Decomposition can be found in numberless localities, but the ore is invariably near the black dyke."

According to Mr. H. L. Slosson, Jr., President of the Chollar, Savage and Gould & Curry companies, and himself a prominent mining engineer, all the great ore bodies that made the Gold Hill section of the lode famous have lain at or near the black dyke.

The dyke after passing through the Belcher Mine, swings westward through American Flat. Exactly what course it follows in this direction is unknown as this region has never been explored at depth (d).

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- (a) San Francisco Mining Exchange Records, March 1932
  - (b) H. L. Slosson, Jr. address before A.I.M.E., Dec. 10, 1929
  - (c) Church - The Comstock Lode; Its Formation and History, (1879)  
Pages 136-149
  - (d) San Francisco Chronicle, Financial Section, American Flat  
Extension of Comstock Lode Article - Sept. 17, 1929



across the hanging wall of the Lode and laterals running north and south were extended thousands of feet in each direction enabling all the Mining companies to drain directly into it. All water encountered above the tunnel level drains automatically and any water encountered in deeper exploration can be pumped to this level and allowed to flow out by gravity. The saving in pumping cost is immense and in addition no royalty is paid the tunnel for this privilege except from ore actually extracted and milled. Royalty is then paid at a rate from 2-1/2% to 4% on bullion actually recovered. Under this agreement no burden is placed on a mine doing exploratory work; not until a mine is producing and able to pay is any royalty due. A more desirable contract could not be imagined. When it is considered that the Sutro Tunnel and its branches were driven at a cost of approximately six millions of dollars and that stockholders of a succeeding generation are in a sense heirs to all this work created at immense expense and years of time, the situation cannot fail to strike every intelligent stockholder as unique. The tunnel is in admirable repair and can carry any amount of water that may be encountered.



The American Flat area has never been explored at depth. It is a well known fact, geologically, that the Black Dyke which is the intrusive body of the Comstock District, swings westward through the ground in which these companies own substantial interests. The Black Dyke is from ten to forty feet in thickness and forms the true footwall of the Lode. All the great ore bodies that made the Gold Hill Section of the Lode famous have lain at or near the Black Dyke. There were a number of surface mines in this vast unexplored territory, many of them were successful in uncovering good values but, without exception, work was discontinued due to uncontrollable water conditions and litigation. Without doubt many mines would have been opened during the past years if proper drainage could have been accomplished. Steam pumping was impossible. About 1879 the Sutro Tunnel finished their south lateral which drained most of the Comstock area. Unfortunately for American Flat mines, the lateral stopped just before reaching this district. An important strike was made to the southeast of American Flat in a district known as Silver City. It has been said that the companies interested there paid Sutro \$70.00 per foot to run his tunnel down that direction. This he did. In so doing, it was the finish so far as American Flat was concerned as without the use of the tunnel work in this area was impossible.

Later, many tried to obtain control of the American Flat area, knowing that there was every indication of finding exceptionally rich bodies of ore. Due to continued litigation and the lack of willingness to sell, this was never accomplished. It has been said that D. O. Mills, in 1894, tried to obtain control of this area. He is reputed to have offered many millions of dollars for it. He too was unsuccessful in this acquisition. After a great many years of continued hard work, Mr. H. L. Slosson, Jr., now president of the companies was finally successful. He is at last in a position to uncover the riches in this locality with the help of the Sutro Tunnel for the water hazard and without fear or obstruction by litigation.

He realized that the only entry was through the Overman Shaft. It is interesting at this point to recount the operations of the famous bonanza kings -- Mackey, Fair, Flood, and O'Brien who likewise started their work in the Consolidated Virginia Mine, on the 1100 foot level. It is on this same level that exploration is taking place in the American Flat area. The Overman Shaft, which has a depth of 1600 feet, drains into the Sutro Tunnel from the 1200 foot level and is in fine condition. The operations are approximately six weeks ahead of schedule, due to this fact. The three compartment shaft is well timbered and in daily operation. The objective of this work is along the Black Dyke or true footwall of the famous Comstock Lode. The work has already progressed to the Black Dyke in the reopening of a 650-foot crosscut which was originally opened a great many years ago. Track has been laid and other necessary equipment installed. The work is being carried forward at the rate of sixteen hours per day comprising two shifts of men. They have been breaking into virgin territory for the last several days and it is expected that at least one hundred feet of new rock will be broken per month. This means that anything might happen in the discovery of ore bodies during each one hundred feet of progress. It is fortunate that the equipment in place at the mouth of the shaft is in excellent condition. The electric hoists, compressors and other machinery are the best on the Comstock Lode.

Geological reports and other reliable mining information distinctly show values in the American Flat area. The fact that it has been impossible to work this area for so many years, makes this operation exceptionally significant.

The capitalization of the CHOLLAR GOLD & SILVER MINING COMPANY, SAVAGE GOLD & SILVER MINING COMPANY and GOULD & CURRY MINING COMPANY is simple. There are only 664,000 assessable shares outstanding. All these shares are listed on the San Francisco Mining Exchange. One of the first transactions on this Exchange, in 1862, was a sale of Chollar at \$170 per foot. Trading was not done in shares at that time. Some years later, William Sharon, one of those interested in this company in those days, developed the idea of trading in shares rather than in feet and inches. The stocks of these three companies have in the past several weeks moved from six to ten cents per share to as high as thirty-four cents per share. They are currently selling at around thirty cents per share. In our opinion these shares should be selling considerably higher in order to keep pace with developments of the mine itself.

Your orders for placement in these stocks will receive our careful attention and personal interest.

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CHOLLAR GOLD & SILVER MINING COMPANY  
SAVAGE GOLD & SILVER MINING COMPANY  
GOULD & CURRY MINING COMPANY

How can a small amount of money be employed to restore my capital lost or depleted during the past three drastic years?

This medium, of necessity, must be a speculation.

The speculation must be an honest venture.

These factors are found in every respect by anyone who purchases the stock of the companies described by this data.

It is our opinion that within the next year or two, gold mining and the return of capital to mining exploration will be a far reaching factor in helping this country out of business lethargy.

It is well remembered that the bullion taken from the Comstock Lode was a great factor in pulling the United States out of the depression immediately following the Civil War.

There is tremendous interest and demand at this time in bringing new money into being.

Gold, in particular, is a commodity that has shown increasing value, relatively speaking, in this present period.

We recommend, as a speculation of unusual merit, the stocks of CHOLLAR GOLD & SILVER MINING COMPANY, SAVAGE GOLD & SILVER MINING COMPANY, and GOULD & CURRY MINING COMPANY because we believe they offer a remarkable speculative opportunity to participate in the possibilities that will, in all probability, be the outcome of the work now being done.

The following brief description of the companies' holdings and operations should command the attention of every man or woman faced with any of the responsibilities of our present day life:-

CHOLLAR GOLD & SILVER MINING COMPANY, SAVAGE GOLD & SILVER MINING COMPANY, and GOULD & CURRY MINING COMPANY are original Comstock companies. They were organized before 1862 and still hold their original locations on the Comstock on the strike of the ore vein below the Sutro Tunnel level. From the ground alone above the Sutro Tunnel (1600 foot level) there have been taken many millions of dollars. Very little is actually known regarding this great area, but a cross-cut run from the Combination Shaft in 1886 showed quartz over 100 feet wide at the 3000 foot level.

The Companies also own substantial interests in the Combination Shaft situated in the very center of the Comstock Lode. It is a magnificently timbered, four compartment shaft, 3,265 feet in vertical depth and in 1886 was known as the deepest shaft in the world. No equipment is on the ground at the present, the old obsolete steam hoist and pumps having been removed years ago, but with modern electrical equipment installed, it is the key to an immense unexplored area, both in depth and laterally. This shaft is said to have cost \$3,000,000 to sink and equip and is in as good condition as the day it was sunk.

The Companies' interests and ownership in the Garfield Lode, a fracture running parallel to the Comstock and east of the Sutro Tunnel south lateral, are believed to be most important ground. This fracture was cut by the Sutro Tunnel on July 2, 1881, the day of the assassination of President Garfield, but has had little exploration although quartz has been cut which, in spots, assayed as high as \$55 per ton. The Garfield Lode can best be reached through the Combination Shaft, one of the Companies' important interests, as mentioned above.

Still another very valuable holding of particular importance at this time is an equal joint interest in the exploration work and development of the American Flat Area through the Overman Shaft. The importance of this work and the great possibilities it possesses in a mining sense, are evident to any man familiar with the famous Comstock District and to mining engineers. These possibilities have been most evident for two generations.