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ITEM 47

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THE

EMPIRE AND SILVER STATE

(NEW YORK AND NEVADA)

SILVER MINING AND MILL COMPANY.

LOCATION OF MINES AND PROPERTY,
AUSTIN, REESE RIVER MINING DISTRICT,

LANDER CO., NEVADA.

CAPITAL STOCK \$250,000,
IN 2500 SHARES OF \$100 EACH, SUBJECT TO NO
ASSESSMENTS.

Principal Office,
NO. 35 FINE STREET, ROOM ⁵~~16~~ NEW YORK.
BRANCH OFFICE, AUSTIN, NEVADA.

NEW YORK:
PRESS OF WYNKOOP & HALLENBECK,
No. 713 FULTON STREET.
1865.

PROSPECTUS AND SUBSCRIPTION LIST
OF THE
EMPIRE AND SILVER STATE
MINING AND MILL COMPANY.

The parties hereinafter named, being desirous of securing an interest in a limited amount of Silver Mining rights of unquestionable value, employed Mr. JAMES W. FAULKNER, of this city, to proceed to NEVADA, and, after making a careful personal examination, to purchase for their account such mining and other property as he should be satisfied was of sufficient real value to authorize the organization of a Company for its development.

Mr. Faulkner accordingly visited Nevada, taking with him an experienced miner, and having in other respects peculiar advantages for obtaining reliable information and for making purchases upon favorable terms.

He returned to New York May 15th, 1865, having, after a careful investigation both as to title and value, purchased 5,250 feet of mining claims, and located 133½ acres of land—including a valuable mill-site and a tunnel right of 200 feet—all situated in Austin Reese River Mining District, Lander County, Nevada, and known as follows:

The Helvetia Ledge,	- - - - -	800 feet.
" William Tell, "	- - - - -	800 "
" Forrest, "	- - - - -	800 "
" 1st Westerly Extension of Helvetia Ledge,	- - - - -	400 "
" 1st Easterly " William Tell "	- - - - -	400 "
" 1st " Forrest "	- - - - -	400 "
" Morning Star Ledge, (19-32 undivided)	- - - - -	475 "
" Easterly Extension, North Star Ledge, (23-24 undivided)	- - - - -	575 "
" Herbert Nevada Ledge,	- - - - -	600 "

5,250 feet.

Also, 133½ acres of land, a very valuable mill site, a tunnel right of two hundred feet, and a house.

For the development of this property and the erection of a first class mill, the parties above referred to, viz., JOHN FERGUSON, LUKE H. HOLMES, ROBERT SWARTWOUT, WILLIAM PITT and CHARLES S. HINE, have decided upon the organization of a corporation, under the laws of the State of New York, to be known as THE EMPIRE AND SILVER STATE MINING AND MILL COMPANY, and to receive subscriptions for the Stock thereof upon the following basis:

The Capital Stock of the Company to consist of
twenty-five hundred shares of \$100 each, - - \$250,000

To be divided as follows:

Fifteen hundred shares to be issued to the said associates in payment for the property, - - - \$150,000
One thousand shares to be subscribed for at \$100 each, 100,000

The associates, however, also further agreeing to give, from the shares issued to them as aforesaid, one additional share of full paid Stock to every subscriber for every four shares subscribed and paid for by him.

The associates also further agree to give to the Company, two hundred and fifty shares, to be sold for additional Working Capital, if required.

No. 35 PINE STREET, Room No. 5, New York, June 2, 1865.

**Report and Statement made by Mr. Jas. W. Faulkner on
his return from Nevada.**

Messrs. JOHN FERGUSON, LUKE H. HOLMES, ROBT. SWARTWOUT, WILLIAM PITT, and CHAS. S. HINE.

GENTLEMEN—As you are aware, after a very careful and thorough examination of a large number of mines, assisted by experienced and successful miners, I purchased 5,250 feet of very rich mining property in Austin, Reese River District, Nevada, and have secured a tunnel privilege of 200 feet, located, and had surveyed and recorded 133½ acres of land, built a house, and secured a very valuable mill site on Yankee Blade creek, all of which has been deeded to you free from any incumbrance, and have placed a number of men at work in the mines getting out ore, &c.

Reese river District is known to be one of the richest silver producing districts yet discovered.

The amount of bullion shipped is increasing daily. Wells & Fargo forwarded in the month of February, \$62,000; March, \$108,172; April, about \$200,000, and large amounts were shipped by other parties.

The *Mining and Scientific Press* says: "We have ever from the start had faith in these mines, and we believe that nearly every intelligent person who has visited Reese River District, whether as an expert or practical

miner, has expressed a similar opinion with regard to their value and reliability."

The *Virginia City Enterprise* says: "The huge piles of silver bricks passing through Virginia City afford the most unmistakable evidence of the value of the mines of Austin, Reese River District. Starting at a figure so light as to be scarcely worth noting, the shipments from Austin have been steadily increasing. Week by week we have marked this and noted it with the greatest satisfaction."

The silver from the ores of this district is finer than in most of the adjoining districts, being from 910 to 980 thousandths fine.

The veins of ore in most cases crop out on the surface of the ground, running in a N. E. and S. W. course, at an angle from thirty-eight to forty-five degrees, varying in width from six inches to five feet, and increase in width as the veins are followed in depth. At and near the surface rich quartz and chlorides of silver, which pay from seventy-five cents to three dollars and fifty cents per pound are found. Lower upon the ledge iodide, bromide, argentiferous galena, silver glance, horn silver, ruby, and sulphurets are met, the latter from the water line, usually about one hundred feet from the surface, when the ledges become more perpendicular, wider and much more valuable in every case where they have gone down to any depth.

There is no mining as yet done in this district such as is done in Mexico or Virginia City; the greatest depth yet in Austin is about two hundred and sixty feet.

These veins are declared to be true fissure veins and reach to indefinite depths in the bowels of the earth, and may be mined as far as the ingenuity of man can devise means for extracting the ore, ~~the bowels of the earth~~

Mining is very easily done in Reese River District, requiring very little blasting or timbering. The usual manner is to sink an incline following the ledge, hoisting out the ore by hand windlass until they reach the water, after which it needs horse or steam power, and as most of the mines are held by persons unable to purchase either, it has been one of the causes of the mines in this district not being better developed, thus offering to capitalists a better opportunity to invest with the certainty of early and large returns. On the 29th of June, 1864, the San Francisco *Daily Morning Call* editorially commended the "attention of not only merchants but bankers and all others" to the following as being from the pen of "an intelligent and scientific gentleman fresh from Reese River."

"I shall therefore content myself with telling you what the people of Reese river intend doing in the future. They went to work to develop their mines; they succeeded, and are now satisfied they possess the richest silver mines on the globe. The mines are mainly owned by poor men, who can barely manage to hold their claims and keep body and soul together, but those who have been fortunate enough to get below the water-line are now reaping a rich harvest. In proof of the vast wealth of the mines of Austin, it is only necessary to state that

the North Star Company are taking out rock, only one hundred and sixty feet below the surface, which will yield on an average four hundred dollars to the ton. The Morgan & Muncey, at a less depth than the North Star, are taking out ore for which they pay from seventy-five to one hundred and ninety-five dollars per ton for crushing at the mills, and are obliged to dig and haul their ore to the mills themselves. Many other companies are doing the same, and even after these exorbitant charges for crushing, &c., they make good pay. Now, when it is known that the average of the Virginia City ores only reaches from 30 to 40 dollars per ton all told, who can fail to see that Reese river has the advantage?"

The North Star is paying its owners largely; \$1,000 per foot has been repeatedly offered for this mine and refused. The Morgan & Muncey is paying its owners about \$30,000 per month.

Previous to reaching the sulphurets the miners frequently extract large quantities of chloride, which they find in masses or pockets, and work in a rude manner either in a hand-mill or mortar, thus affording them the means of living while opening their claims. As an illustration, 193 lbs. from the Wells & Warner claim yielded \$145; from others, 137 lbs. \$167; 209 lbs. \$126; 82 lbs. \$122.

The sulphurets require roasting; the usual charge of \$80 per ton for working ores yielding less than \$400 per ton, and from \$100 to \$125 when they yield over

that amount, prevents the working of ores which in other districts are considered rich.

Thousands of tons are now lying in the waste piles, at Austin, worth from \$20 to \$60 per ton.

At Virginia City they work ores at \$20 per ton, paying the mill owners from \$5 to \$7 per ton profit. At Austin, wood is from \$4 to \$6 per cord less than at Virginia City, and labor the same, but the want of first class mills adapted to the business compels them to charge the prices they do. Most of the mills were built and originally put up in California for working gold quartz, rock and not arranged for silver ores. The owners are constantly making alterations in them to fit them for the business.

The California is the most successful of the old Mills, and gives the most satisfactory returns to the miners. With ten stamps they work seven tons, and return on an average 1300 oz. daily from ordinary ores.

The Midas is the only first class mill in the district. They work ores principally from their own mines; but between the 28th of March and 10th of April 1865, they worked, in addition to their own, ore from the Whittlach of Yankee Blade, and returned to them \$12,617 and received \$6,400 for working the same. Their usual profit is about \$500 per day from their Mill alone.

W. Holmes, Esq., of the *Missouri Republican*, after visiting the celebrated "Gould and Currey," "Savage Ophir," &c., of Virginia City, says: There is no reason in the world for distrusting the Washoe Mines. They are very rich. The lodes are wide and productive,

cheaply worked, to a great extent with the pick alone, blasting not being required. The lodes are not so rich as the Reese River District Mines. They yield from \$60 to \$100 per ton, but the quantity of ore in them is so enormous and so easily got out that the profits are very large. But I am satisfied, from information obtained here, that the mines at Austin are incomparably more rich though more expensive to work. The Oregon Mill at Austin for a month past has been working ore of an average richness of \$450 per ton. Nothing of the sort is known in Virginia City. I cannot doubt that when the same amount of labor and capital is devoted to the development of the Austin Mines, or the Reese River Mines, which has been applied here, the yield of the precious metals there will immensely exceed the product here.

Taking the silver mines of Reese River District, of Washoe, and other localities that we have heard of, I am inclined to believe that Nevada is the richest silver region in the world, richer than Mexico, and combining in itself greater inducements for the investment of mining capital than any other known region."

The ore from the Naiad Queen in Austin assayed \$1,970 per ton, and worked \$1,850 at the mill.

The Morgan & Muncey took out over \$60,000, less than eighty feet from the surface. The Great Eastern has had \$1,500 per ton advanced on their first class ore in San Francisco to send to England.

The ordinary ores of The Hubbard, Whitlach, of Yankee Blade, the Savannah, Midas, Vineyard, Savage, Diana, North Star, South America, Remington, Southern

Light, Revenue, &c. &c., yield about \$300 per ton, selected ores much more.

The Oregon Mill has worked ores from the Esther, Revenue, North Star, Smith and Martin ledges which yielded \$1,500 per ton. Three tons from the Hubbard mine yielded \$1,800 in November, 1864.

The property, for which full payment has been made and satisfactory titles secured, consist of

The Helvetia Ledge of	-	-	-	800 feet
The William Tell Ledge of	-	-	-	800 "
The Forrest Ledge of	-	-	-	800 "
The First Westerly Extension of the Helvetia	-	-	-	400 "
The First Easterly Extension of William Tell	-	-	-	400 "
The First Easterly Extension of the Forrest	-	-	-	400 "
The Morning Star Ledge	-	-	-	475 "
The Easterly Extension of North Star Ledge	-	-	-	575 "
The Herbert Ledge	-	-	-	600 "

5,250 feet

In addition to the above you have a tunnel right of two hundred feet, one hundred and thirty-three and two-third acres of land, a house and a very valuable mill site on Yankee Blade creek.

The mines were selected after a very careful examination of over three hundred mines in the District, and are in the immediate vicinity of many of these above-mentioned, one being an extension of the North Star, known as one of the richest claims in the world. All the Ledges are unusually large and well defined, and

give promise of being quite as valuable as any in the District, and of paying large dividends as soon as they are properly developed and the ores worked at a first-class mill.

You have a mill site, chosen for its abundance of water, its nearness to your own, as well as other rich mines, the large quantity of fine easily worked building stone upon the spot and for the opportunities of purchasing fuel at low prices, which is carried daily by the mill site.

It is situated on the main road to San Francisco Canon and Amador and the mines in Yankee Blade Canon, very rich sections, but not developed for the want of mills to work their ore, there being none in their vicinity.

The Virginia City Enterprise says: "As Yankee Blade Creek furnishes considerable water, it will undoubtedly furnish the sites for one or more of the steam mills to be erected the coming season."

A first class 20-stamp mill will work on an average fifteen tons per day at from sixty to eighty dollars per ton, which would give over \$250,000 per year, costing not to exceed \$125,000, with very liberal allowance for wear of machinery, &c., leaving a net profit of over \$100,000.

In conclusion, I would call your attention to the testimony of Wm. Holmes, Esq., of St. Louis, who with a party of gentlemen, comprising Prof. R. A. Fisher, who occupies the chair of Technical and Analytical Chemistry in Yale College; H. D. Bacon, Esq., of the late well known banking house of Page & Bacon, St. Louis, having carefully investigated the mineral resources of Colorado Territory, on a tour of inspection to the various mining districts of the country, reached the Reese River region on the 2d of August last. After

an examination of the mines of this section, Mr. Holmes wrote from Austin to the *Republican* as follows:

"Our rode into Austin was down through the mountain hills, at the foot of which was Reese River Valley. We traversed nearly the entire length of the town in coming down to the stage office, so that we had, at the outset, an opportunity to see the whole of this mining place.

"The town is not two years old. When the silver, which has given celebrity to this portion of Nevada, was first discovered, the entire district went by the name of 'Reese River District' and 'Reese River Silver Mines. But a town of six thousand inhabitants has sprung up here in eighteen months, which bears the name of Austin.

"A stranger wonders at what he sees here. Two years ago not a house was to be seen. But the silver ledges of the surrounding hills have called into being, as with the hand of an enchanter, a large town, with an enterprising population, amid which thrives every department of trade and business.

"There has been no exaggeration in the stories of the extent and value of the deposits of silver up and down these mountains. The hill sides are seamed with ledges containing the ore in quantities varying from \$100 to \$1,000 per ton. Not a hundredth part of the riches of these mountains has been discovered. We have visited here the most important ledges and mines, and have seen more holes in the ground than we ever dreamed of, and all of them rich as the Cave of Aladdin. The ledges or veins of silver ore vary in thickness from six inches to twenty feet. Some of them are yielding ore from which an average of \$600 per ton is extracted. One of the

mines—the North Star—is yielding to the workers about 2,000 ounces of silver per day.

“But the great lack here is capital. There is no money here. Not a dozen of the ledges are worked with a vigor. Thus far, there has been mere scratching of the surface. The treasures here have not at all been turned up to the sight of day, nor will they be till men of means to sink deep shafts and build mills for crushing the ore, invest their capital here. The vast majority of those who hold claims here have not a dollar to develop the mines. Yet the explorations made show that no silver mining district on United States soil compares in richness with this, or promises larger or quicker returns to the man who can command the means requisite for a proper working of the mines. From some of the mines I have mentioned, ore has been taken out assaying *three dollars per pound*, or six thousand dollars per ton. I have specimens of ore taken from three of the mines within a day or two, which experienced miners tell me will assay from fifteen hundred to three thousand dollars per ton. I have seen ledge after ledge uncovered, ranging from ten feet down to two hundred feet below the surface, yielding ore whose average value is one hundred and fifty to two hundred dollars per ton. Under proper working, with adequate capital, such ledges can easily turn out from fifty to one hundred tons per day. I doubt, however, whether any mine here is turning out more than ten tons per day.

I am informed that the ore which the North Star Company is working daily is yielding not less than five hundred dollars per ton. But I doubt whether they are taking out more than four or five tons daily. When it is

remembered that once in the Virginia District, where the Gould & Curry is, the Ophir, Savage, Mexican, and others, they have been taking out as high as *three hundred* tons per day, it may be seen that the mines here are doing comparatively nothing, and that the yield here, when the mines are fairly opened and industriously worked will be enormous.

“The number of mills here is very small. I think I am correct in stating they do not number *eight*, all told, and these mills are small, not one of them having more than ten stamps. The mines that are opened, when the proprietors have no mill of their own, send their ore to the other mills to be crushed, paying from \$75 to \$100 per ton. Of course, unless the ore is remarkably rich, no man can afford to pay such prices. Over in Virginia, two hundred and fifty miles distant, the charge for crushing is only \$12 to \$20 per ton. But there is no competition here, and the mill men can charge what they please.

“The most promising and productive of all the mines here now is the North Star, from which I have some most beautiful specimens. It is owned by five gentlemen, who, two years ago, counted themselves absolutely poor men. They had no capital: but they were resolute, industrious men, understanding their business. They went to work, sunk a shaft, got out the ore, crushed it, and, as it was rich, it placed them in funds, and laid the foundations of their improvements, which they have made by means of the contributions from their mine. I am informed that their mill, machinery, and other improvements, have cost them \$150,000—all of which has been supplied to them by their mine.

"There are riches here of incalculable amount, and some time, not remote, a large town must be here ; but it will be when men of surplus means learn the intrinsic advantages of this region, and invest their capital as liberally as has been done over on the west of Nevada, in Virginia City. I have never yet seen the Virginia mines ; but from all that I can learn, I am disposed to believe there are mines in this vicinity, as yet unknown to the public, as rich as the Gould & Curry, the Mexican, the Potosi, Ophir, Empire, or any other, and they will yet be heard of at the stock board, commanding figures as large as any of the Virginia mines.

I brought with me samples of ores which were taken out of the Ledges in my presence, and assayed by Messrs. Dederick, Sears & Co., New York, and yielded as follows :

William Tell ledge, per ton	- - -	\$441 38
Morning Star " "	- - -	3,015 72
North Star " "	- - -	2,627 98
" " extension, "	- - -	1,874 12

JAS. W. FAULKNER.

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