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ANNUAL REPORT
OF
THE JUSTICE MINING COMPANY
OF
LOWER GOLD HILL, NEV.
1877

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ANNUAL REPORT.

OF

THE JUSTICE MINING COMPANY

OF

LOWER GOLD HILL, NEV.

1876-77.

4370 0053

LIST OF OFFICERS:

President,

GEORGE SCHULTZ.

Secretary,

JAMES S. KENNEDY.

Treasurer,

SCHULTZ & VON BARGEN.

Superintendent,

E. A. SCHULTZ.

Trustees,

GEORGE SCHULTZ,

BENJAMIN PEART,

R. F. SHERWOOD,

W. A. SCHULTZ,

HENRY VON BARGEN.

THE JUSTICE MINING COMPANY.

For the benefit of non-resident stockholders, the following summary has been prepared, and is respectfully submitted:

Date of incorporation,—Nov. 14, 1871.

Location of Company's works,—Gold Hill Mining District,
State of Nevada.

Principal place of business,—419 California Street, San
Francisco, California.

Title,—U. S. Patent.

Number of feet on Comstock Lode,—2,100.

Capital Stock,—\$10,500,000

Number of Shares,—105,000

Par value of Shares,—\$100

JAS. KENNEDY,
Secretary.

SAN FRANCISCO, May 1st, 1877.

PRESIDENT'S REPORT.

To the Stockholders of The Justice Mining Company:

GENTLEMEN:

I hereby submit, on behalf of the retiring Board of Directors, the annual report of the operations of The Justice Mining Company for the fiscal year ending April 30th, 1877. In doing so, I invite your attention to the accompanying reports of the Superintendent and Secretary, herewith annexed.

The present management were elected to office by a two-third vote of the stockholders, at the annual meeting, held May 1st, 1876, and immediately assumed control.

They found the Company laboring under financial difficulties of no small dimensions; its credit impaired, by reason of an immense debt, and the value of the Company's property misrepresented by parties hostile to the management.

To successfully carry the Company through its financial troubles, without an appeal to the individual stockholders, was the intention of the new Board, themselves the actual owners of over one-half of the capital stock.

That they would have succeeded, there is no doubt, but for unforeseen difficulties thrown in their way by parties who, for their own private ends, were constantly

laboring to depress the market value of the Company's stock and misrepresent the worth of its property.

The Board finally decided to call on the individual stockholders for assistance to sustain the credit of the Company, and assessment No. 19 was levied and collected, the total amount of which was \$525,000, as will be seen by reference to the Secretary's report. This was the only assessment levied by the Board during the fiscal year, and the entire amount was applied in reduction of the debt incurred by our predecessors in office.

While engaged in arranging the affairs of the Company in this city, the work at the mine was being pressed with all vigor, under the direction of our energetic Superintendent, assisted by an able and competent assistant, and so well were their efforts rewarded, that in less than six months the mine was changed from a non-producing to an ore-producing one, and has been steadily improving, until it ranks third among the ore-producing mines of the Comstock.

The present daily ore production is now 450 tons, of a fair milling quality, which will be more fully explained by referring to the Superintendent's Report.

All ores extracted by the Company have been crushed by Custom Mills in close proximity to the mine, the management deeming it prudent to delay incurring a large debt for the purchase and erection of mills for company's account until greater depth had been obtained, and the continuance of the ore body fully demonstrated.

This is nearly accomplished, and a short time only is required to demonstrate the fact that the Justice Mine

is a permanent one, and that the yield of ore will be measureably increased, thus enabling the future managers to place the Company among the list of dividend paying mines of the great Comstock lode.

The past year has been one of a most discouraging character to mining interests, and amid the general crash of mining securities, it is not strange or unusual that the meritorious properties should suffer alike with those having no real or immediate value.

With full faith in the present and future value of the Company's property, the management surrender it into your hands, and respectfully ask your approval of its acts.

Respectfully submitted,

GEORGE SCHULTZ.

SUPERINTENDENT'S REPORT.

OFFICE JUSTICE MINING CO.,
LOWER GOLD HILL, NEVADA.
May 1st, 1877.

*To the President and Trustees of
The Justice Mining Co.*

Gentlemen:

Herewith, I beg to hand you a statement of operations at the Company's mine for the year ending May 1st, 1877.

The total number of tons of ore extracted from the Justice Mine for year ending as above, is 80,563 $\frac{1}{4}$. No surplus of ore was carried over from the preceding year. During same space of time, there has been reduced at the various mills employed by the Company, 78,338 tons, yielding bullion to the amount of \$1,755,411 37. This yield is about eighty (80) per cent. of the assay valuation of the ore—no deduction having been made for wet ore. We have now on hand at mills and in ore house 2,220 tons, valued at \$45,000.

The entire amount of this ore has been extracted from the 400-500-600-700-750-800 and 1000-foot levels. The most prolific of which have been the 400 and 600-foot levels, these having proved more lucrative

than levels below, viz: 700, 750, 800 and 1000, they being comparatively new levels.

On the bottom of the 700-foot level, and for a distance of 380 feet, a body of ore is developed, pierced midway by a winze running through a continuous and unbroken ore body to the 800-foot level. The present face of north lateral drift shows a body of fair average milling ore, about ten feet in width.

The Company's vein is incased within a fissure, ranging from 300 to 450 feet, with spurs of ore found in all directions, interspersed with clay seams and walls running a certain distance and then entirely disappearing. Invariably, these spurs of ore are small and contain a large percentage of silica, hence the great expense of mining.

A winze is being sunk (following the ore body developed by No. 3 cross-cut, 800-foot level), towards the 1000-foot level. It has attained a depth on the dip of the vein of one hundred and forty-two (142) feet, and what is most noticeable is the fact, that as we proceed in depth the quality of ore becomes better. The whole aspect of this winze is very flattering, and speaks well for the future prosperity of the mine.

An upraise is in process of completion from an ore development made in No. 2 cross-cut, 800-foot level, within twenty-three feet of connection with the 700-foot level. This upraise runs through a continuous ore body, 82 feet west of body developed in No. 3 cross-cut. The distance from cross-cut No. 2 to No. 3 is one hundred and thirty-two (132) feet and the former is north of the latter.

The south lateral drift at the opening of this level

from main incline was driven in west formation—hence it was found absolutely necessary to cross-cut east—for the purpose of developing the vein, which vein dips in a uniform angle from the surface croppings to the 700-foot level, which was but partially opened.

Hence, on the 800-foot level three cross-cuts were driven east, or a slight variation north of east, so as to cut square across the vein. The Dunn cross-cut is extended east from the main incline shaft a distance of 342 feet, and at the latter end very favorable vein matter was encountered. At a distance of about 850 feet south of this a second cross-cut was started, which is known in the official reports as No. 1 cross-cut.

It has been driven at a slight variation northeast upwards of 750 feet, of which 450 feet was in vein matter, composed principally of quartz, carrying ore which assayed from a trace up to fifty (50) dollars. The remainder of the distance was in matter composed of clay, lime and porphyry, and the face of cross-cut is still in propitious vein matter.

No. 2 cross-cut is situated 343 feet south of the latter, as is extended a distance of 600 feet, slightly north of east, through a more lively character of vein matter than was developed in cross-cut No. 1. From this a valuable ore body is developed, and followed south to within 20 feet of cross-cut No. 3. There are several spurs developed by cross-cuts Nos. 1 and 2, which will be followed up during coming year, and will no doubt be productive of much good to the Company.

No. 3 cross-cut is extended east from lateral drift 425 feet, and 160 feet east of ore body which No. 3 winze is following towards the 1,000-foot level. This cross-cut

develops one interesting fact. The levels above the ore body, in attaining depth, dip regularly to the north, as the 1,000-foot level will verify. On this 1,000-foot level the first ore discovered is 713 feet south of main incline.

From the point of discovery the main lateral drift is advanced a distance of 93 feet, through a fair quality of milling ore. The object is to extend this drift so as to enable us to connect with winze from No. 3 cross-cut, 800-foot level. This will afford free ventilation and enable us to explore the vein, which is as yet several hundred feet between the point at which the drift and winze will connect.

The 1150-foot level, east drift, has advanced 87 feet from main incline shaft. The formation which we are drifting through is more uniform and of a more settled character than found on the levels above. As the ore is discovered on the 1000-foot level in closer proximity to main incline shaft, we have every reason to presume that on the 1150-foot level the ore will be discovered much nearer the incline than on the level above.

There are every indications from the formation and characteristics of the level above, that a valuable and productive level will be opened. The ore and waste rock chutes are now in process of construction for the accommodation of this level. As soon as completed, a large and commodious station will be opened. Upon completion of the station, preparations will be made for the sinking of the main incline shaft, to a sufficient depth to open up a new level, which has been retarded by the large flow of water discovered upon approaching the vein on the 1000-foot level.

• The pumping and hoisting machinery is capable of developing the mine to a depth of 2000 feet, as the levels above the 1000-foot are entirely drained. This shows conclusively that each new level has but to drain its own accumulated water.

Permission is asked to call your attention to the tabular statement, which will afford you a more comprehensive idea of the details and accruing expense of opening up the Company's property.

The Justice hoisting works, engines, machinery, air compressors, and in fact all property thereunto belonging are in perfect repair. Protection against fire, not only at hoisting works proper, but at adjacent works, has been secured by means of a complete system of water pipes, hydrants, and their necessary adjuncts.

In conclusion I would add, that at no time has the mine looked more promising, and indications point conclusively to the future prosperity of the mine, and continued advancement of our bullion products.

Very Respectfully,

E. A. SCHULTZ,

Superintendent.

LEVEL.

400.	Main Lateral Drifts	680 ft.
"	Cross Cuts	560 "
"	Upraises	249 "
"	Main Incline Shaft, Retimbered	200 "
"	" South Drift, Repaired	1,600 "
"	Winze Sunk	360 "

LEVEL.

500.	Main Lateral Drift.....	585 ft.
"	Crosscuts.....	170 "
500.	Upraises.....	220 "
"	Winze.....	40 "
600.	Main Lateral Drift.....	975 "
"	Crosscuts	420 "
"	Upraises	429 "
"	Winze	170 "
700.	Main Lateral Drift.	565 "
"	Crosscuts.....	320 "
"	Winze.....	230 "
800.	Main Lateral Drift.....	1,240 "
"	Crosscuts	2,150 "
"	Winze	140 "
"	Upraises	250 "
"	Main South Drift Repaired	400 "
"	" " " " Ditched and Trail laid ..	1,700 "
1,000.	Main Lateral Drift.....	990 "
"	Crosscuts	690 "
1,150.	East Drift.....	75 "

RESUME.

Total Amt.	Lateral Drift.....	8,861 ft.
"	" Upraises	1,139 "
"	" Winze	945 "
"	" Drift Repaired	2,000 "
"	" Main Incline Sunk.....	260 "
"	" Ore Chutes constructed on 400-500- 600-700-800-1000 foot levels. .	1,141 "

INVENTORY OF PROPERTY AT MINE,

GOLD HILL, MAY 1ST, 1877.

Real Estate.....	\$3,000 00	
Hoisting Works.....	42,000 00	
Machinery	223,870 00	
		\$268,870 00

SUPPLIES—

Wood	\$6,000 00
Lumber.....	5,000 00

11,000 00

SUPPLIES IN STORE ROOM—

11 Doz. Shovels.....	\$130 00
1/2 " Brooms.....	3 00
3/4 " Hickory Brooms.....	5 00
1/2 " Pails.....	6 00
1/2 " Spiral Levels.....	9 00
4 " Axes.....	168 00
57 Kegs Spikes and Nails.....	285 00
1 1/2 Cases Window Glass.....	25 00
2 Boxes Track Nails.....	10 00
22 " T Rail Spikes.....	82 50
2 " Fish Plates.....	20 00
850 lbs. Splice Bolts.....	68 00
3 Rolls Hemp Packing.....	57 50
4 Cases Pick Handles.....	130 00
4 " Fuse.....	210 00
17 Cans Safeguard Oil.....	90 00
7 " Kerosene.....	50 00

Carried forward, \$1,349 00 \$279,870 00

15

Brought forward....	\$1,349 00	\$279,870 00
2 Cans Lard Oil.....	30 00	
1/2 Bbl. ".....	30 00	
180 Boxes Candles.....	450 00	
2 Bales of Cotton Waste.....	32 85	
60 lbs. Rivets, 5/8.....	7 80	
8 Pckgs Assorted Screws.....	15 00	
1 1/2 Doz. Side Pulleys.....	25 00	
30 lbs. Machine Bolts.....	5 00	
25 " Nuts and Washers.....	25 00	
50 " Soapstone Packing.....	23 00	
75 " Square Rubber Packing..	75 00	
50 " Plate ".....	50 00	
13 Doz. Elbows, (assorted).....	98 00	
13 " Nipples ".....	62 00	
16 " Peat Valves ".....	722 00	
15 " Tees ".....	153 00	
2 " Reducers ".....	15 00	
9 " Union Couplings (assorted)	90 00	
9 " Bushings (assorted).....	17 00	
1 " Plugs ".....	3 50	
7 " Wrenches ".....	288 00	
3 " Files ".....	35 00	
90 lbs. Comp. Lub. Oil.....	45 00	
1,030 ft. T Rail, large.....	700 00	
15 Sheets Assorted Sheet Iron..	400 00	
7,500 lbs. Square & Round " ..	425 00	
1,000 " Cast Steel.....	200 00	
600 " Bolts, Nuts & Washers.	35 00	
13 14-ft. Pump Column.....	400 00	
100 Cases Giant Powder.....	2,350 00	

\$8,156 15

Carried forward.... \$288,026 15

IMPROVEMENTS MADE DURING THE YEAR—

Brought forward.....	\$288,026 15
Rope House..... .. 16 x 80	1,000 00
Dump..... .. 20 x 18	1,700 00
Boiler Room 18 x 40	1,500 00
Office, (5 rooms addition).....	3,500 00
Scales and House.... ..	975 00
875 ft. T rail track.—Lumber for	
Waste Dump..... ..	1,500 00
Assay Office and Supplies.....	1,250 00
Coal House..... ..	250 00
Stable	500 00
Grading and Road-making.....	2,000 00
Drain Tunnel..... ..	600 00
Flume..... ..	1,100 00
3 Rooms in Works..... ..	250 00
1 Water Tank..... ..	1,500 00
	<hr/>
	\$17,625 00
Total..... ..	<hr/>
	\$305,651 15

SECRETARY'S REPORT.

GEORGE SCHULTZ, ESQ.,

President Justice Mining Co.

DEAR SIR:

Accompanying this, you will please find my annual statement of the receipts and disbursements of the Justice Mining Company, for the fiscal year ending April 30th, 1877.

I remain most respectfully,

Your obedient servant,

JAMES S. KENNEDY,

Secretary.

SAN FRANCISCO, May 1st, 1877.

RECEIPTS.

Assessment No. 19	\$525,000 00
Bills payable	56,584 12
Gross product	1,755,411 37
The Bank of California (overdraft) ..	153,498 04
E. A. Schultz, Sup't	33,236 75
Balance outstanding, May 1st, 1876, Sup't, Bank and Cash	93,407 03

DISBURSEMENTS.

Real Estate	\$2,232 87
Bills payable	600,009 00
Salaries and Wages	543,434 92
Gold Hill Office	6,236 58
Supplies	99,700 36
Hauling	4,461 38
Hardware	43,221 17
Lumber	63,221 52
Wood	93,320 12
Freight	6,754 00
Assay Office	2,837 14
Discount and Exchange	5,551 09
Interest	62,745 94
Expense	7,361 18
Books and Stationery	940 02
Advertising	1,715 75
Reduction	925,171 48
Machinery	4,577 90
Legal Expense	2,159 55
Bullion Tax	10,212 85
Bullion Discount	127,723 30
Cash	3,549 19
	<hr/>
	\$2,617,137 31
	\$2,617,137 31

*To the Stockholders of the
Justice Mining Company:*

The Committee appointed at the annual meeting of the stockholders, to make an examination of the management, expenditures and developments of the Justice Mining Company, report as follows:

That the books of the company are kept in a proper manner, and your committee find that no exception can properly be taken to the manner in which the business of the office is and has been conducted.

At the request of your committee, Mr. Henry Boden, the assistant superintendent of the mine, was summoned from Virginia City. Mr. Boden's statements were satisfactory in every respect, demonstrating the fact that the utmost economy has been exercised in every department of the mining operations of the company; that no workmen or attachees are employed whose services can be dispensed with; that every man on the pay rolls of the company renders actual and valuable service, and that for the great expenses incurred, the stockholders have received a greater development than is usual in mining operations.

That the great expenses of the past year have been necessarily incurred in correcting the errors of former

administrations, and have also been increased in a great degree by reason of the extensive operations of the upper levels having been conducted mostly in broken ground.

Mr. Boden also reports that the necessity of these extraordinary expenses have ceased, and that no great expense for the development and working of the mine will be necessary, excepting the furnishing of new boilers, and one air compressor. This expenditure will in the end benefit stockholders, by increasing the working facilities, and also by a reduction in the general expenses of the mine.

Your committee also report that the Trustees of the company are individually large owners of the stock, and every cent of disbursements is measurably paid out of their own pockets; and that as far as your committee have examined, economy seems to have been exercised in every part of the mechanical and business departments of the company.

As Mr. Boden, the assistant superintendent assures your committee that the ore body in the lower level is solid in its character, and improving in quality with a promise of increasing richness, and that in a very short time this level will be fully opened, it is evident that patience on the part of the stockholders will demonstrate the fact that their faith in the Justice Mine has not been misplaced in the slightest degree.

Respectfully submitted by

THOMAS. J. L. SMILEY,

HERMANN HENCKE,

FRANK CAMBLOS,

Committee of Stockholders.