

aug Mining

(143)  
Item 2

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See also map files  
(map)

April 30, 1931.

Humboldt Sulphur Company,  
619 Crocker Building,  
San Francisco, Calif.

Dear Sirs:-

As Mining Engineers for the Nevada State Bureau of Mines, Mr. Carl Stoddard and I paid a brief visit to your property at Sulphur, Humboldt Co., Nevada, during the first part of this month.

We are gathering data as to mining activities in Nevada since 1923, which is to be compiled and issued as a State Bulletin to supplement the excellent book by F. C. Lincoln on Mining Districts and Mineral Resources of Nevada.

Your property is one of the most interesting in the State. Can you not send our Bureau a map thereof, and also geologic and economic data as you can assemble without too much effort, for our information? We wish to foster all legitimate mining in Nevada as much as possible, and would particularly like to have information as to how you will meet the competition of the large Texas sulphur mines. We have heard from Mr. Bishop of Sulphur Station of the co-operation of the Western Pacific R.R., and it seems as though you should be able to produce for the eastern market.

Yours truly,

Alfred Merritt Smith,

Mining Engineer, Nevada State Bureau of Mines.

# HUMBOLDT SULPHUR COMPANY

318 CROCKER BUILDING  
SAN FRANCISCO, CALIF.  
DOUGLAS 8967

May 2, 1931.

Mr. Alfred Merritt Smith,  
Nevada State Bureau of Mines,  
Reno, Nevada,

Dear Sir:-

I am enclosing herewith a map of our property together with some of the economic data which you requested.

As you will note, Humboldt is now a holding corporation, owning all the stock in Sierra Sulphur Corporation, Ltd., which controls the property.

We are at present in negotiation with the Freeport Sulphur for control; but whether anything will come of it, we are not yet in a position to state. The property is at present open for negotiation with any parties who can show responsibility.

Very truly yours,

Chas. S. Haley ✓

Chas. S. Haley

President, Sierra Sulphur Corporation, Ltd.

# HUMBOLDT SULPHUR COMPANY

618 CROCKER BLDG.

SAN FRANCISCO, CAL.

MINES AND REDUCTION PLANT  
SULPHUR, NEVADA

SIERRA SULPHUR CORPORATION, LTD.

February 1, 1931.

~~Following is a report by Mr. M. A. Newman, written for Humboldt Sulphur Company, on the physical and geological aspects of the property now owned by Sierra Sulphur Corporation, Ltd.~~

Humboldt Sulphur Company is now a holding corporation, owning 110,000 shares of stock in Sierra Sulphur Corporation, Ltd., which is a Nevada corporation of 300,000 shares common stock, ten dollar par value. The stock issued Humboldt Sulphur Company was in exchange for its entire assets, comprising seven process patents, about 500 acres of land, a power plant and water system; a bond and option to purchase off 1200 acres of sulphur bearing ground, on which \$80,000 has been paid and \$120,000 is due by the end of 1934; a pilot plant and numerous buildings on this property; and several thousand feet of mining development already done on this property. No other stock of Sierra Sulphur Corporation has been issued except that to Humboldt Sulphur Company; so there still remain 190,000 shares in the treasury.

The accompanying map shows the distribution of sulphur outcrops on the ground; and the course of the main fissure deposit, which has been determined by drilling. Since this report was made by Mr. Newman, considerable development work has been done; and the 300,000 tons of 21% ore which he mentioned is now assured; as well as a future probability of several million tons of ore ranging in grade from 21% to 40% sulphur. The present ore is worth about \$7 per ton, from the standpoint of the sale price of the concentrate.

Sierra Sulphur Corporation proposes to sink a shaft 500 feet deep on this fissure and do about 4,000 feet of drifting and crosscutting. This will require about \$80,000. It is believed that the remaining payment on the purchase bond can be discounted to \$80,000 by a cash payment. It is at present planned to issue sufficient shares of its ten dollar par stock to complete this work, to then build a 500 ton plant at Stockton, California; and to provide working capital for a production of some 120 tons of concentrate per day, which will be the eventual capacity of this plant.

The plan is to mill 500 tons of 21% ore per day at Stockton, after the mine has been properly developed. Due to cheap labor cost, water and power facilities, as well as transportation to the best markets, this is much cheaper than production at Sulphur. This ore will produce 100 tons of sulphur per day net, mostly in the form of concentrate running 85% sulphur. This will be sold as soilx and dusting sulphur, for which there is a rapidly increasing

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618 CROCKER BLDG.

SAN FRANCISCO, CAL.

MINES AND REDUCTION PLANT  
SULPHUR, NEVADA

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market on the Pacific Coast. What sulphur is not used in the production of concentrate will be readily disposed of as ground and lump sulphur until the market has developed sufficiently to absorb all of the production as concentrate.

The mining plant, located at Sulphur, will be operated from the present steam power plant and 350 H. P. generator now on the property. It will produce 500 tons of ore per day; and a rate of \$1.50 per ton will transport it to Stockton; as shown by the attached map. The tailing from the ore, running about 250 tons by weight per day, is a pure silica sand which can be sold for glass and porcelain work at prices ranging from \$4 to \$6 per ton. This will pay the entire freight on the ore and land the sulphur content free at Stockton, our center of distribution.

~~From the Benson report, attached, it will be seen that~~ Concentrate can be produced for \$13 per ton, allowing a mining charge of \$5 per ton of sulphur. The ore-body is practically one hundred feet wide and admits of cheap mining.

The concentrate can readily be sold for \$30 per ton, leaving a net of \$17 per ton. This should give a net profit of over \$2,000 per day on 120 tons of 85% concentrate, containing approximately 100 tons of sulphur. This concentrate is superior to 100% ground sulphur because of its rapid oxidation rate; and the nearest competitive price on ground sulphur being \$55 per ton, we expect to control most of the market.

Pure lump sulphur- purer than the Texas sulphur- can be produced for \$11 per ton- and sold at the prevailing Pacific Coast market price of \$21 per ton, leaving a substantial profit; but not as much as there is on the concentrate. It is not unreasonable to expect that on its present grade of 21% ore, Sierra Sulphur Corporation can pay a net of \$750,000 per year; and if the grade increases to 40%- as is indicated by some of our prospect holes- this profit can run up to one and one half million dollars per annum. It is believed that this grade of sulphur may be found to a depth of at least 1,000 feet, from the geological conditions. This would give a fifty year life to the property, at least.

It is believed that Sierra Sulphur Corporation offers a very attractive opportunity for investment; as it is the only sulphur property in the Western United States which is on the main line of a transcontinental railroad; and it controls the markets of Oregon and Washington, as well as California, by reason of the Great Northern connection with the Western Pacific, which will be in operation before the end of 1931.

SIERRA SULPHUR CORPORATION, Ltd., by

*Charles H. ...*  
President.