

MOLEGA, QUEEN'S COUNTY, N. S., July 3, 1890.

R. R. McLEOD:—

DEAR SIR, — The ore shipped from the Gay's River mine resulted as follows:—

Ore milled	9,600 lbs.
Result in amalgam	38 dwt.
" retort gold	22 dwt.
" smelted gold	21 dwt.

Making an average of \$4.29 per ton.

Yours with respect,

(Sig.) W. D. SMART,
Supt. of Mill.

The gold yielded I forward with the report, not only that you may see that it has the weight but the superior purity of fineness that makes it worth \$20 per ounce. This conglomerate, we see, yielded at the rate of \$4.29 per ton. This is as fair a showing as I expected, under the circumstances. The operation of milling this ore demonstrated two very important features: 1st, that four tons of it can be put through the batteries while treating one ton of quartz; and 2d, that the gold is easily saved, a great deal of it being coarse, and remaining in the batteries. I will now suppose that a fifty-stamp mill, fully equipped, is ready for action on this property. It will treat two hundred tons of ore per day, at twenty-five cents per ton. Allow for wear and tear of machinery and incidental expenses twenty-five cents per ton; for mining and delivery to the mill twenty-five cents per ton. Presuming that these figures are nearly accurate, we have \$3.44 per ton profit. Allowing that the mill runs three hundred days per year, the amount of ore treated would be 60,000 tons, and the profit would be \$260,640. As there is no reason why the capacity of the mill should be limited to fifty stamps, any one can see what the result would be with a greater capacity. If it seems that the estimate is more favorable to mines than it is likely to realize, even upon that presumption a very satisfactory reduction can be made; and yet, on the bare showing of the