I do not mean to preclude the possibilities of the ground now opened yielding in excess of estimate. The mine is in an advantageous position for stoping, and while carrying on the present line of development, this ore could be placed on cars at foot of ore bins for $3.25 per ton, and the total amount extracted in a year. The cost of extraction per ton, so far, has been $3.25, an analysis of which is shown in the table of costs.

Thirty-eight thousand tons in sight at $29.10 per ton may be considered a proportionately high value in comparison with five thousand four hundred and eleven tons shipped this year at $23.01 per ton.

I believe the ore shipped was lower grade than the total of the ore blocked in the mine, because it came from West Raise on the west boundary of the ore chute, from the West Stope, all along the bottom of an ore chute where it passed into a barren zone ; from the ragged edges of the old No. 2 Stopes, and from the 375 East and West, that are in a fairly poor level as far as run ; the only heavy ore came from the No. 1 Raise.

The ore estimated in sight is along the No. 1 Raise and the shaft, and under the high grade body found on No. 2 Tunnel, and in the heart of the West Raise or No. 3 Chute.

I should judge that at least 10,000 tons of low grade ore would be mined with the 38,000 tons of high grade. With low general smelting rates, this would probably go direct to the smelter, otherwise to the second class dump. Six thousand tons of such ore is already on the dumps, and about the mine, extracted with the past high grade ore. I could not give any authoritative estimate of the values of this 10,000 tons,—probably $10.00 per ton.

A careful analysis of all our vein samples in ore of quantity that would have been considered worth stoping shows the following percentage of values :

Gold Values	Per Cent.	Gold Values	Per Cent.	Gold Values	Per Cent.
1. $ 1 00	0.34	$14 00	6.32	$30 00	0.86
2 00	1.20	16 00	12.13	32 00	3.08
3 00	1.54	18 00	5.13	34 00	0.68
4 00	5.13	20 00	4.61	36 00	0.85
6 00	8.20	22 00	1.71	38 00	0.17
8 00	16.07	24 00	3.59	40 50	2.31
10 00	10.94	26 00	3.56	50 60	1.37
12 00	8.88	28 00	1.71	80 90	0.68
				$15 41	99 88%

This data is from 585 assays ; their average value in gold is $15.41. A rejection of the low grade ore to either the waste or the second-class dumps,