SPECIAL CORRESPONDENCE

COBALT, SOUTH LORRAIN AND GOWGANDA

Owing to the barrenness of a portion of the Carson vein the dividend has been reduced from 5 per cent. a month to 2 per cent. The dividend has always been paid in the form a 2 per cent. regular and 3 per cent. bonus. This dividend of 5 per cent, or over $88,000, has been a strain on the Crown Reserve resources for some time, but the inevitable cut might have been postponed for some months, or perhaps a twelvemonth longer, if a certain part of the Carson vein which had been counted on to produce as high grade ore as the other sections of the vein had not suddenly shown barren. The values ran out of the vein about February, but development proceeded in the hope that they might be picked up again. The secret was extremely well kept. It is most probable that the news of the barrenness of a section of the vein did leak out from Cobalt to Toronto, but it was not sent to directors. Col. Carson accepted the inevitable, frankly explained the cause of the drop in the stock, and announced the cut in the dividend. The only criticism to be heard in camp is that the cut was not made at once when it was discovered to be inevitable. It would then have been possible to slacken the terrific rate of production and get down to a low grade basis with reduced costs.

The construction of the pipe lines from Kerr Lake to Giroux Lake is being rushed with all expedition, and pumping should commence about the first week in September. The scow has been almost completed, and the two centrifugal, 3,000 gallon pumps have arrived and can at any time be unloaded on the scow and placed in a position to work.

Development below the 200 foot level of the Crown Reserve has not produced much ore, and the resources of the mine are confined to its lateral development above the 200 foot level and the as yet unprospected territory under the waters of Kerr Lake.

The Nipissing mines for the month of July shipped ore of an estimated net value of $314.115. Some of this ore, however, is customs to the Nipissing's high grade mill. The company mined ore of an estimated net value of $224,216. During July the high grade mill treated 177 tons and shipped 531,099 ounces of silver. The low grade mill treated 7,268 tons, or almost 250 tons per day.

All the stopes at the third level of shaft 73 continued to produce a large amount of ore. The main vein has a greater height at the north end than was at first expected. The faulted extension of one of the branch veins at the third level was encountered and has a width of .from two to four inches and assays three thousand ounces. Ore has been found at the fourth level for the first time. The fourth level has a depth of 330 feet, and was expected to be just below the Keewatin conglomerate contact. The north drift is in conglomerate at a distance of 195 feet from the winze. The vein in the face is two to three inches wide of 300 to 400 ounces. A raise just back of the drift shows higher values ten feet up.

The hydraulic is working on Little Silver Hill near vein 27. A vein from two to three inches wide was uncovered near vein 27 and running at right angles to it. The vein is decomposed and shows no solid material at the surface and assays 63 ounces from the mud. Some open cutting was done on vein 128. It is one inch wide, and while not uniformly high grade, there is some amount showing rich ore. The vein has a length of a hundred feet.

The Gifford mine is to be dewatered at once. A syndicate of Montreal and Toronto men, many of them connected with the Crown Reserve Mining Company, have been picking up Gifford stock on the market for some time. They have now 400,000 shares out of the 600,000 shares of a par value of 25 cents each. The Gifford is partly in Keewatin and partly in granite and adjoins the Beaver. Some time ago a shaft was sunk on contact to the 200 foot level and some drifting done, but nothing of importance discovered.

For the past two months the Cobalt Lake production has been at the rate of 25,000 ounces a week. June and July each showed an output of 100,000 ounces of silver. Alterations and additions to the mill allowed the company to go on this basis of production. Of this amount 80,000 ounces came from the mill concentrates, while 20,000 ounces is accounted for by high-grade ore sorted underground.

Speaking of the drainage of Cobalt Lake, it is hoped that the matter will be before the mining commissioner at his first sitting in September. The plans and specifications will first be presented to the Provincial Board of Health.

On the York Ontario mine a rich shoot of ore has been picked up on the intermediate level between the 70 ft. and the adit level. The vein is from three to four inches of silver in the calcite and holds good for 20 feet. Forty bags of high grade ore have already been taken out from the drift. Two cars of concentrates and high grade ore will be shipped from the mine the latter part of this month.

The Timiskaming and Hudson Bay Company paid its 49th dividend on August 19th. They now have the remarkable record of paying 23,500 per cent. on capitalization, or $1,823,835. The last dividend was for 300 per cent. as usual.

The Right of Way Mining Company has taken an option on the Flynn group of claims in Lebel Township. The properties number seven in all and lie due south of the Tough-Oakes.

Ground has been broken for the new Northern Customs mill on the site leased by them on the Nipissing property near 104, just north of the town. The four acre site has already been cleared of all underbrush and a gang of men has started on the excavations. The intention is to build a hundred stamp mill, though a battery of only eighty will at first be installed. The eighty stamps will give a capacity of 250 tons daily, and for the present will take care of all the contracts held by the company. The flow sheet will be almost identical with that used at the old mill. It is expected that the new mill will be in operation some time before the end of the year. It is a fact that three-fourths of the machinery can and will be manufactured in Northern Ontario at the Wabi Iron works.

The Chambers Ferland is now sinking a shaft to endeavour to pick up the extension of the Nipissing 64. It has now reached a depth of 40 feet. Crosscutting will commence at between 200 and 300 feet, as prospects appear expedient. The shaft is entirely in the conglomerate. This is an endeavour to open up a section of the Chambers Ferland never prospected before save on the surface.