

THE EXCHANGE NEWS.

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MINING NEWS.

CRIPPLE CREEK NEWS.

ELKTON, RAVEN AND TORNADO.

Three Cripple Creek Companies Consolidate.

What is a veritable fire cracker in mining consolidations was touched off Tuesday and resulted in such a deafening explosion that all the 5-cent affairs which have amused the boys to no little extent lately were clean forgotten. The report vibrated through the mining world Tuesday afternoon not two minutes after a big meeting touched off the fuse. The meeting was composed of representatives of the Raven, Tornado, and Elkton companies, who agreed that the Raven and Tornado companies should go out of existence, and that henceforth the Elkton Consolidated Gold Mining Company would be the whole thing.

Of course it wasn't meant to go off. The affair was too big to explode before all the preliminaries had been perfected, before all the "good fellows" had been put on, but perhaps a spark from a confidential cigar did the damage, for at any rate before the promoters had thought of the noise, there it was, ear-splitting, even to them.

There has not been a deal consummated in this city in the history of the Cripple Creek district, not only because of the magnitude of this one, but for its far-reaching results. Three great mining companies working in perfect harmony, all the profits accruing in one treasury, all the management in the hands of one set of managers. It will make the Elkton one of the very largest mines in the camp.

In the first place the capitalization of the Elkton is to be raised to 3,000,000 shares of a par value of \$1 each. The Raven and Tornado will go out of existence, but there will be distributed among the shareholders of the Raven 625,000 shares of the Elkton stock, and the Tornado stockholders will get 500,000 shares. To the stockholders of the Elkton company a dividend will be paid consisting of 2,000,000 shares of the stock and that amount with 1,125,000 shares will be what the Elkton will get of the total capital stock. Now glance over the following table:

Raven gets	625,000
Tornado gets	500,000
Elkton gets	1,375,000
Total	2,500,000

It will be noticed that after the distribution has been made in this way, which was most carefully figured out according to the relative value of the assets of the

two companies, that the total amount falls 500,000 shares short of the total capitalization. This amount will remain in the treasury of the company, and will afterwards be used to secure more property, which is a stipulation of the deal.

In consideration of the distribution of stock as above tabulated the Raven company surrenders to the Elkton all its assets excepting the treasury stock, which will be killed, which include about 950,000 cash and its 2 1/2 acres of ground and all the improvements thereon. The Raven is capitalized for 1,500,000 and the odd 500,000 is the treasury stock. The Tornado turns into the Elkton all its assets which include about \$50,000 cash, and 14 acres of ground and improvements.

The Tornado is capitalized for 1,250,000 with 100,000 shares in the treasury, which will be killed. The Elkton contributes its treasury funds and 3 1/2 acres of ground. The new Elkton, as it may be termed, will own 70 acres of the finest ground on Raven Hill, all in a group.

Before the deal is a deal, it must be ratified by the stockholders of all the three companies and as a call must be issued 30 days before a meeting can be held, it will probably be between five and six weeks before the thing is legally consummated, but it is given out officially that virtually the consolidation is perfected now and that all the work on the three properties will be under the supervision of George Bernard, president and manager of the Elkton company.

The significance of this gigantic consolidation attached to two things in particular: First, it avoids all litigation which was threatening all three of the companies. Second, it enables the mines to be worked more easily and economically, thus giving the stockholders more profits than if each company were working by itself.

First—The rumors of litigation between the Raven and Tornado have been published fully in the "Mining Investor," but in order to have this complete, let it be said at this time that the workings of the two companies are gradually approaching on two different veins, and that a serious litigation was imminent which would have to decide who would own the ore at and below the junction of the veins. By this deal which was brought about to avoid the great expense to the stockholders of both companies, all litigation is completely obviated. Also it seemed very likely that the Elkton would become involved in the litigation. The rich vein which was opened on the Walter claim of the Elkton dipped into Tornado ground. This deal is the height of wisdom as it saves hundreds of thousands of dollars which will be paid in dividends instead of going to the attorneys who might fight for years over the different snarls of the legal knot.

Second—The combined properties will all be worked through the main Elkton shaft which is now being equipped with a great plant of machinery. Already the Tornado and Elkton properties are connected and the Raven will also soon be joined. The greater depth of the Elkton shaft, which is down over 800 feet, now, will mean that levels can be run into the other properties and open them up with nothing of the expense, comparatively, which such development would mean for the Raven or Tornado to undertake alone.

Both the Elkton and Raven are paying 1 cent a month, and no one doubts that if the Tornado had not had this threatened litigation hanging over its head, it also would have been in the lists of dividend payers. It was said officially Tuesday that probably 3 cents a quarter would be paid to the stockholders of the new Elkton Co., which, on the 2,500,000 of capital stock outstanding would amount to \$75,000 a quarter or \$300,000 a year.

Until the annual meeting of the Elkton

which will be held in July, as was decided Wednesday, the officers and directors will remain the same with the exception that two of the Elkton directors will resign and their places be taken by E. P. Shove, secretary of the Tornado, and E. M. De La Vergne, president of the Raven. Mr. Bernard will continue to be president of the company.

PORTLAND PRODUCTION.

At a time when various reasons have been assigned for the practical closing down of the Portland mine, the following extracts from a letter published in the Victor Record are of general interest. The letter in question was evidently from an inspired source and was doubtless intended as a reply to an article relative to the big Battle Mountain mine, previously published in the same paper. In this article, among other statements, was the assertion "that the development work was not in proportion to the production." The letter was signed "A Portland Miner," and in part says:

"You stated that the mine was being relieved of its reserve by keeping up the large output of 3,000 tons a month; that the mine could not stand the continual drainage."

The fact of the situation is that the mine is capable of producing twice the tonnage you mention with the large tract of prolific ground to cull from. The Cripple Creek mines are in their infancy in point of tonnage, the Portland in particular. We could point you to mines that have been keeping up a record of 1,000 and 1,200 tons per day for the last 15 and 20 years, that at the same age as the Portland is to-day had no such showing. Neither had they the territory to draw from that the Portland has. If the present system is kept up in sinking, developing, block'g out ore bodies, and bringing other new veins in line that the famous Battle Mountain mine is so full of, then in the not far off future we shall see the Portland mine producing 1,000 tons per day."

STANDARD MINING EXCHANGE.

Toronto, April 18.

Rathmullen—10,000, 3 1/4.
North Star—1000, 121.
Fairview—1000, 4 1/2
B. C. G. Fields—5000, 3 1/4.
Deer Trail—2500, 9 1/4.
Lone Pine—3500, 14 1/4.
Fairview—5000, 4 1/4.
Golden Star—3000, 10. m
Iron Mask—1500, 32 1/2.
White Bear—200, 23 1/4.

TORONTO MINING EXCHANGE.

Toronto, April 18.

Van Anda—1 1/2 0, 3 1/2.
C. G. F. S.—1000, 7.
H. Reef—1000, 12 1/2. 1000, 12 1/2.
Deer Trail—500, 10. 100, 13 1/2.
Iron Mask—1500, 33.
Ramb.—Cariboo—1000, 26.
Golden Star—1000, 10. 500, 23 1/2.
Waterloo—2000, 4 1/2.
Fairview—1000, 4 1/2.
White Bear—1500, 1 1/2. 500, 1 1/2.

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