

MOUNT JASPER

COPPER MINES

NO LIABILITY . . . TASMANIA

SPECIAL REPORT

HEAD OFFICE:

317 COLLINS STREET, MELBOURNE



1919

J. W. Searson, Print., Leonard Street, Melbourne

Mount Jasper Copper Mines

No- liability

CHAIRMAN'S REPORT

TO THE SHAREHOLDERS OF THE MOUNT JASPER COMPANY.

Ladies and Gentlemen,—

Since the last call was made upon the shares of the Company, for the month of January of this year, your directors thought it wise to curtail operations at the mine, in view of the difficulty of obtaining suitable labour, this trouble being further accentuated by the prevailing epidemic. Now that conditions are becoming normal, your directors are of opinion that operations at the mine should be resumed, and for that purpose and the liquidating of present liabilities, have decided to make a Call of 2/- per share for October. Of the authorised capital of the Company, only 2/- more per share remains to be called up, when it will be necessary to consider the question of an increase of capital for future operations. It is important to bear in mind the fact that the Company is practically in syndicate form, as there are only 2,400 shares of £20 each, of which 201 are held in reserve.

Your directors are of opinion that although mistakes have been made in the past by mine managers and expert advisers of the Company, sufficient data has been obtained to show that the mines fully justify a further expenditure of capital. For a report on the general position, Mr. P. J. O'Connor, the legal manager, who is one of the largest shareholders, and has given a great deal of time studying the question on the spot, has been requested by the Chairman to give shareholders (*vide* report) the benefit of the information gained, together with the conclusions he has arrived at, and suggestions as to future operations.

Your directors have decided to call a general meeting of shareholders at an early date to consider questions relating to future mining arrangements and policy of the Company.

I am, yours, etc.,

J. A. MILLS, Chairman.

SPECIAL REPORT

TO THE SHAREHOLDERS OF THE MOUNT JASPER COMPANY.

Ladies and Gentlemen,—

It is not usually within the province of a legal manager to act as adviser in connection with practical mining, nor to appear as an apparent geological expert. Neither of these qualifications do I claim in a general way. But I do contend that, having gathered extensive knowledge from years of close examination and personal inspection of the Mount Jasper properties, it is my duty to place such information before shareholders, which I trust will enable them to realise the prospects and value of the properties which they are interested in.

The Mt. Jasper Company was formed on the prospects of a big formation known now as "The Old Jasper" (see photo). Prior to this, Mr. Twelvetrees, the well-known Tasmanian Government Geologist, in an official report, refers to this as "an outcrop of solid iron and copper pyrites, from which a sample taken by me assayed up to 39 per cent. copper. This surface blow lies in decomposed magnesian rock difficult of identification, and, indeed, the outcrop has such an isolated aspect that it is believed to have slipped to its present position from higher up the hill. I think, however, that it is *in situ*."

The result of varying operations spread over several years by different mine managers convinces me that Mr. Twelvetrees' opinion has proved correct. Various theories were formed as to the remarkable outcrop, containing rich copper ore and carrying unusually high gold values.

I have taken a photograph showing the outcrop as it appeared at that time, which may be valuable for future reference. Several short tunnels were driven at high levels through and along the ore body. An underlie winze known as "Pearson's" was sunk from one of these upper tunnels to a depth of 33 feet, exposing a splendid body of ore assaying in sections of five feet, from 8 to 35 per cent. copper (bornite and chalcopyrite), and gold up to 10 dwts. per ton. The gold values are very significant, as shown by the returns from the Mt. Lyell Company for copper concentrates, which gave up to 1½ ozs. of gold per ton.

I have done a considerable amount of dish prospecting in and around the Old Jasper workings, and I am of opinion, which is based on careful testing, that an important gold development may be looked for on what is known as the "cement lode," a big formation about 400 feet N.E. of the Old Jasper outcrop.

As the ore body in "Pearson's winze" appeared to be a well-defined formation, with a massive body of conglomerate forming the hanging wall and an apparent downward course, it was decided to extend the lower tunnel, known as No. 3, for the purpose of intersecting the lode at depth. This tunnel was driven to 687 feet without cutting the formation showing in the upper workings. Results being disappointing, reports were obtained from well-known mining experts who visited the mine.

These examinations were very brief, extending from a few hours to three days. Each expert made recommendations regarding prospecting work, mostly crosscutting and sinking. All this work

Old Jasper Leases

Showing Big Outcrops of Copper Ore



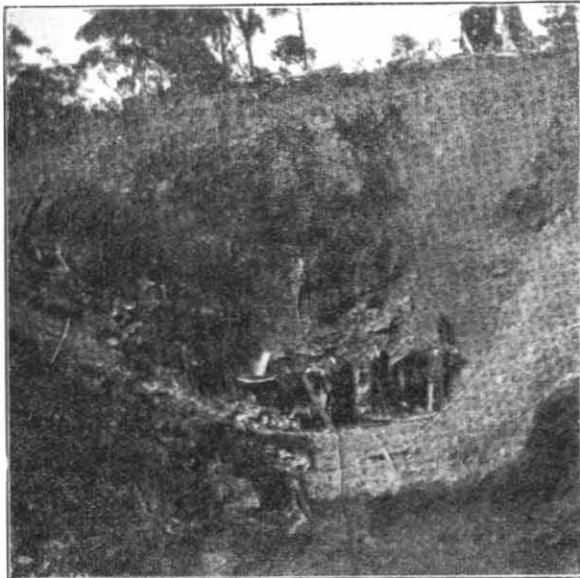
No. 1.—THE OLD JASPER OUTCROP
(Referred to by Mr. Twelvetees in his official report).



No. 2 OUTCROP, COPPER ORE
($\frac{1}{4}$ of a mile to the N.E. of the Old Jasper).



No. 3 OUTCROP, COPPER ORE
(About $\frac{1}{2}$ mile to the S.W. of the Old Jasper).



THE OPEN CUT AT THE OLD JASPER.

failed to find the ore body, though fully 1000 feet of extra driving was done from No. 3 adit. This work only revealed soft serpentine country without proving a contact, as indicated by Mr. Twelvetrees.

At my suggestion a rise was put up at 650 feet in. At 117 feet the lode channel was cut, disclosing a big body of conglomerate intermixed with lode matter, proving a well-defined contact. This rise shows beyond doubt that the lode has folded over, and will most likely be found in its true position in the big hill adjoining, probably proving it to be a continuation of the New Jasper lode, which will be referred to later. Estimates as to the quantity of ore proved in the Old Jasper workings vary from 5 to 20,000 tons, with copper values 6 per cent., and gold probably 2 dwts. I have carefully followed the work of each manager, and am satisfied there is at least 10,000 tons of payable ore proved.

Instead of continuing the present workings, I would recommend the driving of a tunnel in the big hill to the south-east, about 800 feet from the Old Jasper, and known as "Claxton's find." Here a big formation is showing on the surface, with a splendid gossan capping, also big bunches of magnetic iron. I am of opinion the lode would be cut in less than 200 feet of driving, giving about 150 feet of backs, perhaps more.

This lode will most likely prove to be associated with the Old and New Jasper formations. If so, the ore channel would extend for over a quarter of a mile. The proving of such a continuous ore body would ensure the formation of a new company, thus providing the necessary capital for extensive future operations.

THE NEW JASPER MINE. *May 1912*

This mine was discovered shortly after the formation of the present company. It is situated about a quarter of a mile to the S.E. of the Old Jasper outcrop. The expert who at the time of its discovery reported on this development stated that—"The ore proved to be an isolated patch which only continued *over a length of four feet and cut out to a small streak of ore at a depth of two feet.* The commercial value of this find to the company is nil." *ju*

Naturally the report was a grievous disappointment to the shareholders after the glowing accounts submitted by the mine manager. I was requested by the management to visit the mine, in company with one of the directors, for the purpose of interviewing the manager. Whilst there, work was resumed by sinking on the "small streak" of ore referred to. Within 10 feet the ore body opened up to a width of 5 feet, disclosing rich copper glance, black oxide, and yellow ore. Four ^{tons} and a half tons broken and bagged on the spot yielded a net return of £285, the value of copper at that time being £72 per ton. The ore body has since been proved to a depth of over a hundred feet, and shipping ore to the value of about £2,000 has been won.

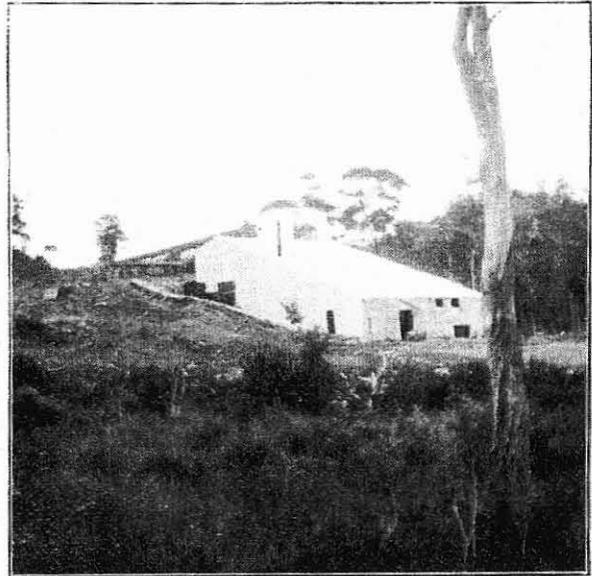
I have made a very careful examination of this formation, and am satisfied it is of much greater dimensions and value than the estimates hitherto submitted. During one of my late visits I discovered a well-defined foot wall, which will prove that instead of driving along the lode the main drive was carried *across* the formation. A small crosscut put in at my request produced several tons of shipping ore assaying 22 per cent. copper. The hanging wall has never been found, and I believe when this is reached very rich ore will be discovered.

I had a winze put down from the floor of the bottom tunnel to a depth of 20 feet. Besides fair milling ore, there was a seam of chalcopryite 18 inches wide, assaying 22 per cent. copper,

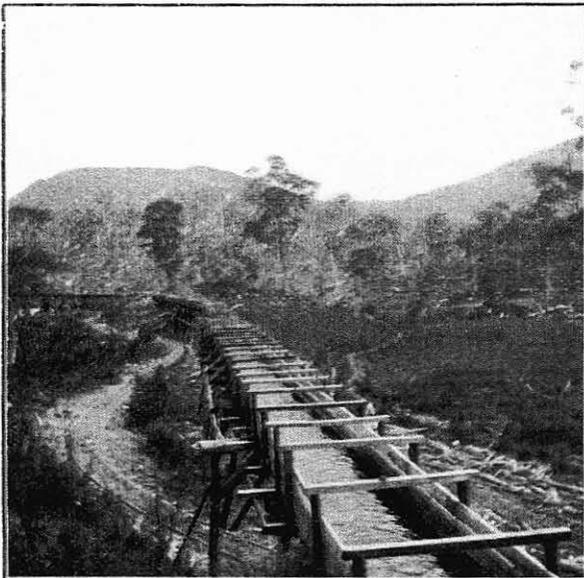
Mount Jasper Mines



THE NEW JASPER MINE
 (About 1/4 of a mile to the S.W. of the Old Jasper,
 showing copper ore awaiting treatment).



HILL, SHOWING WATER RACE TO WORK TURBINE.



WATER RACE AND FLUMING TO MILL.



**THE BIG HILL REFERRED TO IN REPORT ON
 HEAZLEWOOD SILVER LODE.**

going underfoot. The New Jasper lode appears to be well defined in settled country. It has just entered the sulphide zone, and should live to a great depth.

In order to further develop and prove this valuable ore body, I would suggest the driving of a tunnel about 450 feet to reach a point about 100 feet below the present workings. This would give approximately 200 feet of backs, the same increasing to the north, as the hill rises rapidly. This adit would also effectively drain the workings. It is probable that this tunnel would intersect the Heazlewood silver lode within 200 feet, as its southerly continuation has been traced on the surface in this direction.

THE HEAZLEWOOD SILVER LODE.

This lode was worked over 30 years ago by a Launceston company. A consignment of 400 tons of galena, assaying 98ozs. of silver per ton and 68 per cent. lead, was sent to England, but owing to the low prices of silver and lead at that time, together with transport difficulties from the mine to Burnie, operations ceased. The present company resumed work two years ago by sinking a winze and driving a few feet below the floor of the main lower tunnel, which was found to be in fair order. About 13 tons of shipper ore, assaying in bulk 72ozs. of silver per ton and 56 per cent. lead, also about 20 tons of high-grade milling ore, was taken out to a depth of 25 feet, when water difficulties prevented further operations. The seams of clean shipping ore in the lode formation varied from 5 to 13 inches in width. Recently two men were employed driving south on this lode at a point about 1500 feet north of the old workings referred to. Between these workings the hill rises to a height of several hundreds of feet (see photo). All this is virgin ground, and as the formation can be distinctly traced on the surface, I would strongly recommend the continuation of this northern tunnel. The lode here is improving in size, and values assaying 111 ozs. of silver per ton and 70 per cent. lead. Though the formation is small, it is increasing in size in its southerly course as it enters the big hill. As the workings are close to the company's mill, and silver at a record price, I am confident highly profitable returns could be secured by treating the milling ore now available, as experiments made during my visits proved that better results are to be obtained from the milling of silver lead than copper ores.

MT. STEWART MINE.

Mt. Stewart mine is connected with Mt. Jasper by a tram line $5\frac{1}{2}$ miles in length (see photo), and was purchased by the Mt. Jasper Company for £1,500, being the amount of a mortgage due to the Tasmanian Smelting Company.

The original holders worked only to the water level, about 100 feet from the surface. From reports, silver lead to the value of £37,000 was obtained by them. From a shaft which had been sunk to a depth of 200 feet a crosscut was driven by the present company; at 60 feet W. the lode was cut. At this point two distinct branches exist, but work was confined to the eastern formation; the other (the western) remains untouched. From the 200 feet level the drive was extended south to a distance of 180 feet. The lode varies in width from two to four feet, and values from picked ore gave up to 138ozs. of silver per ton, 25 per cent. lead, and 13 per cent. zinc.

Favourable reports on the Mt. Stewart mine have been submitted by Messrs. H. Herman, present director of geological survey, Victoria; R. W. Powell, W. Gullock, and J. Powell. About 3,500 tons of valuable ore is now stacked at the mine, awaiting treatment, besides a large quantity outcropping near

Mount Jasper Leases

Showing Views at Mt. Stewart



THE TRAM TO MT. STEWART
(5½ miles in length, showing valuable timber for rails.)



MT. STEWART.
(Rich silver lode outcropping north of old workings, referred to in report.)



MT. STEWART.
(Over 3500 tons of silver-lead ore awaiting treatment.)



SHAFT ON TOP OF MT. STEWART
(Showing the Meredith Rauges in the background.)

the surface, which could be easily mined (see photo). With a treatment plant on the property, this ore would prove a big asset.

For milling and mining purposes, electric power could be generated by using the Whyte or Castray Rivers, adjacent to Mt. Stewart. The immense value of these rivers for such purposes is not generally realised or appreciated.

A proposal to drive a tunnel over 1,800 feet in length has been suggested. This would reach a point 100 feet below the present workings (200 feet). The driving of this adit would take fully two years to complete, and as there are several bars of very hard rock to traverse, I consider it would cost at least £3,600. I am basing my estimates on previous work, recognising the fact that I have rarely known mining estimates to realise expectations, the ultimate cost being, as a rule, considerably higher in every respect. I would prefer to commence operations by erecting an electric power plant at the Whyte River, about two miles from the mine. By unwatering the present shaft and drives, high-grade shipping ore could at once be won.

The erection of a suitable concentrating plant or smelter, by which the large quantity of high-grade ore already mined and stacked could at once be treated, is also advisable. This should give highly profitable results.

It would also be necessary to put the present tram line in order. The rails could easily and cheaply be supplied, as enormous quantities of suitable timber (see photo) are available along the track. The company has a valuable portable engine that could be utilised for the supply of wooden rails. I estimate the cost at about £900 to put the line in proper repair. It will be interesting to note that during the "Osmiridium" boom last year, when this rare metal realised £44 per oz., and hundreds of miners were engaged working the gullies around Mt. Stewart, making in some instances £100 per week, that a beautiful specimen was shown to me as having been obtained in the serpentine rock on our property. Hitherto the matrix has not been proved. The Mt. Stewart belt is remarkable for the variety of metals found there—osmiridium, gold, silver, copper, lead, tin, etc.

Very little genuine prospecting has been done beyond that carried out by this Company, and, considering the immense area of undeveloped mineral country, with the wild and rugged nature of the West Coast, there is every probability of very rich finds being discovered when more attention is given to proper prospecting.

In conclusion, I desire to draw attention to the following facts:—That both the New Jasper and Mt. Stewart properties are sufficiently developed to warrant the formation of larger companies. The Old Jasper and Heazlewood mines can be proved by a limited amount of tunnel work on the lines and estimates submitted, which I claim are founded on the very best information, which I am prepared to prove from most careful and practical tests. The history of Mt. Jasper Company, with its many disappointments and mistakes, is not unique in the mining world, and I am more than ever confident that with the information now obtained, and with capable and reliable management, there should be a prosperous future for the Mt. Jasper Company.

Since completing the above report, a message has arrived to-day from the mine manager stating that an important discovery of a nickel lode has been made on one of our leases.

P. J. O'CONNOR, Legal Manager.

Melbourne, Oct. 6th, 1919.