

Kilometer 73

From the Kilometer 73 marker on the road from Baguio to Suyoc, to Macapilid Island in Surigao province is a long jump, but it is not too far to go in search of gold. Not if you find it, that is. This is the jump that the Kilometer 73 company made when they shut down their Baguio development last year, and it looks like they have found enough gold to make the transfer well worth while.

Kilometer 73 was organized in September, 1936, right in the middle of the feverish 1936 boom, and the original intention was to explore and develop lode claims at Kilometer 73. To this end, the company sold some 684 shares of non-par stock, at P500.00 each. Of these shares, P77,500.00 worth were fully paid, and the remainder were disposed of on a 50% down-payment basis. (Total authorized capital is and was 1,440 shares of non-par stock, of which 529 shares are held in the treasury).

Work was immediately started on the claims at Kilometer 73, and was continued until about the middle of last year. Some ore bodies were found, but they were very low grade, and carried no promise of a large tonnage operation. In March of last year, Developments, Inc. was hired to inspect the properties, and reported unfavorably. This report was confirmed by a mining engineer—Mr. G. L. Thompson—brought out from the States. Inasmuch as the company had by then invested about P74,748.42 in prospecting and incidental expenses, it was decided that the claims had best be abandoned. The company carries the Kilometer 73 claims on its balance sheet (as of December 31, 1937) at a nominal figure of P919.60, and buildings at P2,059.05. The P74,748.42 spent on the property is carried as a deferred charge, to be written off gradually over a period of time.

Arrangements were then made with the Lacandola Mining Company whereby Kilometer 73 undertook to explore and develop the former's claims on Masapelid Island, Surigao. G. L. Thompson stayed on as superintendent in charge of this project. Work was commenced on August 29th, 1937, and has proceeded apace. Practically all of the equipment (Diesel-Compressor unit, blacksmith-shop equipment, Assay Office equip-

ment, drill equipment, blower and ventilation pipe, pumps, etc.) was moved down to the island from Kilometer 73. Transportation is by the company's own launch and lighter. Development work so far done seems to indicate a definite possibility that a producing mine will result. We reproduce most of a report of April 13, 1938, of Mr. Thompson to the President and Directors of the company, which tells the story of the property up to that date. The report is believed to be very conservative, in view of more recent reports from the mine.

Encouraged by these results, the company decided to issue a call to subscribers for the balance of their subscriptions. This call, of course, applies only to those subscribers who had paid only 50% of their subscriptions, and asks for payment of the remainder in five installments of P50.00 each, commencing on May 20th, 1938. The call was issued on April 20th, 1938, by the Board of Directors.

Since the report made by Mr. Thompson dated April 13th, 1938, the 600 Winze has been sunk to a depth of ninety-five feet below the drift and drifting on the vein at this level shows good ore to the northeast but is faulted to the southwest by the large fault found on the upper level. The Winze was in good ore for its entire depth and there is good hope that the northeast drift will continue in ore for several hundred feet as the No. 11 Tunnel on the vein 90 feet above this

drift showed a strong vein with some good values almost to the swamp separating this working from Layong.

The Layong Workings show a strong vein with exceptionally high values especially at the drift from the bottom of the 150 foot shaft sunk at this point. A Winze 40 feet deep below this level was sunk on good ore with widths of ten to eleven feet. The shaft is being carried down another one hundred feet with every expectation that the ore will be equally as good as on the second level, in view of the showing in the winze.

About 5,000 feet of underground working has been accomplished to-date and the management believes that in a short time this property will be ready to take its place as a highly successful producer.

MINE FACTORS

Mr. L. J. Harvey, former president of Mine Factors, Inc., left Manila for an indefinite stay in England late last month.

Mr. Harvey's departure was unannounced, and came as a surprise to his friends and associates here. It is thought that Mr. Harvey felt the need of rest and quiet contemplation in the English countryside.

The company has been reorganized since Mr. Harvey's departure, and the JOURNAL wishes to point out that Mine Factors still has as much ore as it had, while Mr. Harvey was here. We wish to remind those who may have read our Mine Factors story of last month, that we did not intimate in that article that the future of this organization depended in any way upon Mr. Harvey's continued presence in the Philippines, or upon the price of the stock upon the local stock exchange.

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