

THE
DE LERY
GOLD MINING CO.
CANADA.

INCORPORATED IN
THE STATE OF NEW YORK
AND
HOLDERS OF PATENTS IN
CANADA.

F5012
1866
D346

The EDITH *and* LORNE PIERCE
COLLECTION *of* CANADIANA

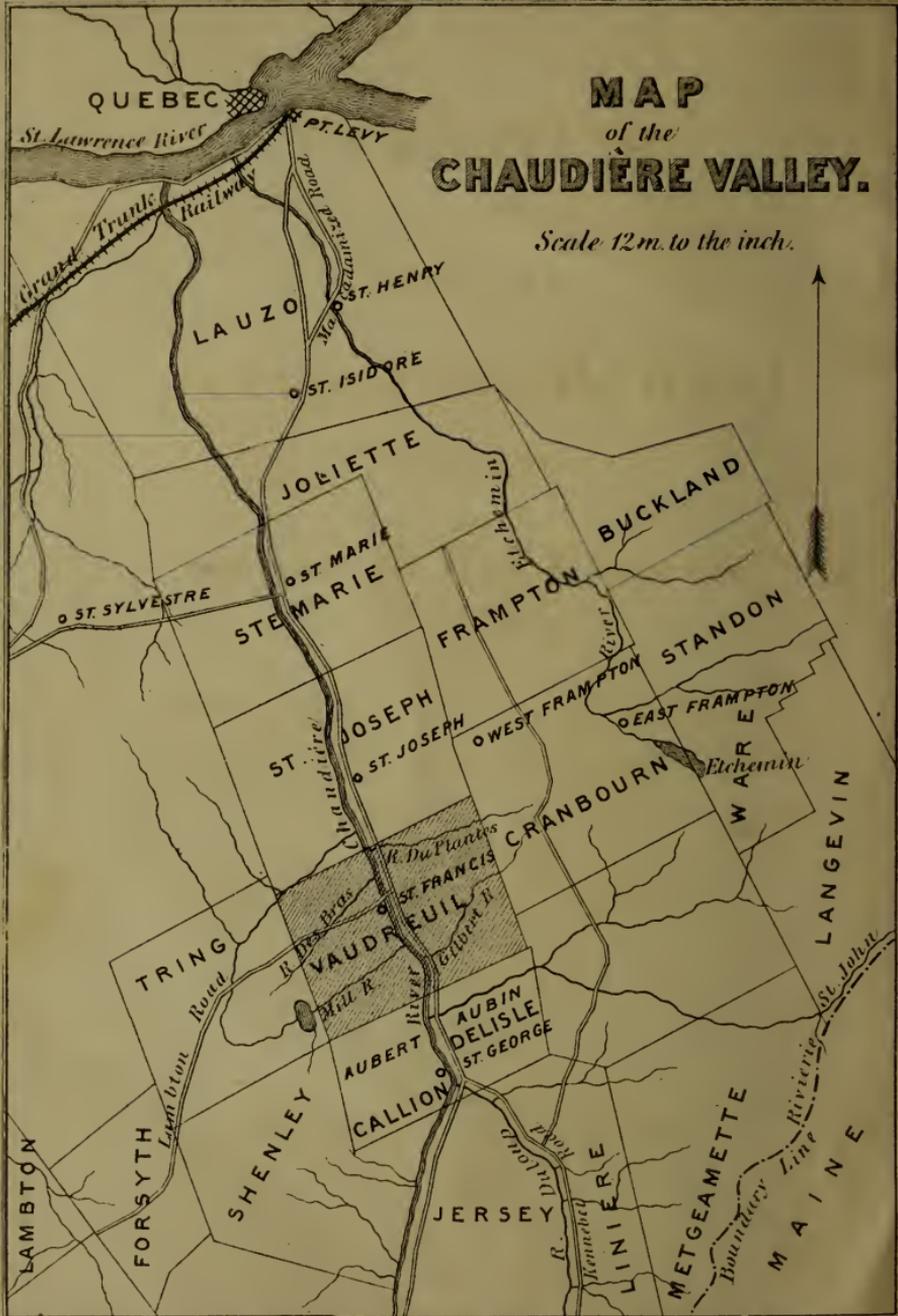


Queen's University at Kingston

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DE LÉRY GOLD MINING CO.

For Maps &c. N.Y.

STATEMENT
OF THE
DE LÉRY
GOLD MINING COMPANY,
(OF CANADA.)

CHARTERED BY ROYAL LETTERS PATENT,
July 1st., 1865.

CAPITAL STOCK - - - - \$10,000,000.
GUARANTEED STOCK - - - - \$500,000.

Principal Offices:

Nos. 72 and 74 Cedar Street, New York,
and
No. 3 Port Dauphine St., Quebec.

NEW YORK:
PRINTED BY C. A. ALVORD,
15 VANDEWATER ST.
1866.

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OFFICERS.

PRESIDENT,
CHAUNCEY VIBBARD.

SECRETARY AND TREASURER,
J. M. WINCHELL.

:o:

AMERICAN DIRECTORS:

GEO. D. CRAGIN,	CHAUNCEY VIBBARD,
THOS. C. DURANT,	F. G. WHEELER,
WASHINGTON HUNT,	J. M. WINCHELL,

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CANADIAN DIRECTORS:

J. GREAVES CLAPHAM,	THOMAS GLOVER,
GEO. H. SIMARD,	

Quebec.

STATEMENT
OF THE
De Léry Gold Mining Company
(OF CANADA.)

I.

THE business of mining for the precious metals, is confessedly one of great risks to the capital invested. All prudent men regard its allurements with suspicion. So general is the feeling of caution which it has inspired, that none but the very bold will fearlessly venture money in a direct search for gold or silver; and it is only when the promise of profits is so great as to dazzle the judgment, that investments are made with absolute confidence.

That these apprehensions are well grounded, the history of Mexico and our Pacific coast furnishes abundant proof. Immense as are the fortunes which those regions, in numerous instances, have been forced to yield to the enterprise, the sagacity and will of man, yet have they been secured in spite of the most

formidable obstacles, and, very often, have been built on the wrecks left by previous failures.

Still, it must be confessed that the profits of gold and silver mining, when fortunately managed, have often far surpassed the anticipations of the most sanguine. Instances abound where the owners of successful mines have, in an incredibly short period, made them the sources of almost fabulous wealth. To those who have the patience and desire to study the subject carefully and master its details, it will appear that, while the causes of failure sometimes originate in accident, yet they are generally traceable directly to rashness or bad management. In order to operate securely, we should make this investigation, and ascertain the conditions of peril to be avoided and those of safety to be secured.

The parent of the greatest dangers that here lie in ambush for the capitalist, is *distance*. As a rule, mining regions have been remote from the monetary centers; and the interval could be overcome only by slow and toilsome travel. The telegraph has but lately come in to alleviate this disadvantage; and the mails have been subject to frequent detention and occasional loss.

Under such circumstances, *any* mining adventure would seem to court disaster. An incompetent or dishonest agent can readily ruin his employers before the coming event can even be foreshadowed. Against such

a danger, no richness of the property can avail. The catastrophe becomes sure, which, with the business under the immediate eye of its owners, would have been impossible.

If manufacturers often fail, when personally managing their own affairs; if the great bulk of our merchants, as statistics show, at some period of their career become bankrupt; how unfair, how unwise is it, to charge upon mining *as a business*, those dangers which are principally due to the imprudence and folly of the investors.

In fact, it is now understood by experienced men, that, followed legitimately, with the exercise of the same caution, judgment, and steadiness essential to all successful pursuits, mining is as safe as any other business, and more profitable than most. The capitalists of California, who can direct the details of their own enterprises, run less risks than the merchants of New York. Once bring your investor face to face with his business, and if he has good mines, it will be his own fault if his dividends are not equal to his hopes.

How well this Master Industry of the world *can be made* to pay when the conditions are right, a few instances abundantly prove. In our own country, the *Gould & Curry* mine is a shining example, conspicuous among hundreds equally brilliant, but of less mag-

nitude. Within four years, this mammoth concern, in addition to the waste of an improvident management, and the construction of the costliest works in the world, divided *Four Millions* of dollars among the investors of *One Hundred and Eighty Thousand*. We know an English company, whose mines are in Brazil, and which is compelled to transport machinery hundreds of miles on the backs of mules, and to contend against the evils of distance and semi-barbarism; and yet the dividends are so much to the satisfaction of the shareholders, that the stock can not be purchased. In the Old World, the revenues derived from mining, have always been adjudged not less than royal, and destined to the public treasury or the coffers of princes.

What, then, might be our reasonable expectations, if we had at our command, mines *as rich as those of California and as accessible as our farming lands?* where cheap capital might be employed in the use of cheap labor and machinery, and the details of the business subjected to the constant criticism of those whose single interest it is to swell the profits?

II.

It is barely known to the public that Canada possesses some deposits of gold. None, save the very few who have personally made investigation, can believe that these deposits are at all comparable in amount

and value with those of California and Australia. The brilliant history of our Pacific coast has quite captivated the popular fancy; and the enchantment lent by distance, unfits us for realizing the possibility that we are encountering the enormous costs and risks of distant investments, to secure what we might achieve with infinitely less expense and time, almost at home. The ideas of peril and profit, seem inseparable in our minds; and we can not realize that gold may exist in any region not a dangerous wilderness. We are loath to be convinced, even, that our continent possesses an Atlantic belt of auriferous rock, whose value approaches at least, probably equals, and *may* surpass, that of those far regions whose very air seems tinged with a seductive romance.

For some years, however, scientific men have been changing their original views in regard to the gold found in Canada, and have been forced to concede that it is not an accidental deposit of some fabulous drift, but that it is the result of the same causes which have made it so abundant on the Western coast. The coarse particles profusely distributed through the soil of the *Chaudière* Valley, are too sharp in outline to have been distant travelers. It is evident that their origin is close at hand. Still, during all the years which have elapsed since the first discoveries in the Seigniory of RIGAUD-VAUDREUIL, science has made little progress in reforming its fossiliferous opinions on the subject; and

it is only within a year past, when exploration has disclosed immense ledges of *gold-bearing quartz* all through the district, that the real source of the alluvial gold begins to be understood, and the miners realize that they have within reach a means of wealth, easy to develop and impossible to exhaust.

The reasons for this inconceivable tardiness of perception, are many of them peculiar to the population and laws of Canada. To appreciate them, one must go there. *Placer* mining, to a considerable extent, has been followed on the Seigniory all the time; but it was with the rudest implements, and in a manner not deserving the very considerable success it has always met with. It was very like the Californian experience before the inroad of American immigration; questions of title—disputes about taxation—the continual restraint of governmental red tape—all operated as discouragements; and the curious lack of enterprise in the French-Canadian population, and the profound ignorance of the subject, more than account for the meager results obtained. Yet, under all these adverse circumstances, large amounts of gold have continually been washed out on the Seigniory by the *habitans*; and the product, obtained by the use of old milk-pans, and in the intervals of other labor and holiday idleness, has become so important, that the purchase and sale of crude gold in Quebec and by country traders, is already a definite feature of business. It is not uncommon for

nuggets to be found, worth hundreds of dollars each; and those best informed, estimate the amount thus procured in the Seigniorie within two or three years past, at not less than half a million of dollars.*

These facts have at length had their effect in the attraction of old miners, returned from California and Australia, who are eager to ascertain the truth. *Universally*, these men, while prospecting, become convinced of the great value of the mines; and numbers of them are now working in full expectation of success. Lands are changing hands rapidly; enterprise and experience are displacing indifference and ignorance; and capital is beginning a steady flow thither, as it did

*

*Department of Crown Lands,
Jesuits' Estate and Crown Domain Branch,
Quebec, 9th November, 1864.*

Sir:—I would beg to call your attention to my letter of the 24th ultimo, having reference to the De Léry Patent case.

Nearly all the mining operations of the past and present seasons have been carried on exclusively in the Seigniorie of Rigaud-Vaudreuil, the Crown having only received for license fees elsewhere some \$66, while it is reported that about \$50,000 were taken out in the Seigniorie in question last season, and at least \$100,000 during the present one, the Crown Royalty on which alone, without reference to previous operations, under the Patent, reaches \$15,000, of which no part whatever has been received.

* * * * *

I have the honor to be, Sir,

Your obedient servant,

(Signed),

A. CAMPBELL,

Commissioner.

The Honorable the Attorney-General
for Lower Canada, &c., &c., &c.

I*

eighteen years ago toward California. Even English caution is being overcome; and the signs of the times indicate that the favorite gold fields of the world are speedily to find, in Canada, a formidable rival among the capitalists of London.

III.

The Seigniory of RIGAUD-VAUDREUIL, to which allusion has been made, demands the first place in any sketch of the gold fields of Canada. It is a tract of country, twelve miles in length by nine in width, lying about fifty miles south-east of Quebec, in the *Chaudière* Valley, which the historical reader will recollect as having been the route of Arnold's army in his famous expedition of invasion.

Unlike most mining regions, this valley is one of the loveliest in the world; and this Seigniory embraces the choicest portion of the valley. The *Chaudière* River runs across it the shortest way, dividing it into two equal portions; and each of these halves is traversed by tributaries, among which the *Gilbert*, the *Du Plantes*, the *Le Bras*, and *Mill River*, are the most important. These streams give it a most admirable diversity of hill and vale, and supply it abundantly with water for every variety of hydraulic use.*

* Sir William Logan says:—"The fall in most of the tributaries of the *Chaudière* and of the *St. Francis*, throughout the auriferous region, is such

It was here that the first auriferous discoveries were made, and it is from here that the great bulk of the gold heretofore found in Canada, has been taken. Originally, in this Province, the mines belonged to the crown; and the Seigneur De Léry, having discovered the immense treasure hidden in his patrimony, procured a Royal Patent, in 1846, granting them to him and his heirs forever.* Since that grant, the government has relinquished, throughout all the rest of Canada, its title to the minerals, vesting them in the owners of the soil; especial exception being made of the Seigniorship of RIGAUD-VAUDREUIL, where the title had passed to the Seigneur under the Patent.

that it would not be difficult to secure a supply of water with a sufficient head, without a very great expenditure in the construction of canals; and it may reasonably be expected that before long the deposits of gold-bearing earth, which are so widely spread over south-eastern Canada, will be made economically available."

* The following letter is written by the Honorable the Commissioner of Crown Lands:—

*Department of Crown Lands,
Jesuits' Estates and Crown Domain Branch,
Quebec, 4th August, 1864.*

Sir:—I have the honor to direct your attention to the 33d and 34th sections of the Act 27th and 28th Victoria, chapter 9, entitled: "An Act respecting Gold Mines;" Letters patent, with reference to mines of gold, having been granted on the 18th September, 1846, to the owners of the Seigniorship of Rigaud-Vaudreuil, of which it appears you are now sole proprietor.

I have the honor to be,

&c., &c., &c.,

(Signed),

A. CAMPBELL,

Commissioner.

Alexander Chaussegros De Léry, Esquire,

&c., &c., &c.,

Ste. Marie or St. François, Beauce.

IV.

Various desultory efforts have been made to work *placer* mines in the Seigniorie, but the means have been about as adequate, as for a modern farmer to cultivate his soil with the implements in use a thousand years ago. A good deal of money, however, has actually been made in this way, and the resident *habitan* is never without a deposit of gulch gold hidden in some corner of his cottage.

But it is not in the alluvium that the intelligent miner searches for the reliable sources of wealth. However successful he may be in finding gold in the soil, he will value it chiefly as an evidence of the immensely greater amounts in the neighboring hills. The quartz rock is the mother of gold; and the real question in Canada has been, whether this rock exists in quantity, and from which the particles found in the streams have been detached and washed away. No efficient steps had been taken, however, to solve this question till within the last year; and then the results were such as to excite astonishment and conviction. The hills were found to be full of quartz veins, which, when uncovered, proved to be of great width—sometimes as much as thirty feet; and the shafts already sunk on these ledges, reveal a richness at the surface, and continually increasing with the depth,

scarcely paralleled in the experience of miners.* In some instances this gold is visible to the naked eye; often its abundant presence is revealed by the magnifier; and assays by reliable metallurgists, show its universal presence, and never in amounts less than should give a fair profit. These assays have gone as high as six hundred dollars to the ton, in quartz, and sixteen hundred dollars in the slate. As no shaft has as yet been sunk over fifty feet, these results are as surprising as they are encouraging.

V.

While these practical operations are drawing experience and capital to the district, and stimulating the erection of suitable machinery, it may be well to notice the opinions of scientific men. Professor Silliman's reports from Nova Scotia are measurably applicable to Canada; and the examinations of Hare and

* In the report of a meeting of the Chaudière Gold Mining Association, dated St. François, March 7th, 1866, accounts are given of fourteen different shafts now being sunk on quartz veins in the neighborhood. One of these is twenty-four feet wide; another twenty; another thirty; and in neither have side walls yet been found. The assays reported run from seventy-five dollars to one hundred and fifty dollars per ton; and thirteen hundredweight of ore, taken from one vein, and crushed, and worked in New York by mill process, yielded at the rate of forty dollars to the ton.

As the whole expense of raising and working quartz at the mines need not exceed four to eight dollars per ton, the profitableness of such a mine is apparent.

Machinery is also reported as having arrived at Quebec, and only waiting the opening of the season to be erected.

Hodges and Michel, leave in the minds of those gentlemen no doubts remaining. Professor Blake—than whom there is no better authority living—was satisfied by a visit to the Seignior, in 1865, that there was “plenty of gold,” and speaks in admiring language of the facilities for its extraction.

It is conceded that the era of most profitable mining in California, began after the exhaustion of its *placers*. *Deep mining* in the maternal rock, is the sure source of rich and lasting profits. In Canada we shall enter on this profitable era without the unhealthy stimulant of any previous *furor* for gold washing. After suitable tests, convincing to the judgments of capitalists, the work will commence as one of *manufacturing*. Shafts will be sunk, mills erected, and the daily operations conducted with a view to steadiness and continuity. Unlike most regions, the rock promises to pay from the commencement, thus freeing the business from necessary risk; and so cheap are labor and food and materials of all kinds, that small capitals may be employed with equal chances of success and proportional profit that attend the use of large ones in the West.

VI.

After what has briefly been said of the Seignior of RIGAUD-VAUDREUIL, it is only necessary, in order to show the value of the property of the De Léry Gold

Mining Company, to explain that it embraces all the minerals in this immense tract, containing one hundred and eight square miles, or nearly seventy thousand acres. If there is any valuable mining property in Canada, this is most surely so ; and nowhere else in the Province, and scarcely in the world, can be found one of such magnitude.

Something over half of this region—larger than the original District of Columbia—is occupied by *censitaires*, who own the agricultural right, and are entitled to compensation for land damages from those who work the mines. The balance of the tract is unsettled, and free even from this trifling restriction.

The Company's right consists in a lease for thirty years from September, 1864, with a privilege of renewal for thirty years additional. Of the entire cost of the property, less than fifty thousand dollars remain unpaid, and that conveniently arranged. The Government, in the Royal Patent, stipulates for the payment to the crown of *ten per cent.* of the proceeds of the mines, but conditioned on the erection of works which the Company will never need. Negotiations with the Government will, probably, result in a compromise by which the tax will be reduced to *one per cent.*

VII.

The organization of the Company is a source of satisfaction to the stockholders. It is based on a charter granted by the Canadian Government, with the privilege of stockholders, directors, and offices in the United States; and the directory was made with an especial view to its permanent and earnest object. The management is in the hands of men, most of whom are too well known to the business communities of Canada and New York to need description.

The Capital Stock is Ten Millions of dollars, as any less sum would be disproportioned to the magnitude of the property. Of this, Five Hundred Thousand dollars is a Guaranteed Stock, on which all the profits of the Company are perpetually pledged to the amount of *ten per centum* per annum. As it is anticipated that the profits eventually may largely exceed this dividend, this Guaranteed Stock is always convertible into Common Stock at the pleasure of the holder.

The Guaranteed Stock is to supply the Working Capital of the Company, and complete the payment for the property. It is to be subscribed and paid for in cash, at par. Eighteen hundred shares (one hundred

and eighty thousand dollars) have already been sold and the proceeds used for these purposes ; and the remainder (three hundred and twenty thousand dollars) will furnish ample funds for all future needs. *As the Company is organized in Canada, the Stock and all accounts are on a gold basis.*

Notwithstanding the magnitude of the property, and its evident intrinsic value, the policy of the Company will be one of caution. It is not intended to commence improvements on any extravagant plan ; but to follow one that will practically demonstrate the most profitable modes of operation, and adopt such modes as fast as proven. By providing plenty of money, but using it with economy—by keeping out of debt, and developing the property as far as possible with the profits—it is believed that the operations may be conducted with an absence of risk, and an assurance of good dividends. When we consider that a merely initial exploration has revealed some forty miles of gold bearing quartz ledges, a little calculation shows that there is room in the Seigniorship for from *five hundred to one thousand* companies. Viewed in the light of the facts, the sum of Ten Millions of dollars is a very moderate one on which to realize large annual profits. But in limiting the Working Capital to Five Hundred Thousand dollars of Guaranteed Stock, the safety of the investor is greatly increased ; and in case the whole of this stock shall be sold, it will require a profit of only

Fifty Thousand dollars per annum to insure this dividend of ten per cent. The Boston and Nova Scotia Gold Mining Company* having less than a dozen acres of ground in Nova Scotia, has, during the past year, made a gross profit of about forty-four thousand dollars, with an expenditure of about twelve thousand ! over two hundred and fifty per cent. on the money used ; and this with cheap machinery, and in a new enterprise. *A single ledge*, worked with ordinary skill, should give us profits enough to divide ten per cent. on the whole Guaranteed Stock, and leave a large surplus.

VIII.

Any statement, however brief, in regard to the Canada gold mines, must be imperfect without some notice of the official inquiries which have been made into their value.

Lord Elgin, Governor-General of the Province, in a dispatch to the Secretary of State for the colonies, made in August, 1853, refers to a visit to the *Chaudière* district, speaks very encouragingly in regard to the

* This Company, in their Annual Report made last November, state that *forty companies* are now in successful operation in Nova Scotia, and are producing more gold for the men employed than is done in any other portion of the world. One New York Company is reported as taking out twenty thousand dollars per month.

mines, and states that he saw a considerable quantity of gold washed out from the gravel of the *Du Plantes*.

Sir William Logan has given some attention to the subject, and in his work of 1863 (pages 739 to 745), asserts that the auriferous drift of the *Chaudière* is *far richer than that which, in California, affords ample returns to hydraulic mining*. The examinations made under his direction during the past year, have resulted in largely increased confidence in the richness of both the gulch and quartz mines.

On the 16th of March, 1865, an elaborate report was made by a Parliamentary Committee, after a searching investigation of the subject, filling a closely printed pamphlet of one hundred and twenty-six pages. A large number of witnesses were examined, taken from all classes, and including many of the residents of the Seignior, and old miners who had worked here at their trade. This evidence leaves on the minds of those reading it, not a doubt of the presence of gold in quantity to make its extraction a business of superlative profit. Two or three extracts from this Report, will show the character of this evidence.

“ In regard to the extent to which gold has been mined or discovered, your Committee have obtained very valuable and reliable evidence. The Gold Mining Inspector, Major De Bellefeuille, states the whole quan-

tity of gold produced during the past season, in the *Chaudière* Gold Mining Division, to be One Hundred and Sixteen Thousand dollars; and this, considering the comparatively small number of hands employed, must be regarded as a very handsome return, the average of the season being no less than four dollars per day per man. The Gold Mining Inspector's Report, however, can not be taken as representing the total quantity, as it comes only to the 30th of November, since which period, mining operations have been constantly carried on, and with highly satisfactory results, on the *Gilbert*. The greater portion of the gold so far obtained, has been taken from a small area on the *Gilbert* River, a few miles from its mouth, in the parish of St. Francis. It appears, however, that considerable quantities of gold were obtained in various parts of the country, of which he was furnished with no return. Thus, for example, on the Stafford Brook, the evidence shows that Two Thousand dollars were obtained, while his return shows only Three Hundred dollars."

"In regard to the winter operations carried on, on the *Gilbert*, the evidence of the miners is highly important, as it was to some extent against their interest to give it. They have found hill tunneling beneath the snow in winter, as profitable as alluvial washing in summer."

"With regard to the general richness of the *Gilbert*

diggings, the evidence of these witnesses is conclusive. William Abbott took from one claim of only sixty feet front, one thousand seven hundred and fifty dollars in gold, during the early part of the summer; and in the month of August, he took from another claim of only twenty-five feet frontage, five hundred and ninety-five dollars. He had seen or found nuggets worth from seventy-nine dollars up to three hundred dollars.

“John McCrea exhibited a nugget weighing twelve ounces fourteen pennyweights, besides a quantity of gold in rough nuggets, amounting to many ounces in weight.”

“Your Committee, desirous of obtaining such evidence as would admit of a comparison being made with the Gold Fields of California and Australia, examined several witnesses who had been long engaged in mining operations in those countries; and the result warrants the Committee in expressing the opinion that the Canadian Gold Fields exhibit at least as fair indications as were in the first instance observable either in California or Australia; while, in certain cases, the actual average amount of gold obtained to the hand per day, quite equals the returns in those countries, except, of course, in the cases of extraordinarily rich strikes.”

The entire Report of this Committee manifests in-

telligence and candor; and it indicates a desire to avoid any action which should give to the Canadian Gold Fields a higher reputation than future developments shall sustain.

IX.

A few words in regard to the Nova Scotia mines, of which mention has been made, will aid in understanding the value of those in Canada.

Nova Scotia has the advantage of *precedence* in intelligent and systematic working; so that she has already been able to show more conclusive *results* than has her sister Province. Operations in the quartz rock have been made the basis of the mining industry; mills, though small and imperfect, have been erected and used; and though the policy of the capitalists seems to have been cautious, even to the verge of timidity, yet have they been able to achieve the actual demonstration of *profits*.

The Report of the Chief Commissioner of Mines for 1865, shows the following facts:—

The total yield of gold was over Twenty-five Thousand ounces, mainly from the quartz, and worth over half a million of dollars.

This yield exceeded that of 1864 by one-fourth, and equaled the combined yields of 1862 and 1863.

This result was procured by the labor of a much less number of men than had been employed in previous years.

The number of tons of quartz raised per man, was larger than ever before.

The quartz was richer, yielding more gold per ton.

Comparing with these *data* the Reports of the Companies working, it appears that a large profit was made on most of the operations; and it would seem to be settled that the business in that Province can be made lucrative.

When we consider that the quartz veins of Canada are similar to these in character, *but wider and richer*, and that labor and material are equally cheap, these facts supply a logical, if not an actual demonstration, of the practicable profits within our reach here.

The accessibility of the Seigniorship of RIGAUD-VAUDREUIL, is an argument of great force, as it is only a pleasant journey of twenty-four hours from Boston or Montreal, and of forty-eight from New York.

X.

This brief Statement but imperfectly shows the reasons for believing that the DE LÉRY GOLD MINING

COMPANY possesses *the most valuable property of the kind in the world.*

The one object of the Directors is the development of this property into a source of *rich and steadily increasing income* to the Stockholders. The organization has been attended by no profits to individuals. These are expected from the dividends. All sales of Stock are made for the sole purpose of *work*, and every dollar goes directly into the Treasury.

New investors will participate in all the advantages given to previous ones, till money enough is provided for the current year. The plan proposed is eminently liberal, fair, and safe. But all persons wishing to subscribe to the Stock, are invited to a most thorough previous investigation, and enjoined to act on the responsibility of their own judgments. To *see the property* will be the wiser course, and to this end the officers will afford all facilities.

Maps and specimens can be seen at the New York Office, and additional information obtained of the Secretary.

APRIL, 1866.

