Bergvesenet

Postboks 3021, N-7441 Trondheim

Rapportarkivet

Bergvesenet rapport nr	Intern Journal nr	Internt arkiv nr	Rapport lokalisering	Gradering
5376				

Kommer fra ..arkiv	Ekstern rapport nr	Oversendt fra	Fortrolig pga	Fortrolig fra dato:
Killingdal Grubeselskap				

Tittel

Calculation of cost and recovery pr. ton exstracted from Rødhammer Mine

Forfatter	Dato	År	Bedrift (oppdragsgiver og/eller oppdragstaker)
V.D. Lange	27.02	1929	

Kommune	Fylke	Bergdistrikt	1: 50 000 kartblad	1: 250 000 kartblad
Holtålen	Sør-Trøndelag	Trondheimske	17204	Røros

Fagområde	Dokument type	Forekomster (forekomst, gruvefelt, undersøkelsesfelt)
Økonomisk		Rauhammer

Råstoffgruppe	Råstofftype
Malm/metall	Kis

Sammendrag, innholdsfortegnelse eller innholdsbeskrivelse

Calculation of cost and recovery pr ton extracted from

R Ø D H A M M E R M I N E .

All. E.

Overhead expenses.

Capital invested krs. 500.000,oo.

If this capital is supposed depreciated at expiration of concession (50 years) and in the meanwhile interest to be paid at a rate of 5% on the amount remaining at any time, there must for this purpose be reserved an annual amount of krs. 27.000,oo.

As there is reason to depreciate at a quicker rate I recon with an annual amount of krs. 40.000,oo

Salaries.

The management is supposed to be effected by the Killingdal staff, only by compleating this with 2 ordinary clarks plus a mining engineer. The salaries is in this way thought to be krs. I2.000,oo

Taxes,Fire insurances,Sickinsurances,State healt insur.

These items have at Killingdal for the 5 years I92I-25, averaged to abt. krs. I7.995,oo.

In the last year they were krs. I7.I87,62.

As Rødhammer Mine will be of abt. the same size and character as Killingdal, one should believe, that items under this heading will be about the same for Rødhammer and Killingdal. As conditions are improving in Norway there should be reasonable hope for reduced taxes. For securitys sake,however, I will count with I8.000,oo

Carried forward. krs. 70.000,oo

Brought forward.	Krs.	70.000,oo

Stationery,lawyer,travellingexpences.

At Killingdal these iteme for five years averaged Krs. 6.630,oo, and there is reason to believe, that they will not exceed this amount at Rødhammer.

I therefore put up a round figure of	Krs.	7.000,oo
Sundries.....	Krs.	3.000,oo
Total	Krs.	80.000,oo

By 40.000 tons export this means krs. 2,oo pr ton.

Running expenses.

As mentioned above, the conditions at Killingdal and Rødhammer ~~and Rødhammer~~ are very much the same, but while Killingdal with 75 miners gives 30.000 tons pr annum, Rødhammer will give 40.000 tons.

As the cost of extraction pr ton is very nearly in proportion to number of hands employed, it should be fairly correct to calculate running expenses at Rødhammer to 3/4 of the same expenses at Killingdal.

The running expenses at Killingdal free on railroadcar Storvollen, and including power, pumping, foremen, maintenance etc. went to krs. 8,70 pr ton in 1926 if only ore from the mine is brought into account. At Rødhammer the corresponding figure consequently should be abt. krs. 6,50, but for safty's sake I will calculate with krs. 7,oo pr ton free on railroadcar Drøia.

Railroadfreight & loading into ship.

The railroadfreight from Reitan to Trondhjem is krs. 3,oo pr ton by a distance of 130 km.

As the distance from Drøia to Trondhjem is only 114 km. the freight should be krs. 2,63. I feel positive,however, that I shall be able to get the freight reduced to krs. 2,50 pr ton.

The storing and loading into ship in Trondhjem will amount to krs. 0,50 pr ton. Total thus krs. 2,50 + 0,50 = krs. 3,oo.

For export by rail to Sweden it will be safe to calculate with an average freight of krs. I0,oo pr ton from Drøia to Tegefors, Krokom, Ulriksfors and Ljungawerk in Jämtland, Sweden.

Commission for agency, Directors fee etc. krs. 0,50

Summary:

	fob. Trondhjem. krs.	Free on car burners work in Jämtland. krs.
Overhead expenses	2,oo	2,oo
Running expenses free on car Drøia	7,oo	7,oo
Railroadfreight & Harbourexpenses	3,oo	I0,oo
Commission etc.	0,50	0,50
Total	I2,50	I9,50

If by an extraction of 40.000 tons I5.000 tons are sold to Jämtland and 25.000 tons fob. Trondhjem the total expenditures will be:

I5000 x krs. I9,50 = krs. 292.500,oo

25000 x " I2,50 = " 3I2.500,oo Total krs. 605.000,oo

Recovery.

Without any mill the ore can not be expected to contain more than 43% of sulphur .

The great bulk of ore will contain no copper but it should be safe to say that at any rate abt. 5.000 tons ore may be picked with abt. I,5% copper. I prefer,however, not to count on any copper in this calculation.

An ore of the exellent character as the Rødhammer ore, with no arsenic and no zink should be paid an overprice; still I will not count with more than 30 øre pr unit fob. Trondhjem with an addition of krs. 5,I0

pr ton for the iron in the ore, which may be sold as ~~Iron~~purple ore after desulphoring. A price for the iron of krs. 5,co pr ton of green ore corresponds with a price or krs. 7,oo pr ton of purpleore fob. Scandinavian port, which ought to be a safe figure.

Our prices for lowgrade ore in Jämtland have been from 60 to 65 øre, and in this calculation I will count with 60 øre pr unit, but no addition for iron.

Based on above figures our recovery will be

Alternative I.

25.000 tons ore free of copper 43% S. a 30 øre = I2,90

addition for iron 5,I0

I8,oo x 25000

Krs. 450.000,oo

I5.000 tons ore free of copper to Jämtland 43% x 60 x I5.000 = " 258.000,oo

Total Krs. 708.000,oo

Total expenses were " 605.000,oo

Net profit " I03.000,oo

By an export of 80.000 tons the net profit will be increased considerably.

Alternative 2.

If I for a start only recon on being able to sell I5.000 to Jämtland, I may reduce the capitalexpenditure at the mine till abt. Krs. 400.000,co, because I may extract for several years only by open cast workings during summer time.

Under this supposition I am figuring on krs. 60.000,co as overheadexpenses, giving a cost pr ton of krs. 4,oo

Runningexpenses should be taken at a little higher figure than in alternative I, and considering, that exploration work ought to go on, I will not

Carried forward. krs. 4,oo

Brought forward.	krs.	4,00
recon less than	"	9,00
Railroadfreight	"	10,00
Commission etc.	"	1,00
Total	krs.	24,00
Recovery: pr ton 43% S. x 0,60	"	25,80
nett profit pr ton	krs.	1,80

By 15.000 tons production krs. 27.000,00 net profit pr annum.

Reitan 27/2-1929.

O. N. Lange