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REPORT ON THE CLIPPER GOLD-SILVER GROUP

BY

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The Property:

The group consists of six full claims, each claim being 600' wide and 1500' long. The first locations were made in the fall of 1909, three claims being located on a small vein some five or six inches wide, which vein can be readily traced on the surface and has a strike due nearly north and south, and dips to the west. The following spring while prospecting the ground, another vein was discovered with a strike nearly due east and west, with a dip to the north. Two claims were located on this vein with their west end lines tying to the east side lines of the first three claims. Later on one more claim was located and added to the group, carrying a separate and distinct vein. (See sketch)

LOCATION:

This group is located in Elko County, Nevada, about 80 miles north of Elko, on an established stage route. Gold Creek, the nearest post office is six miles south, where there are three stores, an hotel and other business houses. Jarbridge is about 14 miles east of the group. Access to the Clipper may be had by way of the stage which makes regular trips, leaving Elko every other day, and making Gold Creek in about a day and a half, the fare being \$12 each way. By taking an auto the run can be made in from four to six hours, depending on the auto and the driver.

TOPOGRAPHY:

Nature could hardly have chosen a more beautiful spot to lay her golden egg. The discovery was made on the southern slope of a grassy mountain, at an altitude of 6000'. A little above the shaft but not to exceed 400' distant, is a fair sized spring of ice cold water, springing from a dense copse of Quaking Asp, which are large enough for shade trees and mining timbers. A beautiful creek, well stocked with brook trout, and the stage and phone lines pass within 2000' of the shaft.

Less than 3000' east of the shaft a good sized stream of water comes down what is known as Tennessee Gulch, there being sufficient

water here for milling purposes at all times, and during the larger part of the year a sufficient FORCE FOR POWER can be had, by using a flume, ditch or pipe line about one half mile in length. The water right is still open for location. This water supply can be tapped high enough up to bring the water above the shaft. The district, so far as mining pertains, is practically new, accounting for the fact that the water right is still unlocated. There are no buildings or equipment, but there are two ranches within a mile of the property where temporary quarters can be secured, or tents could be pitched at the mine until suitable buildings could be erected.

GEOLOGY:

The formation consists of a decomposed granite which makes the foot wall of high grade vein, and an altered lime for the hanging wall, the vein making in the contact between the two formations.

VEINS:

There are three distinct veins in the Clipper estate that have so far been discovered, though but little importance attaches to the small vein and it is seldom considered when speaking of the property. On the surface this vein shows to be from 5 to 6 inches wide, and carries an average of .30 ounces of silver per ton and \$10 in gold per ton, with a liberal sprinkling of Galena, with a total value of \$30 per ton. But very little work was done on this vein, the high grade vein being found shortly after the location was made.

The high grade vein, which makes in the contact before mentioned, is very uniform in both size and values, showing 12 inches between walls from the collar of the shaft to the bottom 60' below, the same being true of the 40' drift which was run to the east on the vein 30' down from the surface. The undersigned, in company with A.J. Devlin (a mining engineer for the Federal Mining & Smelting Co. of the Coeur D'Alenes of North Idaho) examined and sampled this 12' vein last June.

Our method of sampling was to lower the bucket by means of the windlass, to the bottom of the shaft, Mr. Devlin taking one side and myself the other. We sampled every foot of the vein from top to bottom taking about 400 pounds in this manner and cut this down to 50. The drift was sampled in much the same way, only cut to smaller sample.

Our samples were tested for gold and silver and the following results obtained.

| | <u>Oz. Gold</u> | <u>Value</u> | <u>Oz. Silver</u> | <u>Value</u> | <u>Total value</u> |
|--------|-----------------|--------------|-------------------|--------------|--------------------|
| SHAFT: | 3.56 | \$71.20 | 26.32 | \$13.16 | \$84.36 |
| DRIFT: | 3.44 | 68.80 | 28.56 | 14.28 | 83.08 |
| ***** | | | | | |

Small hand samples taken from several different points in both shaft and drift maintain uniform values, and it would be very difficult to pick out high grade samples, or low grade either, as the rock looks much the same from all openings.

The vein filling is very pretty, live quartz with a slight pink tinge and is quite brittle, separating readily from the gold in mortar and pan. One important feature is, that as depth is attained, while values remain about the same, the gold shows more free and of coarser quality.

The length of the rich pay shoot has never been ascertained, although it has been shown up for 400' on the surface. Large boulders of like vein matter have been found in a draw several hundred feet west and a little above the strike of the vein, and in the event that these boulders were thrown from the vein under discussion, it is proof that the vein has widened to a much greater ~~xxxx~~ size than anywhere opened, or it means that there is another large vein still above.

My examination of the property was made prior to the location of the sixth claim, and as a result I made no personal examination of the third vein, but am well enough acquainted with the owner to vouch for and take his word, and he told me about this vein at the time I was there, and showed me lots of the rock as well as the assay certificates

The latter showed values in gold alone of \$25 to the ton. The owner tells me that this vein will average this value ton after ton and that the vein will hold up to 16 inches. I saw several pieces of the quartz that were fully that thick.

TRANSPORTATION:

Machinery, supplies, etc. would have to be hauled from Elko, at a cost of one cent per pound. Farm products can be secured at very reasonable figures. Beef and mutton being much less than at the railroad.

Between the mine and Gold Creek the road takes over a high divide making a heavy pull from the mine to the railroad, otherwise the road is very good.

ESTIMATES:

A 450' cross cut tunnel driven through the decomposed granite foot wall would cut the high grade vein at a depth of at least 250', the cost of driving this tunnel not exceeding \$5 per foot. Stopes could be started from each level after the raise was completed and a very few men would break ore enough to keep a five stamp mill in continuous operation.

A five stamp mill would handle 20 tons per day, and a small cyanide plant should be installed to handle the tailings after leaving the plates. By this method I believe that an \$80 extraction could be made from this 12 inch vein. It would not be necessary to cyanide the ore from the 16 inch vein as it is absolutely free milling. Figuring 20 tons to each cyanide tank, and allowing about 4 days for complete extraction, calls for about 5 tanks to be able to handle all of the tailings. The weight of the stamps should not be less than 850 pounds and heavier stamps would be better.

The cost of a five stamp mill would be about \$4000. The cost of the cyanide equipment would be probably \$2000 and allowing \$4000 for freight and installation, makes the cost of the milling equipment \$10,000. The bunk houses, blacksmith shop and necessary supplies would cost another \$2500. The cost of the necessary development work to be carried on while installing the mill, including the proposed cross cut say for 90 days with 20 men, \$6000, making the total investment \$18,500 and with the property fully equipped for strady production. In order to be on the safe side I have based the estimates of cost of equipment sufficiently high to avoid any possible errors along that score.

Allowing that the ore shoot only reached the 450 feet in length as shown on the surface, and to a depth of 250 feet, one foot thick and allowing 15 cubic feet to the ton, would give this block a valuation of more than \$530,000.

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While in the foregoing estimates I have only calculated on the length of vein now showing on the surface, it is altogether probable that it extends through the entire length of the claims located upon it and also to many times the depth I have mentioned.

The employment of a few men for a few weeks time would accomplish a large amount of work in opening up reserves of ore ready for the installation of a large plant, or the erection in the beginning of ten stamps.

By putting through a daily tonnage of 10 tons from the 12 inch vein of \$80 ore and 10 tons from the 16 inch vein of \$25 ore, we would have a daily production of \$1050 and a monthly production, allowing 26 mill days to the month, of \$27,300.

With 50 men on the pay roll, which is high, at an average of \$120 per month makes \$6000 and allowing \$4000 per month for supplies and management, makes a total pay roll of \$10,000 per month, which deducted from the production of \$27,300 leaves a net profit of \$17,300 per month.

By putting through 20 tons a day of the \$80 rock for 30 days would give a production of \$48,000, which less the \$10,000 pay roll, would leave a net profit of \$38,000 for the first 30 days run.

Respectfully submitted,

(signed) J. L. Safford, M. E.