

HUGHES BLUE SPIKE  
JOHN EGGAR BLUE SPIKE  
PROPERTY

0240 0017

GEOLOGICAL RECONNAISSANCE

JOHN EGGER BLUE SPIKE PROPERTY

Clark County, Nevada

December, 1969

Dudley L. Davis

GEOLOGICAL RECONNAISSANCE  
John Egger Blue Spike Property  
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Introduction

The Blue Spike property was presented for Hughes' consideration by Mr. Joseph M. Foley, 228 South Fourth Street, Las Vegas, Nevada. Mr. A. J. Anderson, Manager of the Mining Division, Hughes Tool Company asked the writer to examine and report on the property.

This property was of interest because of reported high grade gold assays.

Summary

Eleven lode mining claims were staked by John Egger, Fred Egger, Robert Reed and Virgil Poole in Sections 7, 8, 17 and 18, T. 23 S., R. 63 E., MDM, about seven miles southwest of Henderson, Nevada. There is an idle early-day gold producer, the Quo Vadis Mine, situated about one mile west of these claims in the McCullough range of mountains.

Pre-Cambrian granite and granitic pegmatite with minor schist have been up-lifted by faulting and exposed by erosion of the surrounding volcanics. The granite is cut by a series of aplite dikes and high-temperature veins characterized by specularite, quartz, barite and very minor oxidized copper minerals. A quartz-microcline pegmatite, exposed on a low ridge on the Blue Spike No. 4 claim, shows minor copper mineralization.

Gold assays from five to seven ounces per ton are reported from a 60-foot shaft sunk by Egger on a north-south fault zone in altered rhyolite near the southeastern exposure of the pre-Cambrian

rocks. Perusal of assaying data presented by Egger reveals very spotty mineralization or, possibly, poor assaying by Silver State Minerals Testing Laboratory.

Reported ore exposures were sampled by the writer. Large samples were cut to obviate "salting" by possible flecks of gold which would greatly influence a small sample. Unless these samples assay much more than anticipated, the property warrants no further consideration.

### Property

Eleven lode locations, in a contiguous group, cover the area of investigation. Perusal of Clark County records reveal nine claims are valid with proof of labor filed on six (the only ones required) and two claims, Blue Spike No. 9 and No. 10 as yet unrecorded. Blue Spike No. 1 claim is improperly monumented as the Certificate of Location claims "150 feet westerly and 450 feet easterly" and 1500 feet in a north-south direction. Since federal law prohibits claiming more than 300 feet on each side of the lode line (where the discovery notice is posted) there is a strip of ground 150 feet wide by 1500 feet long open for location between the Blue Spike and Blue Spike No. 1.

Brunton and pace survey of the Blue Spike Nos. 3, 4, 5 and 9 show them to be monumented smaller than described. The enclosed map shows the relative situation of the claims on a topographic base map enlarged to 1" equals 1000 feet.

Recording data follows:

<u>Claim</u>	<u>Recording Date</u>	<u>Book</u>	<u>Instrument</u> <u>Number</u>	<u>Notes</u>
Blue Spike	9/13/67	822	660553	
Blue Spike #1	5/8/68	871	699725	450' easterly and 150' west, 1500' north-south
" " #2	5/8/68	871	699726	



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Dudley L. Davis  
December, 1969

<u>Claim</u>	<u>Recording Date</u>	<u>Book</u>	<u>Instrument Number</u>	<u>Notes</u>
Blue Spike #3	5/8/68	871	699727	
" " #4	7/15/68	885	711122	
" " #5	7/15/68	885	711123	
" " #6	8/28/69	974	781991	
" " #7	8/28/69	974	781992	
" " #8	8/28/69	974	781993	
" " #9				Not Recorded
" " #10				Not Recorded
Blue Spike, Blue Spike 1-5	8/27/69	974	781652	Proof of Labor

General Geology

One day was spent in geological reconnaissance of the eleven Blue Spike claims. Geologic features were related to claim corners posted on the ground without actually surveying the claims since it did not appear that the property justified more detailed appraisal.

The central portion of the area of investigation, parts of claims Blue Spike, Blue Spike #1, Blue Spike # 3, Blue Spike #4 and Blue Spike #8, show pre-Cambrian granite in an up-lifted fault block. The northern contact between the granite and Tertiary rhyolite is along an east-west fault which dips 80 degrees north, and the eastern contact is along a north-south fault which dips steeply east. Rhyolite float forms the south and west contacts.

Flows of rhyolite, andesite and minor basalt cover the remaining area and the surrounding hills. On the Blue Spike #2, #4, #6 and #7 claims a tuffaceous rhyolite lens shows clayey alteration and secondary gypsum (selenite) veinlets.

Assays

Ore samples reported by the owner are associated with aplite and pegmatite dikes in the granite and with specularite and barite veinlets. Minor amounts of schist are found near these veinlets. Reported high grade gold samples were taken from a north-south fault

zone in altered rhyolite. These areas were check-sampled by the writer. Large (15-20 pound) samples were taken to prevent "salt-ing" by possible minor flecks of gold, although none were seen.

Copies of assays submitted by the owner are enclosed. These reveal either very spotty mineralization or possibly poor assay procedures.

#### Development

Development consists of several shallow dozer cuts and a few hand-dug trenches on the claims except Blue Spike #3. These shallow workings were dug to prospect aplite and pegmatite dikes which show very minor copper staining and occasional silver and gold samples.

On the Blue Spike #3 claim, a 60-foot shaft was sunk to prospect the fault-contact between altered rhyolite and the pre-Cambrian granite and schist. Since the fault dips 80 degrees east and the shaft, collared east of the fault, is inclined steeply to the west, the structure was cut at about fifty feet below the surface. Here two samples taken by the owner assayed 7.2 ounces gold and 5.2 ounces gold, respectively.

The shaft was sunk through the fault zone into the footwall which is granite and schist or gneiss and a crosscut was extended 35 feet to the northwest in waste. At fifteen feet a curving north northeast branch crosscut was run. This working out the fault structure north of the shaft but revealed no ore at the 60-foot level.

#### Conclusions

Mineralization on the Blue Spike group of claims is of two diverse geologic types, both of which are spotty and unlikely to produce a deposit of sufficient tonnage and grade to warrant mining.

Specularite, barite and copper oxides with minor silver minerals are high temperature veinlets associated with granite aplite

Blue Spike Property

Dudley L. Davis  
December, 1969

and quartz-orthoclase pegmatite. These veins are generally spotty and discontinuous. There is no evidence to support the owners' opinion that a major disseminated copper deposit may exist at depth.

The second type consists of spotty gold and silver along major fault zones in altered rhyolite. Even if one were to accept the reported gold assays where the structure was out in the shaft, the crosscut at the 60-foot level shows no gold or silver less than 30 feet away. Hence, this is also small and spotty with little possibility of developing a mine.

Respectfully submitted,

DUDLEY L. DAVIS  
Registered Professional Engineer  
No. 2546



Geological Reconnaissance  
John Egger Blue Spike Property  
Clark County, Nevada

December, 1969

Wendy L. Davis

Introduction

Hughes: The Blue Spike property was presented for consideration by Mr. Joseph M. Foley, 228 South 4<sup>th</sup> Street, Las Vegas, Nevada. Mr. A. J. Anderson, Manager of the Mining Division, Hughes Tool Company asked the writer to examine and report on the property.

This property is of interest because of <sup>reported</sup> high grade gold assays. ~~reported~~

Summary

Eleven lode mining claims were staked by John Egger, Fred Egger, Robert Reed and Virgil Poole in sections 7, 8, 17 and 18, T. 23S, R. 63E, MDM about seven miles south-west of Henderson, Nevada. There is an ~~abandoned~~ <sup>idle</sup> early day gold producer, the Quo Vadis Mine, situated about one mile west of these claims in the McCullough range of mountains.

Pre-Cambrian granite and granitic pegmatite with minor schist have been uplifted by faulting and exposed by erosion of the surrounding volcanics. The granite is cut by a series of aplite dikes and high temperature veins characterized by specularite, quartz, barite and very minor <sup>oxidized</sup> copper minerals. A quartz-microcline pegmatite, exposed on a low ridge on the Blue Spike No. 4 claim, shows minor copper mineralization. Gold assays from five to seven ounces per ton are



Ralph E. Montali

Vice President,  
Secretary, Director

November 1969

Leonard C. Pechnik

Vice President,  
Treasurer, Director

November , 1969

reported from a 60-foot shaft sunk by Egger on a north-south fault zone in altered rhyolite near the ~~sub~~ southeastern <sup>exposure</sup> of the pre-Cambrian rocks. Perusal of assay data presented by Egger reveals very spotty mineralization or, possibly, poor assaying by Silver State Minerals Testing Laboratory.

Reported ore exposures were sampled by the writer. Large samples were cut to obviate "salting" by ~~possible~~ <sup>possible</sup> flecks of gold which would greatly influence a small sample. Unless these samples assay much more than anticipated, the property warrants no further consideration.

### Property

Eleven lode locations, in a contiguous group, cover the area of investigation. Perusal of Clark County records reveal nine claims are valid with proof of labor filed on six (the only ones required) and two claims, Blue Spike #9 and #10 as yet unrecorded. Blue Spike #1 claim is improperly monumented as <sup>the Certificate of Location</sup> ~~it~~ claims "150 feet westerly and 450 feet easterly" and 1500 feet in a north-south direction. Since federal law prohibits claiming more than 300 feet on each side of the lode line (where the discovery notice is posted) there is a strip of ~~of~~ ground, 150 feet wide by 1500 feet long, open for location between the Blue Spike and Blue Spike #1.

Builton and pace survey of the Blue Spike #3, 4, 5, and 9 show them to be monumented smaller than described. The enclosed map shows the relative situation of the claims on a topographic base map enlarged to 1" equals 1000 feet. Recording data is presented below.

## UNDERTAKING TO FILE REPORTS

Subject to the terms and conditions of Section 15(d) of the Securities Exchange Act of 1934, the undersigned Registrant hereby undertakes to file with the Securities and Exchange Commission such supplemental and periodic information, documents and reports as may be prescribed by any rule or regulation of the Commission heretofore or hereafter duly adopted pursuant to said authority conferred in that section.

### SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has caused this Registration Statement to be signed on his behalf by the undersigned, thereunto duly authorized in Salt Lake City, State of Utah, on the \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_.

LORETTO MINING COMPANY, Registrant

ATTEST

By \_\_\_\_\_

\_\_\_\_\_  
Signature and Title

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature

Title

Date

\_\_\_\_\_  
Dudley L. Davis

President and Principal  
Executive Officer, Director

November \_\_\_\_, 1969



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Recording Data  
Blue Spike Lode Claims

Claim	Recording Date	Book	Instrument Number	Notes
Blue Spike	9/13/67	822	660 553	
Blue Spike #1	5/8/68	871	699725	450' easterly and 150' west, 1500' north-south.
" " #2	5/8/68	871	699 726	
" " #3	5-8-68	871	699727	
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" " #5	7-15-68	885	711123	
" " #6	8-28-69	974	781 <sup>991</sup> <del>991</del>	
" " #7	8-28-69	974	781 <sup>992</sup> <del>992</del>	
" " #8	8-28-69	974	781993	
" " #9	<del>Not Recorded</del>			Not Recorded
" " #10				Not Recorded
Blue Spike, Blue Spike 1-5	8-27-69	974	781652	Proof of Labor

incurred or paid by a director, officer or controlling person of the Company in defense of any action, suit or proceeding) is asserted by an officer, director or controlling person in connection with the securities being registered, the Company will, unless in the opinion of its counsel, the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy and will be governed by the final adjudication of such issue.

Item 17. Exhibits Filed.

Underwriting Agreement between Company and Willis E. Burnside & Co., Inc.

Stock Certificate Specimen

Two Year Warrant Specimen

Three Year Warrant Specimen

Assignment and Agreement for purchase of Loretto Mine Properties

Assignment of Utah State Lease for Metalliferous Minerals

Mining Lease and Option for Hatch Point Properties

Mining Lease and Option for Chips Group Properties

Articles of Incorporation

By-laws

Opinion of Irving H. Biele of Biele, Jones & Murphy regarding legality

of securities to be registered



## General Geology

One day was spent in geological reconnaissance of the eleven <sup>Blue Spike</sup> claims. Geologic features were related to claim corners posted on the ground without actually surveying the claims since it did not appear that the property justified more detailed appraisal.

The central portion of the area of investigation, <sup>portions of</sup> claims Blue Spike, Blue Spike #1, Blue Spike #3, Blue Spike #4 and Blue Spike #8 show pre-Cambrian granite in an up-lifted fault block. The northern contact between the granite and Tertiary rhyolite is along an east-west fault which dips 80 degrees north and the eastern contact is along a north-south fault which dips steeply east. ~~Blue~~ Rhyolite float forms the south and west contacts.

Flows of rhyolite, andesite and minor basalt cover the remaining area and the surrounding hills. On the Blue Spike #2, #4, #6 and #7 claims a tuffaceous rhyolite lens shows clayey alteration and secondary gypsum (selenite) veinlets.

<sup>45245</sup> Ore <sup>samples reported by the owner</sup> ~~minerals~~ are associated with aplite and pegmatite dikes in the granite and with specularite and barite veinlets. <sup>Minor amounts of selenite are found near these veinlets</sup> Reported high grade gold samples were taken from a north-south fault zone in altered rhyolite. These areas were check-sampled by the writer. Large (15-20 pound) samples were taken to prevent "salting" by possible minor flecks of gold, altho none were seen.



Corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Article 8 of the Articles of Incorporation of the Company filed in the State of Delaware on June 20, 1969, provide as follows:

"The Corporation shall indemnify any and all of its directors or officers or former directors or officers or any person who may have served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor against expenses actually and necessarily incurred by them in connection with the defense of any action, suit or proceeding in which they, or any of them are made parties, or a party, by reason of being or having been directors or officers or a director or officer of the corporation, or of such other corporation, except in relation to matters as to which any such director or officer or former director or officer or person shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in performance of duty. Such indemnification shall not be deemed exclusive of any other rights to which those indemnified may be entitled, under any by-law, agreement, vote of stockholders, or otherwise."

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that, in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company of expenses

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# Copies of ~~assays~~ ~~samples~~ submitted by the owner are enclosed. These reveal either very spotty mineralization or possibly poor assay procedures. ~~My samples do not verify their results.~~

### Development Conclusions

Development consists of several shallow dozer cuts and a few hand-dug trenches on the claims except Blue Spike #3. These shallow workings were dug to prospect aplite and pegmatite dikes which show very minor copper staining and occasional silver and gold samples.

On the Blue Spike #3 claim, a 60-foot shaft was sunk to prospect the fault-contact between ~~the~~ altered rhyolite and the pre-Cambrian granite and schist. Since the fault dips 80 degrees east and the shaft, collared east of the fault, is inclined steeply to the west, the structure was cut at about fifty feet below the surface. <sup>Here</sup> two samples taken by the owner ~~assayed~~ assayed 7.2 ounces gold and 5.2 ounces gold, respectively.

The shaft was sunk through the fault zone into the footwall which is granite and schist or gneiss and a crosscut was extended 35 feet to the northwest in waste. At fifteen feet a curving north to northeast branch crosscut was run. This ~~opening~~ working out the fault structure north of the shaft but revealed no ore at the 60-foot level.



Item 16. Indemnification of Directors and Officers.

Title 8 of the Delaware Code provides as follows:

Section 145. Indemnification of Officers, Directors, Employees,  
Agents and Shareholders,

(a) A corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the



## Conclusions

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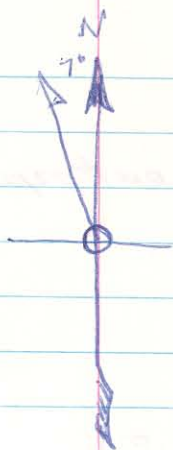
Mineralization on the Blue Spike group of claims is of two diverse geologic types both of which are spotty and unlikely to produce a ~~mine~~ deposit of sufficient tonnage and grade to warrant mining.

Specularite, barite, copper oxides with minor silver minerals are high temperature veinlets associated with granite aplite and quartz-orthoclase pegmatite. These veins are generally spotty and discontinuous. There is no evidence to support the owner's opinion that a major disseminated copper deposit may exist at depth.

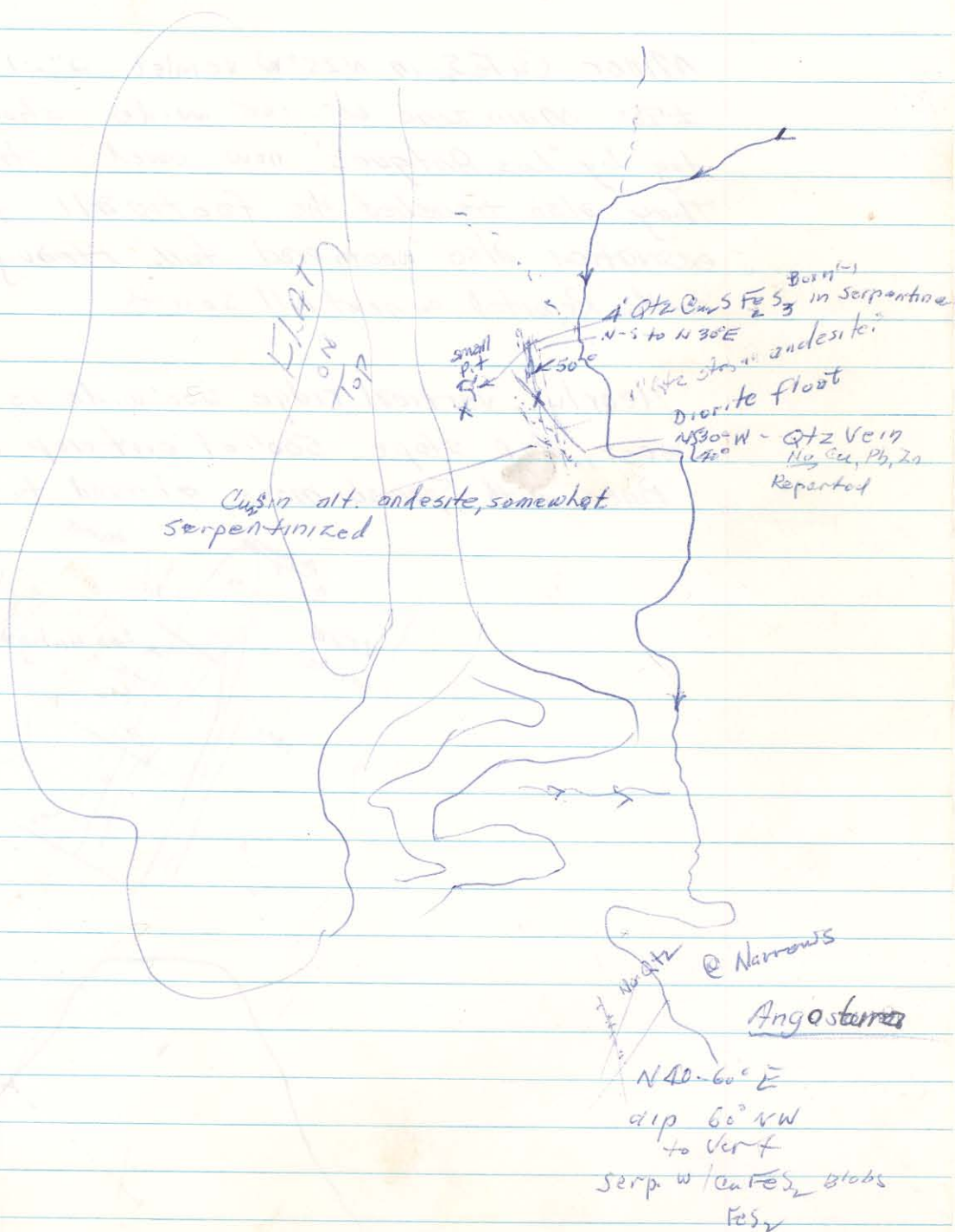
The second type consists of spotty gold and silver along major fault zones in altered rhyolite. Even if one were to accept their gold assays where the structure was cut in the shaft, the crosscut at the 60-foot level shows no gold or silver ~~the~~ less than 30 feet away. Hence this is also small and spotty with little possibility of developing a mine.

Respectfully submitted,

Dudley L. Davis  
Reg. Prof. Eng. No. 2546



# Bonito Lemoncito Hermano





## EL Mejor

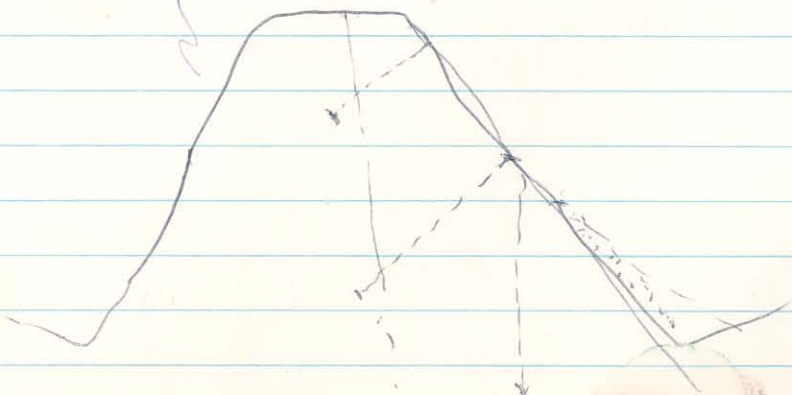
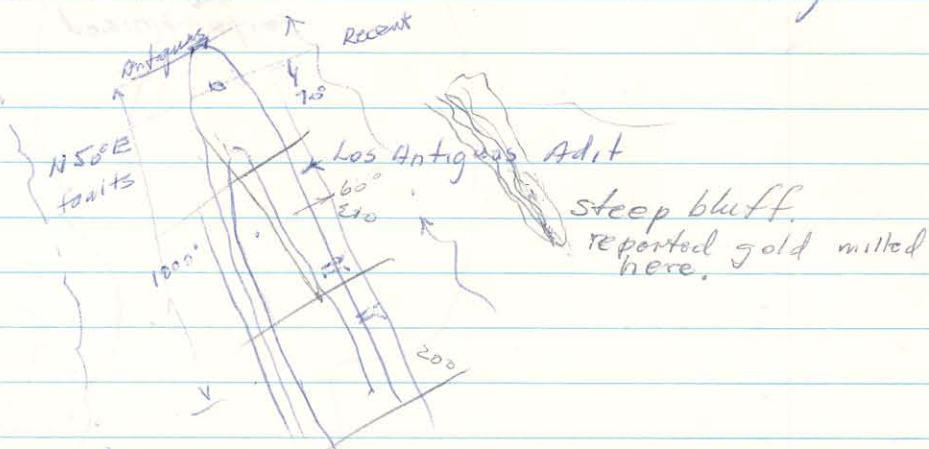
### Limoncita

N20°W - dips east 60° massive serpentine outcrop  
gossany iron oxide and  $\text{Cu}^2\text{Ni}^2$  stain.

Some fig. Silic. rock (Aplite?)

Minor  $\text{CuFeS}_2$  in N25°W veinlet 3"-1" wide on F.W.  
±90° Main zone 60'-100' wide short adit (from size of chert)  
dug by "Los Antiques" now caved - strike ±1000'  
They also trenched the footwall for 60' but this  
excavation also weathered full heavy underbrust to the  
south. Reported on next hill south.

Nearly vertical ridge 200' wide is timbered to the  
west, dip slope 500' of outcrop to east.  
Pines with Spanish moss abound to west and on ridge.





Hughes

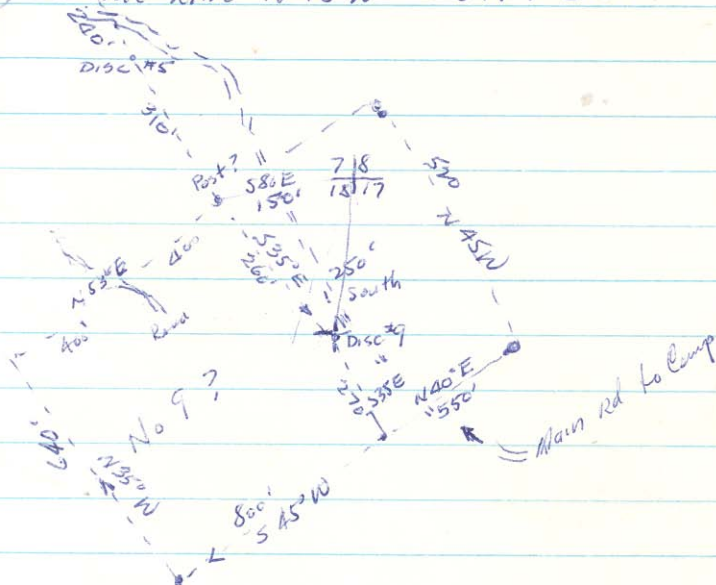
N 40° W

(Disc #3)

Blue Spike #9 - 750-750 N-S

South end line = N 40° E - 550'

E side line N 45° W - 5 ctr? 520'

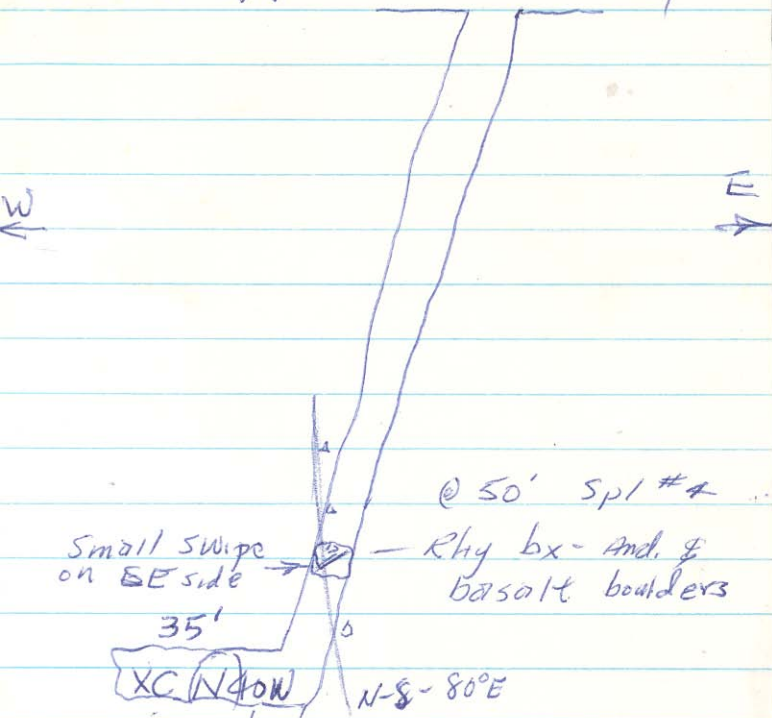


From Disc #3

S 80° W - 175' to Sh.

# SHAFT SECTION

Drift off XC = N 80° E



D. L. DAVIS ASSOCIATES  
P. O. Box 270  
Lone Pine, California 93545  
January 1, 1970

Hughes Tool Company  
Nevada Mining Operations  
Tonopah, Nevada

Attention: A. J. Anderson

Examination and report on the Blue Spfke group of  
claims, Clark County, Nevada.

3 days field work @ \$150.....	\$ 450.00
2 days office and travel @ \$75.....	150.00
Transportation 568 miles @ 10 cents.....	56.80
Room and Board.....	88.84
Maps and Supplies.....	<u>7.66</u>
TOTAL.....	\$ 753.30

Thank you.





*Hughes-Nevada Operations*

INTER-DEPARTMENT CORRESPONDENCE

Date December 17, 1969

To: A. J. Anderson  
From: D. L. Davis  
Subject: JOHN EGGER PROPERTY

At your request, I visited the subject property and made a geological reconnaissance of it. I spent one day on the surface with Mr. Egger checking the claim locations but I did not make a careful survey of them.

Briefly, there is a fault block of what I think is pre-Cambrian granite which has been up-lifted by faulting. This small block of granitic material is surrounded by Tertiary volcanics including rhyolite, andesite and some basalt. The mineralization is associated with specularite and barite veins in pegmatitic phases of the granite. There is also high grade gold and silver reported from the fault zones, particularly in the rhyolite.

Unless the samples which I have taken assay much higher then I think they will, this property is of no further interest. My formal report will follow.

DLD:gg