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Item 19

SISKON CORPORATION

ASSETS

March 22, 1982  
Prepared by J. G. Stone



SUMMARY

*Hanna Mining Company acquired 100% of the Siskon Corporation by purchase of shares in 1981.*

*On the following pages is a brief description of the mining properties which represents the major portion of the company's assets.*



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The Aurora/New Esmeralda properties consist of a group of 60 patented and 251 unpatented claims covering about 5,600 acres in the old Aurora mining district of west-central Nevada, some 75 miles southeast of Reno. The Aurora claims cover a large portion of the previously productive district, and the New Esmeralda claims cover a series of gold-bearing veins some 2-3 miles northeast of the main district.

Aurora was one of the earliest gold camps in Nevada, and produced around one million ounces of gold and some five million ounces of silver between 1860 and 1865, mostly from shallow stopes along a few of the many quartz veins exposed over an area of about two square miles. Goldfields built a cyanide mill and treated around 600,000 tons of ore averaging 0.14 oz. Au per ton between 1914 and 1918, and Siskon milled some 10,000 tons of ore in 1949-1950.

Geology And Reserves

The orebodies in the Aurora/New Esmeralda district consist of steeply dipping quartz veins in an altered Tertiary andesite host rock. The surrounding area is overlain by a veneer of post-mineral volcanics, and the known productive veins occur in windows in the post-mineral cover. The major veins in the district are remarkably continuous, and several can be traced for distances of half a mile or more. The veins themselves exhibit several generations of quartz deposition with earlier quartz breccia cemented by quartz, and the vuggy, banded structures typical of epithermal veins. Mineralization consists of sparse sulfides and very fine-grained native gold. Although virtually all of the veins contain detectable traces of gold, mineable grade material appears to be confined to distinct ore shoots. The early bonanza ores (1-5 oz. Au/ton) were apparently confined to a zone within 100-200 feet of the surface, but in both the Humboldt and Juniata mines, material grading 0.1-0.3 oz. Au/ton persisted to depths of at least 400 feet.

Drilling in the New Esmeralda area has indicated a potential reserve of some 245,000 tons of open-pit ore grading about 0.145 oz. Au and 0.583 oz. Ag. The precious metal content of the vein decreases with depth, and the potentially mineable portion of the vein system is confined to a zone within 100-150 feet of the surface. The veins disappear along strike under a cover of post-mineral basalt, and recent drilling has apparently located the continuation of the vein system some 400 feet back from the edge of the cover under 50-100 feet of basalt, but as in the exposed portions of the vein, ore grade material, if present, is apparently confined to a near-surface zone above the depth at which the hole penetrated the vein.

Recent drilling and sampling in the Juniata mine area has located extensions of several of the previously worked veins, and has found ore-grade material in at least one previously unknown vein. Additional drilling will probably be required to block out a mining reserve, but drilling to date indicates a potential for 100,000-200,000 tons of ore grading 0.1-0.3 oz. Au/ton.

Drilling is in progress on the Humboldt vein system to test the continuity of mineralization below ore-grade material on the lowest levels of the old mine. This particular vein structure is up to 70 feet wide in places, and if the grades on the lowest level persist in depth, a reserve of several hundred thousand tons is possible. In addition, 1977 drilling on a faulted segment of the Humboldt vein (the "Prospectus") suggests that it might be possible to develop a substantial tonnage of material grading in excess of 0.1 oz. Au over a  $\pm$  1000 foot strike length. Some of this tonnage could probably be mined by open-pit methods.

J.S. estimate Resv's  
tot. 350,000 tons (11/82)

2/3 O.P. ~ .15 oz Au } .25 M  $\pm$  (.15) 525 = 19.7 M  
1/3 U.G. ~ .2-.3 oz } .15 M  $\pm$  (.25) 525 = 19.7 M

\$39.4 M  
Gnu



Very little systematic exploration has been done for the down-dip extensions of numerous other productive vein systems in the area, and sampling records from 1910-1915 suggest several other areas where additional drilling is probably warranted.

#### Mining

At least a portion of the Ann vein in the New Esmeralda area could be mined by open-pit methods. Past underground mining has demonstrated that both open stope and shrinkage stoping methods can be used. The veins are wide enough and sufficiently continuous that trackless mining should be possible without excessive dilution.

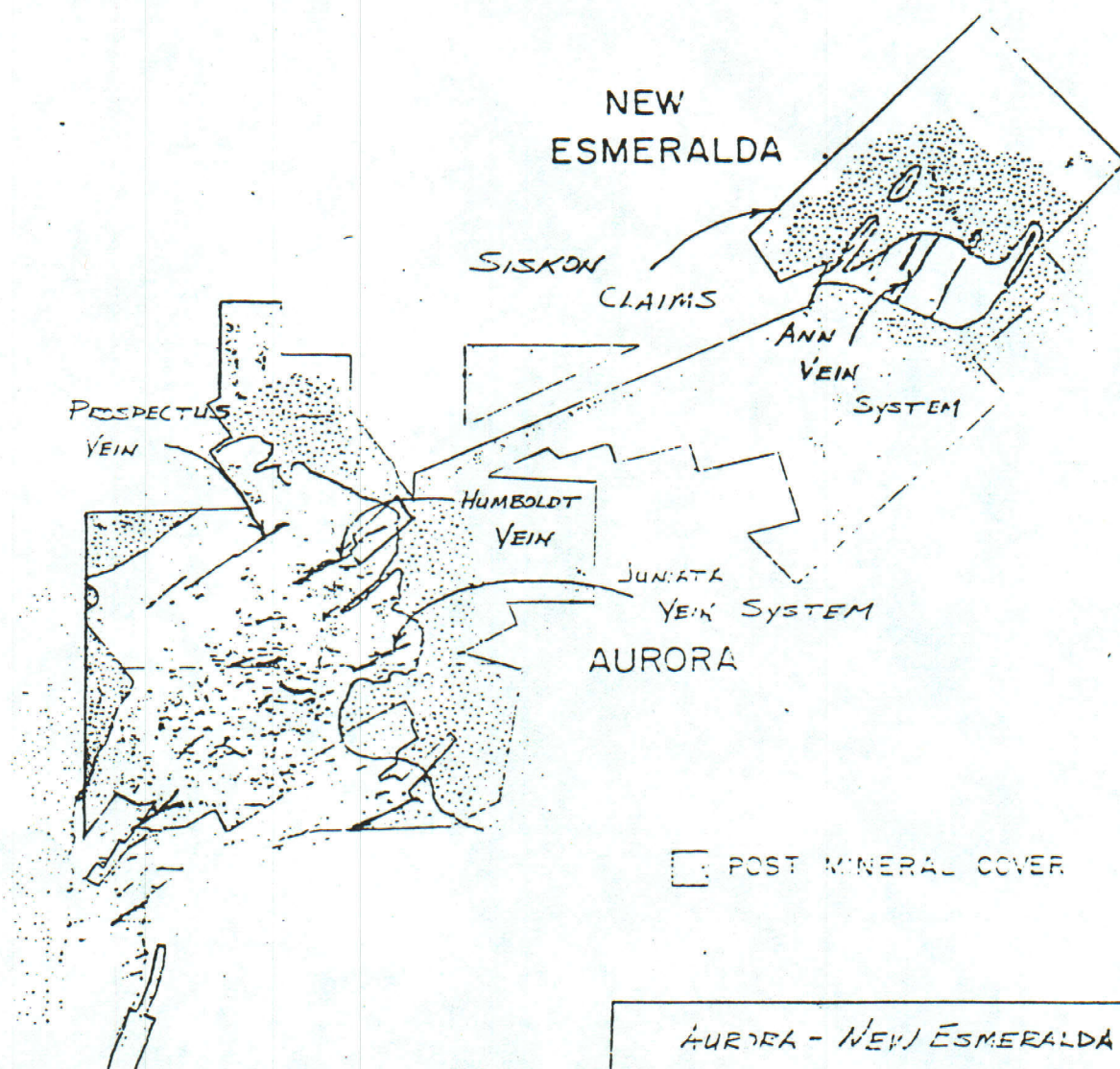
#### Metallurgy

Both straight cyanidation and flotation have been practiced in the district in the past, and preliminary metallurgical testing at Hanna's Research Lab indicates that grinding and straight cyanidation should recover around 90% of the gold and 70% of the silver present in the crude ore. A few tests conducted on ore from an adjacent property on the Humboldt vein system suggest that heap leaching of an ore crushed to 5/8 inch might yield recoveries in the 50%-60% range.

#### Project Status

A preliminary drilling program was completed in mid-March. An evaluation of the results will follow, including a preliminary economic assessment of the possibility of supplying crude ore from a variety of sources to a central mill. Drilling on the higher grade extensions of the Juniata veins (0.2-0.5 oz. Au/ton) and on the Prospectus vein is scheduled for this summer.





POST MINERAL COVER

AURORA - NEW ESMERALDA

GEOLOGY 1 MILE

AURORA/NEW ESMERALDA  
Ore Reserve Status; April, 1982

Indicated + Inferred

New Esmeralda:

Ann Vein    o.p.	± 245,000 tons	0.145 oz Au
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Aurora:

Juniata #1 Vein (W)	± 50,000 tons	0.2-0.3 oz Au
Juniata #1 Vein (E)	± 20,000 tons	± 0.3 oz Au
Juniata #2 Vein	± 20,000 tons	0.1-0.2 oz Au
Juniata #3 Vein	± 5,000 tons	0.3-0.5 oz Au
Prospectus	± 30,000 tons	0.1-0.15 oz Au

Total: 350,000-375,000 tons

Potential

New Esmeralda:

Ann Vein	50-100,000 tons	0.1-0.15 oz Au
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Aurora:

Juniata #1 Vein	50-150,000 tons	0.2-0.3 oz Au
Prospectus	250-300,000 tons	0.1-0.15 oz Au

Total: 350,000-500,000 tons

Ore Grade Intersections with Unknown Tonnage Potential

a) Hole #032*	10'	0.225 Au, 0.633 Ag
b) Hole # 045/058	15'	0.113 Au, 0.210 Ag
c) Hole #046*	10'	0.201 Au, 0.342 Ag

\*10'-15' below surface--possible open pit?