Old Ambassador Mines 6. (35) D-2

Item 13

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RENO OFFICE
RECONSTRUCTION FINANCE CORPORATION
PRELIMINARY DEVELOPMENT LOAN
FIELD REPORT

Docket No. Reno C-17
Date Application Received December 10, 1942
Date of Field Examination December 12, 1942
Date of Report December 23, 1942

NAME AND ADDRESS OF APPLICANT

Edward F. Schultz
Gold Hill, Nevada
H. E. Brunson
Goose Creek, Texas

Correspondent:

Edward F. Schultz

CHARACTER OF PROJECT AND ESTIMATED COST THEREOF

Unwatering, re-timbering, and reconditioning shaft and drifts of old copper-gold mine. Applicant's estimated cost - $5000.00.

LOAN REQUESTED

$5000.00.

LOAN RECOMMENDED

None.

COMMENTS OF EXAMINER

Gold was discovered in the croppings on this property in 1906 and created considerable excitement at the time. In the ten years following, the vein was explored through a shallow tunnel, and a shaft sunk to a depth of 130 feet, with several hundred feet of drifting. Copper stains were encountered a few feet below the surface, and at about 50 feet sulphides predominated. In value, gold predominates in the oxidized zone, and copper in the sulphide zone.

In 1916 the International Smelting Company obtained an option on the property and sank the No. 1 Shaft to the 280 foot level. They also extended the 130 foot level about 100 feet northwest. After exploring the deposit for several hundred feet on the 280 foot level they abandoned the property.

Little was done thereafter until sometime in the early 30s the Moore Mining Company, with headquarters at 923 Balboa Building, San Francisco, California entered upon the property. They developed and extended the workings in the Oxidized zone, built a 50 ton flotation mill and operated about 2 years.

The Moore Company failed and was succeeded by the Ambassador Mines Company who enlarged the mill to 100 tons per day and operated until 1938, when they suspended. The property was sold for taxes, and title transferred to H. W. Evans, A. W. Stickney, E. J. Neil, and H. M. Kingsbury, a partnership, described as "doing business in Nevada", who removed the mill and all machinery. The applicants hold a lease with option to buy from the partners above named.

The property is situated in the foothills of the Pine Nut Range at the North edge of Smith Valley, in Douglas County, Nevada. The nearest rail and supply point is Yerington, 17 miles southeast, reached over a fairly good County road. The claims are patented, U.S. Survey No. 3810, and are in sections 13 and 18, T 13 N, Rs 23 and 24E, MDM. The principal workings are on the

Red Top lode in section 13.

The topographical expression of the vicinity is one of low relief. Northwest of the workings the ridges rise more rapidly but do not attain a height comparable to the main range a few miles beyond. East and south the terrain falls away gradually to the valley floor.

The surface rocks are teritiary volcanics that may be correlated with the volcanics of the Singatse range near by, and are believed to be of mid-miocene age. A basic dike cuts the formation and vein near the main shaft. Some shearing has taken place.

The vein appears to be a replacement along a shear zone. Its strike is approximately N 60° W and dips about 65° NE. The walls are seldom well defined, the values extending into the wall rocks in decreasing amounts in proportion to the distance from a central core. This is the case generally, but some exceptions may be noted.

The ore is altered country rock. Quartz occurs in minor quantities. Some parts of the vein are fairly well silicified and pyrite is plentiful in all parts below the oxidized zone. Copper occurs as chalcopyrite, and the gold is associated largely with the pyrite.

The vein splits northwest of the main shaft, No. 1, the branches running 40 to 50 feet apart, parallel as far as explored. Both branches have been mined for their gold content.

The assay maps to which the writer has had access show values mostly in the oxidized areas where gold predominates, and copper is negligable.

The assay maps, dated October 15, 1937 do not bear out applicant's contention that there is an orebody available near No. 1 shaft on the 130 foot level that will assay 4% copper and .20 oz. gold. The average indicated is .13 oz. gold and 1.05% copper.

The water now stands about 6 feet above the top of the 130 foot level in No. 1 shaft, and the shaft is full of gas. Applicant proposes to unwater this shaft and the 130 foot level, repair timbers, install ladders, and recondition the 130 foot level, in order to extract and ship the ore. He also contemplates applying for a development loan to drive the 130 foot level farther northwest into the hill in the expectation of exposing other ore bodies.

Summarizing the data presented we find:

1. That the property has been fairly well exploited, particularly in the upper levels northwest of Shaft No.1.

2. That gold has been the principal metal sought.

3. That such exploration and exploitation has not been a financial success.

4. That it is impractable to consider milling this ore at this time.

5. That there is no evidence to show that a further development loan can be justified.

These all lead to the conclusion that a loan should not be granted.

Carl Stoddard.

CARL STODDARD
Associate Engineer