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SOUTHERN CALIFORNIA OFFICE
510 WEST SIXTH STREET
LOS ANGELES

LIMITED MUTUAL COMPENSATION INSURANCE COMPANY

TELEPHONE EXBROOK 0454

HOME OFFICE

130 BUSH STREET

SAN FRANCISCO

B. W. HOLEMAN

General Insurance

432 Fowler Street

BISHOP, CALIFORNIA

Telephone Bishop 3137

Dec. 10th. 1938

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ITEM
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Tungstar Corporation.

650 South Grand Ave.

Los Angeles, Calif.

Gentlemen:

When you were closing down your operations on mill and tram in Pine Creek canyon, I talked with your manager about some good mining properties North of Benton in Mineral County Nevada. These mines can be worked all year and a little more development would make them valuable. Mr. Pirce stated he thought you would be in Bishop at an early date, and would telephone me for an appointment.

Would like to have you talk with Mrs. Stevens who is interested in this gold-silver properties, having spent about thirty years in that district, shipping ore from one of the mines. He owns half interest in two patented gold claims which were developed years ago by party who was interested at that time, and the McElroy mine adjoining is now be developed and mill installed. Mr. Wood The new owner is building new road over these patented claims, which would enable work to be done at this time, and if interested it would pay you to make an examination. This should prove to be a very valuable mine, as over fifty thousand tons of gold ore is blocked out on adjoining claims.

I am very familiar with all the mines and "prospects" in this district, having been receiver of First National Bank of Bishop for several years, and most of the old prospectors owed the bank.

Would like very much to talk with you the first time you are in Bishop.

Yours sincerely

B. W. Holman
B. W. Holman

Preclamo Mercury Prop.
Basalt
(min. Co)

650 S. Grand Ave.,
Los Angeles, Calif.
August 1, 1940

Mr. Chas. Green,
9470 Santa Monica Blvd.,
Los Angeles, Calif.

Dear Charles:

Relative to expenses and fees in the Proclomo quicksilver matter, first of all I would like to have my expenses paid which were \$30.00 on the first trip and \$45.00 on the second where I wasted over 3 days and made two trips to the property. In turn, notwithstanding that the average engineer charges \$50.00 to \$100.00 daily for his work from the time he leaves home until he returns, I am willing, because of our past association, to make a nominal charge of merely \$25.00 for each time I visited the mine, or a total of \$75.00 for the three trips. The total of \$150.00 therefore reimburses me for the expense I have gone to in this matter since on matters of this type one often spends more than one can legitimately charge up to expenses.

In the future, whenever I have the time to do so, I am willing to do such work for you on the same basis, with the thought always in mind that if and as when an income rather than an outgo can be established, that I will then be amply repaid for my services.

Yours very truly,

A. H. HELIER

AHH:cm

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SUGGESTIONS AND RECOMMENDATIONS ON PRECLOMO MERCURY COMPANY
PROPERTY, MINERAL COUNTY, NEVADA

INTRODUCTION

At the suggestion of Messrs. Chas. Green and P. Moore, the writer visited the Preclomo Mercury property located 8 miles northwest of Basalt, Nevada, for the purpose of making a rough examination and offering such recommendations as he could on the course of future development work.

Only one day was spent on the property since the writer's main commission was to determine, if possible, whether or not development was proceeding in the proper direction, and, if not, to suggest any necessary change. Under present operating conditions and equipment available, it was quickly evident that there was only one direction in which to proceed if a continuation of work was necessary without installing additional equipment, and he believes the procedure is such that regardless of where the best ore bodies might exist at the adit level depth that the contact of the north shear zone should be made before the property should ever be condemned for depth possibilities.

GENERAL DESCRIPTION OF PROPERTY

The Proclomo Mercury Property is essentially a prospect, or ~~even~~ might be described as a small proved mine, because of the fact that it has ^{had} a small past production. This production, possible 25 to 30 flasks, has come from a very small proportion of the ore removed owing to the fact that only a single small pipe retort was had, which necessitated a charge of only ^{the} rich ore. The bulk of the material removed which was thrown on the dumps is from all appearances a fair grade of commercial ore, especially under present prices, and there is apparently ~~xxx~~ many times as much ^{mercury} ~~ore~~ in the dumps than has been recovered ^{from} in the ore ^{retorted} treated. No surveys were made of exact tonnages in stopes and dumps, but offhand the writer believes 50 tons might

have been treated which yield^{ed} 2000 lbs. or \$5000 of value under present prices. This would mean 2% or 40 lbs. ^{ore is present to} to the retorts. In turn there is probably 1500 tons of the dumps which should average 5 lbs. and contain 7500 lbs. of mercury having a recoverable value under present prices of \$15,000. With a few assays that are being made, a better idea will be had of this phase of the picture; and with careful measuring of dump material, one can ^{not only} readily obtain a fairly good idea of what its value is, but also what the average tenure of ore was that was mined in the past.

GEOLOGY

The area as a whole in which the cinnabar deposits occur consists ~~of~~ mainly of a hard gray sandstone with a northeast-southwest strike, and a northwesterly dip of between 60 and 70 degrees. There are localized areas containing white to gray silicious sinters, evidently derived from the original sandstones as well as white to deep red clays and bentonites which in turn owe their derivation ~~to~~ ^{to the} sinter and sandstones and were formed through attrition caused by slips and faulting. These light clays and bentonites when on the ^{hanging} wall side of ^{fissures} or faults form ideal traps for cinnabar deposits, - and the many exposures of these deposits which exist on the property should be more fully investigated. The sandstone sediments have been greatly faulted and fractured, and it is the fractures which go contrary to or cut across the dip, thus forming traps, in which one should look for the cinnabar deposits, and it is only in such types of fractures that past ore has been found.

Past work was confined to two general areas, the first being the north part of the property where evidently a high grade stringer was found against the hanging wall of a north-south four feet wide fissure which, from surface indications, extends down to

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and ~~acrosses~~ the southern workings of the property, yet no ^{particular} ~~partial~~ attempt was ever made to connect up the two. This fissure was stoped for a ^{probable} ~~possible~~ length of 100 feet and average depth of 20 feet. A shaft, now inaccessible, was sunk an additional 25 feet where it is reported that the fissure pinched out. (Pinching of a narrow fissure in a shaft of this type means little or nothing as far as continuation of ore is concerned since such a pinch may quickly widen and the pinching in turn might make for a high grade concentration below this point) It is probable that the bottom of this shaft is 30 or more feet above the new adit now being run.

The second, and what the writer believes to be the most important part of the mine, is located to the south, and in turn is one probably crossed ^{by} and connected with the so-called north fissure portion. It is in this portion that the deep seated solutions and gas evidently came up from a deeper source and thence spread out into adjoining fissures. This was quickly evident to the

(4) ^{the} ~~The~~ ^{on finding} ~~writer~~ ^{finds} that here only in the mine does one have appreciable quantities of native sulphur, the last ~~element~~ or mineral which would be deposited from a gas. In turn this area has the greatest possibilities for appreciable reserves of good ore because it is here ^{alone} ~~along~~ of all the workings exposed that one finds beds of bentonite which would form ideal traps. Besides this the mineralized zone so far exposed has a very good width resulting from a successive series of fracturing over a wide distance. This, ^{consequent} therefore, is the only portion of the mine so far exposed in which one might obtain substantial quantities of ore at reasonable development expense. It is to be regretted that this condition was not realized by the operators earlier in their undertaking, since, had they done so, this objective might have been reached in half the time and at half the expense, ^{either by sinking in comparatively soft ore, or by} running a ^{different} ~~different~~ located much shorter adit.

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RECOMMENDATIONS

The new adit had an original course which would have contacted the D or retort fissure at a distance of 340 feet from the portal. A diversion was made, however, which, if continued would not have contacted this fissure under 390 feet of distance. Since this fissure is ideal for trapping cinnabar, it should be contacted and followed as it no doubt connects up with the south ore body. On the other hand one could reach the south orebody by a shorter route by proceeding due south from the present face. There were three ways to be considered in contacting this south orebody.

1st. To move directly south from the present face which should contact the mineralized bedding planes of the west workings at a distance of 53 feet. However, mineralization of these beds may be due to more steeply dipping cross fissures and it is possible one might not be reached under 90 feet.

2nd. To continue the trend of the present face in a southeasterly direction where the main or D. Fissure would be encountered at 92 feet, at which point it should also be in contact with the south orebody.

3rd. To start drifting east to encounter the D. Fissure which should be found at 47 feet and then follow this fissure south to where it contacts the south orebody which would be an additional 70 feet.

It should be remarked that the distances given to contact the south orebody will depend upon the dip of Fissure D between the lowest point exposed and the new adit level. If one proceeds easterly and the fissure maintains its present dip, the distance would be 47 feet. If it averages 80 degrees, the distance would be but 30 feet., and if it averages 65 degrees, the distance would be 57 feet. *J.B. faster the dip which means the distance the other the chances are for finding additional concentrations*

The writer's decision to suggest the third course was based

*Concluded
J.B. 1/10/1911*

primarily on the fact that the present face south and southwesterly was very hard and slow progress was being made which was aggravated by the fact that the air supply was poor. One could expect at least 50 feet of additional hard rock ~~is~~ one proceeded ~~to the south~~. -

~~Then start in at B page 3~~

south or southeasterly. But by running easterly one should more quickly encounter soft rock and a fair possibility that good ore would be found when the D. Fissure was encountered. Then in turn one would be working in and be blocking out ore in moving to the south. Upon encountering the D. Fissures, one could while drifting south also drift north and, most important, run a small raise at this contact.

The above raise would not only be a good ventilation raise but also serve to help block out any ore that exists in this D. Fissure. At the present time the ventilation is very poor and progress will be greatly retarded unless a greater air supply is had. *adit joining*

A considerable amount of work must be done before one can determine whether or not one has any substantial sized orebody. In the writer's opinion it would be cheaper in the long run to carry a larger crew and work on more than one face^e at a time. The ore in the south orebody is comparatively soft and brittle and it would be ~~my~~ ^{the writer's} suggestion that one crew should start sinking at some low point in good ore in the south orebody while the adit is being continued. To do this a larger portable ^{compressor} ~~compressor~~ (say 300 cu. ft.) is required ~~as well as a small ventilating blower or fan~~. Without such an installation it may be impossible to reach the major objective of the south orebody, in which event the only solution would be to sink and finally connect up with the new adit.

To actually obtain a fair idea of the ore that exists above

the new adit in the south and D. Fissure orebodies, the following work would probably be necessary:

Adit or drift work	320 ft. @ \$7.00	\$2240.
Raises of shafts or wizes	150 ft. @ 10.00	<u>1500.</u>
Total		\$ 3740.

It is probable that the above work could be done far cheaper on a contract basis, and certainly the work would be done much faster.

If the ore maintains its present exposed widths and lengths to the adit level, it is possible to develop 10,000 tons or more of ore above this level by doing the above work, and in all an expenditure of \$5000 should be looked for to do this exploration properly. With the expenditure of \$2500, however, one should be able to determine generally as to what one might expect from any additional expenditures. *further work.*

The adit, as it has been run, is in fair shape and as good as one can expect considering that it is merely an exploratory adit. After ore has been developed the rough spots can be ironed out, and loose material caught up in a better manner.

If it is the plan to attempt to continue further with the present small compressor, certain right angle bends should be taken out of the line in order to reduce friction.

After a little more work in a westerly direction and a more detailed study and survey, the writer will undoubtedly be able to give more detailed and more reliable *recommendations* than contained in this report, which so far is predicated upon a single visit and a very rough Brunton Compass. *Survey.* An accurate transit survey should be made, especially if one intends to make any definite connection between the new adit and the old workings.

More study should also be given to the geology and continuation of the ore beyond present exposed limits; for example, it is important

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to determine what the possibilities are on the continuation of Fissure A in ~~the~~ the west workings both in a southeasterly and northwesterly direction.

One should do some surface work in an effort to trace out these possibilities as well as some drifting. The same is true of Fissure B both easterly and westerly and of Fissure D in a northerly direction.

About 50 feet from the present face or 250 feet in from the portal of the new adit there is considerably so called parent conglomerate shown in a fissure which occurs at this point. - This should be by all means projected by running cross cuts in ~~either~~ direction from the adit at this point ~~on a~~ first in a south west then in a north east direction along this dip since it might lead to a new ore body which as yet has not been uncovered on the surface. Before starting this work however a geological investigation should be made in order to determine if possible the reason for this occurrence and the best possible mode of attack.

Respectfully submitted

A. J. Keller & Co

By _____

PROPERTY BEING OPERATED
UNDER LEASE & OPTION

BY THE

PRECLOMO MERCURY Co. LTD.

UNKNOWN MINING DISTRICT

MINERAL Co. NEVADA

SURVEYED

JUNE 1931

and

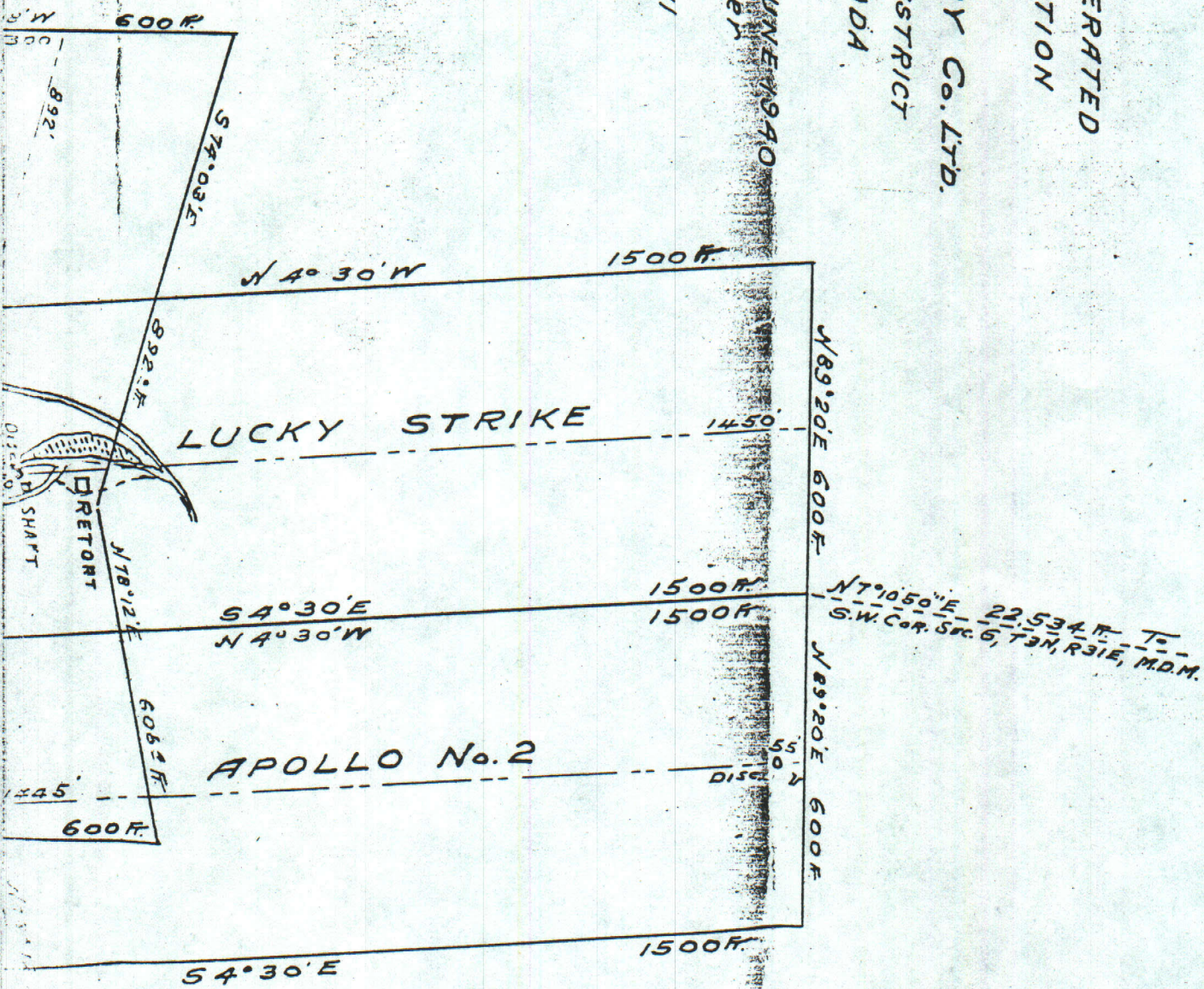
JUNE 1940

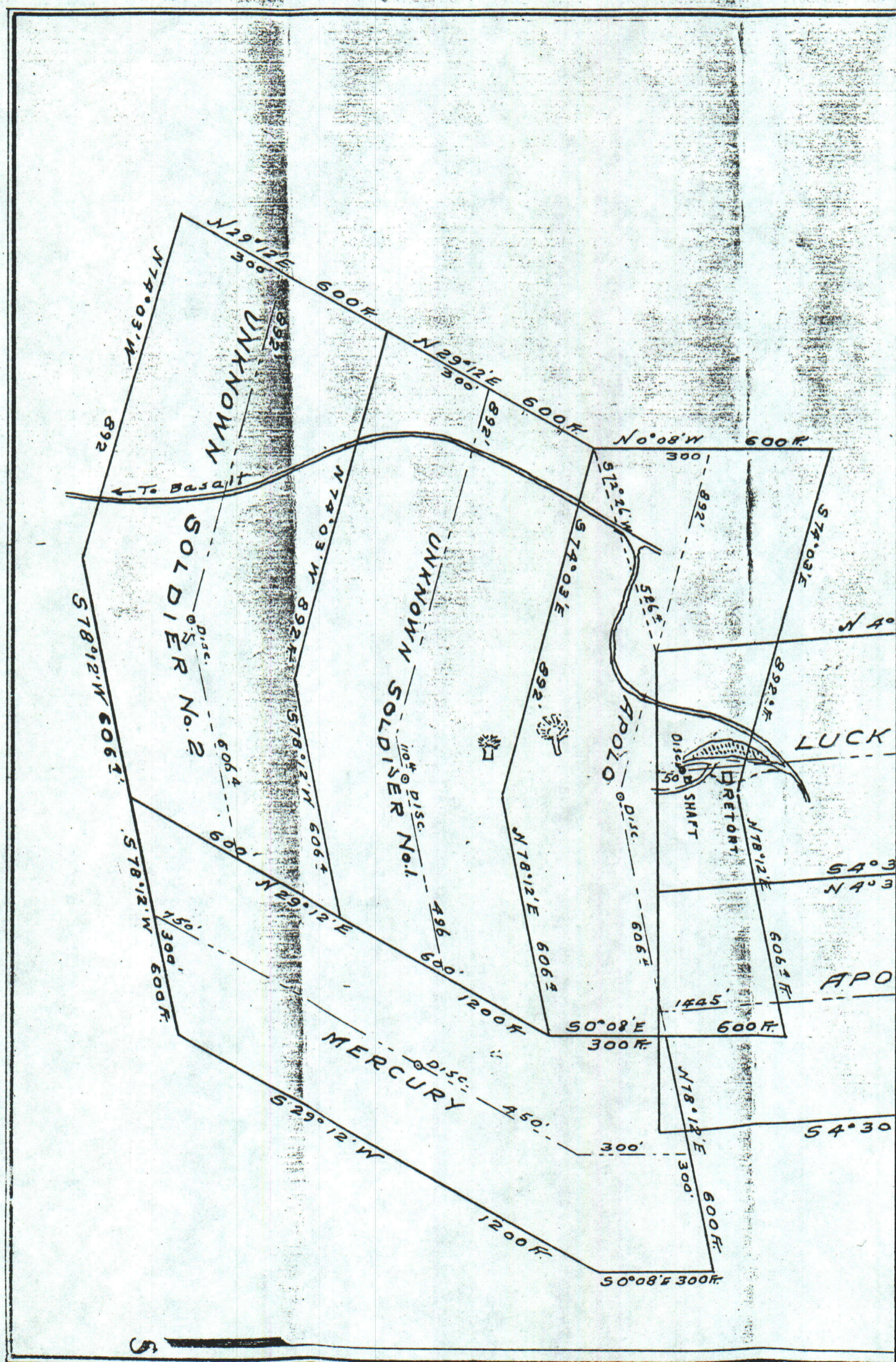
By L.B. Spencer

and

C.R. Liddell

SCALE 1 in. = 300 ft.



















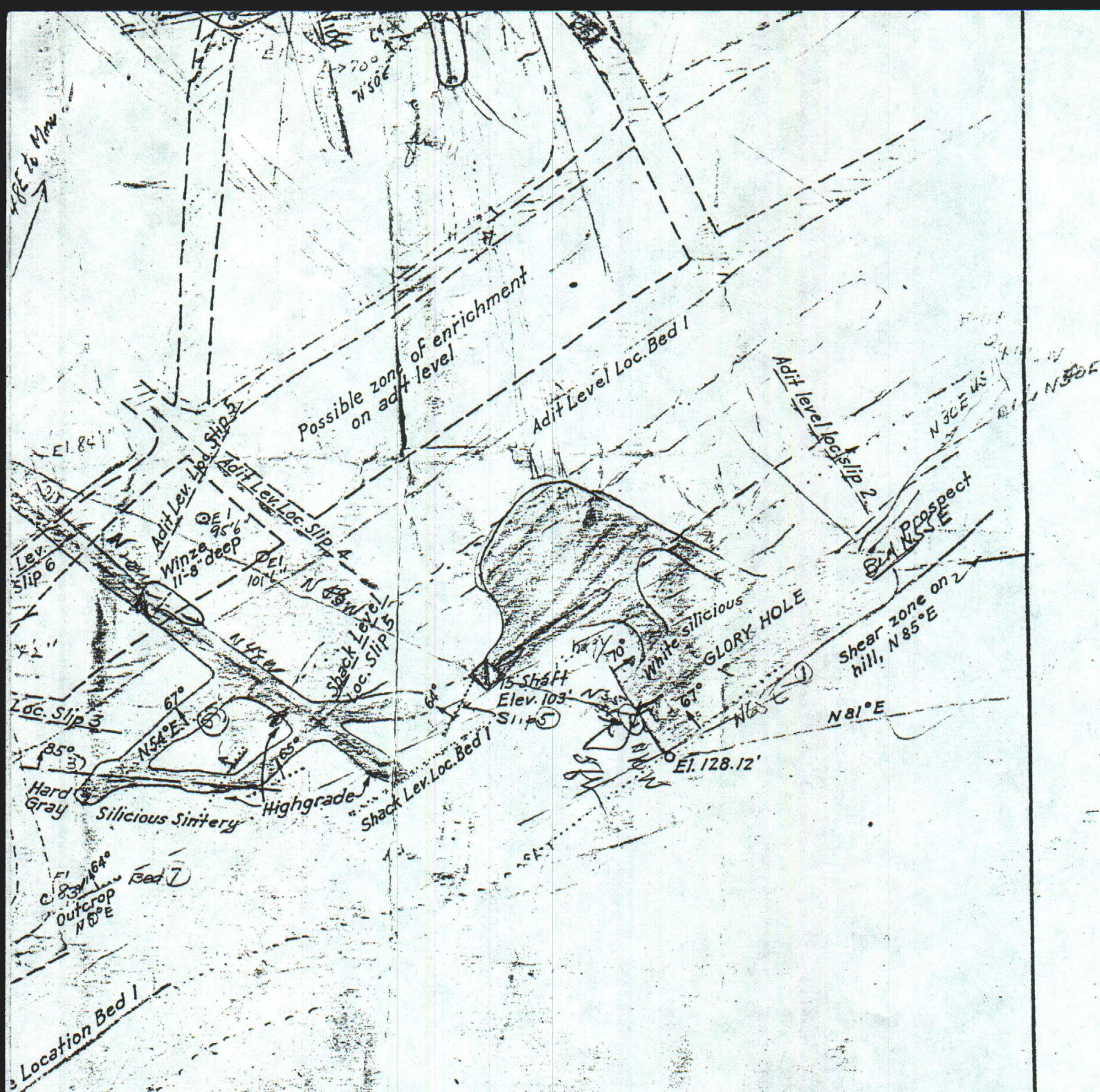


BRUNTON SURVEY PROCLOMO QUICKSILVER PROPER MINERAL COUNTY, NEVADA

TO ACCOMPANY REPORT OF A.H. HELLER & CO.
AUGUST 1, 1940

-  Surface Trails & Roads
-  Main Adit Level
-  Intermediate Levels -
-  SURFACE CUTS & WORKS
-  Possible Enriched Zone @ Adit Level -
-  Suggested surface work -
-  " future work on adit level -
-  Blows @ surface
-  " @ intermediate levels
-  " @ Adit Level
-  Beds @ Surface
-  " @ intermediate levels
-  " @ adit level -
-  Suggested Work Intermediate Levels

H. HELLER & CO.



C.P.O.

