

A ROUGH ESTIMATE OF SILVER ORE AVAILABLE
IN THE CANDELARIA, NEVADA, MINING DISTRICT

195
Item 3

0930 0003

by

Jan. 30th, 1964

EUGENE F. GROSSMAN

A conservative estimate of available tonnage and their silver ore contents from presently known sources of both the Argentum Consolidated Mines, Inc., and the Argentum Mining Co. of Nevada, is roughly as follows:

Geological surveys, made by the well known geologist, John Burgess, in 1922 and 1930, placed the available tonnage in the Northern Belle Mine at 875,000 tons of 14 oz. silver and 1/10th in gold. This tonnage estimate is still valid today, as practically none has been removed, nor has any of the numerous development recommendations been carried out.

The 2-3 million ton, Mt. Diablo stockpile of unprocessed surface ore, was sampled by Samuel E. Arentz of Salt Lake, Utah, on Feb. 17, 1957. He took 40 samples from the top and 40 from the bottom of the pile and the Union Assay Office of Salt Lake City made the assay on Feb. 19, 1957, which was confirmed at 5.9 oz. of silver, with some gold and lead. In our estimate we will use a figure of 2 1/2 million tons. The potential tonnage from the Mt. Diablo open-pit development, according to John Glennon, Mine Supt., estimate made Feb. 3, 1963, was that this pit would produce over 2 million tons of 5 to 12 oz. silver (8.5 oz. average) without going below the surface - the present development being into the 500 ft. face of the mountain where the pit is over 35' wide and has two levels of 20' face, with a start on the third one. The foot wall showed cuttings of 20 oz. silver and produced 30,000 tons of 5 to 12 oz. silver.

The rough estimate below does not take into consideration available back-fill in the tunnels of all the mines, underground Mt. Diablo 20 oz. unstopped break-even veins, besides a number of other open-pit areas, along with the large tonnage expected from the Lucky Hill underground and open-pit mine. The Lucky Hill is down to only 200' and should extend to the 1900' level, as the other mines in the district. The richest ore is expected between the 5-800' levels, according to Burgess.

No estimate is made for possible lead or zinc recovery - the lead should average about 1%.

875,000 tons, 14 oz. silver in the Northern Belle		
14 oz.	(underground)	oz
12,250,000 oz.		12,250,000
2.5 2-3 million ton Mt. Diablo		
6 oz.	Stockpile	
15,000,000	(Surface ore)	15,000,000
8.5 oz. 2 million tons 5-12 oz. Mt. Diablo		
2	(Open-pit)	
17,000,000	(Surface ore)	17,000,000
		44,250,000 oz.
	(\$1.29 per oz)	1.30
		57,525,000
	Gold 1/10th	5,752,500
		\$ 63,277,500

With the other open-pit sources, plus the rich Lucky Hill Mine and pits, plus the possible recovery of Lead and Zinc, could bring the present available ore in the District over and above the \$100 million dollar level.

Respectfully submitted,

Eugene F. Grossman

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375,000 tons, 14 oz. silver in the Northern Belle		
14 oz. (underground)		02
12,250,000 oz.		12,250,000
2.5 2-3 million ton Mt. Diablo		
6 oz. Stockpile		
15,000,000	(Surface ore)	15,000,000
8.5 oz. 2 million tons 5-12 oz. Mt. Diablo		
2 (Open-pit)		
17,000,000	(Surface ore)	17,000,000
		44,250,000 oz.
	(\$1.29 per oz)	1.30
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