(52)
Item 1

1400 0001

BALL MOUNTAIN LEAD DEPOSIT.

NEVADA DIVIDEND COMPANY'S MINE.

I. - NAME: The Nevada Dividend Mine consists of the Dead Horse group of six mining claims, approximately one hundred and twenty (120) acres of unpatented mineral land.

II. - LOCATION: Situated 26 miles Westerly from Currie, a station on the Nevada Northern Railroad and located on the crest of Ball Mountain, a small range dividing Butte from Ruby Valley on the South border of Elko County, Nevada .

III. - TITLE: Possession.

IV. - HISTORICAL: The past history of this property is brief. The original locators sold the property eight years ago to the present owners for a consideration of $2500.00. The buyers incorporated the holdings for one million shares, par value One Dollar, and made an approximate expenditure of $18,000.00. The output was one carlOad of 62° lead ore, carrying 12 oz. silver, which was hand-picked ore, to give the shareholders a great encouragement. For the last four years only surfacial work as assessment was performed. The district has its fame from the Spruce Lead Silver Mines, which are only twelve miles Northeast, and which produced three million in the early eighties. To our Southwest lies the famous Eureka Lead Silver Camp.

V. - TOPOGRAPHY: The Ball Mountain District is drained on the East by Butte Creek, and on the West the Ruby Valley takes care of drainage, without any creeks mentionable. The Butte Valley elevation is 4800 feet, and Ball Mountain may reach 6500 feet above sea level. The hills are with gentle slopes. The climate semi-arid, but the snowfall is heavy. The growth of timber abundant,- the grass plentiful for stock.

VI. - GEOLOGY: The Ball Mountain formation is limestone and quartzite as sedimentary in bedded plane. The intrusive a light colored porphyry, whihh undoubtedly is the origin of the ore deposit. The strike veins - N 45° E dip 82° E. - penetrate through the sedimentary capping and expose iron gossans. The gangue is barite, siderite, iron carbonates, and manganese. The ore is an argentiferous galena. The leached zone is very distinct, and no oxide zone to speak of, only galena, as the more resistant mineral, shows near the surface. The mineralization begins to show by 60-ft. depth, and increases gradually, making an oreshoot on the 150-ft. level. This deposit would be very similar to the barite veins at Aspen, Colorado, where remarkably rich silver ore was mined few hundred feet below. As the Ball Mountain veins increase in width and most likely will make orebodies of large size in the porphyry, and as the bulk is a low-grade lead-silver concentration ore, I would bring it under the Coeur d' Alene class, like the Bunker Hill and Sullivan. The Ball Mountain

ore deposits are unusual in that the sulphide replacement is so complete, and that the contacts with the enclosing rocks are very sharp, they resemble contact metamorphic deposits, except in the gangue, whith points clearly to moderate temperatures at which silicates could not form, and it seems to prove that ore deposition did not take place immediately after intrusion. The slight slopes of the hills and the fair amount of water make a thoroughly altered oxidized zone, marked by the iron gossans poor in minerals, but we expect a rich secondary sulphide zone.

VII. - MINING FACILITIES:

A. Method of transportation: Trucks with trailers can haul from mine or good, hard road to Currie, 26 miles and bring supplies on return trip.

B. Water for domestic use is one mile from mine. Water for concentration, 6 miles Easterly on way to railroad. This water belongs to Taylor ranch, and flows 60" all year around. × Odgers Ranch four miles toward Ely from Taylor Ranch

C. Power: As there is ample fuel, steam could be used, but oil and gasoline may be of more advantage, and could be brought on every trip from railroad.

D. Timber: Cedar and pine in good strength for mine use on the property.

VIII. - The equipment consists of a whim, a few steel buckets and one ore car. The ladderway in mine should be renewed.

IX. - DEVELOPMENT: The main shaft is 150 feet perpendicular with a winze 50 feet deeper, being connected by 25-ft. crosscut with main shaft. On the 60-ft. in main shaft we find a 10-ft. E. crosscut cutting the vein which shows 6 feet wide. On the 90-ft. level we find a 15-ft. E. crosscut cutting the ledge 8 feet wide. On the 150-ft. level we find a 25-ft. E. crosscut showing ledge to be 10 feet wide. On this level we have a 160 ft. S. drift on vein, showing an 8 ft. winze about 75 ft. S. of crosscut. On bottom of winze, which is the 200-ft. level, we find a south drift on vein 80 feet long. Approximately 1000 feet S. of main shaft there is a 35-ft. shaft on vein. 4000 ft. S. of main shaft there is a 45-ft. shaft, also on vein, showing same gangue and ore.

X. - METHOD OF WORKING: The slight slopes of the hills make it entirely shaft work. The whim, which was in use up to now, would have to be replaced by a gasoline hoist with skip, which could be loaded out of ore bin and dumped automatically in bins, where loading in trucks would eliminate shoveling by hand. The low grade ore could be easily concentrated by a K.K. Flotation Machine, which would give us an 60° lead and 9-12 oz. silver concentrate.

XI. - PRODUCTION: The dump shows 250 tons of concentratable lead ore. The only shipment from the mine was 50 tons 65° lead 12 oz. silver, sorted ore. As far as development shows there is a 500 tons of low grade ore proven, also 200 tons of shipping ore; and the mine should easily make 80 tons per month shipping

grade, plus a fair tonnage of low grade.

XI. - Samples: Taken show the upper levels contain a fair low grade ore easily to make a 8-1 concentrate. The shipping ore could be kept at 35° lead ore.

Cost of Operating: We take a 35° lead ore which would give us $56.00 per ton.

The mining of it, - - - - -	$8.00	per	ton
Haul, - - - - - - - - - - -	9.00	"	"
Railroad, - - - - - - - - -	4.00	"	"
Smelter, - - - - - - - - -	5.00	"	"
	$26.00	"	"

Value of ore per ton, - - - - -	$56.00
Deduction, - - - - - - - - - -	26.00
Gross Profit per Ton, - - -	$30.00

Further development would determine the amount which would have to be deducted per ton for the capital invested, amortigation and depreciation to come to the real net profit per ton.

XII. - MINE VALUATION: As the geological conditions are favorable for the ore to continue to great depth, the mine has such merits to allow an expenditure of $10,000, against a proven ore valuation of $15,000,- very conservative emtimate.

XIII.- PRICE AND TERMS:

(1) We are willing to turn over to you the treasury stock of the company and sufficient of the issued stock to give you the control, for $25,000, or five cents per share for 501,000 shares of the stock, $17,000 of the money to go into the treasury as working capital to develop the mine, the other

$8,000 to go to the stockholders surrendering stock, and to pay whatever indebtedness the company may be under, which does not exceed $2,000.

(2) We are willing to dispose of the property for $50,000, $2,000 within thirty days, $8,000 on or before the expiration of six months from the date of the first payment, and $10,000 every six months thereafter until the purchase price shall have been paid in full.

(3) We are willing to give you a bond and lease on the property, payments under the bond to be made as provided in our second proposition, you to pay a royalty of ten per cent on the net proceeds of all ore shipped, the royalties to be applied on the purchase price of the mine. Net proceeds shall be deemed net smelter returns on all ores marketed. Should default be made in the payment of any of the partial payments mentioned, all previous payments, if any, that shall have been made prior thereto shall be forfeited as liquidated damages and be regarded as additional royalties under the lease.

W. M. Carthy,
L. N. Morrison

XIV. - SUMMARY: As the price of the mine could be arranged satisfactorily to buyer and seller, I recommend herewith the property for further investigation.

Richard Malick.

Dated: Tonopah, Nevada,
September 14, 1917.

REPORT BY RICHARD MALIK

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NEVADA DIVIDEND COMPANY'S MINE.

Dated: Sept. 14, 1917.
