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Item 17

GOLD RUN NICKEL-COPPER PROSPECT

Humboldt County, Nevada

May 1, 1964.

GOLD RUN NICKEL-COPPER PROSPECT

General Information

The prospect consists of two groups of claims located on a highly mineralized zone adjacent to a large thrust fault. The holding consists of eleven unpatented claims in the Gold Run Mining District, Sec. 7 and 18, T34N, R40E, M.D.M., Humboldt County, Nevada. Eight claims are held by George A. Gomes, 490 Wesley Avenue, Oakland, California; the northern group of three claims belongs to Walter Vetter, Winnemucca, Nevada.

The property is between 5500' to 6000' elevation on the east flank of the Sonoma Range, 14 miles south of Golconda, Nevada. There is year around accessability on a county maintained, graded road. Two major railroads go through Golconda which is on Highway Interstate 80, (U.S. 40) 16 miles east of Winnemucca, Nevada. A Sierra Pacific Power Company high line crosses the claims and there is ample water to sustain any mining or milling operations.

Production

Ten carloads of lead-silver ore and two carloads of copper ore valued at \$35,000 have been shipped from the Gomes property. The Adelaide-Crown Mine which is south of the Gomes claim produced over \$500,000 in gold and silver from 1939 to 1942. The 400 ton cyanide mill is still on the Crown property.

The Adelaide Copper Mine was the other major producer in the District. It is located two miles southeast of the prospect. The Adelaide was operated by the Glasgow Western Mining Company during the early Nineteen Hundreds. The Glasgow Western also operated a smelter in Golconda and a narrow gauge railroad from the mine to the smelter.

History of Nickel Discovery

Nickel was first identified by spectrographic analysis of two samples sent to the U.S. Bureau of Mines in 1941. The samples analyzed approximately 5% nickel. Two Bureau engineers examined the property in 1941. It was assumed that a bright green mineral in the fault breccia was garnierite. This assumption proved erroneous in 1963. The green mineral is a ferrous magnesium silicate. The results of subsequent sampling has shown the nickel to be associated with the iron oxides. For twenty years nickel sampling was concentrated in the zones containing the green mineral.

Geology

The predominant rocks in the area are metamorphosed Paleozoic sediments. H.G. Ferguson* identifies the lower plate of the thrust as the Preble Formation of Cambrian age, consisting of interbedded shales, slates, dolomitic limestone and schist. The upper plate is the Ordovician Sonoma Range Formation, consisting locally of quartzite and limestone.

*FERGUSON, H.G., U.S.G.S., Map and Geology of Minnesota Quadrangle, (1951)

The Preble Formation is intruded by igneous rocks of Cretaceous or Jurassic age. These intrusives are mainly diorite, quartz diorite or diabase dikes and diorite and andesite plugs. The igneous rocks are highly altered in some locations and difficult to identify. There is a large granitic intrusion about one mile to the south and west of the property.

According to Ferguson* thrust faulting occurred during several periods beginning in late Paleozoic and culminating in Jurassic time. There are numerous faults of post thrust age in the area.

Ore Deposits and Mineralization

The large leached gossan zones which strike northerly and dip to the west at a low angle are the key to any large lode. The southern zone is 1600' long and up to 30' wide. The remaining exposed mineralized areas are 10' to 20' wide; their continuity and length have not been delineated. The gossans carry 0.5% to 0.05% copper and 0.8% to 0.30% nickel. The gossans also contain precious metals assaying up to ^{0.08}~~0.08~~ gold and 6.5 ounces of silver. Analyses of typical samples of these zones and other areas are shown in Tables 1 and 2 in the appendix of this report.

Small irregular copper deposits containing 1% to 16% copper are concentrated along cross faults and shear zones in the lower plate.

* Op. cit.

Copper minerals are secondary: cuprite, malachite and chrysocolla. There is no megascopically identifiable nickel mineral present. The element appears to be associated with the iron oxides. Iron is present as limonite and other oxides. Pyrite and arsenopyrite are present in the 175 foot adit. Manganese is present as pyrolusite and braunite. Small quantities of minerals containing lead, zinc, arsenic and antimony are found in the mineralized areas. The predominant gangue minerals are quartz, chert, jasper, calcite and dolomite.

Past Development Work

The mineralized areas have been explored by numerous adits, shallow shafts, dozer trenches and five diamond drill holes.

The deepest working is the 175 foot incline shaft (Figure I) on the east side. It follows the 30 degree westerly dip of a contact lead-silver vein, between a shale hanging wall and a rhyolite dike foot wall. A winze in the 175 foot adit (Figure I) reaches a 70 foot depth below the surface. The other adits are shallow and do not go more than 25 feet below the surface.

The diamond drilling was done by Nevada Scheelite Corporation in 1955. Five holes of 654' total length were drilled; the location bearing and dip of the drilling are shown in Figure I. The location of the thrust and its relationship to the geology was not known at the time of the drilling. The drill holes were placed at the apex of the gossan zones, resulting in a shallow penetration of the mineralization. The object of the exploration

was to find a supergene enriched copper deposit. The drilling did reveal some clues to the general geological formations. The cores were analyzed only for copper in 1955. Recent analyses were made for nickel. Table 3 shows the analyses of the available cores. The core for Hole B was lost.

Conclusion

Recent studies of the geological formations and the results of the sampling noted in the appendix indicate there is a large nickel-copper ore body. A geophysical or geochemical program conducted by professional personnel should delineate areas of apparent primary or supergene ore deposits.

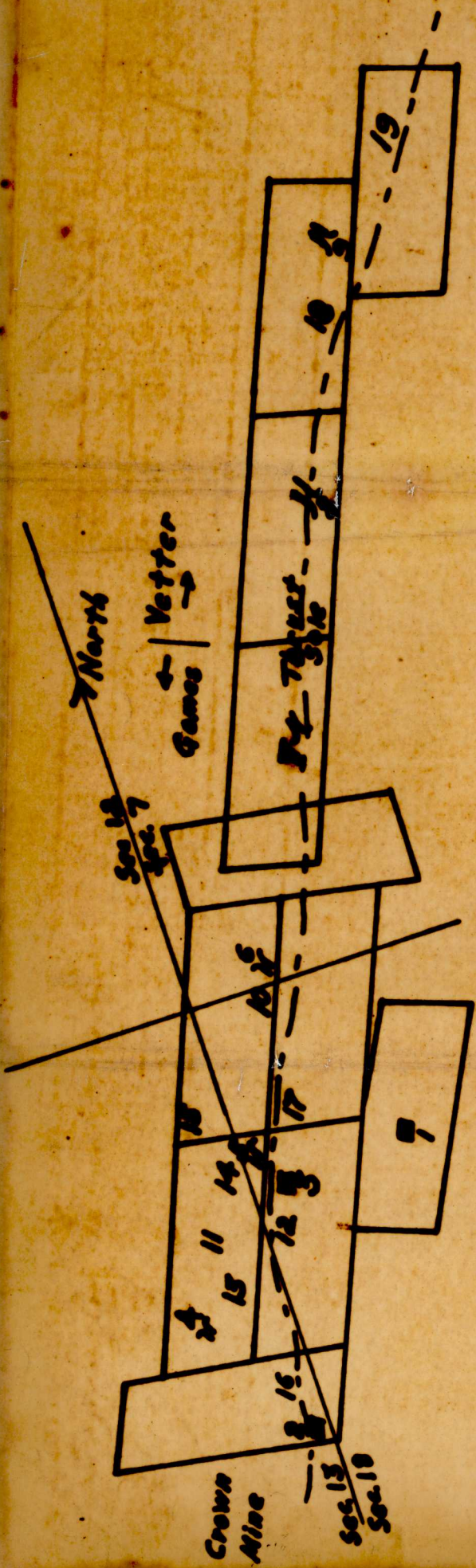
The owners would agree to a lease option which would include, 1) a minimum work clause during the development stage, and 2) a minimum royalty if the property becomes operational.

May 15, 1964

George A. Gomes

Walter Vatter

*Geo A Gomes
Walter Vatter
P*



Development Work

Underground

1. 30° Incline shaft, 175'
2. 30° Incline shaft, 175'
3. 35° Incline shaft, 30'
4. Adit 175' to S.E.
5. Adit 100' to East
6. Adit 120' to East
7. Adit 20' to N.W.
8. Adit 100' to West
9. Adit 60' to West

Surface Trenches

10. Upper Diamond Drill Site, copper mineralization
11. Lower Diamond Drill Site, Gossan
12. MnO Outcrops
13. Copper and MnO mineralization
14. Copper mineralization
15. Quartzite contact
16. Gossan Zone
17. Antimony mineralization
18. MnO Outcrops
19. Fe₂O₃ Outcrops

Diamond Drill Holes

Site	Hole	Bearing	Dip	Depth
10	A	N70E	45	115'
10	B	N70E	75	200'
11	C	Vertical		170'
11	D	N10W	45	110'
11	E	S10E	60	67'

FIGURE I GOLD RUN NICKEL-COPPER PROSPECT

Humboldt County, Nevada

Scale: 1" = 1000'

TABLE I
Analyses of Gossan Zone Samples

Location Fig. I	%Ni	%Cu	Other Analysis	Remarks
4	0.57	0.07		North end So. zone
5	0.25	0.03		Adit cut
6	0.79	0.43	0.08 oz. Au, 6.5 oz. Ag	Brown gossan Adit cut
6	0.36	0.02		Orange Gossan Adit cut
6	0.32	0.27		Red Gossan Adit cut
11	0.23	0.08		Surface DD Trench
14	0.38	0.29	Trace Cobalt	Near cross fault Copper Mineralization
15	0.33	0.03		Quartzite contact
16	0.25	0.04	0.09 oz. Au, 1.51 oz. Ag	South end So. zone
17	0.18	0.06	1.4% Sb	Stibnite present
19	0.60	0.08	0.04% Cobalt	North end Adit cut

TABLE 2
Analysis of Typical Samples

Location Fig. I	%Ni	%Cu	Other Analysis	Remarks
1	-	-	11% Pb, 84 oz. Ag, 0.14 oz. Au	Galena ore shipped
2	-	-	10% Pb, 59 oz. Ag, 0.18 oz. Au	Galena ore shipped
3	0.19	10.41	0.75 oz. Ag, 0.05 oz. Au	Copper ore
4	5.0	10.0		Green mineral ppt. on adit walls
5	0.14	0.04	0.10% Cobalt, 1.5 oz. Ag, Trace Au	Iron sulfides in adit
6	-	6.0	6.5 oz. Ag, 0.035 oz. Au	Copper ore
7	0.43	0.03		Silicified MnO outcrop
8	0.11	-	12.8% Mn, 1.40 oz. Ag 0.005 oz. Au	Altered limestone in adit
11	0.23	16.6	28.9 oz. Ag, Trace Au	Remnant in mass
12	0.10	0.96	9.6 oz. Ag, .06 oz. Au	Mn outcrop
13	-	6.5	1.50 oz. Ag, 0.32 oz. Au	Copper ore shipped
14	0.35	0.03		Altered basic dike
18	0.15	-	14.1% Mn	Low grade Mn ore

TABLE 3

Analysis of Drill Cores

Hole	Footage	%Ni	%Cu	Formation
A	80-93	0.32	0.24	Breccia, Fe_2O_3 , SiO_2 , CaCO_3
A	93-100	0.38	0.47	Cemented breccia Fe_2O_3 , SiO_2 & CaCO_3
C	40-50	0.26	0.17	MnO Silicified, full of large holes
				large holes
D	102-109	0.44	0.44	Highly altered diorite, full of large holes
E	52-65	0.28	0.14	Silicified MnO
E	70-82	0.24	0.04	Fine grained silicified material Fe_2O_3 stained

TABLE 3
Analysis of Drill Cores

Hole	Footage	Fe	SiO ₂	Formation
A	80-93	0.35	0.24	Breccia, Fe ₂ O ₃ , SiO ₂ , CaCO ₃
A	93-100	0.38	0.47	Cemented Breccia Fe ₂ O ₃ , SiO ₂ & CaCO ₃
C	40-50	0.26	0.17	Mm Silicified, full of large holes
D	100-109	0.44	0.44	Highly altered diorite, full of large holes
E	75-82	0.28	0.14	Silicified Mm
E	70-82	0.24	0.04	Fine grained silicified material Fe ₂ O ₃ stained

Tom Mills
Tom Crowe
poured on mill

