

2470 0003

\* Now referred to as

The Diamond Jim Mine

(Sent, 1993)

(61)

Item 3

I hereby submit the following report:

This property is located 75 miles north of Elko, Nevada, at an altitude of 7,000 feet, lying between Gold Creek and the Bruneau River, on Mardis Mountain. A good auto road runs to the foot of the mountain, and a wagon road to the property, at a distance of about 3,000 feet.

There are eight claims in the property, the Mardis, 5 acres patented: Mardis No. 1 and Fraction 36 acres. Three thousand feet south on this same vein is the Mammoth and Mammoth No. 1, and the Han Griff Placer of 80 acres, the Anna and Anna No. 1, contiguous, on two other large veins. See map attached. The title is held by miner's locations, except 5 acres, and additional 5 acres mill site, which are patented.

The formation is quartzite, lime and slate. The Mardis vein runs a little west of north for a distance of about  $2\frac{1}{2}$  miles. In places slate is the hanging wall; in others, blue limestone. At the Mardis works, the surface workings have caved in. The vein outcrops at that point -- crops at least 25 feet above the surface at this point. I cleaned out an old shaft to a depth of 25 feet which shows over 8 feet in width of ore of a reddish, conglomerate quartz carrying 40 to 50 ounces in silver to the ton, and 40¢ to \$2.40 in gold. There is about 2 ft. of white quartz which carries 60 to 80 ounces in silver to the ton. About 300 tons of white quartz has been hauled away. About 25 or 30 tons of ore now on the dump will run 80 ounces in silver; also about 2,500 to 3,000 tons of 40 ounce ore.

The brown conglomerate ore body pitches to the west and north, and will continue through the Mardis No. 1. On Mardis No. 1, 500 feet to the north, a cross cut tunnel has been run 200 ft. The mouth has caved in. It was not run far enough to encounter the vein. On the Mardis Fraction at a point 450 ft. east and 200 ft. north from Mardis workings, there is a vein about 20 ft. in width on the brown conglomerate quartz which will intersect the Mardis vein at about 1,000 ft. farther north from south end line. On the surface specimens assayed at this point runs 30 to 60 ounces in silver, and \$2.40 to \$24.20 in gold. No work has been done except location work. There are indications on the surface of an ore shoot 200 feet in length by 20 ft. in width of 25 to 30 ounces in silver values. This shoot of ore lies at an elevation of about 200 feet higher than the Mardis croppings.

On the Mammoth, the vein is at least 40 feet in width, and several splits have occurred. Four tunnels have been run in, and a shaft sunk to 60 ft. in depth. About 300 tons of ore has been taken out of this shaft which runs 22 ounces in silver, and is still lying on the dump. There are three or four other piles of ore piled upon these dumps. Only one of the tunnels are accessible at this time. Two of these tunnels were closed by landslides. 14 to 16 and 20 to 24 ft. cross-cut samples gave values of 28 ounces in silver, \$2.40 in gold; and 32 ounces in silver, and \$3.20 in gold.

W.W.CHARLES  
HOLLINGSWORTH BUILDING  
LOS ANGELES, CAL.

May 21st 1920

Mr.W.H.Blackburn, Gen.Supt.  
Tonopah Mining Co.  
Tonopah Nevada.

MARDIS ELKO PROPERTY.

Dear Mr.Blackburn:-

Your letter of the 18th received today.  
I immediately got in communication with Mr.Carson of the  
firm of Carson & Lindley here, the parties who hold the  
option on the above property and will answer your questions  
as follows;

Mr.Carson says you go to Elko to get to  
the property and he is wiring the owners at Salt Lake City  
today to ask who will show you the property after you arrive.  
You will probably meet this man at Elko.

The names of the owners are;

Abe Hanauer --- Union Assay Office, Salt Lake City, Utah  
D.W.Griffith--- 408 Walker Bank Bldg, " " "  
H.B.Westover-- Salt Lake City.

The option Mr.Carson says he holds expires  
on June 4th and he says he is in position to get it renewed  
for as long a time as he wants it, as the owners are friends  
of his partner Mr.Lindley and I understand have left the  
property in his hands to sell.

Mr.Carson asks that you wire me <sup>Monday if possible</sup> when you  
expect to leave and arrive in Elko and I will wire you or  
write if best, who will meet you there. Will you please wire  
as soon as you can and I will complete arrangements at this end.

With best wishes,

Yours verys Truly

W.W.Charles

~~DESERT POWER AND MILL COMPANY~~

TONOPAH MINING COMPANY OF NEVADA  
TONOPAH, NEVADA

May 18, 1920.

Mr. W. W. Charles,  
Hollingsworth Building,  
Los Angeles, California.

Dear Mr. Charles:

Again referring to your letter of May 12th relative to the Mardis Elko Mine located at Gold Creek, Nevada.

The description of this property, of course, is too good, as you say, but I will be interested in looking at it - will probably be able to do so before the end of the month.

Kindly let me know whether one goes in from Elko or from Deeth, or at any rate the best way to get into the district.

Can you tell us where the owners are so that we may talk to them, especially if they are located in Elko.

I note from the Carson & Lindley letter that the thirty days for examination that they gave in writing to you has expired. You will probably be able to make some other arrangement to cover this. The papers sent me are returned herewith.

With best wishes, I am

Yours very truly,

WHB-HS

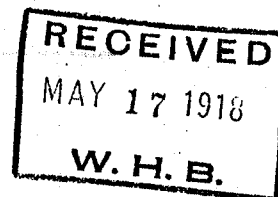
General Superintendent.

enc.

35000000  
35000000  
35000000

W.W.CHARLES  
HOLLINGSWORTH BUILDING  
LOS ANGELES, CAL.

May 12,  
1920.



Mr. W. H. Blackburn, Gen'l. Supt.,  
Tonopah Mining Company,  
Tonopah, Nevada.

Dear Mr. Blackburn:

"MARDIS ELKO MINE"

I am inclosing herewith a letter from Carson & Lindley, together with a report on the Mardis Elko property, located at Gold Creek, Nevada, and a pencil map and a photograph of this property.

Mr. Carson, who presented the above, was so sanguine about it that he stated he would guarantee the report, but I do not believe we could hold him to this because he did not seem inclined to put up the money, but, in any event, I understand from others who have been in this district that it is a very good property and I am, therefore, submitting this data to you for your prompt consideration.

I understand the cash payment can be modified to around \$15,000.00 -- possibly entirely -- but Mr. Carson stated that some bank holds a lien on the ore already mined and will not consent to anyone operating the property until a cash payment is made.

The proposition looks like it would be attractive, if it is only half as good as reported; although it is quite a distance from the railroad.

This price, of course, does not include my commission and I would expect to add that if you decide to take the property. My plan of work is to bring the buyer and seller together and you can carry on your own negotiations, bearing this in mind.

Please return these papers to me as soon as you have finished with them and let me know what you decide to do in the matter.

With kindest regards, I am,

WWC-I  
CC Mr. Whiteman.

Yours very truly,

A handwritten signature in cursive script, appearing to read "W.W. Charles".



~~DESERT POWER AND MILL COMPANY~~

TONOPAH MINING COMPANY OF NEVADA  
TONOPAH, NEVADA

June 12, 1920.

Mr. J.H. Whiteman, Pres.,  
Tonopah Mining Co.,  
Philadelphia, Pa.

Dear Sir;

MARDIS ELKO MINE.

The Mardis Elko is located about 75 miles north of the town of Elko in the Gold Creek District. Jarbridge is about 25 miles to the north east and Mountain City about 12 miles to the northwest.

At the time of my visit on May 20th the only shaft having any depth was filled with snow and the several tunnels that had been driven in the early days were caved. Only the vein outcrop near the Mardis shaft, a vein exposure in a short tunnel on outside ground and some mineralization in quartzite on the Mammoth could be examined.

The Mardis vein probably forms in the quartzite at the contact with a lime or shale. The quartzite being the foot and the lime the hanging wall. After leaving the Mardis claim to the south the outcrop of the vein is obscured by debris and the only evidence of the existence of a vein is the rather massive white quartz float. The mineralization at the Mammoth has no definite strike or pitch and two samples on the exposure in the tunnel gave less than 3 ounces in silver. The vein in the short tunnel also gave less than 3 ounces in silver. Samples of the quartz breccia associated with the vein at the Mardis shaft and said by the owner to be pay ore gave 4.3 ounces silver. Samples of white quartz from the Mardis shaft and said by the owner to be the remains of sorted ore gave 23 ounces silver. While my sample did not contain the highest grade pieces it looked fairly representative.

The owners' report claimed values in all cases that were two to three times as high as my sample of the best ore on the small dumps.

As there is very little vein exposure from which to size up the situation and as there is a \$15000.00 cash payment expected I can not recommend the property for development. In fact I can not recommend it under any circumstances.

Copy of the owners report is enclosed. I was figuring that the ground might look half well as represented.

Yours very truly,

Gen. Supt.

On Mammoth No. 1 location work has been done in the way of development. The Mardis vein dips under the lime, or there may be a fault at the end line of the two claims, or intersection. The Han Griff Placer covers 2 or 4 small springs carrying 10 miners inches of water and about 5 acres of cottonwood timber, suitable for mining purposes, 2 or 3 ideal mill sites, and pans some gold.

This property lies 3 miles west of the Bruneau River which has a fall of 60 to 70 feet to the mile and carries 100 ft. of water, ample for water power. There is plenty of timber in nearby canyons for mining and domestic use, and plenty of ore to keep a mill busy for years. It also lies 25 miles west of Jarbridge (where the Guggenheims are making big money) and 25 miles from Tuscarora that has produced a great many millions in silver; and 12 miles from Mountain City.

The surface and outcrops are similar to Virginia City, Nevada, and I believe Mardis Mountain is the second Comstock. On the Anna, which is at least 500 feet above the Mammoth, and on the apex of the Mountain, the lime has eroded, leaving 350 ft. by 700 ft. exposed quartzite with large stringers of quartz and brown iron conglomerate similar to the Mardis in every way, in places showing silver glance and galena. At least 25% of this outcrop looks like ore of milling quality. Anna No. 1 is a blowout 20 feet in height, 16 to 18 ft. in width, and shows galena and silver glance.

There is at least \$150,000 worth of ore mined on the dumps of the Mardis and Mammoth, and no developments deeper than 75 ft., and you don't have to mill less than \$30 ore to get the \$150,000.

(Signed) H. B. WESTOVER, M.E.

P.S. Just received assay certificate, with these results. Silver 19.7 ounces, gold .15 oz. This was taken from 150 to 160 boulders weighing from 100 pounds to 5 or 6 tons, on the surface. I knocked a chip off at least 150 boulders. Float below the Mardis vein south of the Mammoth and west covering about 10 acres from the Mardis vein ground and pulverized 75 lb. sample, value of \$22.00, and showing a long shoot of ore.

(Signed) H. B. WESTOVER, M.E.

MINE

Mardis - Elko

DATE

5/29/20

#1

Am .06

Ag 4.26

Specimens from dump lying north of old Mardis open cut. Reentrated quartz by quartz. Brown ground mass with white inclusions.

#2

Am .04

Ag 22.96

Specimens from south dump. Slight copper stain, slight lead. Should be lower than the dump with average

3

Am

Ag 2.20

Upper half looks like soft pulp & shale - quartz mixed. Lower half white quartz. Separation between upper & lower patches 400 to 500 ft. 15 ft tunnel above white quartz boulders float.

4

Am

Ag .72

Test for values at entrance, to lower tunnel Mammoth. White quartz

5

Am

Ag 2.70

Test of browner quartz lying on slip & under white quartz of #4

#6

Am

Ag 1.20

Specimens, probably lime

MINE

Mardis - Elko

DATE

5/29/20

The open cut on Mardis claim (Pat) strikes N25°E. Pitch 49° to west.

Probably a quartzite foot with shearing parting with the vein. up the hill probably shale.

Below or on hanging wall, hill covered with debris & must be a softer rock - probably lime or shale.

Minerals: gold, silver, lead, copper. Quartz, angles with slight amount of manganese. Very little if any calcite.

On the Mardis proper the old open cut & shaft cleaned out by Metcower were filled with snow. Only quartz on dump. To show vein material & could not get any idea of size or appearance of vein. Metcower says that tunnels on Mardis m. are, caned. Above Mardis proper is another quartz vein in quartzite that has been worked by Nyland & Smith.

On the Nyland & Sullivan property that falls in between Mardis & Mammoth are several tunnels put in by Hyde, former owner of Mardis, but all caved & inaccessible except a 15' tunnel. To south which shows the vein. Sample #3 was taken in this tunnel. This tunnel is located in the boulder float area on side hill.

At the Mammoth only one tunnel accessible, shows a heavy quartz deposit on nearly east west parting south. Sample #4.5 taken on this material for quartz only & could not be thorough on account of its being of quartz.

Water for domestic & milling purposes available & probably power 3 miles away on Briceau River.

Gold Creek, P.O. 71 miles from Elko on fair road, Property about 75 miles from Elko.

Practically a prospect & only worth development on 80-20% basis if Mardis could be examined for vein appearance & value. Camp & roads would have to be built. Telephone to Elko possible within a mile of

MINE Mardis Elko

DATE

5/29/20

Forest Reserve

T 45 N R 56 E

31

32

+ Ranger Sta 2

33

+ marsh

34

35

36

6

5

4

3

2

1

T 44 N R 56 E

14

13

MINE

Mardis Elko

DATE

5/29/20

of property.

No work has been done by present owners that tends to develop property. Just holding on for a deal.

Hyde had a mill on site near the Rangers station on Gold Creek.

Gold Creek Placers were once under control of W.H. (Aunt) Mayhew of Newnes, who spent recklessly in re-outfitting the placers & went out of business without producing gold. Raymond seems to have been the only party that made any money from placers & is now broke, after turning his property over to a stock company.

Placers worked in '70s' & after, now abandoned except for Norton's location, which he is trying to get dredges on. His placers are rather steep & narrow for dredges.

Gold Creek was active from 1870 on to 1900 but is now a cattle ranch country. Hammond is operating a quartz claim above Chinatown placers but has no better production.

The deal on the Mondis Elko is controlled by option through Carson Tidwell, probably having connection with Charles, a second intermediate, drawing commission. Charles should only put up property where he is dealing with owners.

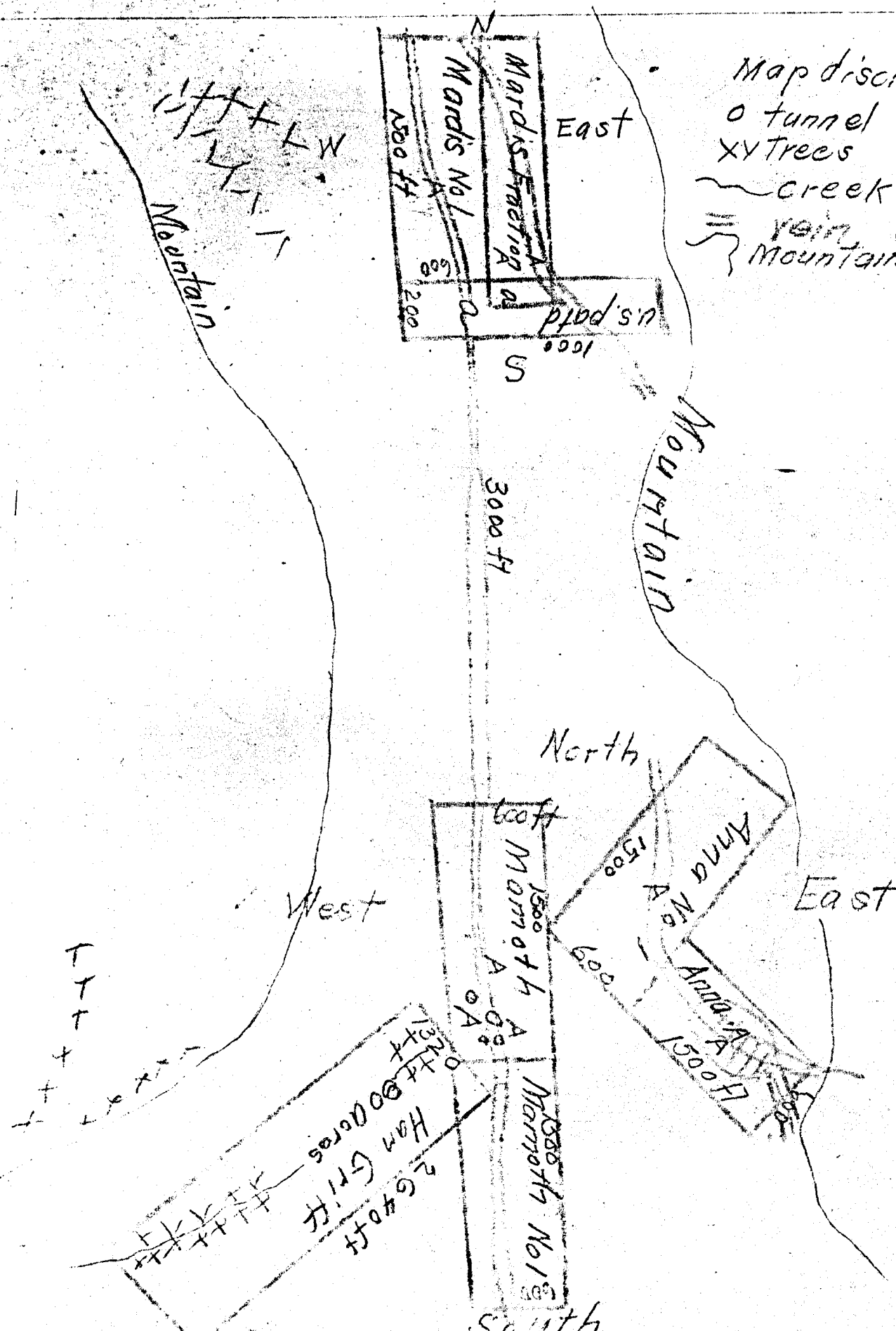
Owners are Hanauer, D.W. Griffith & H.B. Norton all of Salt Lake.

Norton says he owns control. See. Will or telegraph 333 Margaret Street Salt Lake.

Timels could be used for a limited amount of prospecting, then shaft work for mining. Roads already built from main Gold Creek road.



Map discription  
 o tunnel  
 x Trees  
 ~ creek  
 } vein  
 Mountain



# ASSAY CERTIFICATE

THE TONOPAH MINING COMPANY OF NEVADA

TONOPAH, NEV.,

6/4

1920

*Shardis Elko - 47413*

O. J. Adams (elmo) - W. H. H. S.														
SAMPLE NO.	SAMPLES TAKEN FROM	GOLD				SILVER				TOTAL VALUE PER TON	PERCENTAGE OF			
		OZS. PER TON		VALUE PER TON		OZS. PER TON		VALUE PER TON			COPPER	IRON	SILICA	LEAD
1			06			4	26							
2			04			22	96				0.15			0.7
3			2			2	20							
4			2				72							
5			2			2	70							
6			2			1	20							

*G. Fisher*  
ASSAYER