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GOLD PARK MINE
SUMMARY

A. D. Nash
Oct. 4, 1930.

FOREWORD:

An exceptional gold mine can be acquired without risk of any loss by providing \$65,000 for improvements. Has now fully \$317,000 developed ore, with a favorable development future for at least \$500,000 in operating profits for the ensuing five years after placed in production.

AREA:

About 270 acres, 3 patented, 11 located claims.

GEOLOGY:

A series of steeply dipping fissure veins (four veins known to date) of economic size (over 2.5 ft.) in an older andesite. Ore occurs in the upper levels in closely spaced chutes, constituting fully 65% of areas as mined on the planes of the veins, oxidized to depths varying from 100 to 200 ft. below the surface.

METALS, VALUES:

Gold partially free and combined; silver; copper as carbonates and chalcopyrite; lead as carbonates, galena and cerrusite; iron as limonite, pyrite and sparingly arsenopyrite. Gold and silver values range from \$5.00 to \$80.00 per ton; silver proportionals range from 6 to 12% of combined values. Ore is amenable to local milling with over 85% of recovery of gold and silver contents.

ORE RESERVES:

At present, in the only two developed veins, at least 20,500 tons are assured. Assay value gold and silver about \$317,000; net value about \$143,000. Development of additional accessible ore to a total of 40,000 tons can be done for an outside cost of \$15,000; can be completed by June 1st, 1931.

ACQUIREMENT:

Can be purchased on fair terms; the first earnest payment required by the owners on June 1st, 1931; another December 1st, followed by quarterly payments that can all be met from production.

REQUIREMENTS:

Development of ore reserves from 20,500 tons (\$143,000 net) to 40,000 tons (\$280,000 net). \$15,000 required for this work between November 1st, 1930, and April 1st, 1931. Then \$50,000 for surface improvements between May 1st and July 1st. The total cost to production is \$65,000.

PROFITS:

Operating profits will exceed \$8,750 per month. All purchase requirements can be met and leave a net profit of \$5,000 per month.

(Signed) A.D. Nash
A.D. Nash, Mining-Engineer

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GOLD PARK MINE
JACKSON DISTRICT, NEVADA

Preliminary Report
By A.D.Nash, Mining-Engineer

FOREWORD:

The exhaustive report of Prof. W. O. Crosby, Geologist, made in 1908, shows definitely the geologic conditions. Some additional underground development work that has been done on the lower levels of the "Star of the West" vein since his survey confirms his deductions as to expected geological conditions and ore occurrences.

No extraction of ore in appreciable amount from the developed veins has been done since 1908. Mr. Crosby's estimates of available ore tonnage were conservative, as the development of later years, while carried along slowly and expensively by hand labor, has disclosed new and important ore faces that materially increase the ore forecasts over his expectations.

IMPROVEMENTS:

A steam-powered mill with a new 10"x17" breaker, 5'x5' ball mill, classifier, tables, amalgamating equipment, adequate gravity water supply from a 3-inch pipe line about a mile in length, was built in 1914 and has been maintained in good, serviceable condition. Ample water is available for expansion of milling needs. The camp buildings have lately been partially reconditioned. The haulage levels into the faces of both veins have been cleaned up and retimbered where necessary.

The mine road, 10 miles long, connecting with the Fallon and Austin Highway, has been kept in passable condition for light motors.

The present owners, working under difficult conditions, have maintained the property in as good shape as has been possible without a heavy expense.

REQUIREMENTS

MINES:

The lower or mill level drift on the "Star of the West" vein requires advancing westerly a minimum of 300 ft., raises then made to make accessible the new developed ore in the upper levels above the middle tunnel.

The lower level of the "Arctic" vein requires 200 ft. advanced drift southerly, then raises thru to the upper level. This proposed work is pre-requisite to preparation for ore extraction on either vein, and with a small gasoline compressor available will cost about \$10.00 per ft.

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PROGRAM:

The above work should be done prior to any other improvements.

With satisfactory results, the next step is camp rehabilitation. Provision shall be made to house and feed about 45 men.

After camp facilities are available, the mill must be modernized and a Diesel power provided. The two mile road up the canyon must be relocated, to take advantage of sun exposures and eliminate unnecessary creek crossings with steep adverse grades, and assure drainage. A year or so later, a new road constructed to the closest advisable point on the highway across Smith Creek Valley, probably to the Campbell Creek Ranch on the east side of Carroll Summit. This will reduce the haul to railroad about seven miles.

POWER AND MILL:

It will require about 2.5 h.p. per ton daily output for both mine and mill. Based on 50 tons per day at the elevation of 7200 ft. above sea level, about 200 h.p. (factory rating) should be provided, preferably in two units.

The present mill is well constructed and of ample size. An addition of a coarse ore bin (100 tons), a secondary crushing unit to provide a smaller ball mill feed, flotation cells and possibly cyanide unit will thoroly modernize the plant and should be of ample capacity for the ensuing four year period, treating 60,000 tons.

CLAIMS:

There are three patented claims - the "Arctic", "Star of the West" and "San Francisco"; eleven additional claims held by location protect all possible extension requirements and block up an area of about 270 acres.

Assessment work for the current fiscal year has been done and recorded. Titles are vested in the two individual local owners, in undivided one-half interest each.

ACQUISITION:

- The owners have decided that,
- (a) Material advance outlays for improvements are pre-requisite to production.
 - (b) They are unable to provide these necessary finances.
 - (c) Sale of the property is their only recourse.

Sale is only possible for a commensurate price without sacrifice after a larger net value has been established; this net value to be estimated after the deductions for purchase price and improvements have been made.

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The owners are willing to allow me sufficient time to complete the development as above recommended; then only require a moderate earnest payment to be made. Ample time is then allowed for mill and power modernization, so that all future payments on purchase account can be made from production sources.

RECOMMENDATIONS:

The acceptance of the above proposition is warranted by the physical and financial facts as offering a sound financial future for this operation after provision of the necessary finances.

STAGE A:

To prove the existence of 40,000 tons of ore, with an expected net profit value of \$280,000, an outlay of \$15,000 is required, and five months of active work, or until May 1st, 1931.

STAGE B:

To provide camp, relocated road, Diesel power, prepare mine for continuous production, modernize 50-ton mill, make the initial earnest payment on purchase account, a total of \$50,000 is necessary for outlays to be made from May 1st to August 1st, 1931.

RETURNS:

The values as estimated by Mr. Crosby are somewhat bettered in assay returns during the present owners operations of the last four years.

The "Arctic" vein ore chutes show an average value in gold of \$12.50, in silver \$1.50 (at current price of 35¢ per oz.), a total of \$14.00 per ton. 13,000 tons are reasonably assured now; a total of 25,000 tons should be developed with 250 feet of new underground work as recommended.

The "Star" of the West" vein ore chutes at present must be credited with at least 7500 tons; the proposed 500 ft. of new work should increase this a minimum of 7500 tons, or to a total of 15,000 tons. The average values will exceed \$16.00 gold, and \$2.00 silver, or \$18.00 per ton. Summarizing as follows:

Vein	As at present Oct. 1, 1930.			After development May 1, 1931.		
	Tons	Gr. Value	Net Value	Tons	Gr. Value	Net Value
"Arctic"	13,000	\$182,000	\$91,000	25,000	\$350,000	\$175,000
"Star of the West"	7,500	135,000	52,500	15,000	270,000	105,000
	20,500	\$317,000	\$143,500	40,000	\$620,000	\$280,000

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To estimate conservatively on the operating results, \$7.00 per ton average net profit can be allowed; this after deducting mill losses, operating costs and the fixed charges, such as insurance, maintenance, taxation, etc. 1,250 tons per month from these two veins as milled should return a gross of over \$19,375.00, with \$8,750.00 for the net profit per operating month.

With 40,000 tons developed, an assured life of at least 32 operating months can be forecast to return a certain net profit of \$280,000.

OTHER VEINS:

The "San Francisco" vein and the "Red" or "Glory Hole" vein have probable development futures. When our initial operating program has been well established, these two veins warrant consideration. This can best be done by careful and initially modest outlays of a few hundred dollars per month for exploration; with satisfactory results, follow up by necessary development. These two veins potentially supplement the 50 ton per day production; after development may then enable mill expansion.

CONCLUSIONS:

This property is worth acquisition on the above basis of development prior to any purchase payments. I herewith recommend prosecution of the above program, after completion of a detailed examination by the purchasers, which should include mine survey, sampling of all exposed ore chutes, preliminary metallurgical tests of representative mine samples. These being completed with satisfactory results, start actively on Stage A, as programmed above.

Respectfully submitted

(Signed) A.D.Nash

A.D.Nash, Mining-Engineer

310 Clay Peters Bldg.,
Reno, Nevada, Oct. 4, 1930.

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From Prof. W.O.Crosby's
Report, Dec. 14, 1908.

SUMMARY AND GENERAL CONCLUSION:

Although the Gold Park Mines are more than forty miles from the railroad, this is not a very serious handicap because of the excellence of the road and practically all other conditions are distinctly favorable to their economic and profitable operation.

The numerous veins are reasonably strong and regular and the average values are good, ranging from five to more than twenty dollars, with a good proportion of high-grade or shipping ore, and very little ore below a profitable milling grade.

The "Arctic" and the "Star of the West" mines have been extensively worked and have a bullion record of several hundred thousand dollars, and yet the workings are distinctly superficial and mainly in the zone of oxidized and leached ores; and the normal sulphide ores with their proved higher values are almost intact.

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"The San Francisco" mine is less developed, mainly because its location has been rather less favorable to tunnel mining; but the indications are that it may make the best mine of the entire property, and it undoubtedly has an important future.

((The general character of the ores, both oxidized and sulphide, indicates their adaptation to a simple milling process, consisting of amalgamation and concentration, followed by cyaniding the tailings and smelting the concentrates;) but it is proposed to remove all uncertainty as to process and plant by having practical working tests of the ores made under the supervision of competent experts.

Tunnel mining will be practicable for a long time to come for the "Arctic" and the "Star of the West" mines, and eventually for the "San Francisco" mine through the "Star of the West."

Gold Park is fairly well watered and in part fairly well wooded, and it is probable that the supply of water, wood and timber will be found ample for all mining and milling purposes. The climate is healthful and invigorating, and considering the altitude the winters are not severe.

(It is estimated that the mining and milling cost need not exceed three dollars per ton of crude ore, or five dollars when the shipping of concentrates is included.

The "Arctic" and the "Star of the West" are capable of producing no less than 10,000 tons of ore each 100 feet of depth, and the "San-Francisco" mine nearly as much more; and the geological conditions are favorable to the indefinite continuation of the veins in depth, with a general improvement when the sulphides come in.

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There is some prospect of practical values in a large body of mineralized porphyry, and especially in the alluvium derived from it, but this matter requires further investigation.

(It is estimated that a first class mill of fifty tons capacity and adapted to the treatment of Gold Park ores can be installed for about \$30,000.00,) and that considering the present undeveloped condition of the property, an approximately equal amount should be expended in developing the ore bodies and the water supply, and mainly at least before the installation of a plant.

Finally, this, on the whole, is a very attractive proposition with its strong and regular veins of high grade ore and generally favorable conditions. Nature has done her part well, and apparently only competent and conservative management is necessary to achieve a gratifying success.

W. O. Crosby.

NOTE:

The above "Summary and General Conclusions", with the exceptions as above noted, is herewith approved.

(Signed) A.D.Nash
A.D.Nash
October 20, 1930.