

115

Item 38

2940 0036

COPYRIGHTED MATERIAL  
FOR INSPECTION ONLY  
MAY NOT BE COPIED  
Nevada Bureau of Mines and Geology

# A STUDY OF ACTIVE U.S. GOLD MINES

JULY 1986

Published by Metals Economics Group,  
1722 14th St., Boulder, CO 80302 USA.  
Telephone (303) 442-7501. Telex 45-4443.  
© Copyright by Metals Economics Group  
1986. All rights reserved. Reproduction  
in whole or part without prior written  
permission is prohibited.

Metals Economics Group represents that the  
information contained in this report has been  
collected and compiled in good faith from a  
variety of sources but makes no warranty as  
to the accuracy of the information from  
those sources.

Michael Chender, Editor-in-Chief  
Walter Fordham, Editor  
Elizabeth Locke, Associate Editor  
Jim Lowrey, Associate Editor

COPYRIGHTED MATERIAL  
FOR INSPECTION ONLY  
MAY NOT BE COPIED  
Nevada Bureau of Mines and Geology

---

PROJECT NAME: GOLD STRIKE

---

OWNER(S): WESTERN STATES MINERALS CORP (VENTURER, OPERATOR-50%)  
PANCANA MINERALS LTD (VENTURER-50%)

METAL(S): GOLD

STATUS: PRODUCTION  
ACTIVE

START-UP DATE: 1979

OPERATION-TYPE: OPEN PIT

MINESEARCH #: 102294

MOST RECENT SOURCE: JUNE 1986

LOCATION

STATE: NEVADA

COUNTY: ELKO

MINING DISTRICT: LYNN

GENERAL COMMENTS

PROVEN RESERVES ARE SUFFICIENT FOR 7-8 MORE YEARS OF OPERATION.  
AN EXPLORATION PROGRAM, CONDUCTED IN 1985, IS BELIEVED TO HAVE  
INCREASED RESERVES IN THE EXISTING PIT BY OVER 10%. (PC 6/86)

OPERATING COSTS

PRODUCTION COSTS: \$205/OZ AU

-- AVERAGE CASH COSTS FOR 1985.

EQUIPMENT LEASING COSTS ADD ABOUT \$50/OZ TO TOTAL COSTS. (PC 6/86)

GENERAL PRODUCTION REPORT

MINE LIFE: 15 YEARS  
MINING METHOD: OPEN PIT  
PROCESSING METHOD: HEAP LEACH  
RECOVERY METHOD: CARBON ABSORPTION & ELECTROWINNIN  
MILL CAPACITY/DAY: 3,000 ST  
MILL CAPACITY/YEAR: 1,000,000 ST  
METAL PRODUCTION: 40,000 OZ/Y AU  
RECOVERY RATE: 75 % AU

PRODUCT FORM: DORE

REFERENCE: PC 6/86

PRODUCTION DATA--1986 - PROJECTED

METAL PRODUCTION: 48,000 OZ AU

REFERENCE: PC 6/86

PRODUCTION DATA--1985

METAL PRODUCTION: 39,000 OZ AU

REFERENCE: PC 6/86

PRODUCTION DATA--1984

METAL PRODUCTION: 40,000 OZ AU

REFERENCE: PC 6/86

PRODUCTION DATA--1983

METAL PRODUCTION: 46,000 OZ AU

REFERENCE: PC 6/86

PRODUCTION DATA--1982

METAL PRODUCTION: 17,000 OZ AU

REFERENCE: PC 6/86

PRODUCTION DATA--1981

METAL PRODUCTION: 20,000 OZ AU

REFERENCE: PC 6/86

PRODUCTION DATA--1980

METAL PRODUCTION: 11,000 OZ AU

REFERENCE: PC 6/86

RESERVES REPORT 1

ZONE NAME: TOTAL MINABLE RESERVES

CERTAINTY: PROVEN

RESERVES: 8,700,000 ST

GRADE: 0.049 OZ/ST AU

CONTAINED METAL: 423,000 OZ AU

A 1985 DRILLING PROGRAM HAS INCREASED THESE RESERVES BY ABOUT 10%.  
IN ADDITION, THE PROPERTY CONTAINS 780,000 ST OF SULFIDE ORE GRADING 0.122 OZ/ST.

REFERENCE: PC 8/86

COMPANY INFORMATION

WESTERN STATES MINERALS CORP  
4975 VAN GORDON ST  
WHEAT RIDGE, CO 80033  
(303) 425-7042

PANCANA MINERALS LTD  
2700 - 300 5TH AVE SW  
CALGARY, AB T2P 3C4  
(403) 260-2900

BIBLIOGRAPHY

PERSONAL CONVERSATION 11/84  
PERSONAL CONVERSATION 12/84  
DIRECT CORRESPONDENCE 5/85  
DIRECT CORRESPONDENCE 9/85  
PERSONAL CONVERSATION 6/86