

DISTRICT	Manhattan - 60002480
	Tonopah - 60002481
DIST_NO	2960
	4840
COUNTY	Nye
If different from written on document	
TITLE	Hughes Series Administration Records - Financial
If not obvious	Records - Production and Cost Variance Report
AUTHOR	Robinson; W; Hamilton D
DATE OF DOC(S)	1976
MULTI_DIST <input checked="" type="radio"/> Y / <input type="radio"/> N?	See District; District no; quad
Additional Dist_Nos:	
QUAD_NAME	Manhattan 7 1/2' - 60002458
	Tonopah 7 1/2' - 60002459
P_M_C_NAME	Summa - both
(mine, claim & company names)	Manhattan Operations - 60002458
	Tonopah Recovery Plant - 60002459
COMMODITY	Gold, silver
If not obvious	
NOTES	Correspondence; assays; production; recovery; costs
	8p

Keep docs at about 250 pages if no oversized maps attached
(for every 1 oversized page (>11x17) with text reduce
the amount of pages by ~25)

Revised: 1/22/08

SS:	DD	12/22/08
	Initials	Date
DB:		
	Initials	Date
SCANNED:	MT	1.12.10
	Initials	Date

PRODUCTION & COST VARIANCE 3
REPORTS May - Aug 1976

HUGHES SERIES
ADMINISTRATIVE RECORDS
FINANCIAL RECORDS
3

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DH-9-76-30

Internal Communication

Date: September 10, 1976
To: William J. Robinson
From: David K. Hamilton
Subject: AUGUST PRODUCTION AND COST VARIANCE REPORT

GENERAL: Production from the leach heaps fell in August, although Plant performance was excellent. Operating costs remained relatively low. Research efforts continued.

MANHATTAN OPERATIONS: Water shortage continued and full-time operation did not resume until month's end. The fresh water problem has been alleviated by the installation of electric pumps in the supply wells. The water shortage forced the Manhattan Extraction Plant to operate only 69% of the time. A pump failure shut down the plant for three additional days.

The Manhattan Plant processed 58,000 tons of solution with an average grade of .0046 oz./ton in gold. Recovery was 90% again this month. The August 31st inventory in the carbon columns was 350 ounces of gold and 380 ounces of silver. The carbon loads have been increased in the columns and higher inventories will be carried in the future.

The performance of the #3 Heap continued its decline with production falling to less than 3 ounces per operating day. This heap has been under leach for more than one calendar year and its economic operating life is short, probably less than two months.

Intermittent operation of the agitation leach pilot plant began in August. Preliminary results are encouraging but, until full time operation is attained, no evaluation of the system is possible.

The following table shows the production variance for the operations as compared to the original February 19th budget.

<u>August</u>	<u>Actual</u>	<u>Budget</u>	<u>% of Goal</u>
Recoverable Gold (oz.)	220	759	29%
Recoverable Silver (oz.)	223	228	98%
<u>Year-to-Date</u>			
Recoverable Gold (oz.)	2,078	3,982	52%
Recoverable Silver (oz.)	1,178	1,195	98%

RECOVERY PLANT: One plant batch of 3,850 pounds of carbon was processed in August. Slightly over 300 ounces of gold as Dore metal was cast giving a plant recovery of 94%+. The following summarizes the metal production from the Recovery Plant.

	<u>Dore Ounces</u>	<u>Gold (oz.)</u>	<u>Silver (oz.)</u>
August	348.91	236.85	112.06
Year-to-Date	2,566.97	1,748.90	818.07

RESEARCH: Confirming testing on the Belmont Tailings was made. Preliminary engineering and flowsheet work is complete and financial analysis done. Outside verification of these results is underway.

BUDGET VARIANCE: The following summarizes the cost of the Tonopah-Manhattan operations as compared to the March 11th operating budget.

<u>August, 1976</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>% Variance</u>
Manhattan Operations	\$ 16,819	\$11,830	\$+ 4,989	+42%
Tonopah Recovery Plant	1,971	2,575	- 604	-23%
Tonopah Office (Travel, etc.)	2,408	3,585	- 1,177	-33%
Assay Lab	407	2,125	- 1,718	-81%
Research	---	1,250	- 1,250	---
Wages & Salaries (Estimated)	28,598	44,000	-15,402	-35%
Total	\$ 50,203	\$65,365	\$-15,162	-23%
<u>Year-to-Date through August</u>				
Manhattan Operations	\$102,785	\$82,810	\$ 19,975	+24%
Tonopah Recovery Plant	16,071	20,600	- 4,529	-22%
Tonopah Office	13,282	25,095	-11,813	-47%
Assay Lab	10,824	17,000	- 6,196	-36%
Research	5,660	10,000	- 4,340	-43%
Wages & Salaries (Estimated)	295,276	312,400	-17,124	- 5%
Total	\$443,898	\$467,905	\$-24,007	-5%



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DH-8-76-22

Internal Communication

Date: August 9, 1976
To: William J. Robinson
From: David K. Hamilton
Subject: JULY PRODUCTION AND COST VARIANCE REPORT

GENERAL: Leaching operations at Manhattan were reduced in July, cutting production drastically. Cost reduction efforts are beginning to yield results. Research and property evaluation continued.

MANHATTAN OPERATIONS: Weather and water problems plagued the leaching operations in July. The first 29 days of the month the evaporation rate exceeded the fresh water system capacity, forcing plant schedule changes. The plant operated on a five day per week basis while the fresh water pumps operated full-time in an attempt to catch up with usage.

At month's end, a series of intense rainstorms hit the area causing flooding of the mine and pond areas. The storms caused two days of downtime.

Construction of the leaching pilot plant continued with start-up scheduled in August.

The extraction plant processed only 47,000 tons of solution with an average grade of .0057 ounces of gold per ton. Plant recovery was 90% of contained gold. At month's end, the carbon columns held an inventory of 337 ounces of gold and 257 ounces of silver.

The following table shows the production variance for the month and year as compared to the original budget.

<u>July</u>	<u>Actual</u>	<u>Budget</u>	<u>% of Goal</u>
Recoverable Gold (oz.)	361	735	38%
Recoverable Silver (oz.)	108	228	47%
<u>Year-to-Date</u>			
Recoverable Gold (oz.)	1,858	3,223	58%
Recoverable Silver (oz.)	955	964	99%

RECOVERY PLANT: The Tonopah Recovery Plant processed only one load of carbon (2900#) in July, recovering all of the contained gold. Two tons of low-grade pellet carbon was reprocessed and stripped down to a level where no further treatment is justified. The following shows metal production for July and the Year-to-Date.

	<u>Dore Ounces</u>	<u>Gold (oz.)</u>	<u>Silver (oz.)</u>
July	297.23	196.71	100.52
Year-to-Date	2,218.06	1,512.05	706.01

RESEARCH: Laboratory tests on the Belmont Tailings composite samples have been completed and engineering and financial analysis is underway. Testing on McCoy ores and Fairview material is continuing.

BUDGET VARIANCE: The following summarizes the cost of operations as compared to the March 11th operating budget.

<u>July, 1976</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>% Variance</u>
Manhattan Operations	\$14,954	\$11,830	\$ +2,764	+23%
Tonopah Recovery Plant	1,547	2,575	-1,028	-36%
Tonopah Office (Travel, etc.)	2,278	3,585	-1,307	-36%
Assay Lab	782	2,125	-1,343	-63%
Research	21	1,250	-1,229	-98%
Wages & Salaries (Estimated)	34,128	44,000	-9,872	-22%
Total	\$53,350	\$65,365	\$-12,015	-18%
<u>Year-to-Date through July</u>				
Manhattan Operations	\$85,966	\$70,980	\$14,986	+21%
Tonopah Recovery Plant	14,100	18,025	- 3,925	-22%
Tonopah Office	10,874	21,510	-10,636	-49%
Assay Lab	10,417	14,875	- 4,458	-30%
Research	5,660	8,750	- 3,090	-35%
Wages & Salaries (Estimated)	266,678	268,400	- 1,722	- 1%
Total	\$393,695	\$402,540	\$-8,845	- 2%

Cost control and efficiency measures instituted since March have, in the last two months, significantly reduced expenditures in the Tonopah-Manhattan area of responsibility.

Mr. William J. Robinson
July 6, 1976

Page 2

RESEARCH: Recovery of 86% of contained gold was obtained in tests on surface samples from the McCoy property. These tests and those on Manhattan ore and Belmont Tailings are continuing.

BUDGET VARIANCE: The following summarizes the cost of operations as compared to the March 11th operating budget.

<u>June, 1976</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>% Variance</u>
Manhattan Operations	\$ 7,964	\$11,830	\$ -3,866	-33%
Tonopah Recovery Plant	3,955	2,575	1,380	+54%
Tonopah Office (Travel, etc.)	2,859	3,585	- 726	-20%
Assay Lab	605	2,125	-1,520	-72%
Research	4	1,250	-1,246	-99%
Wages & Salaries (estimated)	<u>41,192</u>	<u>44,000</u>	<u>-2,808</u>	<u>- 6%</u>
Total	\$56,579	\$65,365	\$ -8,786	-13%
<u>Year-to-Date thru June</u>				
Manhattan Operations	\$71,372	\$59,150	\$12,222	+21%
Tonopah Recovery Plant	12,549	15,450	-2,901	-19%
Tonopah Office	8,596	17,925	-9,329	-52%
Assay Lab	9,633	12,750	-3,117	-24%
Research	5,639	7,500	-1,861	-25%
Wages & Salaries (estimated)	<u>232,550</u>	<u>224,400</u>	<u>8,150</u>	<u>+ 4%</u>
Total	\$340,339	\$337,175	\$ 3,164	+ 1%



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Internal Communication

Date: June 4, 1976
To: William J. Robinson
From: David K. Hamilton
Subject: May Production and Cost Variance Report

General: The Manhattan leaching and extraction plant operations were continuous and essentially normal throughout the month of May. The remodeled Tonopah recovery plant began production and performed very well. Shipment of gold-silver dore metal resumed, with direct mailing to the refinery. Operating expenses were as budgeted, but production remained somewhat lower than planned.

Manhattan Operations: Continuous operations of the leach heaps and recovery plant were attained this month. Early in the month, a snow and rain storm did cause some operating problems. There is evidence that siltation (plugging with fine, silty material) has occurred in heap #4 but the plugs are breaking up, allowing improved penetration by the leaching solutions.

Gold production from the heap #4 more than doubled after systems changes were initiated. Although cyanide and sodium hydroxide consumption are higher at this time, further tests are underway in an attempt to maximize metal recovery and reduce reagent use.

Solution grades through the plant were low until the last ten days of the month when changes in the heap operations began to normalize the system. An estimated 112,000 tons of solution averaging .0033 ounces of Au/ton were processed. Plant recovery was 80+% for the month.

Approximately 452 ounces of gold were recovered by the plant and a total of 660 ounces remained in the carbon inventory at month's end.

The following tables shows the Manhattan production and variance for May and Year-to-Date as compared to the February operating budget.

<u>May</u>	<u>Actual</u>	<u>Budget</u>	<u>% of Goal</u>
Recoverable Gold (oz)	452	759	60%
Recoverable Silver (oz)	281	228	123%
<u>Year-to-Date</u>			
Recoverable Gold (oz)	1161	1729	67%
Recoverable Silver (oz)	636	519	122%

Recovery Plant: The Tonopah Recovery Plant began carbon stripping operations after a thorough systems test. Except for expected minor start-up problems, the system performed very well. The product from the first 5500 pounds of Plant carbon was recovered and cast to dore bars. Five dore bars containing a total of 501.1 ounces of gold and 220.2 ounces of silver were cast and shipped to the refinery.

Recovery from the carbon was 97%, a significant improvement over the historical figure. Also, processing time was reduced by 80%. A non-toxic alcohol is now being used in the reaction, solving a major health and safety problem.

The reactivated carbon is being tested for quality before return to the mine for use in the mill.

Metallurgy: Metallurgical tests on Manhattan, Tonopah, and McCoy ores was begun.

Budget Variance: The following summarizes the cost of operations and compares the costs to the estimates contained in the March 11th operating budget.

<u>May, 1976</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>% Variance</u>
Manhattan Operations	\$ 6,041	\$10,180	\$ -4,139	-40.6%
Tonopah Recovery Plant	5,116	2,575	2,541	+98.7%
Tonopah Office (Travel, etc.)	3,088	2,990	98	+ 3.3%
Assay Lab	1,178	1,625	-447	-27.5%
Research	1,193	1,250	-57	-4.6%
Recovery Plant Capital	1,323	1,323	0	0
Wages & Salaries (estimated)	41,988	44,000	-2,012	-4.6%
Total	\$59,927	\$63,943	-4,016	-6.3%
<u>Year-To-Date Thru May</u>				
Manhattan Operations	52,208	50,900	1,308	+2.6%
Tonopah Recovery Plant	13,267	12,875	392	+3.0%
Tonopah Office	16,798	14,950	1,848	+12.4%
Assay Lab	6,108	8,125	-2,017	-24.8%
Research	2,968	6,250	-3,282	-52.5%
Recovery Plant Capital	24,930	24,930	0	0
Wages & Salaries (estimated)	190,077	180,800	9,277	+5.17
Total	\$306,356	\$298,830	7,526	+2.5%



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DH-7-76-7

Internal Communication

Date: July 6, 1976
To: William J. Robinson
From: David K. Hamilton
Subject: JUNE PRODUCTION AND COST VARIANCE REPORT

GENERAL: The Manhattan leaching and extraction plant and the Tonopah Recovery (stripping) Plant operated throughout the month. Over 1,000 ounces of Dore metal was cast and shipped to the Refinery for bullion production. Progress on property evaluation and research continued.

MANHATTAN OPERATIONS: Around-the-clock operations of the leaching and extraction systems continued in June. Some downtime resulted from lime build-up in the pumps and sprays, but the performance was, overall, adequate. Recovery of gold from the solution was 85%.

The plant treated an estimated 73,000 tons of solution having an average grade of 0.0054 ounces of gold per ton. At month's end the carbon columns contained an inventory of 258 ounces of gold.

The following table shows the production variance for June and Year-to-Date as compared to the February operating budget.

<u>June</u>	<u>Actual</u>	<u>Budget</u>	<u>% of Goal</u>
Recoverable Gold (oz.)	361	735	49%
Recoverable Silver (oz.)	187	220	85%
<u>Year-to-Date</u>			
Recoverable Gold (oz.)	1,573	2,464	64%
Recoverable Silver (oz.)	847	739	115%

RECOVERY PLANT: The Tonopah Recovery Plant processed approximately 11,500 pounds of loaded carbon, recovering 90% of the gold contained. The renovation project was completed on time and within budget. The following shows the metal production for June and Year-to-Date.

	<u>Dore Ounces</u>	<u>Gold (oz.)</u>	<u>Silver (oz.)</u>
June	1,125.27	763.58	361.69
Year-to-Date	1,920.83	1,315.34	605.49