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ITEM
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THE MUD SPRINGS MINING DISTRICT

ELKO COUNTY, NEVADA

Report for ASX
By Mack Taylor
April 15, 1990

3310 0008

The Mud Springs Mining District is located in T28N, R60E, sections 13, 14, 23, 24, and 26, all in the Medicine Springs 7 1/2' Quadrangle map. This is in southeast Elko County, Nevada, about 70 miles by road from Elko and about 80 miles from Ely (see location on map).

HISTORY

The district was discovered in 1910 and mined irregularly between 1915 and the early 1950s. About 2,500 tons of ore were mined, all or nearly all of it from the "Golden-Pipe" Mine (actually named "Silver Butte" or "Dead Horse" Mine) shown on the map in the north part of the district. The ore was galena with silver, or their oxidized products. The production reports indicated that the ore averaged overall about 6-6% lead with 6-7 Oz per ton silver. Mining was confined principally to 5 northeast-striking vertical fractures, to a maximum depth of 600 feet. Barite was the major gangue mineral, with lesser calcite and minor silica.

Apart from the main mine, there is a small shift about a mile to the south from which a few tons of ore may have been taken. There are numerous small shafts, adits, and pits around the district--many showing galena, or its oxidized products, within barite, but no significant production is likely to have come from any of these.

GENERAL GEOLOGY

Host rock in the district is flat to shallow-dipping limestones, limey shales, and siltstones of the upper Permian Gerster formation and lower Triassic Thaynes formation. Introduction of ore into these rocks seems to have been passive and low temperature, with minimal structural disturbance. Dacite is reported to have been found within the mine and rarely pieces of

rhyolitic float can be found on the surface, but no igneous rock is known to crop out within the district. Alteration is almost entirely limited to iron staining and silicification, generally confined to the immediate vicinity of the mineralization.

EXPLORATION

The district has been explored by bulldozer cuts and drill holes only along its northern edge, near the main road. In the vicinity of the mine, a recent drilling program has blocked out a significant near-surface tonnage of silver-lead ore. Most of the district remains unexplored apart from shallow surface workings.

We believe there is good potential for major lead-silver mineralization in the south part of the district at depths no greater than a few hundred feet.

Apparent mineralization in the south is confined primarily within two northeast-trending hills that lie parallel to the road that divides the district (see map). The northern hill has a shear zone coursing along its northwest side that locally contains significant silver mineralization (see sample location map and analyses). Along the crest of this hill, particularly near the middle of the hill, there is a large amount of both bedded and vein barite at the surface. Some of this barite contains lead carbonate or other oxidation products of galena. Because of the intimate association of barite with lead-silver mineralization - both spatially and quantitatively - elsewhere in the district, there is a significant possibility of flat-lying or bedded lead-silver mineralization in this area (see hypothetical cross-section). There are several closely similar antiform structures containing lead-zinc-silver mineralization in the Spruce Mountain Mining District about 20 miles to the north, though with much less barite.

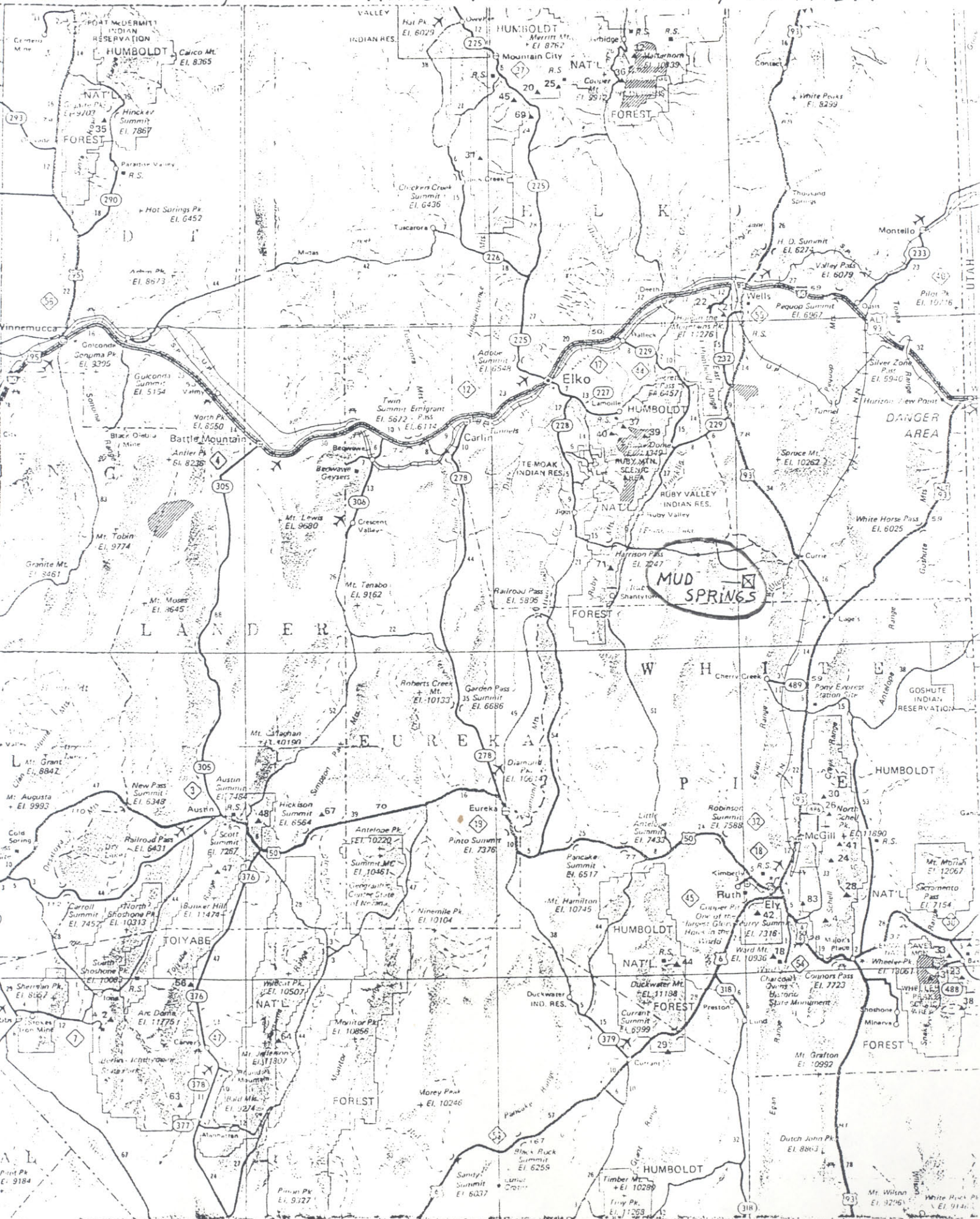
The southern hill has a number of small, northeast-trending veins of galena that have been explored with trenches and short adits. These veins lie approximately along the southwest extension of the shear zone mentioned above in the northern hill. Several of the veins and mineralized shear zones were sampled and are listed in the analyses. The dark brown iron staining which elsewhere in the district seems to be restricted to the immediate vicinity of mineralization extends southwest on this hill along trend for nearly a mile. Due to the soft nature of the host limestone and limey shale, surface exposure on this hill is poor.

This southwest extension of iron-stained ground has been explored locally with widely scattered prospect pits, but in general its nature is unknown.

We are planning to carry out an electromagnetic geophysical survey in May using an EM-16 VLF receiver. This instrument is particularly sensitive to massive near-surface (down to about 250 feet) conductors in the absence of groundwater. We intend to run a series of northwest-southeast lines along the northern hill, the southern hill, and the southwest extension. If all goes well (weather, mainly), this work, including computer modelling, should be completed before the end of May. The geophysical program is intended to guide a drilling program which we hope to carry out in June or July.

- NO GOLD KNOWN IN THE DISTRICT
- ANTICIPATE ~ 8-15 MILLION TONS, ~ 6% LEAD, ~ 6 g/TON SILVER
- ASX (PARTNERSHIP) = MACK TAYLOR + MIKE BARSTOW
BOX 96
ELKO, NV 89801
702-738-4940

LOCATION MAP, MUD SPRINGS MINING DISTRICT, NEVADA



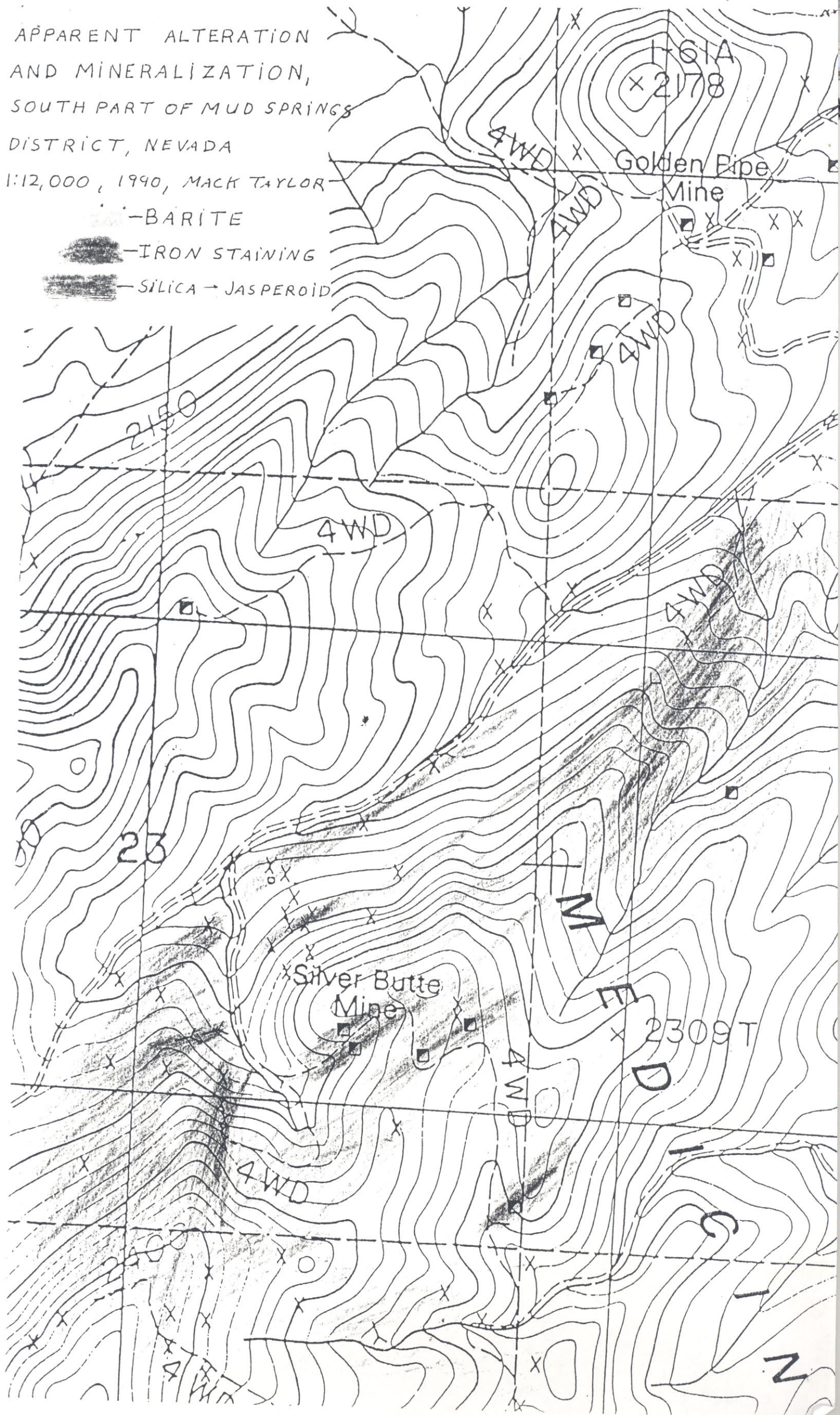
APPARENT ALTERATION
AND MINERALIZATION,
SOUTH PART OF MUD SPRINGS
DISTRICT, NEVADA

1:12,000, 1990, MACK TAYLOR

-BARITE

-IRON STAINING

-SILICA - JASPEROID

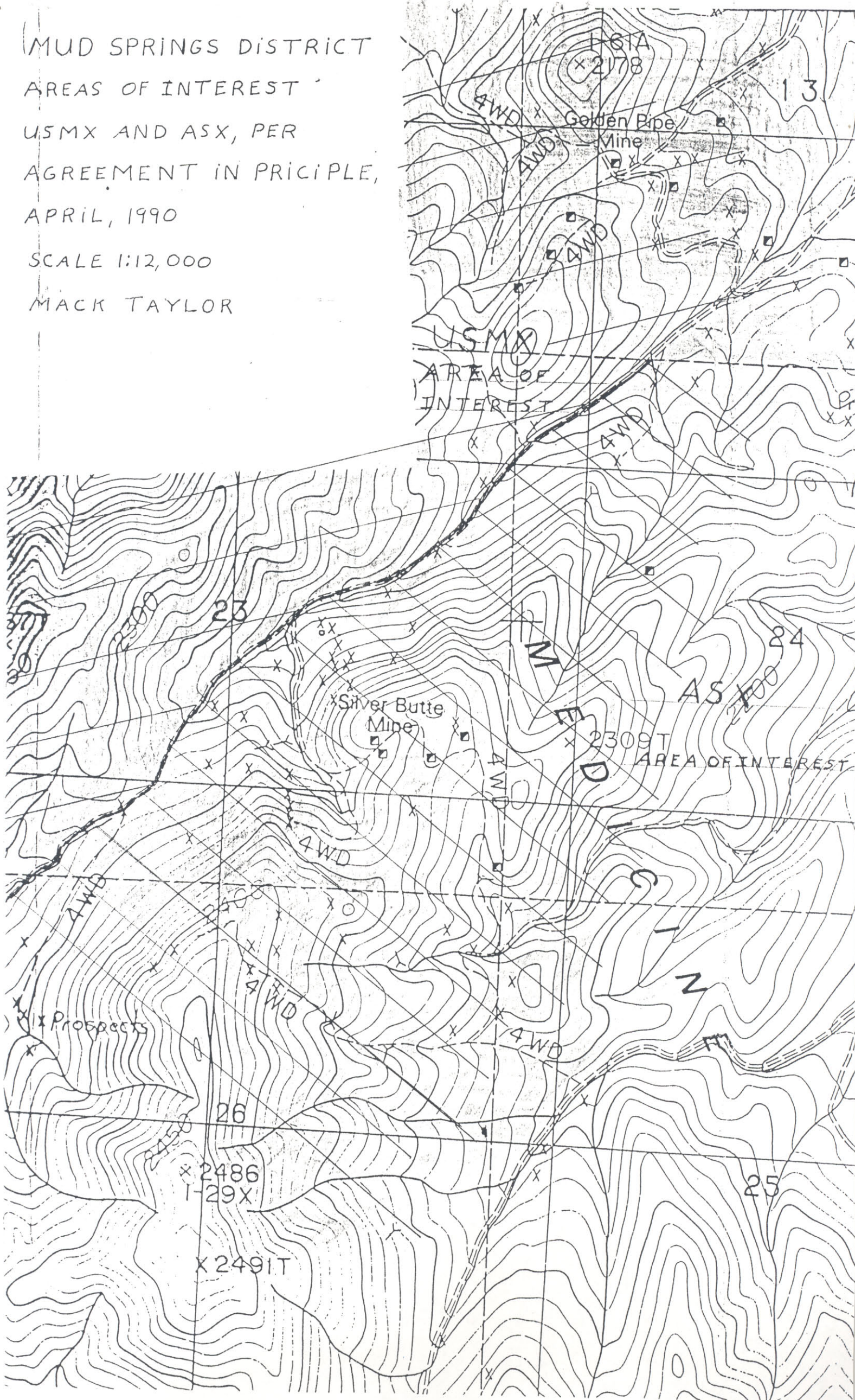


MUD SPRINGS DISTRICT
AREAS OF INTEREST

USMX AND ASX, PER
AGREEMENT IN PRICIPLE,
APRIL, 1990

SCALE 1:12,000

MACK TAYLOR



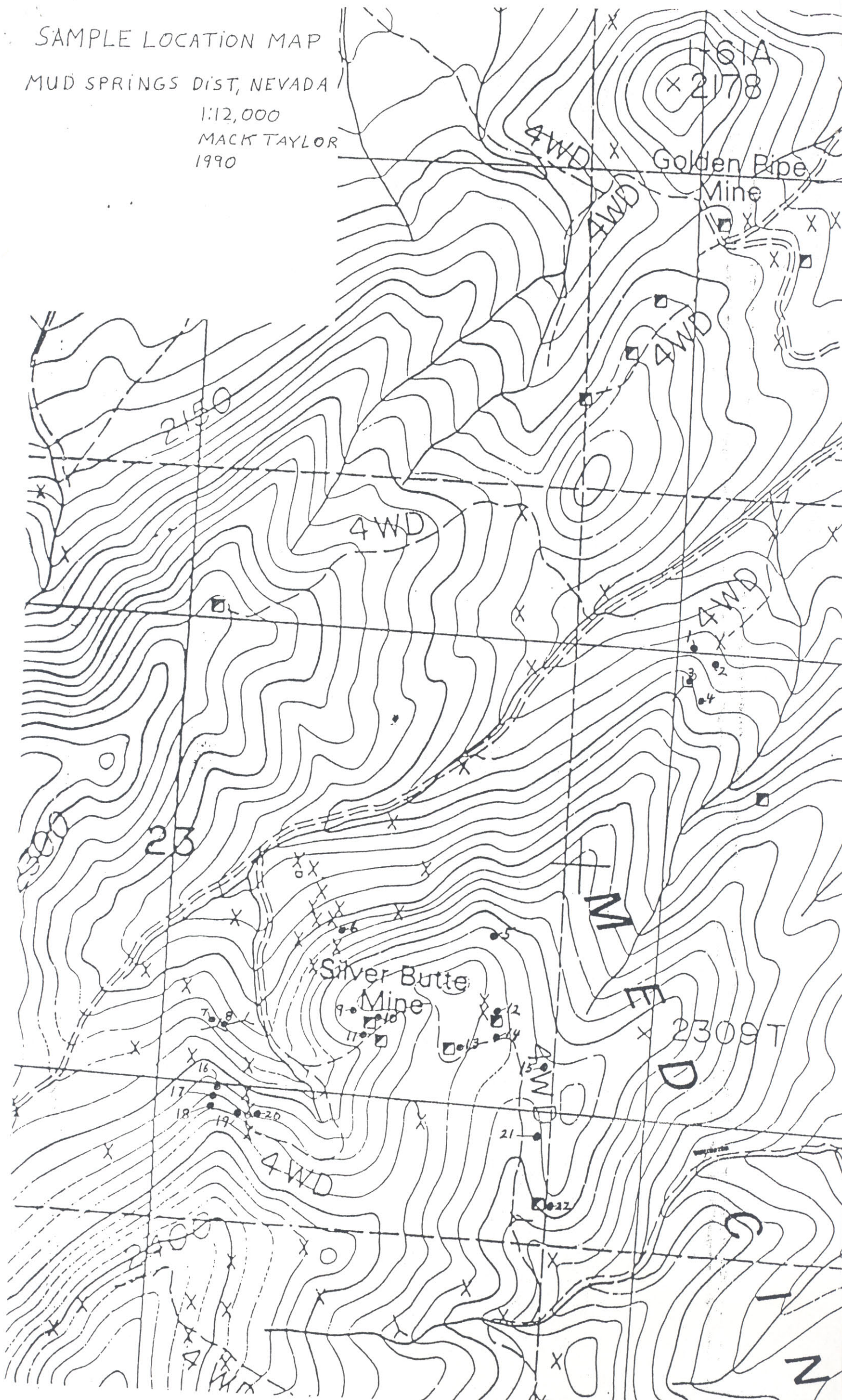
SAMPLE LOCATION MAP

MUD SPRINGS DIST, NEVADA

1:12,000

MAC K TAYLOR

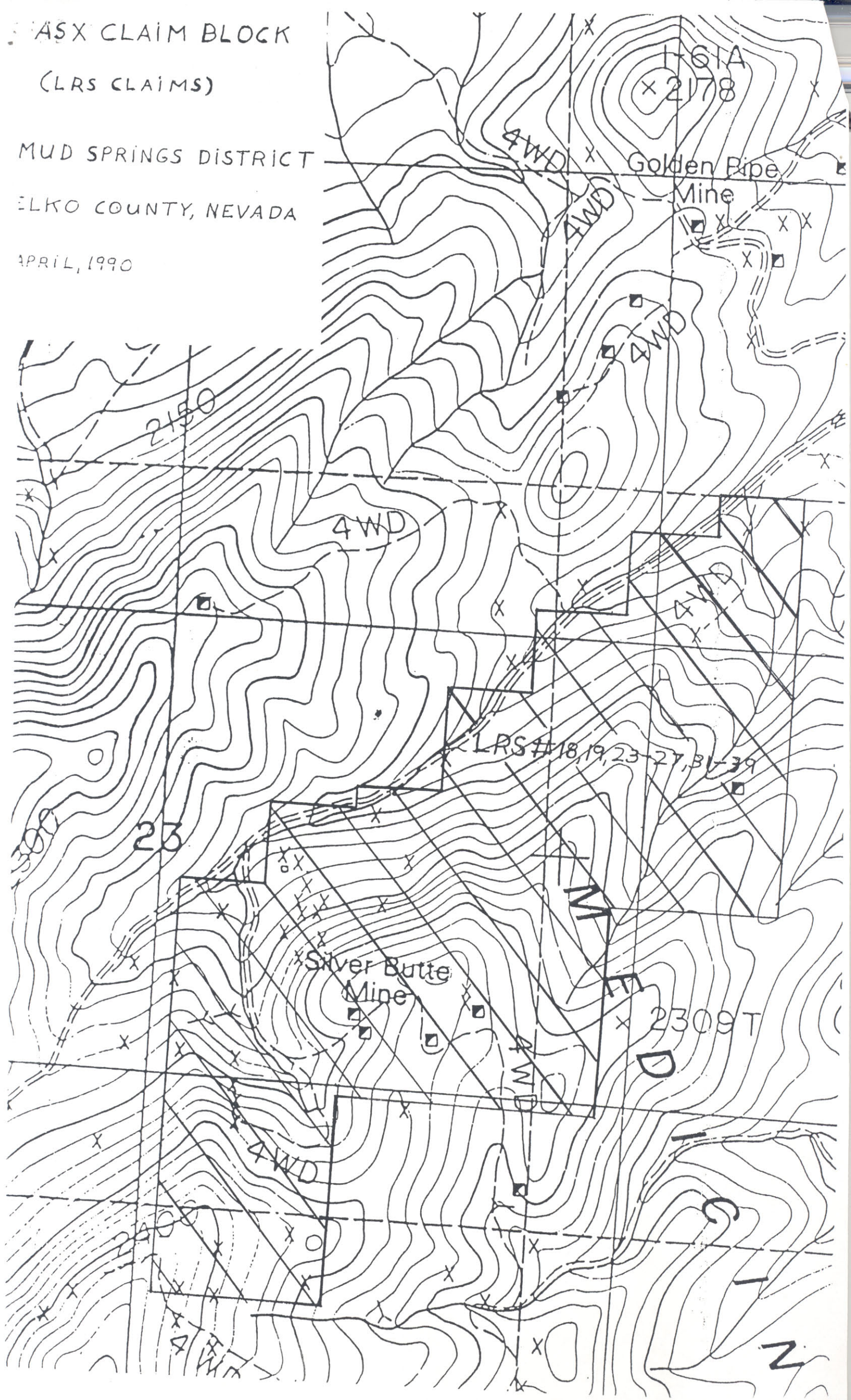
1990



ASX CLAIM BLOCK
(LRS CLAIMS)

MUD SPRINGS DISTRICT
ELKO COUNTY, NEVADA

APRIL, 1990

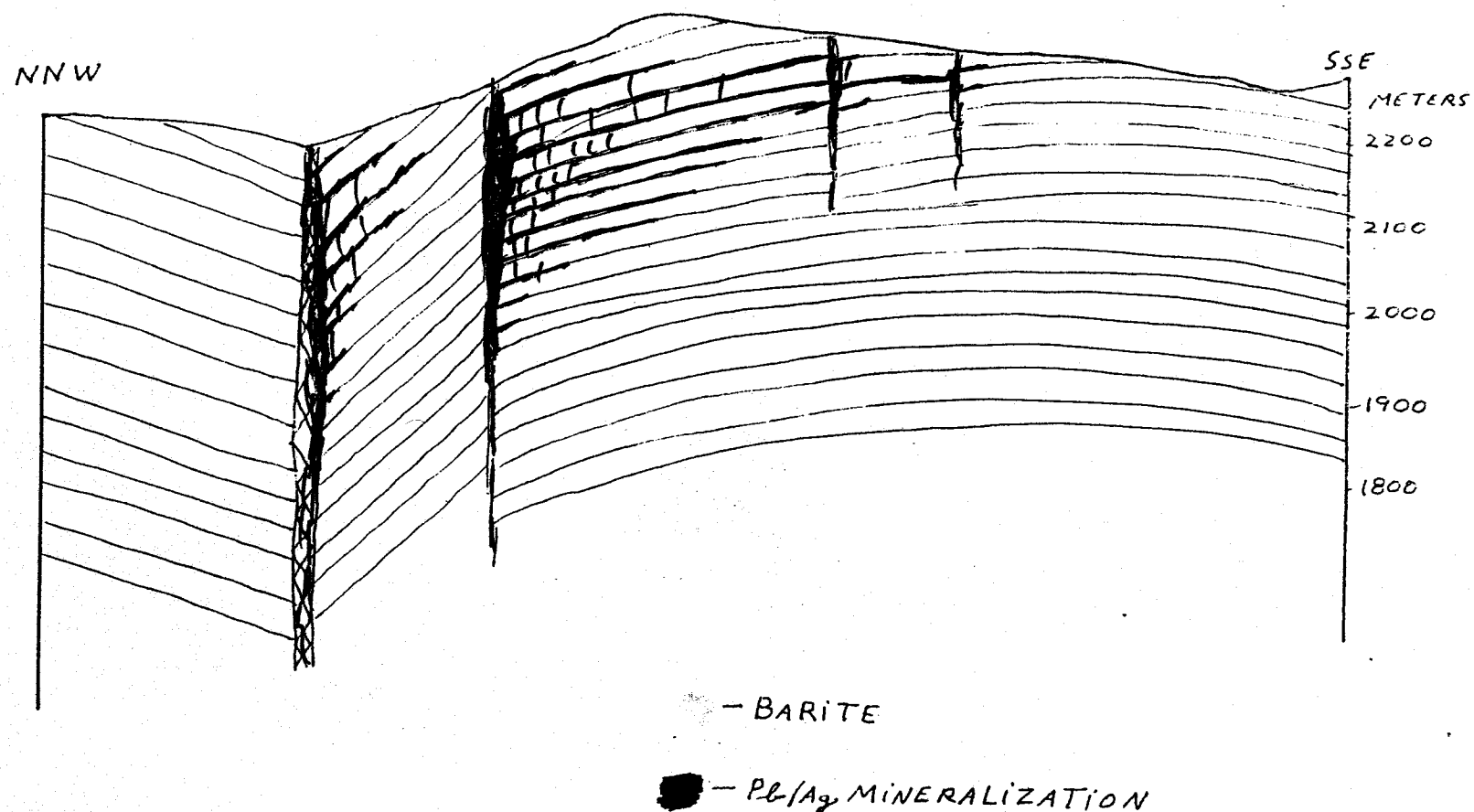


HYPOTHETICAL CROSS-SECTION

SOUTH PART OF MUD SPRINGS DISTRICT, NEVADA

MAC K TAYLOR, 1990

1:12,000



SAMPLE ANALYSES, MUD SPRINGS DISTRICT, NV.

SEE SAMPLE LOCATION MAP. SAMPLES WITH VISIBLE
GALENA ANALYZED FOR LEAD.

SAMPLE LOC	Ag. Oz/TON	Pb %	
1. ROCK	13.55		
SOIL	0.51		
2. ROCK	6.02		
3. ROCK	5.61		
4. SOIL	0.17		
5. SOIL	2.85		
6. ROCK	0.30		
7. ROCK	8.23	61.0	
8. ROCK	3.44	16.6	
9. ROCK	0.67	0.75	
10. ROCK	0.59	1.46	
11. ROCK	14.28		
12. ROCK	14.46	14.8	
13. ROCK	0.34	0.62	
ROCK	0.57	1.30	
14. ROCK	7.46	4.60	
15. ROCK	1.73	1.54	
16. ROCK	0.31		
17. ROCK	0.43		
18. ROCK	2.72		
ROCK	10.72		
19. SOIL	0.91		
ROCK	1.72		
20. ROCK	4.37		
SOIL	1.35		
ROCK	6.72	3.26	
21. ROCK	2.64	1.88	