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Silver Peak, Nev.
5 March, 1940

Dear Doc:

Inclosed you will find a Brunton sketch of the Argentite down as far as the 200 level, which is as deep as it is possible to get without ropes or putting in the ladders. It also shows the results of the few samples I got. With the sketch is a sheet with some notes which Ernie Shirley gave me. I didnt know what was ore so took what they had drifted on; and apparently, from the notes of sampling on the 200, there is better ore in the x-cut than that in the drift.

It is very similar (the vein) to the Nivloc, both in size and appearance -- the only difference which I noted being that there is one streak of barite in the Argentite which I dont remember seeing in the Nivloc. Anyway it looks to me as tho it would be well worth while to make a good sampling job of the shaft and all the openings; and if that stands up with my preliminary ones, then get some one to do some additional work to open it up. I have made some estimates on what it will cost to sample it thoroughly; and I am sure that \$750 will cover the whole job, including putting in stulls and ladders from the 200 to the 500, sampling everything, and the assaying. You can let me know what to do about it.

It has occurred to me that if the Nivloc should be looking not too good, this Argentite might be an out for them to keep their mill going eventually. It would be possible to get a road or tram down from the Argentite.

We were in Reno last week and went out to the Nevada Hills on the way back here. There are 7 sets of leasers working there; and some of them are making money. I still think that that is a damn good bet to get started on small money.

Tonight a fellow called me from Tonopah to say that he can get the extension of Northumberland, which has 100,000 tons of #12 ore in sight. I told him that I was leaving town for a week and he said that he can hold it until I get back, which I told him to do.

I am going back to Kingman to look at those things which we talked about. That little lead-silver might be a sure thing for a small operation; but personally I think that chances of finding a real mine are better in Nevada than in that part of Arizona. Hope you can get Corzeliuss to stake us to find one.

If you should be going back to Kingman in the next week you can wire me there until the 12th; or write me here after that. I have that Barry report on the Mary; but will keep it until I hear from you.

With best regards, I am,

Sincerely yours,

MALCO GOLD MINING CO

Recapitulation of All Ores Handled by Malco Gold Mining Company's

Mill at Gold Basin, Arizona, During Calendar Year 1940

<u>Mine</u>	<u>Dry Tons</u>	<u>Head Ounces Gold</u>
O K	1064.8129	378.75073
Excelsior	906.8778	393.99865
M O	189.0098	116.81272
O D	74.6101	22.20046
Fry (Queen Anne)	172.0585	30.15827
Eldorado	164.1374	63.16577
Music Mountain	93.8581	56.09150
Morning Star	128.9999	75.40696
Climax	79.9551	12.23871
Lady Mary	25.8421	9.35669
View Lode	9.4334	2.27069
Gold Link	27.7070	2.99240
Gold Hill	20.5054	7.66902
Mohawk	14.0275	9.48250
Polaris	17.0899	3.64014
Lillian	7.4497	5.10300
Rainbow	5.5687	1.96408
Lester #1	3.5492	3.00262
Gold Butte	1.2177	1.82046
Total	3006.7102	1196.12537
Average:	.3978 oz./ton; \$13.92/ton	

14 June, 1948

To the Board of Directors
Reorganized Silver King Divide Mining Co.
Tonopah, Nevada

Gentlemen:

The following is an estimate of the positive ore now opened in your Thomas W. and Gold Belt mines at New Pass, Lander County, Nevada, on both grade and tonnage:

The Thomas W. has in sight 25,296 tons with an average value of \$16.31 per ton.

The Gold Belt has in sight 19,649 tons with an average grade of \$16.87 per ton.

In calculating the grade of the ore weighted averages of all ore milled and shipped was used. It is considered that this is a very fair manner in which to arrive at the average inasmuch as the ore milled and shipped was mined from every section of the mine. An average of the cut samples taken throughout the mine will undoubtedly show a dollar or two higher value, the difference being due to dilution by wall rock in the mining of the ore.

As an asset to your Company the following figures should obtain in the operation, assuming a 10% metallurgical loss on the ore and an \$8.00 operating cost:

Thomas W; Grade \$16.31, less 1.63 plus 8.00 or 9.63, indicates a net operating profit of 6.68 per ton. This times 25296 tons shows a total of \$168,977.28.

Gold Belt; Grade \$16.87, less 1.69 plus 8.00 or 9.69, indicates a net operating profit of 7.18 per ton. This times 19649 tons shows a total of \$141,559.82.

Thus the total net operating profit for the two mines is indicated as \$310,537.10.

These estimates are based on the assay maps of the company and numerous visits to the property by myself, the last one having been within the past month.

Very truly yours

Harry H. Hughes

Shipped to	ore conc. Bul.	Date	Weight (wet)	Assay Au+Ag	Gross Val	Net Val.
Donovan mill	O	4/10/48	343.425	\$17.43	2873.23	2068.67
Silver City	C	4/7/48	84.85	5.46+8.79	703.40	591.35
A S & R Selby	B	4/1/48	16.43 oz	16.43 oz.	489.31	481.07
Donovan	O	3/27/48	230.475	\$21.30	2319.57	
A S & R	B	2/9/48	57.46 oz		1627.93	1613.71
"	C	1/30/48	76.35	3.66+17.97	422.76	400.26
"	B	1/19/48	89.86 oz		2251.91	2239.01
"	T3	1/12/48	84.55		2416.96	2401.80
"	B	12/1/47	72.73		1594.52	1580.66
"	B	12/10/47	80.78		1955.70	1940.75
"	B	9/10/47	90.93		2313.46	2299.20

Shipments from Newpass to April 10, 1948