3450 0001

(134)
Item 1

Preliminary Report on
The McDermitt Group of Mining Claims.

May 22, 1937.

The McDermitt group of mining claims, consisting of five claims, is located about 12 miles by road approximately So. So. West of McDermitt, Nevada, in Township 47, R.37 East. They are in the low foothills about 2 miles south of Washburn Creek and four miles south of McDermitt Creek, in Humboldt County, Nevada.

Winnemucca, Nevada is the nearest railway station and supplies would have to be trucked from Winnemucca to McDermitt a distance of 78 miles over oiled highway; Thence over five miles of graded county road and seven miles of unimproved road to the mine, a total of ninety miles. At the present time it appears that about five miles of road, running in an easterly direction, could be easily built and connect with the highway about seven miles south of McDermitt, making the distance from Winnemucca to the mine about seventy-six miles. Freight rates are about the same from Salt Lake City and San Francisco to Winnemucca, and will average around 75¢ a hundred. Haulage to the mine from Winnemucca would run between 40¢ to 50¢ per hundred, depending on road conditions.

The mine could be operated throughout the year, although difficulty would be encountered in the winter months during bad weather. Snow between one and two feet deep would have to be contended with during part of the winter and temperatures occasionally as low as thirty degrees below zero might be encountered. More commonly temperatures of between zero and freezing would normally be expected.

No power is available in the district. This would have to be provided for at the mine with either Diesel or gasoline units. Fuel oil of 27° Be. delivered at the mine would run between 10¢ and 11¢ at the present prices and gasoline between 18¢ and 19¢.

There is no water supply in sight at the mine. The nearest water being Washburn Creek about 2 miles distant. It is said that this stream dries up or is diverted part of the time during the summer. However, it seems likely that a shallow well could be drilled in the flat near the stream and water supply secured in this manner. If this should be impossible water could be obtained from McDermitt

Creek a distance of four miles from the mine.

History:

The McDermitt group of mining claims was located or found by Tomas Alcorta around the first part of 1931. He was not a citizen at that time and he had a friend of his, Eusebio Aznarez, (a citizen)stake the claims on Jan., 4, 1931. Later a transaction making the two equal partners in the claims was recorded.

A lease was secured by the company operating the Opalite mine (part of the Bradley organization) in 1934. This instruement insured an income of $300 a month to the partnership and a royalty of 12½% of the gross production. No shipments of ore were made during this lease. Work consisted of sinking an incline shaft and drifting and cross-cutting at the bottom of this shaft. All work being done by hand. Work was suspended in the fall, when the Opalite mine was closed, with the lessors' permission, the payments however, were continued. The next spring a new lease was prepared gauranteeing $100 a month and 12% royalty by the lessee. This was rejected by the lessors and from that time on they have been unable to reach a mutual agreement. During the time of occupation by the Bradley company the mine was called the Cordero mine by them. After the apparent indisposition of a mining company to send an engineer into a remote locality to examine a property so close to the Opalite mine and at one time under lease to them, the Bradley representative has from time to time proposed new leases, each succeeding one being less desirable than the previous, from the lessors' point of view.

No reports, maps or assays were obtained by the lessors during the operations and to date they have no engineers reports available to use in interesting capital or buyers.

In the spring of 1936 a lease for 5 years was granted to a Mr. W. J. Kelley of Kansas City, Missouri. This lease provided for an income of $300 a month to the partnership until a plant with a capacity of five tons of ore per twenty-four hours was put in operation on the property. A water supply was also gauranteed. The first payment of three-hundred dollars was due one month after the lease was signed. This payment was missed and the lease was automatically cancelled.

In the summer of 1935 a shipment of ore from various dumps on the property was trucked to the Opalite plant. This shipment consisted of sixty-eight tons of high-grade ore. Forty-two flasks of quicksilver were cleaned up from this shipment and settled on. This shipment is the only one made from the property todate.

At the present time the owners indicate a preference for attempting to work the deposit themselves. They somehow believe that a large tonnage of four and five pound ore exists on the property (present sampling does not indicate this). Because of this fact they have expressed themselves as more willing to take a chance themselves with a small plant on the higher-grade ore than lease unless the lessee would be able topput in a plant capable of treating around one-hundred tons a day in order to be able to mine the low-grade ore. A plant of this capacity would give them a chance to receive royalties on a much larger quicksilver output. They also express themselves as being unwilling to enter a bonded lease agreement. The only terms which they indicate accepting would be a cash settlement at their "valuation" for the property.

Geology:

The geology of the deposit is difficult to understand with so few openings that go below the overburden. As near as can be seen at the present: A series of sedimentary layers of sandstones, calcareous and silicious sinters underlie a capping(at this time believed to be a highly silicified rhyolite). All beds dip to the north at approximately a 45° angle. The only ore mineral recognized was cinnabar. This occurs along a fracture zone in the inclined shaft at the contact between the (silicified rhyolite?) and the softer lake bed deposits immediately underlying it. This soft bed is deeply colored with hematite in places and in other places has an oolitic structure. The oolites being formed of hematite. The hard cap-rock is highly fractured and in the crosscut shows mineralization at several places as strong as that shown at the bottom of the incline. At no place on the surface is this proven. The trenches have stopped at the hard rock and it is hard to tell whether any of this mineralization away from the contact becomes ore as it nears the surface. At one or two places outcroppings of the cap-rock was estimated as being ore of commercial grade.

A sketch of the claims and workings is shown together with a few samples cut on the 11th of April 1937. Sampling and openings actually insufficient to block ore.

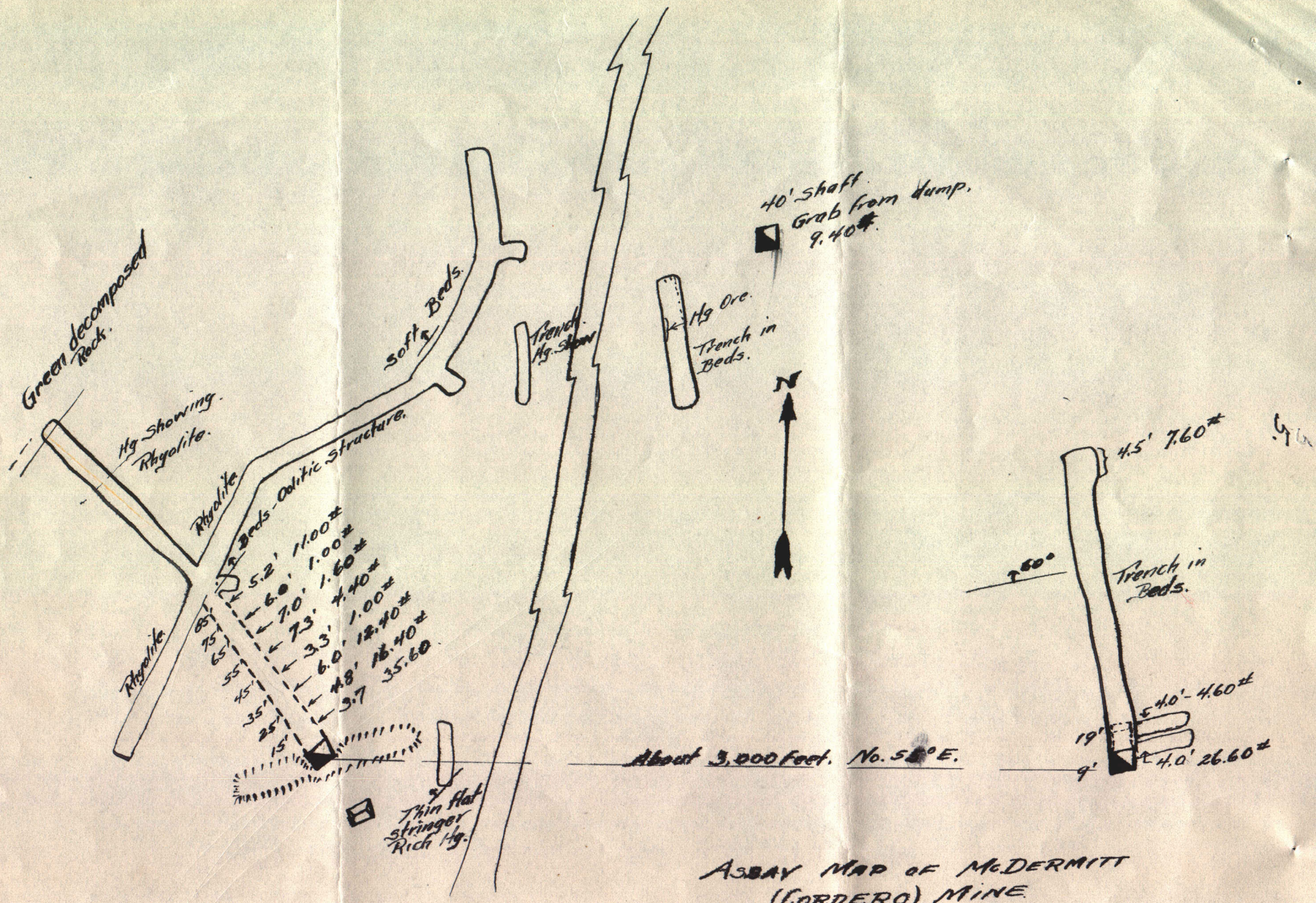
Several fractures are at an angle to the bedding and it seems there might be a chance for primary enrichment where and if these fractures extend into the more porous footwall.

Near the eastern end of the claims is a shaft nearly twenty feet deep which shows a strong mineralization near the surface in a tuff or sinter formation and around one-hundred feet to the south of any cap-rock.

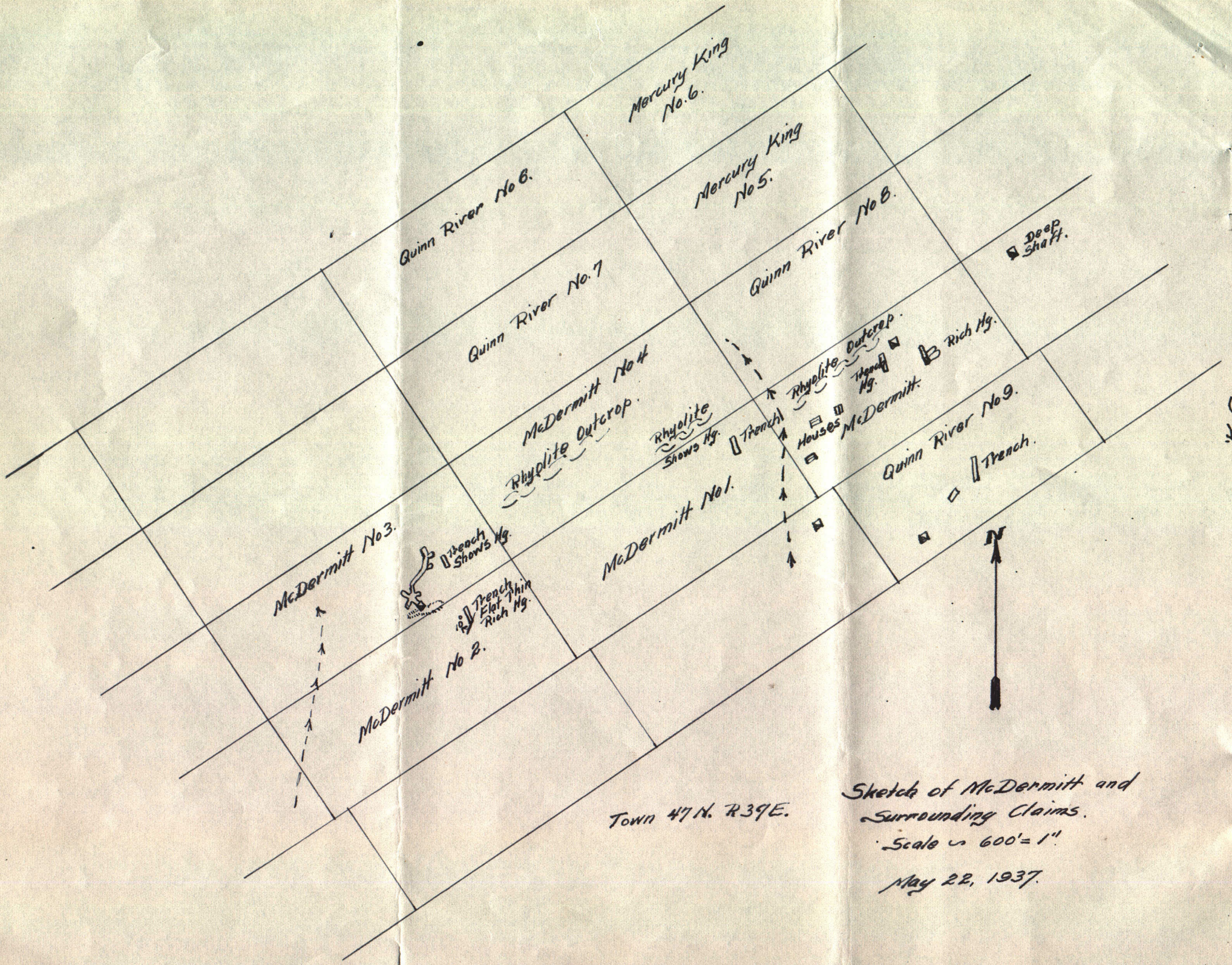
Nearly every trench on the property shows cinnabar as well as a number of outcrops of the cap rock. Most of the trenches are too shallow to actually show the nature and indicate what is underneath. Because of this fact the only recommendation that can be made at this time is that additional work be done in the form of crosscuts and drifts at a shallow depth (probably 35 to 45 feet below the overburden). Cleaning out and deepening the present trenches to a few beet below the overburden would also be of great value.

From the large number of showings and their various positions it seems that there is a possibility of several mineralized and parallel zones. Just how much of these and the number of them that will make ore is impossible to tell at the present time because of insufficient development. Just what bearing the cross-fractures will have is also impossible to forecast.

Cinnabar is shown six-hundred feet to the east at a higher elevation in the small shaft on the Quinn River No. 9 claim owned by Luis Bilbao and two partners. The soft talcy material has to be panned to show its presence but it is claimed that it will run six pounds of quicksilver to the ton. There is no cap-rock on any of their claims. This seems to indicate that mineralization might have taken place in some of the cross-fractures. There is evidence of cross-fractures striking at nearly right angles to the general formation at this point.



ASSAY MAP OF McDERMITT
(CORDERO) MINE
from Samples Taken
April 11, 1937
Scale 40' = 1"



Town 47 N. R39E.

Sketch of McDermitt and Surrounding Claims.

Scale ~ 600' = 1"

May 22, 1937.

This mine is located in the belt of quicksilver mines formed along fault zones cutting through the old lake beds of the Lahontan area. According to C.N. Shuette[1] this belt warrants intelligent prospecting. The geology seems to bear out his trap-rock theory of primary enrichment of quicksilver deposits.

The Opalite Mine about 25 miles to the northwest has been in operation since 1924. The production is not known as this is written. They have had a 100 ton furnace in operation during the summer months during most of that time and with the exception of two or three seasons the production came from the open-cut at the Opalite. The ore in this property is cinnabar filling fractures in a silicified sinter from hot spring activity.

The Bretz mine is about 8 miles east of the Opalite and was leased to the Bradley people for two or three years. During the period of the lease the mine produced $750,000 worth of quicksilver from high-grade ore. This deposit was formed along a fault running in an easterly and westerly direction. The old lake beds to the south were pushed up until they made contact with an overlying rhyolite flow to the north. These beds were enriched by cinnabar near the surface along the fault zone. Some cinnabar is found in the adjacent rhyolite but it is low grade and has never been mined. This deposit was mined by power shovel. The waste and low-grade was stacked near the pit, the higher-grade ore was trucked to the Opalite plant and treated. This fault zone can be easily traced for about a mile west of the mine, and is being prospected at the present time.

Equipment and Condition:

The property is very poorly equipped.

Two small building are on the property and in good shape. They are about 12' by 14' frame structures. One is covered with tar paper the other with ship-lap. A frame for a tent-house is also standing and could be used.

The incline shaft is equipped with an A-frame of 4x4 construction and 4x4 skids for a bucket. About 200 feet of 12# rail could be salvaged from the dump and the drifts. No buckets, cars or tools are left on the property. A small frame building used for a hoist room would have to be

1. Lahontan Quicksilver Deposits - C. N. Shuette, E.& M.J. August, 1933.

almost completely reconstructed.

The incline shaft is in fair condition, being timbered and lagged enough to hold the soft ground. The east end of the drift is beginning to cave badly. The ground is not taking weight but is simply spalling. No timber was used in the drifts or crosscuts. T

The inclined shaft is 95 feet on the dip, inclined at 45º A vertical shaft 40 feet deep is near the eastern end of the property and is untimbered. Southeast of this is a steeply inclined shaft about twenty feet deep with two drifts running to the east from it. One is ten feet below the surface and the other at the bottom of the shaft.

Summary:

The above pictures the property and its history as closely as can be gathered from general information, a hurried study of the mine and vicinity, and a rough sampling of the property.

The original lease to the Bradley people was not available and should be studied as well as recordings of location, assesment work and various other legal matters.

No tonnage estimates or reserves were attempted because of the small amount of work done and the erratic nature of quicksilver deposits. Enough is indicated to warrant further development and it seems that a small plant could treat enough of the high grade ore to make this profitable.

Respectfully submitted,

Philip McGuire

Philip McGuire.

TELEPHONE WASATCH 1199

Hand Sample Serial 2524-37

ASSAY CERTIFICATE

UNION ASSAY OFFICE, INC.

J. V. SADLER, Pres.
A. C. SELBY, Vice-Pres. & Treas.
A. C. SELBY, Jr., Secretary

Salt Lake City, Utah

Mine Philip McGuire

April 16, 1937

RESULTS PER TON OF 2000 POUNDS

NO.	CLASS	GOLD Ozs. per Ton	GOLD VALUE	SILVER Ozs. per Ton	LEAD Per Cent	~~COPPER~~ Per Cent Wet	INSOL. Per Cent	ZINC Per Cent	SULPHUR Per Cent	SPEISS Per Cent	IRON Per Cent	LIME Per Cent	Per Cent
						Mercury							
M-1						1.78							
M-2						0.82							
M-3						0.62							
M-4						0.05							
M-5						0.22							
M-6						0.08							
M-7						0.05							
M-8						0.55							
M-9						0.08							
M-10						0.05							
M-11						1.33							
M-12						0.23							
M-13						0.38							
M-14						0.47							

Remarks

Charges $ 28.00 Pd.