3750 0007 Nevada 289

Item 7

REPORT ON ANMOREL PLACER CLAIMS

PERSHING COUNTY, NEVADA

January 15, 1974

Gentlemen:

The five Anmorel placer claims lie in the Rabbit Hole Mining district of Pershing County -- reference is made from University of Nevada Bulletin, "Placer Mining in Nevada" -- issued May 15, 1936 -- Volume 30 No.4. This is the last formal report available on this property, but the article states that gold recovery using dry washing methods amounted to an average of about $2.00 per yard. This when gold was $35.00 per ounce. At today's prices this would amount to approximately $7.42 per yeard. Reference is also made to some recovery which averaged as high as $60.00 per yard. At today's market this would be equivalent to $222.60 per yard.

The author in extensive examination of the property over a nine month period in 1972 is atisfied that in at least two ore bodies amounting to approximately 5,000,000 cubic yeards of ore that the $7.09 per ton value in gold will be a consistent average and that some of the areas will far exceed this amount per ton.

The method of testing the property was extracting the ore by hand method and washing it through a small 8' sluice box. After each yard was washed the concentrate was extracted from the riffle and carefully panned. All of the gold was separated from the black sands and other metals and then weighed to determine the approximate value per yard. The black sands concentrate was then separated into two parts by using a powerful hand magnet. The magnetic iron would be attracted to the magnet, and the balance would represent a residual of Cassiterite (tin) Titanium, mercury, silver and other of the metals complex. No effort was made to determine the exact value of the other metals but it is expected they could be as valuable as the gold and in some areas exceed it. All projections are based on the gold value alone as the other metals will probably be sold as concentrate.

In the claims there are some extensive workings done in the depression days. These workers naturally went after the richest material in order to provide a living wage from crude hand methods of ore extraction. These workings provide easy access to various areas of prime importance as the so-called start area. The area of particular interest is the westerly portion of the claim and a large alluvial fan designated as the Red Bank area. In addition to the samples

actually measured, washed, panned and weighted, various pannings were taken at random and a rough estimation made of the consistency of the gravels.

The gold bearing gravels appear to lay above successive layers of a false clay bedrock. They are approximately 6' thick and carry gold in a relatively even disbursement although values in some areas increase sharply 6" to 12" above the clay layer. In the deepest shaft, dug to a depth of 114' the values are said to average $4.50 per yard the entire distance of the shaft. In checking various shafts by the panning method consistent gold recovery should be maintained in the westerly portion to a depth of an estimated 100 feet. The results of extraction and washing by hand methods are as follows:

Sample #1, Westerly portion of claim

1. one yard run - coarse gold - per yard - $10.00
2. 2 yard run - coarse gold - per yard - 8.00
   (other metals heavy - cinnabar in small nuggets)
3. Panning from surface area down should show excellent returns. Heavy black sands occur in the concentrate carrying tin, mercury, titanium and magnetite.

Sample #2, Westerly portion of claim

1. one yard run from tailings and ditch samples showing coarse and fine gold - per yard - 3.00
2. Panning from various shafts - tailings all showing good, consistent gold yield at various levels tested.

Sample #3, Upper end of Piller Area.

1. 8 yards run - fine to coarse gold - per yard - 5.00
2. 2 yard run - samples of other pillers-per yard - 4.00
3. Panning of pillers before collection both North and South ends showed good and consistent gold yield. Heavy metals in concentrates.

Sample #4, Northerly Cuts

Material hand carried - approximately 1/2 yard
Washed, fine gold and black sands - approx. per yard - 1.00

Sample #5, Cuts from Central Ridges

Panned all - showed good gold yield at various levels.

Sample #6, Red Bank area

12 yards run from surface mixtures of overburden and ore from deeper cuts. Heavier nuggets were recovered here as well as native mercury, cinnabar, cassiterite and other metals. Values averaged from $1.83 per yeard to $3.50 per yeard - Average estimated values per yard - $2.50

Sample #7, Lower end of Red Bank

3 yards run, fine to coarse gold, per yard - 3.00

Sample #8, Lower end of Red Bank

Underground, hand carried, approximately 1/2 yard, gold, fine to heavy with much black sand and tin present - per yard 7.00

Sample #9, Panning of Red Bank Area - south to north

Showed gold yield to be heavy and consistent.

The amount of samples measured and weighed approximated 30 yards with an average per yard return of $4.00. This equates to an average run of $2.70 per ton in gold. The average stripping ratio is estimated to be not more than 7 to 12 feet in 25 feet. In most areas ore can be taken right at the "grass roots".

Other test runs were made but no attempt was made to weigh the results. The attempt was to check the consistency of the gold dispersed through the gravels. As a result of these tests, the following determinations were made:

A. Westerly area was delineated to be approximately 540 feet in width and 1,000 feet in length with an average depth of 50 feet. This is equivalent to 1,000,000 yards.

B. Red Bank area has an approximate width of 540 feet, 2,000 feet in length and an average depth of 100 feet. This is equivalent to 4,000,000 yards.

The total tonnage available in these two areas would equate to approximately 7,500,000 tons.

On the basis of a $1.50 per ton average these first areas of production should yield approximately $11,250,000.00. As production proceeds the entire area of the claim--650 acres will be tested on a grid basis--projections follow.

By /S/ Clarence Niebuhr
Clarence Niebuhr

From Victor Burgard
Consulting Engineer
Mining & Industrial

Reno, Nevada
November 9, 1953

Mr. Mauric Constant, President and General Manager
Constant Mineral Separation Process, Inc.
530 California Street
Reno, Nevada

Re: The Pershing County, Nevada, Placer Property and Developments.

Dear Mr. Constant:

My general inspection and observations of the subject property with you on November 6, 1953, revealed more essentially favorable factors and features than any placer I have seen in the American mineral regions during my thirty years of engineering examinations.

That statement is based upon the following:

(1) The vast and extensive continuity of the placer occurrence.

(2) Property accessibility and minimum of interfering surface growths, trees rock intrusions, cohesive clays or boulder accumulations.

(3) The various gradient contours of the property expanse afford numerous production plant locals and residue disposals. These factors and the horizons of pent-up water you have developed by excavations and drilled wells throughout an extensive area, assure extraordinary operating potentials.

(4) Conspicuous in your nominal depth excavations in the upper zone throughout much of the operating camp area, was the occurrence of apparently ferruginos reddish deposit material which may have formed under lateritic conditions. Such mineralization is directly related to the period of laterization either in situs and/or during the topographic development of the region. However, until greater depths are exposed a more precise geological dating is not readily assignable.

Probably the mineralization of the medial and lowest zones may have enrichment results due to leaching of the lateritic horizons. That suggests that mineralization in the deeper zones has been continuous since primary laterization throughout the placer deposition. The depth to which economic mineralizations will extend from one zone into another will probably b gradational as well as variable. The composites of the detritus were created from the weathering of ultrabasic rocks, some of which were converted into magnesite by the carbon dioxide-bearing weathering solutions: the magnesite was transferred by solutions into magnesium bicarbonate in the uppermost weathering zone. Whereas silica, hydrosilicates and iron oxide remain as a residue, which, being stable in aqueous solutions can move for considerable distances under proper conditions. Small pellets of red iron oxide in the reddish upper placer zone are characteristic. These usually are auriferous and only para-magnetic when limonite or hematite are not occluded.

(5) The occurrence of the variegated precious, noble and rare minerals, as recovered and classified in the composite concentrate free minerals

ranging from gold, cinnabar, chrome, tungsten, nickel-cobalt, cassiterite, titanium, and other, logically precludes that they were liberated from the variegated host-rock formations visible in the over-size screened accumulations at the various yardage operations. Extensive areal geological study of the more elevated regions would be necessary to properly define the metasedimentary rocks as the genitic source of the aforesaid placer minerals. That is, whether the genisis of deposition was the result of receding pleocine waters or glaciation. The prevalence of angular rocks occurring in the upper zone excavations bear mute evidence of either mode of deposition in varying stratas prior to the present gradual canyon erosions which formed the present property topography.

(6) Disregarding the precise geology for the present, the various minerals mentioned occur with the gold, and the variety host rocks are evidence of a variety of mineral bearing metavolcanic formations broken and moved into their present depositions which constitutes the subject placer.

(7 Therefore, since your developments and yardage placer operations definitely have proven a consistent yield of both precious and industrial minerals your future productions will, in my opinion, as a multi-mineral placer operation, develop into an exceptionally profitable enterprise.

(8) The composite mineral value segregations at the placer treating plants; and the subsequent separation or refining of the various component minerals of the composite segregations into the respective separate commercial products, is the most economical and practical procedure as now planned by you.

(9) The general mobil equipment, placer treating plants, central electromotive generator plants, with your reserve water supplies, property developments, and excellent housing accomodations now upon the property evidence carefully planned investments, as well as practical, meritable future developments for dependable recovery of placer values.

In conclusion will state that with vast workable yardage, adequate water and multi-mineral value productions, every favorable factor exists to emble your planned plant operations to realize very favorable net operating proceeds for a long term of years in contemplation of exhausting your extensive property.

The value production may be illustrated by an estimate as follows:

(1) Yardage in the upper zone 30' deep per acre, or approximately 48,000 yards at an aggregate composite mineral value estimate of $1.02 per yard would yield per 100 acre upper zone operation approximately $4,896,000.

(2) The above 100 acre unit operation extended throughout your total workable upper zone property acreage; and that eventually extended into the lower zones is merely a detail of depth and acreage multiplication. Estimating 5,000 yard daily operations would require three years to exhaust 100 acres and to produce the estimated $4,896,000 from a 30' depth in the upper zone per 100 acres at $1.02 per yard gross yield in gold, per the aggregate average assay per actual recovery from tests on an estimated 1,065,000 yard area of your property. My composite concentrate examination has revealed other mineral values to materially exceed the gold values.

The dacite dips gently to the west. Tuff and tuffaceous sandstones and agglomerates vary in color from light gray to greenish gray. Locally the tuffaceous sandstones are cross-bedded.

Mineralogical and assay data made available to the Nevada Bureau of Mines indicate that the titaniferous placer material contains abundant magnetite, titaniferous magnetite, and ilmenite(?). Qualitative spectrographic analyses indicate that most samples contain from several percent up to nearly 10 percent TiO_2. Although several of the samples collected along Salisbury Wash and its tributaries contained a maximum of 9 percent TiO_2, the samples averaged less than 1 percent TiO_2. The high-grade samples were collected from stream-concentrated black sands. There are only a few tons of the concentrated titaniferous gravels in the area.

Pershing County

RABBIT HOLE SPRINGS DISTRICT

Constant Mineral Separation Co.

This district is located on the western flank of the Kamo Mountains about 12 miles south of Sulphur, Nev. It is a placer gold district and although placer mining flourished during the last two decades, the district is currently inactive.

The area consists mainly of pre-Tertiary slates and schists partly covered by valley alluvium and terrace gravels which contain placer deposits. To the east, Tertiary volcanic rocks rest unconformably on metamorphic rocks. In 1958, the Federal Uranium Company had an option on the property of the Constant Mineral Separation Company, and was exploring the area for placer tungsten deposits. Titaniferous magnetite-rich samples of placer concentrates contain up to 5 percent TiO_2.

SCOSSA DISTRICT

Pershing Titanium placer claims

The Pershing Titanium placer claims (T. 33 N., R. 30 E.) are situated adjacent to the western flank of the Antelope Range about a mile southwest of Scossa, Nev. The 16 placer claims are owned by John Prater, Robert Chandler, and associates of Lovelock, Nev.

The unpatented placer claims include low, rolling hills composed of grayish sericite schists and slates. These metamorphic rocks contain small but variable amounts of sphene, rutile, and titaniferous magnetite; placer debris containing up to several percent TiO_2 occurs locally in and along small stream beds in the area.

The Nevada Mining Analytical Laboratory assayed more than 20 samples from the Pershing Titanium claims. Assays of these samples varied from less than 1 percent to 1.6 percent TiO_2.

C O P Y

KENNECOTT COPPER CORPORATION

120 Broadway
New York 5, N. Y.

October 13, 1949 - N.Y.C.

Mr. W. T. Warren
Rt. 1, Box 440
Reno, Nevada

Dear Bill:

After discussing, with Mr. Gray, the matter of the proposed option on the group of placer properties near Sulphur, Nevada, totalling 12,760 acres, I am authorized to state that we are willing to concede that the purchase price figure given in your rough brief, should be raised from $1,000,000 to $1,150,000.

The general terms in your brief will likely be acceptable, provided additional terms safeguarding the interests of this company are added. For example, you would have to guarantee titles, etc. etc. It must also be understood that this company is not to be committed to any contract, until it has been approved by our Legal Department. So I suggest that we try to get the option contract in a form that looks all right to us, and then submit it to Mr. Gray and our Legal Department.

Immediately on getting Mr. Gray's approval to go ahead, I telephoned Mr. Brockon, and have no doubt but that you have already been advised, and are going ahead with the business as quickly as possible.

I am planning to remain in the States for the next few weeks, so shall be very glad to consult with you by telephone - (Dexter 2-0000 - Extension 74 - New York) at any time. Also, if you think I can be of any help to you on the ground, please let me know, and I am sure that I shall be able to arrange to fly out there. I hope that you are able to get your various parties lined up as quickly as possible, so that the option can be signed while I am still in the States. This might expedite matters considerably.

I am sending a copy of this letter to Mr. Brockon, so that he will also know that I will be available in the States for the next week or two.

Sincerely yours,

(signed) Robert D. Ferron

RDF:dm
cc: Messrs. Anton Gray, New York.
L. S. Brockon, Salt Lake
R. D. Ferron, New York

Files