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(289)
Item 10

September 2, 1976

Mr Robert Seeger
962 Cooper Ave
Yuba City, Ca. 95991

Subject: Report on Examination of Placer Property in Northern
Pershing County, Nevada.

Dear Mr Seeger:

With regard to my recent examination of the large placer property located in northern Pershing County, Nevada, known collectively as the Constant De Rebecque, Mary Smith and Industrial and Petroleum Inc., properties, the following observations and reports of findings are respectfully submitted:

The complete property is very large, claims are contiguous, trees are limited to a few near the Rabbit Hole Spring area, gentle rolling high desert country with very few large rocks or boulders. The surface can be driven over almost anywhere with an ordinary vehicle.

Random sampling by panning reveals the presence of gold in all areas covered, however, it must be realized that the complete area of approximately 20 square miles is far too vast an area to sample thoroughly in a few days. The general topography is highly favorable for specific area checks and tests. The on-the-spot sampling and tests were made to determine whether or not the gold and other minerals actually existed on the property. No effort was made during the field tests to evaluate the values produced by the hand panning. In order to perform complete tests many samples were taken with me to Los Angeles where they were carefully subject to various tests, identification, and microscopic examination.

The precious metals found were gold and silver. Gold was in all samples, but silver was not. In addition to the precious metals iron, mercury (both native mercury and in the mercury ore cinnabar), tungsten, tin and titanium. Various amounts of "black sands" were found, and it is recommended that further work be done on these black sands since in a large operation there will be considerable volume and value involved. The added value from the black sands would be in addition to that from the gold.

Screening and sieve tests were made on several representative samples. In this series of tests no gold was found in any of the plus 30 mesh (Standard Tyler) per inch screen opening size. There was very little "fine" gold under the 100 mesh size. While the fine gold will not increase substantially, the more coarse fraction will increase both in quantity and in ratio as bedrock, or false bedrock is neared. It is likely that many false bedrocks will be found here. Microscopic examination shows the gold pieces are rough, with small sharp protrusions, denoting they have not traveled far. Normal placer gold which has travelled very far is worn smooth. The size of the gold found here is very important, since the larger the pieces are the easier it is to effect recovery as well as to recover a much higher percentage of the total available in the ore being processed. The gold is also free from attachments of other elements which is very important in that it opens the door to possible use of modern, highly sophisticated processing equipment that operates without water in a very efficient manner.

The present Rabbit Hole Springs was evaluated as a water source for a wet type processing operation. It is the writer's opinion that it would not support a large full wet type processing facility, however, present technology does not require copious quantities of water to process high tonnages of the particular placer material under examination here. A combination process employing a dry trommel and dry screens could be used advantageously with a final recovery being made using a wet system. This is possible because over 75% of the bank run material must be eliminated before the gold size material is even approached. In some areas of this property close to 80% of the material can be eliminated before nearing the gold-size. The remaining material could then be processed using water, but in this case getting far more tonnage processed per unit of water than any other way with wet processing.

The topography is very favorable for several sizeable (2,000 ton/day) placer operations all operating physically independent of each other. The rolling lay of the land with its small valleys and contours lends itself both to the feeding of the ore into the processing plant as well as facilitates the egress and disposal of tailings in an efficient manner that is both of minimum cost and esthetically acceptable, satisfying both the operator and the environmentalists. Since there is literally no vegetation, there is no reseeding and compliance with the recent environmental regulations would be easy. The distance from a heavily populated area is now also a plus factor, where the reverse would be true some years ago.

Various theories could be expounded on how the gold got there, with no final agreed upon conclusion, since it is a high desert placer, extensive, and with unmistakeable evidence of being an ancient water channel in some areas, and some decomposition-in-place in other areas. The fact is, the gold and other minerals are there, and experience dictates that they exist to varying and unknown depths. Tests were made in one cut approximately 30 feet deep and it carried good gold values.

The total volume and value of these placer properties is well beyond anyones' ability to estimate. Several hundred thousand dollars in testing would be necessary to arrive at any reasonable figure. Using a past experience factor that about 20% of the total area could be considered to have "good" ore, this would still be one of the largest and potentially most profitable properties known. To bring the volume and value into better perspective lets look at it basically as an increment of 100 acres, mined to a depth of 20 feet and with an average gold value of \$4.50 per ton (based on \$128.00/oz gold). There are many, many 100 acre parcels to mine, the depth of 20 feet is chosen as an absolute minimum, and the \$4.50 value is the average of the value of the tests which were run on the samples brought back from the property examination. There are roughly 1600 cubic yards (or 2400 tons) per foot of depth per single acre, therefore, 100 acres X 20 feet deep X 2400 tons = 4,800,000 tons. If a processing plant were operating at a capacity of 2000 tons per day, it would be busy at full capacity for 2400 days. The value of the ore (just the gold alone), based on the above basis, would be \$21,600,000. It is also now easy to visualize a 100 acre plot - 2,000 feet long by 2178 feet wide, where the processing plant is never more than 1000 feet from its farthest boundaries. Simple mathematics can now place several operations in "good ore" on this subject property.

In summary - The property(s) does exist, there is gold as well as other minerals and black sand. No claim is made for the real value of any other mineral or metal except the gold. Conditions and times could change this, as it has in the past as tungsten, tin and titanium are all strategic metals, as well as gold and silver. The Rabbit Hole Springs water is a valuable asset, and is a requirement regardless of the type of operation contemplated. The tests run here showed a low of \$2.65 per ton and a high of \$7.30 per ton. A weighted average was \$4.50 (at \$128.00/oz gold). Dry process tests were very encouraging. The topography, as stated earlier, is excellent. The size and condition of the gold is important in contributing to a high recovery rate and overall plant efficiency.

It is my firm belief that the supportive income from secondary minerals should receive prime attention, since they could very well approach the income from the gold alone. It must be remembered that these so-called secondary minerals are all paid for, even to being concentrated, by the cost of the gold processing. This is such a large and valuable placer property that it is worthy of serious planning and consideration in its mode of operations, since there is ore and room for several large operations to process simultaneously.

Sincerely yours,

G.R. Moore
G.R. Moore
Mining Evaluation Engineer

GRM/mem

TO 447 C
(Individual)

STATE OF CALIFORNIA

COUNTY OF ORANGE } SS.

On SEPT 3, 1976 before me, the undersigned, a Notary Public in and for said State, personally appeared _____

G.R. MOORE

to be the person _____ whose name IS subscribed
to the within instrument and acknowledged that HE
executed the same.

WITNESS my hand and official seal.

Signature

Louis A. Launer
LOUIS A LAUNER

Name (Typed or Printed)

