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Item 20

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum on Contact Mining Co.

Supplementary to Memorandum on Properties of United Tungsten Mines, Ltd.,

Churchill and Pershing Counties, Nevada, U. S. GEOL. SURVEY

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Abstract

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The properties described in this memorandum were more fully discussed by the writer in a memorandum entitled "Properties of United Tungsten Mines, Ltd.", and dated November 28, 1942. Since that time United Tungsten Mines has lost control of the properties. The Contact Mining Co., recently organized, now owns the tungsten mill at Toy, Nevada, and had a lease on the Payday, Lobo, and Royal Anne groups of mining claims. There has been very little work done on the property since last November. A few thousand tons of commercial scheelite ore, mostly inferred, occur on the Payday and Lobo claims. A small crew of men if properly directed, could probably produce 1000 units of WO₃ during 1943, and possibly continue to produce at about the same rate during 1944.

Introduction

On July 8 the writer visited the properties of the Contact Mining Co. in Pershing and Churchill Counties, Nevada. These properties comprise the tungsten mill at Toy, and the Payday, Lobo, and Royal Anne groups of mining claims. These properties, except the Royal Anne group, were described in a previous memorandum by the writer.

History

The Payday and Lobo claims were located in August 1940 by H. E. Hall and E. H. Hackett. E. A. Sorenson was admitted to the partnership shortly thereafter. The partners developed showings of scheelite ore on the claims and erected a small mill at Toy, Nevada, 5 miles northeast of the mining claims.



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

During 1941 they milled about 2000 tons of ore, recovering 1460 units of WO₃.

United Tungsten Mines, Ltd., a stock company, was organized in 1941. This company leased the Payday and Lobo claims, and the mill at Toy from Hall, Hackett and Sorenson, also the Granite group of claims from Harry Murrish, Lovelock attorney. From mid-1941 to January 1943 stockholders were assessed \$80,000. Mr. Hall states that only half of this amount has been expended on the properties. Most of the money spent on the properties was used to remodel the mill, purchase mining equipment, and to do a small amount of development work on the mining claims. United Tungsten Mines, Ltd. mined and milled about 1000 tons of ore, recovering 250 or 300 units of WO₃.

In January 1943 Hall, Hackett and Sorenson sued and recovered their properties from United Tungsten Mines. The Contact Mining Co. (1) was organized in May. Application to float a \$20,000 stock issue has recently been filed with ~~Bankers~~ S. E. C. The mill at Toy has been deeded to the company; the Payday and Lobo claims have been leased to the company by Hall, Hackett and Sorenson; and the Royal Anne claims have been leased to the company by Hall. The Granite group was returned to Murrish by the court's decision. Mr Hall states that the Contact Mining Co. has made no attempt to lease the Granite group, because small quantities yielded only small amounts of scheelite. (2).

(1). Temporary officers: Roy R. Trempey, Oakland, Cal., Pres.; H. E. Hall, Lovelock, Nev., V. Pres. and Sup't.; V. J. Tovatt, Lynwood, Cal., Sec'y.; Mary Helen Marcucci, Lovelock, Treas.; J. A. Jurgensen, Lovelock, Resident Agent. Mr. R. F. D. Le Men, President of United Tungsten Mines, Ltd. has no interest in the Contact Mining Co.



(2). All of the information in this section has been given by Mr. H. E. Hall

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UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Operations between Nov. 28, 1942 and January 1943

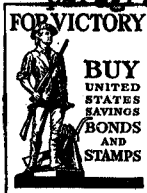
Between the writer's visit on Nov. 28 and the demise of United Tungsten Mines in January, a few hundred tons of ore were mined from the PD8-A ore body (see U. T. M. memo, page 3, para. 3). Twenty five feet of drifting was done in the 50' adit near the west end of the Payday-Lobe claims, and 100 tons of ore were stoped between the adit and the surface (see U. T. M. memo, page 4, para. 2).

Current Operations

During the past few weeks the Contact Mining Co. has employed 5 men, all engaged in remodeling the mill. A shipment of tin ore from the Greenan-Kerr property at Majuba Hill will be milled within a few days. Mr. Hall hopes to employ a total of 15 men after July 15. He plans to sink the shaft in the PD8-A ore body 50' deeper and mine the continuation of the ore body that has already yielded about 2000 tons of ore. He also plans to develop the ore zones exposed in the 50' adit near the west end of the Payday-Lobe claims. About 200 tons of ore estimated to contain 0.75% WO₃ can be measured in these workings; 500 tons are indicated.

Payday and Lobe Groups

The Payday and Lobe groups, comprising 18 claims, cover about 15,000' along the southern contact zone between the "St. Anthony" granodiorite stock and a metamorphosed limestone and shale sequence. A little scheelite has been deposited in many places along the contact zone, even in hornfels, but only a few small bodies of commercial ore have been found. The two ore bodies mentioned in the preceding paragraph are considered to be the most promising. Total measured and indicated ore from all bodies is about 1000 tons. It is difficult to estimate the reserve of inferred ore because of the irregularity of the intrusive granodiorite, and because of lack of exposure along the contact zone. Both of the ore



4.
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

bodies mentioned above will probably be cut off by granodiorite at shallow depth, but other bodies may occur down the dip of the granodiorite contact if favorable beds are truncated.

Royal Anne Group

(Pershing Co.)

The Royal Anne group of 10 claims covers 7500' of the contact zone along the northwest margin of the elliptical intrusive. Scheelite is widely scattered through hornfels and altered limestone adjacent to the main granodiorite contact, and in pendants within the contact zone. There are no natural exposures in this area and only a few cuts and pits. It is doubtful if any of the scheelite ore exposed on these claims is commercial under present conditions. More thorough prospecting in this area might outline ore zones that could profitably be mined by power shovel, if the value of tungsten increases.

Reserves

A few thousand tons of 0.5-1.0% WO₃ may occur at shallow depth on the Payday and Lobo claims. Most of this ore is unmined. Ore exposed on the Royal Anne claims is too low-grade to be of interest for present use.

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Recommendations

The recent court ruling returning the properties to the original owners and the subsequent reorganization may indicate that the properties will be operated on a sounder basis. If this supposition is correct, it is probable that 1000 units of WO₃ can be produced during 1943, and possible that production can be maintained at about the same rate during 1944. Some custom ore may also be obtained, as the milling charge at the Toy mill is lower than at the nearby Toulon mill.

A crew of 10 men, 5 more than now employed, should be ample to develop the mining claims and operate the mill at Toy. Employment of a larger crew is not likely to appreciably increase the output of tungsten.

T. B. Nolan (3)
File

M. R. Klepper

July 9, 1943

