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item 1

THE LAKONTAN MINES COMPANY

RAMSEY MINING DISTRICT, LYON COUNTY, NEVADA.

Examined 9/12/20

Report 9/18/20

By F.C.Black for
Tonopah Mining Co.

THE LAHONTAN MINES COMPANY

Ramsey Mining District, Lyon County, Nevada.

LOCATION:

The property of the Lahontan Mines Company is located in the Ramsey Mining District, Lyon County, Nevada. It is about 14 miles south east of Clark station on the main line of the Southern Pacific, and 10 miles north east of Apache siding on the Goldfield branch.

CLAIMS:

The Lahontan Mines Co. owns but one claim, the Lucky Boy, a fraction about 800 ft. long and 600 ft. wide. However, Parker Liddell, in control of the company, has four additional claims adjoining which he will turn in with the Lucky Boy.

OWNERSHIP, HISTORY:

The Lucky Boy was located in 1906 and sold soon after to Capt. Mayne and associates of the Ramsey Comstock Mining Company. This company did all the development work on the property. In 1910 liens were filed to cover labor and material. At the sale the property was bought in by a representative of the present owners. Abstract of title, made by the E. H. Whitacre Land & Title Co. of Yerington, Nevada, and dated Sept. 17, 1918, shows ownership in the Lahontan Mines Company, a Nevada corporation. This company has done very little work on the property until that recently started under the direction of Parker Liddell.

NEARBY PROPERTIES:

Since discovery in 1906 considerable work has been done in the district, but with very little production. Gold ore has been found in a number of places, but generally in small bunches too low grade to ship. At present the Storey County Mines Company, about one half mile to the west, is developing a 2 ft. quartz vein at a depth of 500 ft. According to the man in charge this vein assays from \$ 20.00 to \$ 30.00 a ton in gold, but the presence of antimony and copper sulphides makes the ore unsuitable for treatment in a cyanide plant.

FACILITIES:

Transportation:

A 14 mile road from Clark on the main line of the Southern Pacific passes over several steep pitches, but is in good enough condition to allow a truck to pass over with a capacity load. The 10 mile road to Apache siding on the Goldfield branch is said to be in good condition and over an easy grade. There is some snow in winter, but not enough to seriously interfere with transportation.

Power:

To date gasoline engines have been depended upon for power. The Nevada-Valleys Power Company have a hydro-electric plant at Lahontan dam, about 15 miles to the south east. Due to the shortage of water during the past two summers, this plant has been shut down for two to four weeks. However, electric power can probably be obtained by building an 18 mile transmission line to Virginia City.

Water:

A well about 1000 ft. west of the main shaft, and equiped with a pump and pipe line, supplied the water for domestic use and appart

of that used in the mill. The rest of what used in the mill was obtained from the mine. It is probable that sufficient water for a 50 ton mill can be obtained from these sources.

Timber:

There is very little wood near the property, even for domestic purposes. At present cotton wood stulls are being laid down at the shaft for 11 1/2¢ a ft.

Climate:

Climatic conditions are such that operations can be carried on without interference throughout the year.

EQUIPMENT:

The mining equipment consists of a headframe, 4 x 10 in. Knowles pump and pumping jack, hoist house, blacksmith shop and miscellaneous small tools. The 12.H.P. Western hoist now installed at the shaft was borrowed from the Storey County Mines Company.

Mill equipment in good condition consists of a small Dodge crusher, 40 H.P. Fairbanks-Morse gas engine, 12 H.P. Samson gas engine, pulleys and shafting housed in a 30 x 50 ft. mill building. The balance of the mill machinery is worthless.

There is a camp providing good accommodations for six to eight men.

GEOLOGY, ETC.

The country rock of the district is andesite. On the Lucky Boy claim the andesite is intruded by a rhyolite dike striking N60°E and dipping north into the hill at 60°. In this vicinity the dike has been silicified, and outcrops prominently for about 400 ft. At the surface

this intrusion is 40 to 50 ft. wide for over 200 ft., but the work underground indicated that it became narrower in depth. The cross cut on the 330 ft. level showed the dike to be about 18 ft. wide.

Following the intrusion of the rhyolite there has been considerable movement as indicated by a heavy gouge. Gold ore was formed on the hanging wall side of the dike.

At the surface the ore was oxidized and free milling. The main ore shoot, while containing considerable free gold, also carried auriferous sulphides. It is probable that only sulphide ore will be found by further development.

From statements of the former superintendent, W.M.Fuller, and as indicated by the last few months run of the mill, the ore on the 330 ft. level was of better grade than that from the upper stopes. Mr. Fuller stated that this ore averaged about \$ 30.00 , The mill heads for the last two months averaged \$ 34.00, as compared to the general average of about \$ 23.00 . This indicates the possibility of richer ore shoots in the narrower portions of the dike.

DEVELOPMENT:

The principle work consists of a 60° incline in the foot wall of the dike, with levels to the vein at 50, 140, 235 and 330 ft. This has been under water to the 120 ft. point for several years, and is now being retimbered and unwatered. In places the ground has caved for 14 ft. beyond the shaft. At present the 140 ft. station is cleared, but the cross cut is caved where it leaves the foot wall andesite and enters the dike.

Mr. Fuller states that the ground from the 140 to the 235 ft. levels was much harder than that from the 140 to the surface, and that the shaft from the 235 to the bottom was in good ground and well

timbered. This information was secured by Mr. Liddell before he undertook the recovery of the shaft. For this reason he expects to find the lower part of the shaft in better condition than the upper, and recovery correspondingly easy.

Work from an incline on the Rattler #2 claim of the Ramsey Mining Company, which endlines the Lucky Boy on the west, is said to have cut the hanging wall of the dike in two places. Only very low grade material was found.

PRODUCTION:

Data from various sources indicate a total production of 3800 tons with an approximate gross value of \$ 70,000.00 .Of this \$ 45,000.00 was shipped as gold bullion and concentrates during the operation of the mill.

ORE RESERVES:

At the time of this examination all the reported ore was inaccessible on account of the caved and flooded shaft. Ore indicated on the accompanying sketches is as given by Fuller and Mayne.

METALLURGY:

Tests by Abbot A. Hanks of San Francisco indicated a 95% extraction on a \$ 36.00 head sample. This was obtained by amalgamation followed by sliming and cyanide treatment.

MAPS:

The accompanying sketches, taken from a former report, were compiled from various sources. The 50 and 140 ft. levels were surveyed with a compass by Emmet D. Boyle in December 1911. The positions of the lower stopes, dike, etc. on the 235 and 330 ft. levels were sketched in by Boyle from data obtained from Capt. Mayne, formerly

principal owner of the property, and Wm. M. Fuller, superintendent for the Ramsey Comstock company. Mr. Fuller, in a letter to Mr. Liddell dated Feb. 16th, 1919, confirmed his statements to Boyle.

PRICE AND TERMS:

Six claims, at present under three different ownerships, go to make up the property as presented to the Company.

1. Lahontan Mines Company owns the Lucky Boy claim. This is the most important one, as on it are located the known ore shoots, and total mine and mill equipment. This company is a Nevada corporation with 1,000,000 shares, 500,000 promotion and 500,000 treasury. But 20,000 shares have been sold from the treasury. Of the outstanding 520,000 shares Mr. Liddell owns 250,000 and, on unwatering the mine and cleaning out the shaft, will receive 120,000 additional. This will give him over 71% of the outstanding stock. No definite statement as to terms was made other than that no cash payment would be required. It is probable that the assets of the Lahontan Mines Company could be obtained by exchanging stock in a new corporation on a 75-25 basis.

2. The Rattler No.2 of the Ramsey Mines Company. This claim adjoins the Lucky Boy, and contains any westerly extension of the dike. Mr. Liddell has an understanding, but not a written contract, for a lease and bond requiring \$ 10,000.00 in one year or \$ 15,000.00 in two years. This claim would be necessary so as to increase the chances of finding a new ore shoot.

3. Four locations lying to the north of, and adjacent to, the Lucky Boy and Rattler No.2. These were recently located by Mr. Liddell, and will be turned in without charge to a company taking over the Lucky Boy.

SUMMARY AND CONCLUSIONS:

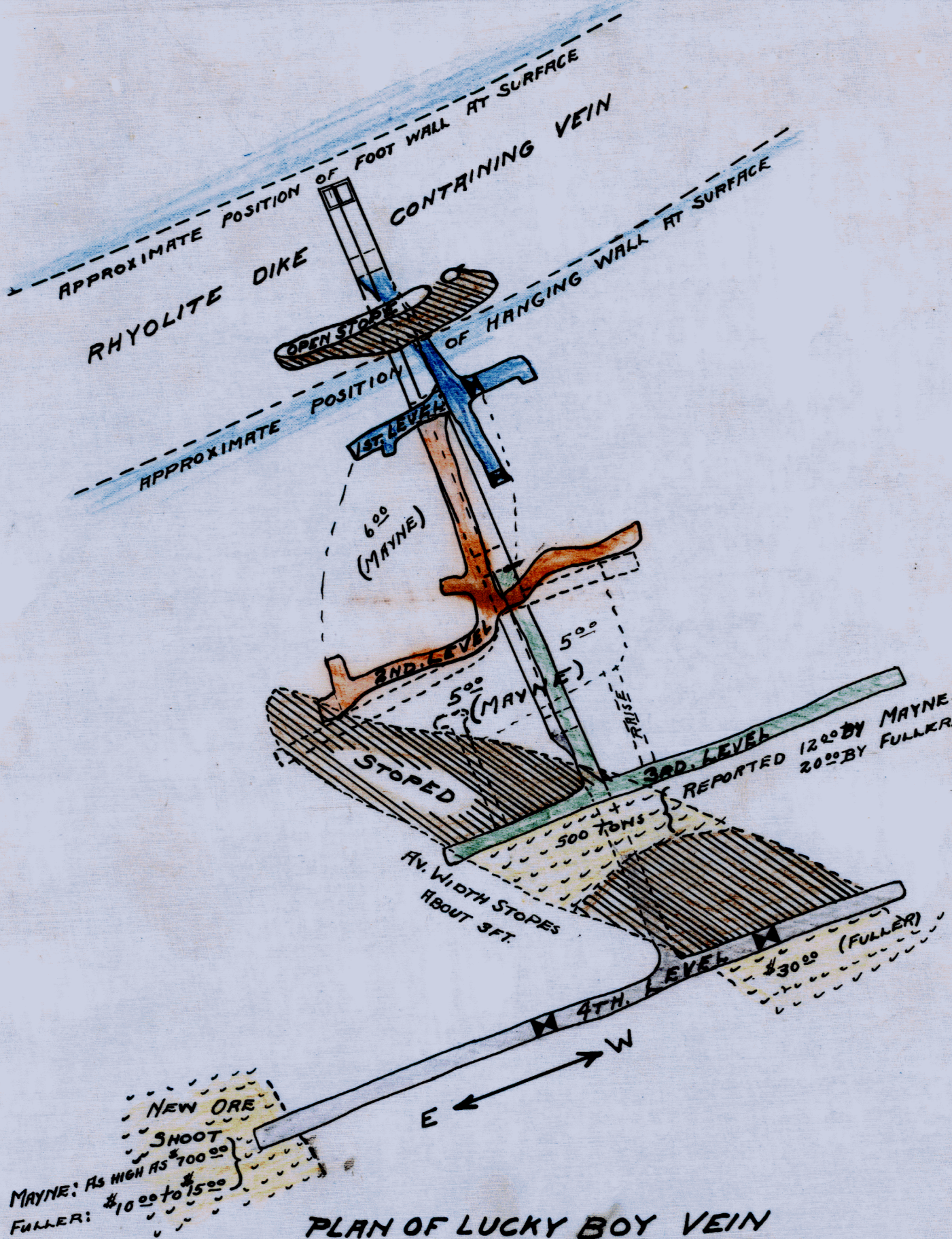
Owing to the reported original condition of th shaft, it is probable that the recovery of the lower 190 ft. of the shaft will be comparatively rapid and inexpensive.

Ore shoots to date have been small, but there is a chance of increased values below the 330 ft. level.

Indications are that there will be a small tonnage of comparatively high grade ore, and not a large tonnage of medium grade.

If the ore shoots remain small it is unlikely that the mine will make a real profit. However, if a satisfactory option can be obtained on the usual terms of the Company, particularly one providing for out of the first net profits, the repayment/ of any money advanced for development and equipment, conditions justify an expenditure to recover the shaft and do enough development to prove the extent of the reported ore shoots.

J. R. Black



PLAN OF LUCKY BOY VEIN

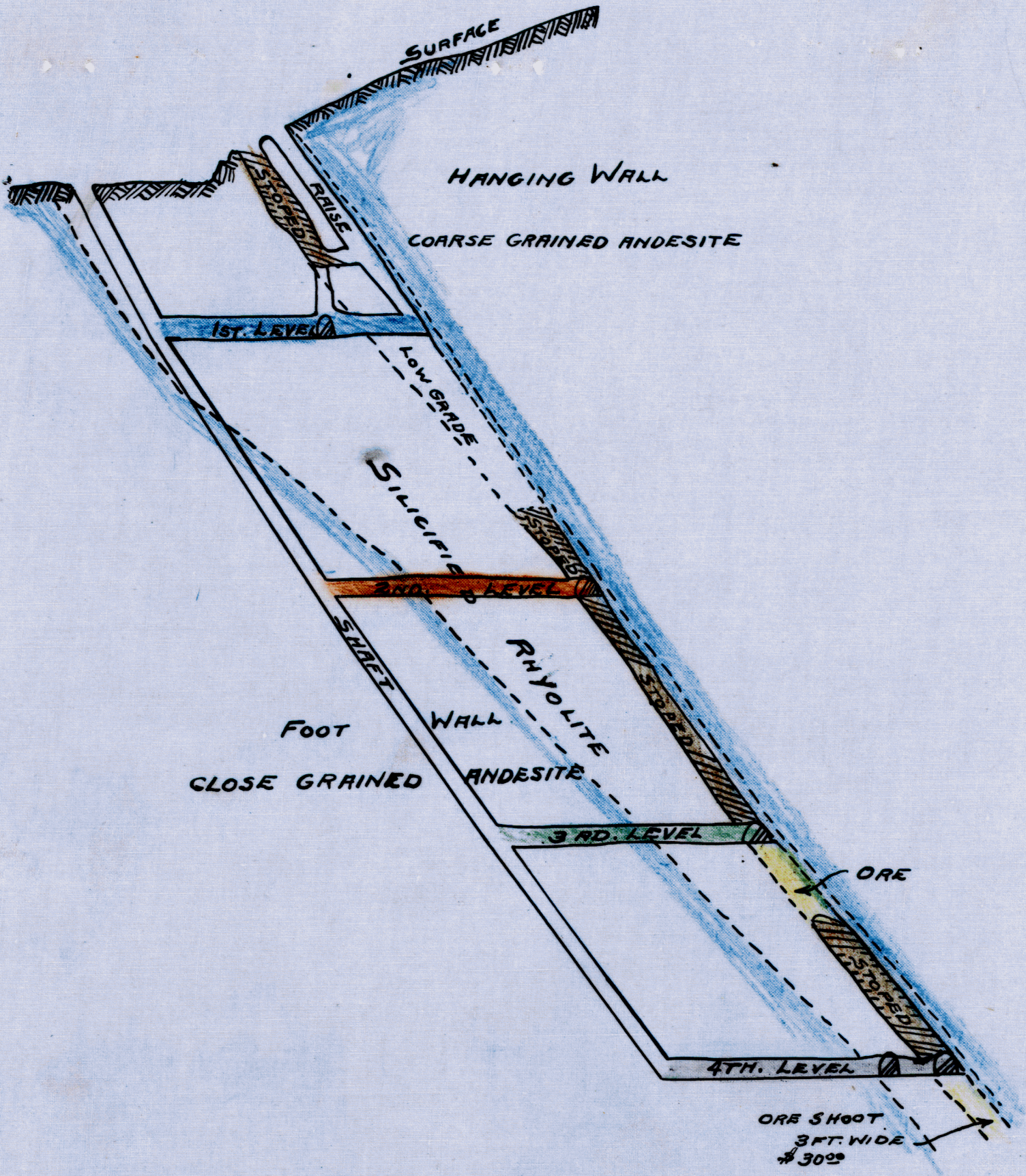
LAHONTAN MINES CO.

RAMSEY, NEK.

1" = 40'

0 40 80 ft.

NOTE: Based on sketch
accompanying report of
Emmet D. Boyle. E.D.B.



CROSS SECTION THRU SHAFT

LAHANTON MINES CO.

RAMSEY, NEV.

NOTE: BASED ON
SKETCH ACCOMPANYING
REPORT OF EMMET D. BOYLE.
E.D.B.

T. H. AZER, PRESIDENT

C. R. MILLER, VICE-PRESIDENT
W. H. BLACKBURN, GENERAL SUPERINTENDENT

P. S. BICKMORE, SECRETARY & TREASURER

CHIEF CLERK IN CHARGE OF BUSINESS
OPERATIONS AT TONOPAH, NEVADA

THE TONOPAH MINING COMPANY OF NEVADA

EASTERN OFFICE
572 BULLITT BUILDING, PHILADELPHIA, PA.

PLEASE ADDRESS ALL COMMUNICATIONS
TO THE COMPANY, TONOPAH, NEVADA

TONOPAH, NEVADA,

Sept. 20, 1920.

W.H.Blackburn, General Supt.,
The Tonopah Mining Co. of Nevada,
Tonopah, Nevada.

Dear Mr. Blackburn:-

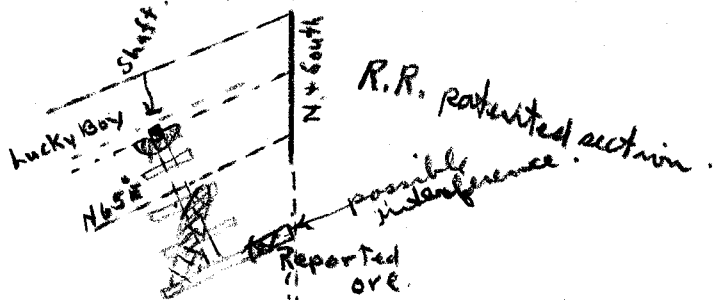
As directed by you, I have sent a copy of my report on the Lahontan Mines Company direct to Mr. Whitman.

According to present indications, the property promises to be but a limited tonnage, high grade affair. Such things rarely made a real profit under Company operation. There is a chance, however, for development to open up larger ore shoots, which, if they were to keep up to the grade of that on the lowest level, would give a chance to make some money.

I took but two samples, as it did not seem worth while to repeat Boyle's elaborate sampling on material that everyone agrees in calling worthless. Both of these were taken on the 50 ft. level, and assayed less than \$ 1.00 .

In case of any deal, there is one possible complication that would have to be looked into, interference on account of extralateral rights. This is a point I thought of after I left Reno, so it is only a guess on my part. The Lucky Boy claims runs

with the vein, about N 65° E.
with the shaft about 400 ft. from
the east end line. The adjoining
ground on the east is patented



W.H.Blackburn, 9/20/20 #2.

railroad land. According to the sketch submitted to us the new ore shoot is on the east, so there is chance of the conditions indicated in the sketch.

Nothing as to terms was discussed, except as summerized in the report. However, North intimated, while we were on our way out, that he could probably turn over the Lahontan Mines Company for 20% stock in a new company, and that he would like 10% more as commission. I had no comment to make, but am sure that it could be done for 5% or less. He has done very little with it, in fact his first visit to the property was on the day I went out.

Very truly yours,

A handwritten signature in cursive script, appearing to read "W.H. Blackburn". The signature is written in dark ink and is positioned below the typed name "W.H.Blackburn" in the header.