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REPORT
ON
BIG HORN EXTENSION GROUP
MINING CLAIMS
HIVLOC, [?]HYE COUNTY
NEVADA

August 17, 1946

To the Board of Directors
Gold Wedge Divide Mining Co.
Tonopah, Nevada

Gentlemen:

The following is a report on your Big Horn Extension group of mining claims.

The group consists of the Big Horn Extension No. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 Lode Mining claims. This group of claims is located in the Red Mountain Mining District, Esmeralda County, Nevada, and lies to the northeast of the Nivloc mine, formerly operated by Desert Silver, Inc.

The Big Horn Extension No. 1 is contiguous to the Big Horn and Big Horn No. 3 claims now belonging to Nivloc Mines, Inc.; and the Big Horn Extension No. 1 has passing through a portion of it on the surface, the Nivloc vein, thus giving to it certain extralateral rights. The Big Horn Extension No. 2 also has the main Nivloc vein outcropping on the surface throughout at least most of its length. The accompanying map shows the relation between your Big Horn Extension group and the Nivloc group of claims.

GENERAL

This report is unusual in that it is written on a group of claims on which no work other than a few scattered surface holes has been done. However, in view of the several similarities between your ground and the Nivloc mine, certain conclusions can be drawn with confidence. Therefore, most of this report will describe conditions and detail facts pertaining to the Nivloc mine as known from the history of its operation by Desert Silver, Inc. All figures given are taken from operational reports of Desert Silver, Inc.

HISTORY

The Nivloc silver mine was opened by a Mr. Colvin in the early 1920's, who spent considerable money on development, in the course of which a total depth of 1100 feet was attained. Several hundred feet of lateral work was also done on various levels. Practically no ore of commercial grade was found during this campaign and Mr. Colvin, becoming discouraged, abandoned the mine. It passed into the hands of Mr. F. A. Vollmar who eventually secured an R.F.C. loan on the property. The expenditure of the money from this loan opened several very good orebodies and the mine was sold to a group of individuals who formed Desert Silver, Inc. This was in the year 1937.

Desert Silver built a 200-ton per day mill and equipped the mine to produce this amount of ore. During the years 1938 to 1942 the Nivloc was Nevada's largest silver producer. The mine was shut down and the mill dismantled in 1943 because war conditions had made it impossible to continue operations. The mine is presently being reopened and will shortly resume production.

During its operation Desert Silver milled 364,064 tons of ore with an average grade of 12.84 ounces silver and .0516 ounces gold. At today's metal prices this average grade would have a value of \$13.40 per ton.

From the tonnage milled there were actually recovered 4,675,408 ounces of silver and 18,794.67 ounces of gold or \$3,977,329.

ORE DEPOSIT

The ore occurs in a fault fissure which is never less than 50 feet wide and in many places is more than 100 feet in width. The fissure is filled with quartz, calcite and oxides of iron and manganese, with minor amounts of lead and silver minerals.

On the surface the vein can be traced for a length of at least 8000 feet, and probably continues for a much greater distance. The surface cropping of

the vein on the Big Horn Extension No. 1 and No. 2 is about 2500 feet. One peculiar feature of the ore deposit is the fact that the relatively insignificant cropping of the vein at the surface gives no indication of its great width underground. This is no doubt due to the character of the surface rocks, which are rhyolite flows and tuffs.

Nor does surface sampling give any indication of the good values found underground; for in no orebody yet found in the mine has the ore come closer than 200 feet of the surface.

From approximately 300 feet below the surface the footwall rock in the Nivloc is alaskite, while the hanging wall is limestone, sandstone and tuffs. Ore has been mined in three parts in the fissure: in the hangingwall, middle and footwall sections, and ore widths have varied from four to twenty feet.

Lateral development has opened the veins for a distance of over 3000 feet on several levels with no indications of decreasing mineralization at either end of the mine. To the northeast, on the 600 foot level, the face has been driven to a point within a few feet of the Big Horn Extension line and here is shown 2.5 feet of 25-ounce ore. It can be definitely said that ore will be found in

your ground.

CONCLUSIONS:

Since surface conditions are exactly the same on the Big Horn Extension No. 1 and No. 2 claims as those on the Nivloc ground; and since at one point the underground workings of the Nivloc have almost reached the Big Horn Extension No. 1 ground, it can be said without qualification that commercial orebodies will be found in it. In fact, this writer, as head of Nivloc Mines, Inc., is willing to take a lease and option on your ground at any time.

Very truly yours,

Harry H. Hughes, E. M.