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ITEM 57

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COMPLETE REPORT

ON

LIMERICK CANYON, NEVADA

GOLD PROPERTY

MAY 1973

*Water*

2

May 20, 1973

Mr. Berry C. Williams  
P. O. Box 327  
Smithville, Tennessee 37166

Attention: Mr. Berry C. Williams

Dear Sir:

The following report is submitted by John P. Morgan to fulfill a contractual obligation entered into by Berry C. Williams and John P. Morgan, as outlined in the Agreement of Geological and Mining Engineering Services dated February 7, 1973, covering the subject of a placer gold property of Limerick Canyon, Nevada, U. S. A.

In February of 1973 the writer was commissioned to carry out a geological reconnaissance of the Limerick Canyon, Nevada, to prospect the area.

Limerick Canyon is readily accessible by car or truck. Route 80 East from Reno, Nevada to Lovelock, Nevada, and a dirt road South 10 miles to the rim of the canyon. Travel is difficult for approximately two months during the winter months due to snow fall.

Prospecting was conducted across the canyon area by crisscrossing the entire area with trenches twenty (20) feet deep to bedrock. Some trenches were continuous over 2,000 feet. In every area sampling revealed that gold was found to be present.

Yours truly,

*John P. Morgan*  
John P. Morgan

SUMMARY OF LIMERICK CANYON GOLD PROPERTY

The western region of Nevada has produced gold from placer and deep mines for over one hundred years on a large scale, until the price of gold was frozen at \$35.00 per Troy ounce. Most of the area surrounding the Limerick Canyon has been mined for gold, silver and other valuable minerals. For example, by Ex-President, Herbert Hoover, who did deep mining there.

The entire area within the Limerick Canyon contains placer gold. The gold varies from section to section, but every section contains gold that can be economically mined.

Most of the placer is in the form of sand, silt and schist. The schist rock is highly weathered and easily crushed. Approximately eighty (80) percent will pass thru a 1/4 inch screen. The oversize to be crushed and processed. Although ninety (90) percent of the gold is contained in the minus 1/4 inch material, the remaining ten (10) percent is easily removed from the plus 1/4 inch by crushing and jigging: the minus 20 mesh to be separated by electric converters. Daily mine production would be governed by the size and number of mining and processing equipment units installed. Concentration with hydro-jigs, shaking tables and converters.

Gross The total cost of mining and processing would not exceed \$20.77 per cubic yard of material mined. Based upon 800 acres, and assuming a gold recovery of only sixty (60) percent, this property would net a profit of \$47.08 per cubic yards of material mined, or \$374,108,673.00 net profit over 38 years of operations. The value of gold is \$110.00 per Troy ounce, and is expected to go much higher.

In this report the detailed mining methods, together with the required mining equipment and separation plant has been specified, together with the cost of operations, required capital, expansion schedule, cash flow, and projected net profit.

Brief, concise statements have been made regarding various sections of this report. After all the interested parties have had time to read the contents of this report, I will meet with them and thoroughly explain the approach taken in compiling this report.

*John P. Morgan*

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John P. Morgan

PROFIT PROJECTION

(For the Life of the Mine)

800 ACRES      -      LIMERICK CANYON, NEVADA

<u>YEAR:</u>	<u>CUBIC YARDS:</u>	<u>NET PER YD.:</u>	<u>TOTAL NET PROFIT</u>
<u>First Year</u>	36,000	\$ 26.312	\$ 911,256
<u>Next 36 Years</u>	12,816,000	29.016	371,972,720
<u>Last Year - 38th</u>	<u>41,760</u>	<u>29.521</u>	<u>1,224,697</u>
 TOTAL NET PROFIT	 12,893,760	 \$ 29.015	 \$ 374,108,673

ABSTRACT of LIMERICK CANYON, NEVADA GOLD PROPERTY:

The assay reports, dated April 28, 1973, reveal a concentration of gold across the entire area of Limerick Canyon, Nevada. The assays range from a trace per cubic yard of material to a high of \$385.00 per cubic yard of material, with an average of \$91.74 per cubic yard of material. These samples were taken from prospect trenches cut across the property to a depth of 20 feet.

The samples that have been taken across the Limerick Canyon placer render conclusive evidence that the placer can be economically mined. The samples were taken from many prospect trenches from the surface to bedrock. One such trench is continuous for over 2,000 lineal feet and excavated to 20 feet deep. These samples, when assayed, revealed a very high concentration of native gold. Gold can be panned anywhere on the property.

The property lends itself to modern mining methods. The placer can be economically mined nine to ten months a year. The remaining months shall be utilized to upgrade the plant, and rebuild all of the mining equipment. Also, during the winter months all wage and hour employees and supervisors shall take their vacations.

The placer should be crushed and screened at 1/4 inch. The minus 1/2 inch material to be processed over shaking tables. The minus 20 mesh to be pulverized to minus 100 mesh and passed thru a Mars Metal Converter to separate the gold from the ore.

The mining costs are based on the mine and separation plant operating on a two shift basis, working nine months a year. This increases the fixed costs by a factor of 1.33 percent.

All factors affecting cost and production have been considered in the cost estimates.

John P. Morgan  
John P. Morgan

6

ANALYSIS DATA on LIMERICK CANYON, NEVADA GOLD PROPERTY

Twenty-six (26) samples were taken from across the placer property located in Limerick Canyon, Nevada. The samples were taken from the surface to twenty (20) feet deep. Each sample weighed 23 to 24 pounds.

2 The first sample assayed was from Lot #3, Can #8. This sample was taken from the wall of a prospecting ditch, seven (7) feet from the surface. The prospect ditch was dug twenty (20) feet deep and 2,000 feet in length. It was dug to bedrock, a schist formation of undetermined depth.

This sample, weighing 25 pounds, was processed through a Swek screen separating at: +1/4 inch, -1/4 inch, -8 mesh, -20 mesh and -40 mesh. Each size consistence was weighed and individually assayed.

The -40 mesh was weighed and panned to remove all of the free gold present. This was assayed to determine the amount of free gold contained in the -40 mesh material. After the gold was removed, the remaining material was placed into a modified converter. This resultant was also assayed.

Screening analyses revealed that 30% of the sampled material will pass over a 1/4 inch screen. The plus 1/4 inch material averaged a yield of 10% of gold recovery. The minus 1/4 inch material yielded 90% of the gold recovered.

Standard assay methods of the twenty-six (26) prospect samples averaged a recovery of .834 Troy ounces of gold per ton of placer material.

These prospecting samples were also processed in a Mars Metal Converter. This method of extraction increased the recovery rate of gold from the sampled material (see assay reports).

The samples were combined and a representative sample of 10 pounds was processed through a Lancaster concentrating tube (see assay reports for results).

The property is surrounded by high hills on three sides, forming a canyon. General climatic conditions are such that, with a properly designed plant and equipment, the placer mining operation could be maintained for nine (9) months a year. Heavy snows will begin and cause hazardous mining conditions during the two or three winter months.

The maps which we presently have available only locate the property lines and general landmarks, mountains, contours, creeks, roads, and the surrounding area.

The gold contained in the placer material increases as the mining depths approach bedrock. The concentration of gold is located in the riffs of the bedrock.

The area surrounding the Limerick Canyon property should be prospected and, if they contain gold that can be economically mined, be added to the present holdings. This is presently being done.

*John P. Morgan*  
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John P. Morgan

4

ANALYSIS OF DATA ON LIMERICK CANYON, NEVADA GOLD PROPERTY

(1) The average gold assayed from 26 samples taken across the property is .5 Troy ounce per ton of material.

(2) Screening Data.

<u>SIZE</u>	<u>PERCENT</u>	<u>ACCUMULATIVE</u>
+1/4 inch	.375%	.375%
-1/4 inch	.315%	.690%
- 8 mesh	.200%	.890%
- 20 mesh	.083%	.973%
- 40 mesh	.027%	1.000%

For the purpose of this feasibility report a recovery factor of only 60 percent was used. The average of .5 Troy ounces assayed multiplied by the 60% recovery factor will yield a mining recovery of .3 Troy ounces per ton of material mined.

John P. Morgan  
John P. Morgan

Standard 30 gram assays

Converter 30 grams

<u>Lot No.</u>	<u>Can No.</u>	<u>Ounce Weight per ton</u>	<u>Ounce Weight per ton</u>
1	1	1.5 AU - AG	
1	2	2.5 AU - AG	
2	3	3.5 AU - AG	
2	4	.5 AU - AG	
2	5	.5 AU - AG	
3	6	.5 AU - AG	3 AU - AG
3	7	.5 AU - AG	1.5 AU - AG
3	8		
4	9	.5 AU - AG	
4	10	Nil	1.5 AU - AG
5	11	1 AU - AG	
5	12	Nil	
5	13	.5 AU - AG	1.5 AU - AG
5	14	Nil	
6	15	.5 AU - AG	1 AU - AG
6	16	.5 AU - AG	
7	17	1 AU - AG	1 AU - AG
8	18	1 AU - AG	
8	19	1 AU - AG	1 AU - AG
9	20	1 AU - AG	
9	21	.5 AU - AG	1 AU - AG
10	22	1.5 AU - AG	
10	23	.5 AU - AG	.5 AU - AG
10	24	1 AU - AG	
11	25	1 AU - AG	1 AU - AG
12	26	Nil	
13	27	.5 AU - AG	
13	28	.5 AU - AG	
TOTALS	28	21.7 AU - AG =	.834 AVERAGE



9

LIMERICK CANYON ORE

- (1) Lot #3 can #8; 40 mesh screen. From 30 grams  
Yield 97 mg. Au. - .5 mg. Ag.
- (2) Lot #3 Can #8; 20 mesh screen. 30 grams  
Yield 19.2 mg. Au. 10.8 mg. Au.
- (3) Lot #3 Can #8; 8 mesh screen. 30 grams  
Yield 5 mg. Au.
- (4) Lot #3 can #8; 4 mesh screen. 30 grams  
Yield 11 mg. Au.
- (5) Lot #3 can #8; 4 mesh screen. 30 grams  
Yield 3 mg. Au.
- (6) Lot #3 can #7; 40 mesh screen. 30 grams  
Yield 3.5 mg. Au.
- (7) Lot #3 can #8; 40 mesh screen. 4 grams pannings from head cons  
Yield 58. mg. Au. 67 grams.
- (8) Lot #3 can #8; 40 mesh screen 1.5 grams heads from tails 67  
Yield grams tail wt. 47.5 thru  
pot.
- (9) Lot #3 can #8; 20 mesh screen; <sup>?</sup>pot. 6 grams heads from 60 grams <sup>?</sup>pot.  
Yield 87.5 mg. Au.
- (10) Lot #3 can #8; pot; 8 mesh screen. 1.5 grams heads from 60 grams pot.  
Yield 3 mg. Au.
- (11) Lot #1 can #1; tails from bank run. 30 grams  
Yield 1 mg. Au.
- (12) Lot #5 can # 12; Dark vein from Ryholite dep. 30 grams  
Yield 2.5 mg. Au.
- (13) Lot #3 can #6; Schist from bed rock. 30 grams  
Yield 3. mg. Au.
- (14) Lot #3 can #8; 4 mesh screen. 2 grams Heads from 60 grams pot.  
Yield 3. mg. Au.
- (15) Lot #3 can #8; 4 mesh screen. 1.5 grams heads from 60 grams  
Yield
- (16) Lot #1 can #1; tails below sluice. 30 grams  
Yield 1.5 mg. Au.
- (17) Lot #1 can #2; bank run old tailings. 30 grams  
Yield 2.5 mg. Au.
- (18) Lot #2 can #3; bank run old tails. 30 grams  
Yield 3.5 mg. Au.
- (19) Lot #2 can #4; stocker belt. 30 grams  
Yield .5 mg. Au - Ag.
- (20) Lot #2 can #5; rock from belt. 30 grams  
Yield .5 mg. Au. - Ag.
- (21) Lot #3 can #6; Schist from bedrock. 30 grams  
Yield . 5 mg. Au. - Ag.

10

LIMERICK CANYON, NEVADA GOLD PROPERTY

ASSAY REPORTS ON FIRST SAMPLE RUN:

7 2  
(1.) Lot # 3, Can # 8

Total weight of can 25 lbs.

After Sweko screen:

+1/4"	9 lbs 6 oz
Standard assay	3 oz per ton AU - AG
Converter	3 oz per ton AU - AG
-1/4"	7 lbs 14 oz
Standard assay	11 oz per ton AU - AG
Converter	3 oz per ton AU - AG
-8 mesh	5 lbs
Standard assay	1/2 oz per ton AU - AG
Converter	3 oz per ton AU - AG
-20 mesh	510 grams
Standard assay	31 oz per ton AU 19 - AG 12
Converter	87 oz per ton AU 57 - AG 20
-40 mesh	157 grams
Standard assay	3.5 oz per ton AU 3 - AG 5

Of the total 157 grams of -40 mesh, 67 grams were panned to remove the free gold. This concentrate was standard assayed at 58 oz per ton AU - AG.

The remainder of the ore (tails) was then run through the converter and assayed at 43 oz per ton AU - AG, showing that an extra 43 oz per ton was picked up through the converter in the form of water soluble compounds.

Standard assays run on all 28 samples and one can from every lot was put through the converter and assayed as follows:

(2.) Lot #3 Can #7 - total weight 24 lbs.:

+1/4" - 17 lbs - 1 oz AU per ton  
-1/4" - 17 lbs - 4.5 oz AU per ton

6 lbs of the +1/4" was fine ground and concentrated. The concentrates were dried and weighed at 23 grams. This was assayed at 0 oz per ton.

6 lbs of the -1/4" was fine ground and concentrated. The concentrates were dried and weighed at 7; assayed at 0 oz per ton.

It is to be noted that from the 6 lbs of the -1/4", and after it was concentrated, a large amount, approximately 60% of the AU, was floating on the surface of the water. This was put through a modified converter and the results showed that all of the AU was now in tiny round pellets and immediately settled out in the subsequent concentrates.

(3.) Lot #9 Can #20 - total weight 24 lbs:

+1/4" - 10 lbs - 1 oz per ton AU - AG  
-1/4" - 14 lbs - 1 oz per ton AU - AG  
Lot #8 Can #18 - total weight 23 lbs :  
+1/4" - 10 lbs 6 oz - 1 oz per ton AU - AG  
-1/4" - 12 lbs 10 oz - 1 oz per ton AU - AG  
Lot #10 Can #23 - total weight 23 lbs:  
+1/4" - 8 lbs 4 oz - Nil  
-1/4" - 14 lbs 12 oz - 2 oz per ton

11

LIMERICK CANYON ORE

- (22) Lot #3 can #7; ore in pit. 30 grams  
Yield .5 mg. Au. - Ag.
- (23) Lot #4 can #9; bank run from dump on hill. 30 grams  
Yield .5 mg. Au. - Ag.
- (24) Lot #4 can #10; lode first 25ft. of shaft. 30 grams  
Yield 0 heavy trace Ag.
- (25) Lot #5 can #11; ryholite between shaft & tunnel. 30 grams  
Yield 1. mg. Au. - Ag.
- (26) Lot #5 can #12; dark vein. 30 grams  
Yield 0
- (27) Lot #5 can #13; 2 sample from cut N.E. plant. 30 grams  
Yield .5 mg. Au. - Ag.
- (28) Lot #5 can #14; #2 from  $\frac{1}{2}$  upper cut N.E. plant. 30 grams  
Yield 0 heavy trace Au. - Ag.
- (29) Lot #6 can #15; #1 from cut with track end dumps. 30 grams  
Yield .5 mg. Au. - Ag.
- (30) Lot #6 can #16; 2 can from  $\frac{1}{2}$  up trench with track. 30 grams  
Yield .5 mg. Au.
- (31) Lot #7 can #17; bank run surface sample. 30 grams  
Yield 1. mg. Au.
- (32) Lot #8 can #18; #1 from 1st. trench. 30 grams  
Yield 1. mg. Au.
- (33) Lot #8 can #19; #2 from 1st trench. 30 grams  
Yield 1. mg. Au.
- (34) Lot #9 can #20; #1 from 2nd trench. 30 grams  
Yield 1. mg. Au.
- (35) Lot #9 can #21; #2 from 2nd trench. 30 grams  
Yield .5 mg. Au.
- (36) Lot #10 can #22; #1 from 3rd trench. 30 grams  
Yield 1.5 mg. Au.
- (37) Lot #10 can #23; #2 from 3rd trench. 30 grams  
Yield .5 mg. Au.
- (38) Lot #10 can #24; #3 from 3rd trench. 30 grams  
Yield 1. mg. Au.
- (39) Lot #11 can #25; #1 from 4th trench. 30 grams  
Yield 1. mg. Au. - Ag.
- (40) Lot #12 can #26; rock out crop. 30 grams  
Yield 0 Nil
- (41) Lot #13 can #27; stream bed. 30 grams  
Yield .5 mg. Au.
- (42) Lot #13 can #28; from lower end of valley. 30 grams  
Yield .5 mg. Ag.
- (43) Lot #3 can #7;  $\frac{1}{4}$  prepared ore. 30 grams  
Yield 4.5 mg. Au.

LIMERICK CANYON ORE

- (44) Lot #3 can #7 +4 prepared ore.  
Yield 1. mg. Au.
- (45) Lot #9 can #20; ¼ from #1 - 2nd. trench. 30 grams  
Yield 1. mg. Au. - Ag.
- (46) Lot #9 can #20; +4 from #1 - 2nd trench. 30 grams  
Yield 1. mg. Au. - Ag.
- (47) Lot #10 can #23; -¼ from #2 can - 3rd trench. 30 grams  
Yield 2 mg. Au.
- (48) Lot #10 can #23; +4 from #2 - 3rd trench. 30 grams  
Yield 0 Nil
- (49) Lot #8 can #18; -4 from #1 - 1st trench. 30 grams  
Yield 1. mg. Au.
- (50) Lot #8 can #18; +4 from #1 - 1st trench. 30 grams  
Yield 1. mg. Au. - Ag.
- (51) SPECIAL "\$.% GRMS. 10 lbs. of all samples thru concentrating tube.  
Yield 111. mg. Au. - Ag.
- (52) Lot #3 can #7; +4 thru tube; 23 grams heads.  
Yield
- (53) Lot #13 can #28; 10 grams heads, schist lower valley.  
Yield
- (54) Lot #3 can #7; -4 -6 lbs. thru tube then pot. 7 grams  
Yield
- (101) Lot #3 can #6; 60 grams thru pot. 1.5 grams  
Yield 8.5 mg. Au.
- (102) Lot #3 can #6; 30 grams thru pot. 3 grams  
Yield 3. mg. Au.
- (103) Lot #3 can #7; 30 grams thru pot. 13 grams  
Yield .5 mg. Au.
- (104) Lot #4 can #10; 30 grams thru pot. 8.5 grams  
Yield 1.5 mg. Au.
- (105) Lot #5 can #13; 30 grams thru pot. 8.grams  
Yield .5 mg. Au. - Ag.
- (106) Lot #6 can #15; 30 grams thru pot. 8. grams  
Yield 1. mg. Au. - Ag.
- (107) Lot #7 can #17; 30 grams thru pot. 11 grams  
Yield 1. mg. Au. - Ag.
- (108) Lot #8 can #19; 30 grams thru pot. 15 grams  
Yield 1. mg. Au.
- (109) Lot #9 can #21; 30 grams thru pot. 14 grams  
Yield 1. mg. Au.
- (110) Lot #10 can #23; 30 grams thru pot. 15 grams  
Yield .5 mg. Au.
- (111) Lot #11 can #25; 30 grams thru pot. 11 grams  
Yield 1. mg. Au.

TREATISE AND ABSTRACT

ON

LIMERICK CANYON, NEVADA

GOLD PROPERTY

PLACER RESERVE ON LIMERICK CANYON, NEVADA GOLD PROPERTY

The characteristics of the Limerick Canyon Placer is such that it can be mined and processed at a low per cubic yard recoverable cost. The property contains 800 acres, extending for 7500 feet.

Prospecting to prove up the reserve has been extensive by trenching across the property. A series of trenches, three feet wide, from the surface to bedrock crisscross the property. Some trenches have been continuous for over 2,000 feet in length and excavated to a depth of 20 feet. An economic yield of gold is present throughout.

The average depth is 10 feet. It begins at a 3 to 4 foot depth at the upper canyon rim, to over 20 feet of depth in the lower areas. At the lower area of the property the prospectors did not exceed 20 feet of depth.

It is well established that the Limerick Canyon placer contains gold that can be economically mined on a large scale.

Employing an average of 10 foot of depth this 800 acres contains 12,893,760 cubic yards of recoverable placer material.

800 x 4842.8 = 3,874,240

= 3,874,240 yd<sup>2</sup>  
3.3

11,616,000  
116,160,000

12,777,600.0

ECONOMIC GEOLOGY OF LIMERICK CANYON, NEVADA GOLD PROPERTY

Most of the placer material is in the form of sand, shale, silt, and decayed schist. The placer is young in age. The larger particals of schist are sharp and angular. Nowhere have any large rocks been observed. There are very few locations along the entire creek area, or in the prospect trenches where rocks larger than eight (8) inches are encountered. The schist rock is easily crushed for the seperating of gold.

Gold can be taken by panning almost anywhere on the property. The gold in the Limerick Canyon is in the form of rough sharp nuggets. Most of the gold will pass through a 1/4 inch screen. Most of the gold is between 1/4 inch and 8 mesh in size.

Assays run by Mars Metal Corperation of San Bernardino, California indicate a high yield of gold in the Limerick Canyon, Nevada placer.

The samples taken across the property during the Spring of 1973 average \$47.08 of course gold recovery per cubic yard of material.

The placer material can be mined with hi-lifts and pans and trucked to the separation plant. Wells for a water supply to be drilled in the lower basin and piped to the plant approximately 1½ miles. No roads are required to be built. An excellent all-weather road extends from the main highway 10 miles to the property.

The placer material to be crushed and screened at 1/4 inch. The minus 1/4 to 8 mesh to be seperated by jigs and shaking tables. The minus 8 mesh by zero to be pulverized and seperated by means of an electronic converter.

Cost of operations to be as low as \$5.18 dollars per cubic yard. Royalty charges, equipment purchase and smelting cost not to exceed \$16.58 dollars per cubic yard.

The placer yields .427 Troy ounces of gold. At market value (\$100.00 per Troy ounce) it will realize \$47.08 dollars a cubic yard of material processed.

MAP OF AREA



17

1973 DEPRECIATION SCHEDULE

<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>DEP. TIME</u>	<u>DEP. PER YEAR</u>
Building 30' x 60' x 10'	6,000	20 yrs.	300
Vibrating Tables (8)	40,000	20 yrs.	2,000
Bins	5,000	20 yrs.	250
Conveyors	5,000	10 yrs.	500
Pumps & Pipe	15,000	10 yrs.	1,500
Screening Plant 8' D	10,000	20 yrs.	500
Truck-Pickup (Lease)	-	-	-
Crusher	2,000	10 yrs.	100
Convertor	50,000	10 yrs.	5,000
Chutes & Gates	1,000	10 yrs.	100
Dewatering Screen	1,500	15 yrs.	100
Feeders	1,500	15 yrs.	100
Safe	1,000	20 yrs.	50
Electrical & Plumbing	2,000	20 yrs.	100
Rebuild Equipment	5,000	5 yrs.	1,000
Contingencies	15,000	10 yrs.	1,500
Engineering & Fees	<u>30,000</u>	<u>20 yrs.</u>	<u>1,500</u>
 TOTAL PLANT & EQUIPMENT	 \$190,000		 \$14,500
WORKING CAPITAL	<u>40,000</u>		
CAPITAL REQUIRED	\$230,000		

1973 ( 4 MONTHS )

8 SEPERATION TABLES 80%

ESTIMATED LABOR

<u>RATE</u>	<u>OCCUPATION</u>	<u>Day Shift</u>		<u>Aft. Shift</u>		<u>Total</u>	
		<u>MEN</u>	<u>AMOUNT</u>	<u>MEN</u>	<u>AMOUNT</u>	<u>MEN</u>	<u>AMOUNT</u>
5.50	Table Operator	1	44.00	1	46.00	2	90.00
3.50	Table Helper	1	28.00	1	30.00	2	58.00
5.00	Screen Plant Operator	1	40.00	1	42.00	2	84.00
3.00	Utility	1	24.00	1	26.00	2	50.00
6.50	Hi-Lift Operator	1	52.00	1	54.00	2	106.00
4.25	Truck Drivers	2	68.00	2	72.00	4	140.00
8.00	Electrician	1	64.00	1	66.00	2	130.00
TOTAL LABOR		8	\$320.00	8	\$336.00	16	\$658.00

ESTIMATED SUPERVISION

	<u>MEN</u>	<u>AMOUNT</u>
Superintendent	1	1,500
Foremen	2	2,400
Clerk Accountant	1	1,000
Secretary	1	700
TOTAL SUPERVISION & CLERICAL	5	\$5,600

OVERHEAD CHARGES

President	4,000
Vice-President of Operations	3,000
Accountant	1,200
Secretary	800
Stenographer	700
TOTAL ADMINISTRATIVE	\$9,700

Idle day labor: 1 Electrician & 1 Operator @1½ times for 4.33 Sat.=\$701.43  
Paid Holidays: Labor Day, Vetrans Day, Thanksgiving, Christmas  
Vacation Bonuses: \$30.00 per month per man

CUBIC YARDS PER DAY .....600

DAYS WORKED PER MONTH..... 20

CUBIC YARDS PER MONTH...12,000

	PER MONTH	
	AMOUNT	PER CU. YD.
Labor (16 Men)	\$13,160	
Idle Day Labor	701	
Paid Holidays (4)	523	
Vacation Bonuses	480	
Supervision and Clerical	5,600	
Labor Taxes (18%)	3,684	
TOTAL LABOR	\$24,148	\$2.012
Royalty 20%	\$112,980	\$9.415
Repair Parts & Rebuilds	3,600	.300
Fuel and Supplies	4,800	.400
Plant & Equipment Purchase (5%)	28,245	2.353
Insurance & Taxes	600	.050
Smelting Charge	56,490	4.708
General Mine Expense	360	.030
Telephone	600	.050
Contract Trucking	12,800	1.067
TOTAL SUPPLIES & ROYALTY	\$220,475	\$18.373
Administrative	9,700	
Labor Taxes (12%)	1,164	
Depreciation	1,375	
Office Rent	1,000	
Telephone	600	
Legal & Accounting Fees	400	
Insurance & Hospitalization	1,500	
TOTAL OVERHEAD	\$ 16,539	\$1.378
TOTAL COST OF OPERATION	\$261,162	\$21.763
Realization @\$110.00 oz. (.4275)	\$564,900	\$47.075
NET PROFIT PER MONTH	\$303,752	\$26.312

SUMMARY OF 1973

1974 ( 12 MONTHS )

16 SEPERATION TABLES (80%)

ESTIMATED LABOR

<u>RATE</u>	<u>OCCUPATION</u>	<u>Day Shift</u>		<u>Aft. Shift</u>		<u>Totals</u>	
		<u>MEN</u>	<u>AMOUNT</u>	<u>MEN</u>	<u>AMOUNT</u>	<u>MEN</u>	<u>AMOUNT</u>
5.50	Table Operator	2	88.00	2	92.00	4	180.00
3.50	Table Operator	1	28.00	1	30.00	2	58.00
5.00	Screen Plant Opr.	1	40.00	1	42.00	2	82.00
3.00	Utility	1	24.00	1	26.00	2	50.00
6.50	Hi-Lift Operator	2	104.00	2	108.00	4	212.00
4.25	Truck Drivers	4	136.00	4	144.00	8	280.00
8.00	Electrician	1	64.00	1	66.00	2	130.00
8.00	Mechanics	<u>3</u>	<u>192.00</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>192.00</u>
TOTAL LABOR		15	\$676.00	12	\$508.00	27	\$1204.00

ESTIMATED SUPERVISION

	<u>MEN</u>	<u>PER MONTH</u>
General Manager	1	\$ 2,500
Superintendent	1	2,000
Foremen	3	4,500
Clerk Accountant	1	1,000
Secretary	<u>1</u>	<u>700</u>
TOTAL SUPERVISION & CLERICAL	7	\$10,200

ADMINISTRATIVE OVERHEAD

President	\$ 4,000
Vice-President of Operations	3,000
Accountant	1,400
Secretary	900
Stenographer	<u>800</u>
TOTAL ADMINISTRATIVE	\$10,100 per Month

Idle Day Labor: 2 mechanics (9 months) \$830.00 per Month  
Paid Holidays: 8 per year  
Vacation Bonuses: \$30.00 per month per man

135  
8/1000

16  
8  
128 yd/hr

22

MINING DATA

The capacity per table is 8 cubic yards per hour. Operating the table over two shifts (16 hours) at 80% efficiency will process 102 yards of material per hour.

Employing 6 tables per day for a production yield of 612 cubic yards per day (two shifts).

ROYALTY:

A Royalty is 20% of the gold recovered to be paid to the landlord.

SMELTING FEE:

A Smelting Fee of 10% of the gold recovered was employed in this report.

The mining operation to produce and separate gold from ore for a period of nine (9) months or more a year. During the two-week period between Christmas and New Years all personnel will take their vacation.

During January, February and two weeks in March the plant and equipment will be rebuilt. A crew of 15 men at a labor cost of \$34,500.00 is budgeted for this work.

Idle day labor consists of \$7,470.00 per year. This is budgeted for overtime and Saturday maintenance work.

A vacation bonus of \$30.00 per man per month to be paid to all wage and hour employees.

Budgeted are eight (8) paid holidays.

8/1200  
150  
23

CUBIC YARDS PER DAY.....1200

DAYS WORKED PER YEAR..... 180

CUBIC YARDS PER YEAR....216,000

1974

	<u>AMOUNT</u>	<u>PER YEAR</u> <u>PER CUBIC YARD</u>
Labor (27 men)	\$216,720	
Winter Rebuilds & Idle Day Labor	41,970	
Paid Holidays (8)	9,632	
Vacation Bonuses	9,720	
Supervision & Clerical	112,400	
Labor Taxes (18%)	<u>79,686</u>	
 TOTAL LABOR	 \$523,388	 \$2.424
 Royalty (20%)	 \$2,033,640	 \$9.415
Repair Parts & Rebuilds	64,800	.300
Fuel & Supplies	64,800	.300
*Plant & Equipment Purchase (5%)	1,016,820	2.353
Insurance & Taxes	10,800	.050
Smelting Charge	508,410	4.708
General Mine Expense	6,480	.030
Telephone	<u>5,400</u>	<u>.025</u>
 TOTAL SUPPLIES & ROYALTY	 \$3,711,150	 \$17.181
 Administrative	 \$ 121,200	
Labor Taxes (12%)	15,500	
Depreciation	66,000	
Office Rent	12,000	
Telephone	7,200	
Legal & Accounting Fees	4,800	
Insurance & Hospitalization	12,000	
Vehicle & Travel Expense	<u>24,000</u>	
 TOTAL OVERHEAD	 \$251,849	 \$1.166
 TOTAL COST OF OPERATIONS	 \$4,486,387	 \$20.771
 RECOLIZATION \$110.00 oz. (.4275per)	 \$10,168,200	 \$47.075
 NET PROFIT PER YEAR	 \$ 5,681,813	 \$26.304

\*Note: Plant and equipment purchase, plus interest, totals \$300,000.00. The balance to be utilized to erect the new equipment and plant in 1974.

DEPRECIATION 1974

	<u>AMOUNT</u>	<u>DEP. TIME</u>	<u>DEP. PER YEAR</u>
Hi-Lift	\$ 80,000	5 years	\$ 16,000
Trucks (4)	100,000	5 years	20,000
Bins	20,000	20 years	1,000
Shop	25,000	20 years	1,250
Tables (8) & Plant	90,000	20 years	4,500
Convertors (2)	100,000	10 years	5,000
Contingencies (10%)	<u>41,500</u>	10 years	<u>4,150</u>
 TOTAL 1974	 \$ 456,500		 \$ 51,900
ADD 1973	<u>180,000</u>		<u>14,500</u>
 TOTAL DEPRECIATION:	 \$ 636,500		 \$ 66,400



ADMINISTRATIVE

President	\$ 75,000.00	Per year
Vice-President of Operations	50,000.00	Per year
Vice-President of Engineering	50,000.00	Per year
Accountant	18,000.00	Per year
Office Manager	18,000.00	Per year
Secretary	10,800.00	Per year
Secretary	9,600.00	Per year
Stenographer	<u>9,600.00</u>	Per year
TOTAL ADMINISTRATIVE	\$241,000.00	

26  
8 2000

CUBIC YARDS PER DAY.....2000

DAYS WORKED PER YEAR..... 180

CUBIC YARDS PER YEAR...360,000

1975

		<u>PER YEAR</u>
	<u>AMOUNT</u>	<u>PER CU. YD.</u>
Labor (27 men)	\$216,720	
Winter Rebuilds & Idle Day Labor	41,970	
Paid Holidays (8)	9,632	
Vacation Bonus	9,720	
Supervision & Clerican	112,400	
Labor Taxes	79,686	
TOTAL LABOR COST	\$523,388	\$ 1.454
Royalty (20%)	3,389,400	9.415
Repair Parts & Rebuilds	108,000	.300
Fuel & Supplies	108,000	.300
Insurance & Taxes	18,000	.050
Smelting Charges	1,694,700	4.708
General Mine Expense	10,800	.030
Telephone	9,000	.025
TOTAL SUPPLIES & ROYALTY	\$5,337,900	\$14.828
Administrative	\$ 241,000	
Labor Taxes (12%)	18,920	
Depreciation	66,000	
Office Rent	12,000	
Telephone	7,200	
Legal & Accounting Fees	4,800	
Insurance & Hospitalization	24,000	
Vehicle & Travel Expense	54,000	
Miscellaneous & Consulting	30,000	
TOTAL OVERHEAD	\$ 457,920	\$ 1.272
TOTAL COST OF OPERATIONS	\$ 6,319,208	\$17.554
Reolization \$110.00 oz. (.4275 oz/ton)	\$16,947,000	\$47.075
NET PROFIT PER YEAR.....	\$10,627,792	\$29,521