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THE WILDHORSE (GOLD & SILVER) PROPERTY

Seven Troughs Mining District

PERSHING COUNTY, NEVADA

by

D. W. Litchfield

Property Examination March through October, 1973

Report Written October 31, 1973

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Introduction

The Wildhorse group consists of five (5) lode mining claims situated in the Seven Troughs Mining District, Pershing County, Nevada. The claims have been actively mined for the past 14 years, on a small scale, by Mr. Clayton Mendhom of Nevada, the former owner-operator. A small mill was established and operated with the water developed from a spring and the shaft on the property. The mining and milling was confined to high grade gold ore. Mr. Mendhom quit his workings two years ago, when at age 72, a slab caved down on him at the mine and injured his legs.

Information for this report has been obtained from assay certificates and oral information from Mr. Clayton Mendhom, from the U.S.G.S. Map NK 11-10, from a publication by Mr. Hugh A. Shamberger (formerly the Nevada State Engineer), and by my personal examination and exploration of the property since March,, 1973.

This property has been and should be an excellent producer of gold and silver.

Location & Access

The Wildhorse property is north and west of Lovelock, Pershing County, Nevada. Access to property is by Nevada State Highway 48 to the end of pavement, then along a gravel road to the site of the town of Mazuma, then northeast along the foot of Seven Troughs Mountain to Wildhorse canyon, then up the canyon on a newly bladed road to the camp and mine site, in all about 27 miles.

Property

The property consists of the Michigan, the Michigan #1, #2, and #3 and the May Pole lode mining claims, approximately 100 acres, situated in Sections 17 and 18, T30N, R9E Mount Diablo Base and Meridian, Seven Troughs Mining District, Pershing County, Nevada.

Topography, Vegetation & Climate

The topography is fairly rugged, but not precipitous, with steep barren hills rising from gently sloping valley floors. Numerous dry stream beds occur, with light snow in the winter and occasional flash floods of great severity and intensity in the summer.

History

The history of the Wildhorse property is long and varied and tied into that of the entire Seven Troughs District. A publication covering the history and development of this District accompanies the report. The history and development of the subject Michigan claims is mainly the result of the efforts of Mr. Clayton Mendhom who developed the Golden Horseshoe claims which were later reclaimed by Mr. Mendhom as the Michigan claims. Mr. Mendhom and wife were very successful operators of these claims for 14 years. The mint records show annual ore sale of between $70,000.00 and $80,000.00 from these claims. The shafts were sunk by hand and all work was done with single jack, shovel, pick, powder and an ore bucket with a hand windless at the head frame effectively operated by Mrs. Mendhom. It was only a two (2) person and not a high production operation and the thirty (30) ton ball Mill only ran when enough ore was accumulated, which was approximately once a month. The ore was high grade and according to Mr. Mendhom, was very amenable to being milled. The combination of the encroachment of old age of Mr. Mendhom combined with the mishap caused the discontinuance of operations.

General Geology

An old highly metamorphosed rhyolite-quartz breccia is the main vein material. The rhyolite is kaolinized and the quartz is decomposed to a sand consistancy. This is usually adjacent to a diorite dike of very fine grained consistency and occurs within the general unaltered rhyolite and andesite. In observing the area, the most striking feature is the massive altered area and the overcapping by younger rhyolite flows, or parts thereof. The altered trend is several miles long and three or four miles wide. The Michigan claims are on a northerly extension of the Seven Troughs veins near the center of the large altered zone which predominates the District.

Ore Possibilities, Economic Geology & Engineering Observations

Mining at the property was principally along two veins which were considered to run parallel. One vein was followed for an estimated 500 feet and the other for 100 feet. The depth at which the first drift was driven was about 75 feet and ore shoots were stoped out to near the surface. A second vein was worked to a depth of 32 feet. The vein varied in thickness from six inches to five feet with some ore shoots. Like so many other mines, when the ore pinched, it increased in value and some of the one foot to six inch pinched went higher than the $6,000.00 per ton in recovered values which Mr. Mendhom reports to be his average.

Investigation of the claims led the author to believe that the veins were not parallel but converging and so a cross cut was made with a large front end loader which crossed seven veins converging on a single intersection point. Surface indications were similar on the worked veins and the new ones. All of the veins panned about the same amount of gold and a small cut across one surface vein assayed .86 of ore per ton. The mine was never worked below 75 feet because this was water level and no work, except for sinking of the shaft to one hundred feet, was done due to the coldness of the water and the problems of pumping. Enough ore was developed above the water table to keep the mine in operation so the ore developed below the table has been left in place.

The deepest mine in the District was about $1\frac{1}{2}$ mile distant and was sunk to 1,800 feet on a good grade ore before striking water of such magnitude that operations were stopped.

There is sufficient water and water rights available on the property for the contemplated mining and milling operation. A good source of water can be developed from the old mining shaft. The veins which converge near the original shaft have been traced for about 1,000 feet in length and if such veins average only 2 feet in width of pay zone and extend only 100 feet deep, then there is an estimated 1,400,000 cubic feet of ore (1,000 ft. length x 2 ft. average width x 7 veins x 100 ft. depth) which, at 14

cubic feet per ton, is 100,000 tons of ore. Mr. Mendhom recovered ore with an average of 170 oz. gold and 760 oz. silver per ton. At $100 per oz. for gold and $2.50 per oz. for silver, if the average value recovered is only 1/10th the values recovered by Mr. Mendhom, then the value of this ore would exceed $1,800 per ton at present day prices and would place the dollar reserve of the property at more than $180,000,000. In the event these same ore veins continue to have values equal to that as recovered by Mr. Mendhom, then the dollar reserve value of the ore would exceed $1,800,000,000. I believe this dollar value (1/10th of values previously recovered) to be most conservative but the veins must be cut at depth before a more firm reserve figure can be arrived at. It is assumed that the veins are longer and much deeper and that the values continue as indicated by examination and the history of mining operations in the District. Additional veins were noted but have not been investigated.

Conclusions & Recommendations

A good vein system exists on the Wildhorse property which group of veins warrants development. A proposed development program is as follows:

1. Drive an inclined shaft and haulage way for a distance of 1,000 feet with a switchback at 500 feet to develop the ore body by cross cutting the veins at depth.

2. Drift along the veins encountered to determine ore shoots and the continued grade of ore. This should provide 14 headings and later 28 headings along the veins that could be worked.

3. A mill should be installed and water developed from the old shaft.

4. Roads which have been cut into the property at this time should be improved.

5. A mining camp must be established due to the difficulty of commuting.

Starting 60 to 90 days after funding is available, the mine should be able to pay out total development costs in 30 days of operating with production and processing of only 10 tons of ore per day.

Estimated Development Expense For 25 Tons Ore Production And Processing Per Day

1.	Driving backfire haulage way 1,000 feet @ $50.00/ft.	$50,000.00
2.	Drifting 1,400 ft. @ $20.00/ft. (contract)	$28,000.00
3.	Set up mill and water system	$160,000.00

4.	Roads, access and site work	$ 17,000.00
5.	Preliminary camp setup (Larger camp may be developed from production)	$ 25,000.00
		$270,000.00

The above is considered a maximum development cost estimate and is based on costs derived from comparable District costs and considerable years of experience by the author and his associates; hence a total of $300,000.00 ($30,000 for start-up of production) should be available for the recommended development program.

Respectfully submitted,

D. W. Litchfield
Mining Consultant & Engineer

Lovelock, Nevada
October 31, 1973

BRIEF RESUME OF EXPERIENCE
DOUGLAS WILLIAM LITCHFIELD

FROM 1943 TO MAY 1950:

Equipment operator, chainman, rodman, instrument man and foreman At Coleman Collieries and for Southern Road and Irrigation Construction Co. Ltd., Alberta, Canada. (Summer work in family business)

FROM MAY 1950 TO SEPT. 1950:

Instrument man, National Parks Service. Waterton Lakes National Park, Alberta. Survey Crew.

FROM SEPT. 1950 TO NOV. 1952:

Latter Day Saints Missionary. West Central States Mission. Billings, Mont.

FROM NOV. 1952 TO SEPT. 1954:

Public relations officer. National Parks Service. Banff National Park, Alberta (summer) General Public Relations Work, Lectures, Films, Guided Tours (winter) Ski Patrol and Racing.

FROM SEPT. 1954 TO JULY 1957:

Party Chief then Assistant Resident Engineer, Dept. of Public Works, Transcanada Highways Division, Banff, Alberta. Preliminary Survey, Construction Design, Survey and Supervision. Responsible Charge of Work with regard to all phases of engineering on three projects simultaneously, under the supervision of a senior resident in charge of ten projects. Completed total projects from preliminary location to finished paving.

FROM JULY 1957 TO MAY 1958:

Location Engineer, Dept. of Public Works, Highways Division, North West Territories, Canada. Responsible charge of location of road from Ft. Providence on the Mackensie River to Roe Rock and Yellowknife, on Great Slave Lake, and north to Sawmill Bay, on Great Bear Lake, of Ft. Smith Portage Road and the design of these roads.

FROM MAY 1958 TO JUNE 1960:

Project Engineer, Square M Construction and Coleman Collieries Ltd., Alberta, Canada. Responsible charge of all engineering on roadway, bridges, open pit mining, and construction of an oil refinery. Trouble shooter on the numerous projects of the company.

FROM JUNE 1960 TO SEPT. 1960:

Project Engineer, W. C. Wells Construction Co., Lethbridge, Alberta, Canada. Responsible charge of engineering on 20 miles of roadway reconstruction.

FROM SEPT. 1960 TO JUNE 1961:

Laboratory Assistant and Instrument Repairman at Utah State University. Instruction and Field Practice Supervision of survey students and the care and repair of all instruments and survey equipment. Also assisted Prof. Tingey on land surveys and private consulting work (part time)

FROM JUNE 1961 TO AUGUST 1961:

Party Chief. Dam Construction, Inc., Flaming Gorge Dam, Utah. Responsible charge of block location crew.

FROM AUGUST 1961 TO DEC. 1961:

Shift Superintendent, J. H. Beckman Construction Co., at Lyman, Wyoming. Charge of heavy construction crew, building Interstate 80 section near Church Buttes.

FROM JAN. 1961 TO JULY 1961:

Laboratory Assistant at Utah State University. Same Work as in 1960. (part time)

FROM JULY 1961 TO SEPT. 1963:

Project Engineer and Superintendent, LeGrand Johnson Construction Co., Logan, Utah. Responsible charge of estimating, bidding and project engineering and supervision on roads, quarry, airport and dam projects.

FROM SEPT. 1963 TO MARCH 1964:

Surveyor and Design Assistant. Erwin U. Moser, P. E. , Logan, Utah. Responsible for land surveys and design of subdivisions and engineering works.

FROM MARCH 1964 TO SEPT. 1964:

Shift Superintendent, Stout Construction Co., Kannarraville, Utah. Responsible for heavy construction. Supervision on section of I-15.

FROM SEPT. 1964 TO JUNE 1965:

Surveyor and Design Assistant. Erwin U. Moser, Logan, Utah. Land Surveys and Engineering Works.

FROM JUNE 1965 TO SEPT. 1965:

Party Chief. Bechtel, Inc. at Kennecott Copper Co., Project Copperton, Utah. Responsible on all phases of construction survey.

FROM SEPT. 1965 TO JUNE 1966:

Surveyor and Design Assistant. Erwin U. Moser, Logan, Utah. Responsible for land surveys and engineering design.

FROM JUNE 1966 TO OCT. 1966:

Graduation from Utah State University with a B.S. in Civil Engineering. Project Engineer, Weyher Construction Co., Kennecott Copper Co., Garfield, Utah. Design and installation of acid lines and various engineering works.

FROM OCT. 1966 TO APRIL 1968:

Estimating Engineer and Troubleshooter. S. S. Mullen, Inc., Salt Lake City, Utah. Responsible charge of estimation of costs, bidding, design of operational plans, mining engineering, equipment utilization and new project planning. Responsible charge of engineering, problem solving on going projects.

FROM APRIL 1968 TO JUNE 1969:

Mining Consultant and Engineer. Client, Brush Beryllium Co., Delta, Utah. Responsible charge of all engineering and design of the roadside open pit mine. Project Engineer for contract to remove overburden. Design and engineering of mining plan and stockpile placement.

FROM JUNE 1969 TO OCT. 1970:

Mining Consultant, Mines, Inc. Salt Lake City, Utah. Mine evaluation and planning for numerous clients in Utah, Arizona, California, Idaho, Montana and Mexico, for Strip Copper, Inc., Disserello Minero, S. A. Mexico, Continental Gold and Silver.

FROM OCT. 1970 TO SEPT. 1971:

Continental Dynamics, Rowan W. Williams, Brush Beryllium Co.

FROM SEPT. 1971 TO JULY 1972:

Mining Consultant and Engineer, Client, Brush Wellmanlane, Delta, Utah. Design and Project Engineering of Blue Chalk North Pit. Responsible charge of all engineering design and project engineering in the completion of this project.

FROM JULY 1972 TO SEPT. 1972:

Mining Consultant, Client, Consolidated Medical Ind. Evaluation of Gold Placer and Uranium Properties in Colorado and Utah, coal gasification stuches and feasibility reports.

FROM SEPT. 1972 TO MARCH 1972:

Mine Engineer and General Partner, 4 Generations Mining Co., Lovelock, Nevada. Responsible charge for mining and process planning and exploration of Gold Placer Properties.