5030 0008

145 ?

Item 11

Analysis of Report by Norman Stines on the Ashdown Property and the Hunt and Pangburn Mercury Claims.

Norman Stines - A Member of the A.I.M.E. Not listed in any of the Who's Who. Employed by James M. Curley, ex-governor of Massachusetts, to examine the Ashdown property, after it had operated unsuccessfully under previous management.

Ashdown Property - Acquired by the Curley Interests by an option to buy. After the aforementioned unsuccessful operation during 1939, Curley traded another group of claims for the sole control of the Ashdown. A 100 ton mill was partially completed on the property at the time of Stine's report.

The examiner noted the Ashdown as a worthy property. Upon examining past mill records he arrives at the value of $11.00 per ton of ore. This is based on 11,620 tons of ore. He states that large reserves have been proven underground, and that a large profit should be realized from the property. These reserves ammount to over $2,000,000 with large potentialities besides. Mining, milling and a royalty ammount to over $7.00, leaving slightly over $3.00 per ton profit. Although the method of determining reserves seems conservative, no definite statement as to the sampling method employed, or the amount of sampling done was made.

An investment of $200,000 plus a year's production, ammounting to $83,000 was made in the Ashdown prior to the writing of Mr. Stine's report. This property and some mercury claims became the assets of the Curley Mercury Company which was formed in 1940. This company is capitalized at $1,500,000. However Curley, by turning over the Ashdown to the company, received 1,000,000 of the 1,500,000 shares issued.

The potential profits of the company, to come from bothe the Ashdown and the mercury claims, are set down at 10¢ per share per year, as of the present set-up, with 18¢ a more likely figure. Of these profits, a good share is to come from the Ashdown. Thus, if this property was a failure, the company would be seriously affected. According to the latest reports, this property is inoperative at the present, so Mr. Stine's 10¢ per share is probably not forthcoming.

Stines optimism recommended giving up the Ashdown.

Hunt Pangburn Claims - These mercury claims were acquired at the same time as the Ashdown property. They are assets of the previously mentioned company, for, although Curley has the title to them, he is to surrender them when needed.

Ivanhoe D.D.

Hunt Pangburn Claims (Cont.)

OK.?

Mr. Stines figures on $2 per pound mercury for the 18 months following the date of his report, and $1 mercury from then on. These figures are the basis of his valuation of the property, and seem very reasonable indeed, in the light of present world conditions.

The mercury deposits occur in a stratum near the surface. oOpen pit mining is contemplated in the report. To arrive at his tonnages, he uses 20 cubic feet in place, which would seem very conservative. He also uses the minimum depth of stratum in his calculations. A noteworthy omission is the absence of any statement as to the sampling method used. Sampling grows greatly in importance with an open pit proposition and is absolutely essential to it. Careful sampling of the entire area with assay values and the weight of the samples should have been done, and if it was, it should be stated.

1940 - Rotary installed
closed down
Why?
answer?

The value of the ore runs from $6 to $10 with $1 mercury. Mr. Stines gives tonnage figures which will keep the property for quite some time. He predicts until 1949 at least. Mining, development, and transportation costs ammount to $1.25 per ton, with refining and marketing bring the total per ton cost up to $3.75. In 6 years, Mr. Stines predicts $850,000 will be realized.

A mill is contemplated for the eastern side of this deposit, and is to be built during the latter part of 1941. Accordto the figures given, this mill, which will handle 100 tons per day, together with the Ashdown property, will yield 10¢ per share per year up to 1945 in proved values alone. By increasing this capacity by 100 tons on the Hunt property, the figure would be nearer 18¢, which Mr. Stines believes is the correct one.

Summary - This report is very well written, with the salient facts clearly stated, and with an engineering approach to the evaluation of the properties examined. In the case of the Ashdown property, which has extensive workings and much ground visible, his figures seem very reasonable, except for the fact that the ammount of sampling done, and the value of the ore, as found from this, was not stated. Mill records show the value of ore which has been extracted, but does not necessarily imply that all the ore left is of the same grade. However, the omission of the extent of sampling done relative to the mercury ones is one which seriously affects the entire financial possibilities of the property.

11% ore milled on basis of small daily? tonnage
100 ton mill - ore?

Neither the mineralization, nor the geology of either area is given in the report. It may be that Mr. Curley was not concerned with these details, but, in any event, a brief resume of the governing structures and formations and a short statement of the mineralization present would be most welcome to any engineer reading the report.

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Critique on Stine's Report

F.C.

Good

Report On The Curly Tuck Gold Corporation
By Norman C Stines

This report is of value only in so far as the reputation, integrity and ability of the examining engineer have been proven by past experiences.

Looking at the proposed corporation only from the point of view of money invested, it would appear doubtful that any great advantages would be derived from being a stockholder; as Mr. Curley for $233,000 is entitled to one million shares of stock while the investing stockholders are entitled to only 500,000 shares of stock for $250,000 cash. Furthermore, the listed assets and intended functions of the corporation (proposed or actual?) are not clearly stated and the nature of the report does not tend to make one enthusiastic about the management of the properties.

The investment of any money in the properties under consideration is not warranted by the report as the following information is not available:

(1) Past history of properties.
(2) Method of sampling and scope of campaign. — Average of many tons of samples.
(3) Method of calculating reserves. — Horizontal bed 10' thick 3000' long - 30' - 60' wide.
(4) Method of determining recoverable value of ore.
(5) Method of calculating costs of treatment.
(6) Average costs and abundance of transportation facilities and supplies.
(7) Climate and its influence on year around production.
(8) Opportunities for possible litigation.
(9) Reasons for expecting downward extension of ore.
(10) Structural geology of region
(11) Nature of country rock.
(12) History of district

The most striking thing about the report is that it appears to lack sincerity; and definite, concrete information is noticeable by its absence.

The subsequent history of the mine as recorded in the Nevada Bureau of Mines newspaper file is an epitaph to an engineer who was, a hundred-ton amalgamation plant was installed on the ashdown property and a colony

furnace was installed on the Waldy Hunt mercury property, but there is no record of any production of importance.

A short run on very low heads, and the property closed down.

Stines told a mutual friend that he made the error of estimating an equal grade of ore between cuts as exposed in the cuts!

The prospector digs on his best showings! His cuts are on the best and sometimes only ore!

Larry Callahan
Mining 80
3/30/42

Critique on Stine's Report

MWM.

Gold and Mercury Property of Curley Luck Gold Corporation by Norman C. Stines.

The report on the Hunt-Pangburn mercury properties by Mr. Stines, would warrant a looking into today, with the price of mercury as it is.

Mr. Stines gave very high tonnages of ore in the properties, and stated that 300 tons of ~~6~~ 15 ore could be treated per day. The high estimates are most likely wrong because ~~the~~ mercury ore is very erratic and mercury deposits are hard to block out and you cant prove any great tonnage.

The report did not contain any data on samples ~~taken~~ or assays taken. It only stated that the mercury content of the ore was obtained from the average of many tens "Tons" of samples.

The report is very poorly written, no samples or assays indicated in the report, no maps, or data on past production.

The report of Mr. McGuire was a much better report, from an engineers view point, while the report of Mr. Stine was better for promotion schemes.

The geology of the deposit? Nothing mentioned.

50 ton retort - A retort on the property? Any checking of samples by retort runs? No record of any runs thru retort.

Most likely cant reach a cost of $2.50/ton. Cost of 2.50 a ton? Is this possible? Power shovel - Cost. Retorting? ~~[illegible]~~

Rent of shovel ($3/yd) is about $35/day

Locating the property from railroad? Cost of supplies?

Note page 2. Line 6. assumed line? showed Choice of words?

Terms of lease & bond?

Page 14. Horiz. bed. 10' thick. 3000' long. 30-60' wide. Can you visualize it?

Retort good for 50 ton, therefore shovel cost would be 70¢/ton.

Does not give distance of property from railroad.

No mention of lease or bond.

Trucking, shovel & retorting will most likely come over $2.50/ton.

Mike Miskulin
Mining 80.
March 18, 1942