## 5030 0018

San Francisco, February 5th, 1944.

To P. R. Bradley: re DEFENSE TUNGSTEN MINES, INC.,
Humboldt County, Nevada.

The Defense Tungsten Mine was submitted to Atolia Mining Company in May, 1943, through Martin Judge, Jr. of San Francisco. At that time only 20% of the stock was for sale. There are 100,000 shares outstanding. At present the property is not being well handled, and the control of the property is for sale to Atolia Mining Co. or other companies in the same office. Apparently a reasonable deal can be made whereby the payment for the stock (51% or more) can be made from part of the profits of the operation. The plan would be for Atolia to option the stock and operate the property. The only substantial risk would be the initial cost of getting into production. Ultimate cost of stock to be \$1,000 per share \$51,000 for 51%).

It is claimed that production can be started with the equipment on hand, to mine and mill 20 to 50 tons per day, except that some dump trucks are needed. The mill and camp about 3 miles from the mine and is leased from the Ashtown Mining Company.

The property is at low elevation on the rest side of the north end of the Pine Forest Mountains in Humboldt Co. Nevada, near the Oregon state line; about 10 miles south of Denio, Oregon; 115 miles by good trucking road from Winnemucca, Nevada. Daily stage and mail service runs through Denio to Burns, Oregon, and Winnemucca, Nevada. Nearest telegraph and telephone connection about 60 or 70 miles from the mine.

The ore is reported to average about 0.7% to 1.5% W03. It is claimed that there are 6,000 to 8,000 tons of such ore in sight now, with almost a certainty of 8,000 tons more that can be mined by surface operations. The maximum possibility is claimed to be very high tonnage (but I have seen the tunnel level and say maximum possibility laterally might be good, but not downward.)

Maximum possibility might be something like 30,000 tons of ore at 0.7 to 1.5% WO3. Some of the ore is very pretty. I've seen specimens of 5% and 8% material something like from the Wood (OM) (Sierra Tungsten) mine in Kern Co. I have not seen the surface workings, only the underground, so cannot comment on the surface extent. It is claimed there are excellent showings in Hill #3, a recent development about 2,000 feet from the past productive area.

Past Production is about \$86,000, with about half the sales at about \$22 per unit, and about half at \$29 per unit. The Defense Tungsten Co. produced \$56,000 of tungsten (1,961 units) from about 2,800 to 3,000 tons of ore. The concentrates ranged from 57 to 68% WO3, averaging about 63% WO3. About 0.7% WO3 was recovered per ton milled.

The present company has a sales contract with Metals Reserve expiring at end of 1944, so until the contract is cancelled, the operation should get the \$30.00 price.

According to the statement of the agents I interviewed, the property can be put into production at the rate of about 100 tons per day for less than \$15,000 initial cost because of the equipment on the property and nearby.

Agents: Martin Judge, Jr., (Hill Richards & Co., GArfield 7050)

J. Rosslyn Jones, YUkon 1463, YUkon 0148

FRANCIS FREDERICK.

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