

Flynt to Cwa - May '34

Pine 182
Item 7

5370 0007

Regarding the Nevada property, sorry I carried away the report which I am returning herewith.

There is not enough data given upon which to base any definite opinion except that a lot of work has been done and there must have been considerable production. There seems to be a divergence of opinion regarding tonnage and values. A deal would have to be based on the dump tonnage and the dump would have to be carefully sampled and treatment tests made on information as obtained from all the samples. This would involve considerable expense.

The values are undoubtedly low but with the new process it is quite probable that profitable ore is available, but a large mill would be required. I do not think that a 250 ton mill could be built for \$60,000. especially when fine grinding as indicated in the S.W. Eng. lists is required, and certainly \$15,000. working capital is not going to carry a 260 ton new plant to successful operation. The ore in the mine was undoubtedly "spotty" and the dump will be found the same way, possibly some method could be found to meet this condition. Water was scarce in normal times and would be much more so now. This is a vital point as flotation would require a considerable quantity, especially so if it could not be settled with a Dorr thickener. Considerable ore probably remains in the mine - pillars or pockets overlooked in former operations and low grade ore which new process make commercial grade - but this should be considered independently of the dumps. Winter operating conditions should also be considered.

If the property can be obtained for a reasonable price and terms or you are prepared to spend enough to have proper examinations made I believe that a preliminary examination is warranted.

Matters here are going on as usual - starting loading my 8th car today - last three cars have varied less than a \$1.00 per ton in value - this is run of mine ore coming from the slope which I originally sampled - it runs 0.53 and 0.51 oz. Au. and 2.6 and 3. oz. Ag. - as against my sampling of \$12.00.

CERTAIN BOND