J.W. Pomeroy 360 N. Michigan Ave. Chicago

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$75,000 TERMS

Hunt. - Arnold Coll.

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ITEM 32

McKinnis Examine & write @ once

Report on

THE NEVADA WONDER MINE

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HOLDINGS:

The property embraced in this mine consists of five patented mining claims, known as the Nevada Wonder. Nevada Wonder No. 2, Ruby No. 1, Blue Jay and Last Chance No. 1, having a total area of between 90 and 100 acres. Title is vested in the Curtis Machinery Company of Reno, Nevada. All taxes have been paid and there are no liens nor encumbrances against the property.

LOCATION:

The mine is located in the Wonder mining district, Churchill County, Nevada. Wonder is 55 miles east of the town of Fallon, the county seat and nearest railroad point. Forty of the 55 miles are over the Lincoln Highway, and for the remaining distance there is a good dirt auto road. There is a gentle grade from the highway to the camp of Wonder, the rise being approximately two thousand feet in fifteen miles.

HISTORY:

The history of the Wonder mine is well known in this part of Nevada. Discovered in 1906 by Murray Scott, William Mays and others, the rich gold and silver ores caused a stampede to the camp which has been excelled by few in this state. Prospectors, miners, promoters, merchants, saloon men and the usual array of camp followers flocked to the new strike, and it was not long before a town of several thousand people was established. Values were found over a wide area but no permanent ore bodies were opened up except in the ground that afterward became the Wonder mine.

The group was taken over by a group of Philadelphia capitalists who began a thorough, systematic development campaign, and in 1913 a 200 ton cyanide plant was installed. Electric power was brought in from Bishop, California, and at the time of its installation this hydro-electric power line held the distinction of being the longest transmission line in the world. The mine and mill were completely equipped with the most modern, up-todate electrically driven machinery, and production commenced which eventually yielded over six million dollars, one and one-half to two millions of which were paid in dividends.

In 1918 the mine and mill were suddenly closed down and the property remained idle until 1924, when the machinery was placed on the market. In 1925 both mine and machinery remaining were purchased by the Curtis Machinery Company of Reno, Nevada, who continued to sell off the equipment. In the meantime, with the closing of all operating mines in Rawhide, Nevada Hills and Wonder - the principal points of power consumption - the transmission line was removed and all mining operations ceased. But this mine held the distinction of being the only one in the west where company operations were not followed by leases or tributors.

Numerous levels connect the two shafts and extend far beyond them on either end of the veins. Altogether there are in excess of eight miles of underground workings.

PRODUCTION:

The old records of the company show that something over six millions of dollars were produced and in excess of $1,500,000 in dividends paid prior to December 31, 1919. No work was performed thereafter until 1931, when lessees made shipments as per schedule following:

Date	Wet Tons	Dry Tons	Assays Gold	Assays Silver	Silver Value Price per ton	Gross Value
May 23	34.35	34.0065	.36	31.75	.28 $16.00	$547.17
June 2	.186	.182	6.075	190.40	.26½ 572.42	104.18
Jun 4	50.20	49.443	.38	27.71	.26 14.80	731.97
June 15	49.76	48.765	.41	32.075	.26½ 16.70	814.37
July 9	51.45	50.318	.37	25.95	.29-3/8 15.00	754.61
Jul 22	53.89	52.651	.49	26.15	.28 17.08	899.14
Aug 31	52.31	51.63	.58	33.50	.27-5/8 29.88	1077.80
Oct. 3	41.00	39.565	.295	34.20	.28 15.48	612.59
Oct.20	38.11	37.045	.34¼	36.75	.29-5/8 17.76	657.71
Dec.18	27.60	25.944	.26-3/4	32.25	.297 14.95	387.37

It will be noted that this ore contained a little over $8 per ton in gold and $9 in silver. It should also be noted that the price received for silver averaged only 27-7/8¢ per ounce. Assuming that the estimated 30,000 tons of ore remaining in the mine above the 200-ft. level contain 20 oz. of silver per ton, the total content would be 600,000 ounces, and every advance of one cent per ounce in the price of silver would mean an added value of $6,000 to the mine.

ORE RESERVES:

During the lessees' latest prospecting and development work there was found on the surface what appeared to be either a new vein or a faulted segment of the Wonder vein, and there was an agreeable surprise to find that this ore yielded good values. The ore has been cut on the 100-ft. and 200-ft. levels and a considerable quantity shipped, but most of it remains.

As heretofore stated, no late work has been done below the 200 ft. level, due to the condition of the shaft timbers. From the 200 ft. level to the surface there is an estimated tonnage of 30,000 tons of medium and low grade ore that will probably run from $10 to $15.00 per ton. This ore is contained in supporting pillars, stope fills and unstoped portions of the ore bodies, and is believed to be conservative. The same relative conditions are found on the

200-ft. as on the 100-ft. level, and there is every reason to believe these conditions prevail on the lower levels. If so, the estimated tonnage would be greatly augmented with the reclamation of the lower levels.

The stope maps of the old company show large areas of unexplored territory which may prove productive with further development, while many of them show ore, both developed and undeveloped, which has never been extracted. The maps show in many places blocks of unstoped ground where ore has actually been taken out on three sides. Such ground provides a strong incentive for thorough exploration; and with the known conditions existing on the 100-ft. and 200-ft. levels there seems little doubt that further ore bodies of magnitude will be developed in the lower levels.

It should be borne in mind that production heretofore has come from two veins only. The undeveloped territory affords the same excellent chance of ore discovery as virgin ground in any proven mineralized zone. Only recently an entirely separate vein has been discovered on the surface south of and parallel with the veins from which production came. No work has been done on this new vein and it is not known at this time whether it will be productive or not.

MILLING:

During the period of production of the Nevada Wonder mine a 200-ton reduction plant was kept in operation, employing the continuous current decantation process. The results were most gratifying: the 1919 annual report of the company showing an extraction for the year of 93.99%. It has thus been clearly proven through big scale demonstration that cyanide is an ideal recovery process and that the ore is amenable to treatment by that method.

During the year 1931 some preliminary tests were made by flotation and it is claimed an extraction around 90% was obtained. The experiments were not sufficiently thorough to be considered final, and before the erection of a new mill further tests should be made. If it is found that the ore can be handled by flotation, that method might be adopted, as any slight loss in recovery would be offset by the smaller cost of installation. On the other hand, we know that the ore is perfectly adapted to cyanidation and probably a simpler process than continuous decantation and an all sliming plant could be worked out.

The ore extracted by lessees during the year 1931 was sent to custom mills and smelters. On $17.00 ore the cost closely approximated $12.00 per ton for trucking, freight, metal losses and smelting. On the assumption that the ore can be hauled and milled on the ground or at a point not far remote from the mine for $4.00 per ton, it will be seen that a saving of $8.00 per ton can be effected on this grade of ore.

RECOMMENDATIONS:

The tonnage in sight, together with the probable and possible ore recoverable, fully justifies the rehabiliation of the shaft and mine workings, and the erection of a 30-50 ton mill. For the purpose of ascertaining the best method of treatment, extraction and installation costs considered, sufficient quantities or ore should be sent to two or three independent ore testing plants and the results checked. With

this information in hand, a small mill can be erected at a reasonable cost, using good used machinery where obtainable. Diesel engines should be installed for power and probably an electric generator.

It would also be necessary to find or acquire a water supply, and it is believed this can be done by sinking a well in the West Gate wash where an abundance of water has been found in wells already sunk but which are too far away to be utilized. These walls do not exceed 50 feet in depth and the cost of a new well would be nominal.

One good five-ton truck will handle the ore from mine to mill.

The program would then be as follows:

1. Make tests on ore to determine the best method of treatment, keeping in mind the cost of mill installation.

2. Sink well for water.

3. Build 30-50 ton mill, and provide Diesel power plant.

4. Retimber shaft while mill is building.

5. Provide necessary mine equipment.

This program can be carried out, if the proper economy is exercised, at an expenditure of not exceeding $35,000, and possibly for $30,000.

CONSLUSIONS:

The ore estimates do not take into account anything except from the 200-ft. level to surface. There is every reason to expect the same conditions will prevail in every level below the 200'. Neither do the estimates take into consideration the possibility of virgin ore bodies which there is every likelihood of discovering. And they do not take into account those blocks of ground shown on the company's own maps as "ORE" and "PROBABLE ORE"; nor those blocks of ore not so designated but which have been stoped on three sides and in some cases on four sides.

We know of no other mining property in the west that offers the same inducements for successful and profitable operation as does the Wonder Mine, nor one that can be obtained today and ore extracted tomorrow. It has already produced six million dollars and affords excellent possibilities for another heavy production; while the ore already in sight, with a mill available, puts the property more in the manufacturing class than a mining venture. When we consider the number of mining prospects that are being purchased without a pound of ore in sight, and the vast sums of money expended in the hopes of finding ore, then the Wonder mine would seem to be in a class by itself.

Respectfully submitted,

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Reno, Nevada,
Oct. 24, 1932.