



CONTACT INFORMATION

Mining Records Curator
Arizona Geological Survey
1520 West Adams St.
Phoenix, AZ 85007
602-771-1601
<http://www.azgs.az.gov>
inquiries@azgs.az.gov

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ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: CONTACT GROUP

ALTERNATE NAMES:

PATENTED CLAIMS MS 837-840
LONG TONTO CLAIM

GILA COUNTY MILS NUMBER: 510

LOCATION: TOWNSHIP 11 N RANGE 9 E SECTION 16 QUARTER SE
LATITUDE: N 34DEG 17MIN 34SEC LONGITUDE: W 111DEG 26MIN 11SEC
TOPO MAP NAME: BUCKHEAD MESA - 7.5 MIN

CURRENT STATUS: PAST PRODUCER

COMMODITY:

GOLD

BIBLIOGRAPHY:

ADMMR CONTACT GROUP FILE
BLM MINING DISTRICT SHEET 132
ARIZONA MINING JOURNAL MAY 1920 P 18
ADMMR PAYSON GOLD DIST MINES CORRES FILE

Contact

REPORT

Upon the patented Mining Claims

of The

VERDE FALLS GOLD MINING CO.
Gila County, Ariz.

The Sketch Map herewith shows the above mining properties to be located in a surveyed district in the neighborhood of the town of Payson, Gila County, Arizona. From the Survey numbers it is seen that the claims are among the first mining claims patented in the State:-- sometime early in the '80's;--since which time very little work has been done upon them other than the annual work and the surveying and patenting of the properties.

The passing of forty years has be-fogged much of the early history of these claims.

The district in which they are located is, however, somewhat remote from rail-road facilities, this, however, is overcome by a well established line of truck which supply the requirements of this country. The town of Payson may be considered the proper point from which to visit the properties. It is situated 137 miles from Phoenix, and 96 miles from Globe; in a well-wooded and watered country.

The State Highway is at all times in wonderful conditions, being surfaced both from Phoenix and Globe and passing within a very short distance of the several groups of patented claims of the Verde Falls Gold Mining Co.

GEOLOGICAL AND ECONOMIC CONDITIONS

Geologically the country is granitic; certain areas or zones being cut by a wide variety of gineous rocks, with extensive dikes of a dark greenish black basic varieties. Secimentary rocks, consisting of Cambrian red sandstone, overlain by (probable) Devonian dolomite, still rest unconformably upon wide areas of the primary rocks, but everywhere emphasize the tremendous faulting which the region has suffered by their degradation and change of level and dip. Economically, the conditions found in this region are vastly better than those common to Arizona; for throughout there are many fertile valleys (which doubtless gave the district name of Green Valley) running streams and other sources of water, wide spread soft and hardwood timber suitable for fuel, large pine forests from which sawed lumber is today obtainable at the mill for \$25.00 per M. and finally a vast cypress forest from which the best mine timbers can be obtained. Game is plentiful, with trout fishing excellent, and general living conditions much more agreeable than in many other parts of the state.

EXAMINATION OF THE VARIOUS MINING CLAIMS

THE GOWAN

As noted on the sketch map, this claim is located in Section 34, Twp. 10 N. Range 9 East; its lower or southerly portion being crossed by the East Verde river. It stretches thus, N.W. by S.E. across the bottom of Verde Canyon, on the northerly side. The vein consists of two distinct portions; one consisting of quartz in which free gold is easily visible, and the other of an earthy, iron stained breccia; all lying between porphyry walls and dipping north-easterly at about 45 degrees;

the total thickness being from four to seven feet. An inclined shaft was first sunk on the vein to a depth of about 75 feet after which a vertical shaft was sunk to intersect the first near its bottom. The ore removed from the first shaft was milled, together with ore taken from the stopes which were carried to the surface from both sides of the shaft and for considerable distances.

Samples taken by the writer yielded as follows:

No. 1--Silver 0.20 oz. Gold 0.52 ozs. or \$10.60 per ton.
No. 2--Silver 0.40 oz. Gold 0.70 ozs. or \$14.00 per ton.
No. 3--Silver 0.20 oz. Gold 0.40 ozs. or \$8.00 per ton.
No. 4--Silver 0.20 oz. Gold 0.84 ozs. or \$17.00 per ton.

Concentrates "25 into one" assayed \$204.00 gold per ton.

Just below the mine opening, and in the bank of the river, is located the old ten stamp mill, built by the Pacific Iron Works in 1878. The frame work is in excellent condition with the rock breaker, as well as the battery with its cam and drive shafts and pulleys in as good condition as when they were set up. In this mill was treated all of the ore mined in the Gowan, together with a large amount of ore from various other claims belonging to the company.

In considering these facts, it must be remembered that when this work was done-- forty years ago--these interested were gold miners from California, who were only interested in free gold available by the simplest milling processes; and that they were not only unprepared to recover such gold as might be locked up in iron sulphides (and therefore used no concentrators of any sort. Today conditions are vastly different, and I unhesitatingly advise the further development of this property. Incidentally, the old stopes are timbered with peeled cypress from local supply, and these timbers are as solid and sound as the day they were put in--forty years ago. This property is now under lease to B. C. Taylor and associates who are developing with the intention of shipping the seleicious gold ore to the Globe smelter. Company reserves right of possession on demand.

THE SUMMIT

This claim is located in Section 16, Twp, IIN., Range 9 East, and is opened by two shafts, but a short distance below the zone of sedimentary rocks, or near the summit of a highly faulted area. The shaft is 90 feet deep, with drifts both ways upon the vein. The apparent truth of this statement is borne out by the size of the old dumps. The vein "contact between porphyry and granite" is fully six feet in thickness. The strike of this vein corresponds with the N.W.--S.E. ore zone extending for miles below. The ore from this property was never milled by the early day miners on account of its copper content but was stocked for future shipment when transportation was made possible. A shipment of this ore was made by J. I. Coleman in 1916 who sorted the ore dump. Two cars of gold-copper ore were shipped to the Globe Smelter; returns from which, made it possible for the Coleman to install an ice plant at Ray, Arizona.

To get some idea of what the mine had yielded, two samples were taken;--No. 1 consisting of a number of remaining pieces of cupriferous quartzose material, and No. 2 consisting of a large general sample of fine stuff, such as constituted the bulk of the sorted ore-dump.

Upon assay they yielded as follows:-

No. 1--Silver--0.60 oz. Gold--2.264 oz. Copper--9.79% in which the gold and silver values are \$46.79 per ton.

No. 2--Silver--0.50 oz. Gold--0.50 oz. Copper--4.22% in which the gold and silver values are \$11.16 per ton.

Without consideration of the selected sample (although its promise is quite significant) one cannot avoid the idea that the material composing the abandoned ore residue would today, constitute a very valuable asset. There is no less than 600 tons of this sorted material in the dump at the present time.

The vein is at least from four to six feet in thickness, and float ore is found for a long distance down the south-easterly slope of the country. I certainly recommend the proper development of this claim, as constituting an enterprise of great promise.

THE CONTACT GROUP

This group consisting of four contiguous claims, (Contact, Connection No. 1, Connection No. II, and Long Tonto) is located in the southern part of Sec. 16, Twp, II N. Range 9 East. The area covered by the claims presents a picture of unusual interest, and offers geological and mineralogical data promising ore deposits of great size and value. On the northerly edge of the area the ground slopes abruptly into a wide canyon, whose northern wall rises quite as abruptly to the undisturbed sedimentary rocks above; and a somewhat similar condition occurs on the westerly edge of the area. From the surface of the plateau on which the claims are located the sedimentary rocks are gone, and surface examination shows a remarkable series of rock-bands or zones all striking north-westerly. On the west side is found a thick bank of finely laminated schist, rather light colored.

East of and adjoining this appears a strong igneous dike of from 12 to 20 feet in thickness, of a dark green rock, probably diabase; next comes a thick band of intrusive monzonite at least 60 feet thick; then a great bank of so-called "bull quartz", apparently barren, outcropping in several great bunches; east of this comes a zone of typical "gossan" or "iron hat" 30 feet thick or more; then another huge diorite or diabase dike. A number of ancient prospect holes are found in the gossan; one at least which must have been sunk to a depth of 30 or 40 feet; as evidenced by the dump, but none showing evidence of having gone through the gossan into solid material. Two shallow shafts were also sunk in the first green dike; all doubtless in search for gold ore. Although copper stain is generally apparent, it may be supposed that no gold ores were found of sufficient value to warrant the necessary long haul. In the gossan itself one could scarcely expect to find more than traces of the metals, since it is very thoroughly oxidized and leached. However, samples were taken from both dike and gossan, with the following results:-

No. 1--Six foot pit on dike.	Gold--0.10	Silver--0.50 oz.	Copper 1.48%
No. 2--40 " " " "	" 0.032	" 0.60 "	" 2.10%
No. 3--North Outcrop"	" 0.224	" 0.30 "	" 3.55%
No. 4--Brown iron Gossan	" 0.624	" 1.00 "	" 0.54%
No. 5--Selecte	" 1.54	" 1.00 "	" 2.30%

Here is a mineralized zone of some hundreds of feet in thickness and a distinct length of at least one thousand feet which offers the most interesting possibilities. While the surface facies of the schist-band shows no signs of valuable mineralization, it is of course possible that its unaltered parts may develop valuable ore deposits. The dike shows constant values in gold, silver, and copper, and any considerable body of this rock containing such amounts of those metals as are found in sample (4) could be readily handled by a very simple flotation process, from which the concentrate might even be locally roasted and matted in reverberatory furnaces. Unless the surface indications are most untruthful, the possible value to be found in the schists and the first dike, constitute but a small part of the mineral values which may be expected as a function of development; for, no matter whether or not the big quartz vein may be found to contain values per se, or whether it be the resultant of the primary metal carrier (as seems to be so frequently the case) one cannot doubt but that the great gossan band next to it on the east gives abundant promise of a great mineral deposit below. The highly feruginous character of this gossan indicates the former existence of a heavily pyritic vein, and the fact that, after ages of oxidation and progressive leaching, it now shows gold, silver and copper (as shown in the results from sample No. 4) offers very promising indications of what may be found in the unaltered sulphides below. This whole series of rock bands may be prospected by diamond drilling; best probably from the western ravine; from which it might easily be cross-cut at satisfactory depth by a series of drill holes.

THE LIBERTY

This claim is located in the southern portion of Sec. 27, Twp, II N. of Range 9 East. Near the crest of the hill, and just below the remaining sedimentary rocks, there is an old shaft, in bad repair. The ore is an iron stained, honey combed quartz with an average width of six feet. A grab sample gave \$8.00 gold per ton. Further down the hill are several other openings, nearly obliterated by the flight of time, but all showing ore which should develop commercially; these are small, ranging from one to three feet in thickness. It is a matter of hearsay that a considerable tonnage of good gold ore was taken from this Liberty claim and milled in the Gowan mill: This being apparently true taking into consideration the size of the dumps as compared with amount of development work performed.

THE EXCURSION

This claim is located south-westerly from Payson, in Sec. 27, Twp. 10 N. of Range 9 East. It shows a strong quartz vein of about six feet in thickness, striking N.W.S.E. and lying between porphyry or highly altered granite walls. Development work consists of a nearly verticle shaft to a depth of one hundred forty feet. All material hoisted is ore and still remains on the ground where it can be easily sampled before delivery to a mill. From its appearance the ore should be somewhat more valuable than is indicated by the result (below) of the sample taken:--Gold--0.60 oz. Silver--2.50 oz. Copper--4.21%. Both iron and copper sulphides have been encountered in the shaft; thus proving the impossibility of treatment by the early day miner.

THE DELAWARE

This claim lies some four miles south-easterly from Payson in Sec. 13 Twp. 10 N. of Range 10 East. It contains a gold vein, about four feet thick; over half of

which carries very good values, as per the following assays:--

Silver--1.10 oz. Gold--0.92 oz. Value \$19.01.

This claim is under lease to Mr. Pettingill of Globe who has equipped the property with hoist, bunk house and shop.

CONCLUSION

Among the first descriptive items given the writer concerning the mining properties or seven groups described in this report, one fact was salient--they were quite remote from ordinary travel routes, and difficult of access to a certain extent; while one bit of possible hearsay had a sort of gossipy value in favor of the property--that they had been examined by Mr. Treadwell, who advised Senator Clark to take them in place of the United Verde.

Disregarding the hearsay, the conditions of remoteness and difficult access seemed to, at least partially, offset the rather negative history of an idleness of forty years. The fact that the groups, seven in number, were included in the highly mineralized zone, extending north-westerly through Nevada and south-easterly into Old Mexico covering most of Arizona's big mines, seemed to offer possibilities of valuable discoveries; these possibilities being supplemented in value by the report of abundant water-supply and abundant timber for fuel and mine uses.

I feel quite certain that no engineer had seen these properties in many years previous to my first visit in 1916, and I will state that the rather feint hope of the discovery of something worth while, which I entertained upon starting out, was changed to an interest closely approaching enthusiasm by what I saw. I not only found the gold values to be better and more persistent than I had expected to find them, but I found out the real reason for the unfortunate shut down of operations by the early day operators: This on account of having encountered the semi-sulphide zone where the greater part of the gold was locked up in the pyrite thus, causing a loss which could not be overcome, since in those days ore dressing was in its infancy; this, however, has at the present time been absolutely overcome by table concentration and flotation. In a region less abundantly mineralized any of the groups covered in this report would be sufficiently interesting to warrant development; but I cannot help being particularly struck with the great promise of the Gowan, the Contact Group and the Summit claim. Of these, the Gowan and the Summit must doubtless be opened up in the usual manner, by shafts and drifts; but, in case of the Contact, it is probable that sufficient initial development can be performed by diamond-drilling, and without serious expense; and I shall be greatly disappointed if such development does not open up very large and valuable ore-bodies.

With hydro-electric power available by harnessing the waters of the East Verde river, which flows directly across three of our groups, a large item of expense would be reduced to the minimum. I believe any power necessary could be developed by utilizing the power sites available.

This mining enterprise looks to me like a sure winner if properly developed under efficient management with sufficient capital. The Company is capitalized 1,600,000 shares with a par value of one dollar per share. There has been 500,000 shares issued; this in payment for the property and necessary expense

during the last twenty-one years; thus leaving in the treasury 1,100,000 shares to be offered for promotion purposes.

Respectfully submitted,

F. C. Smith, M.E.

COPY

Contact

COPY

August 25, 1931.

Mr. W. B. Twitchell,
Phoenix, Arizona.

My Dear Sir:-

Since writing you the above letter, I have made further investigations regarding the merits of the different holdings of your company, especially the economic possibilities of developing them into producers of gold, silver, and copper ores of a commercial grade.

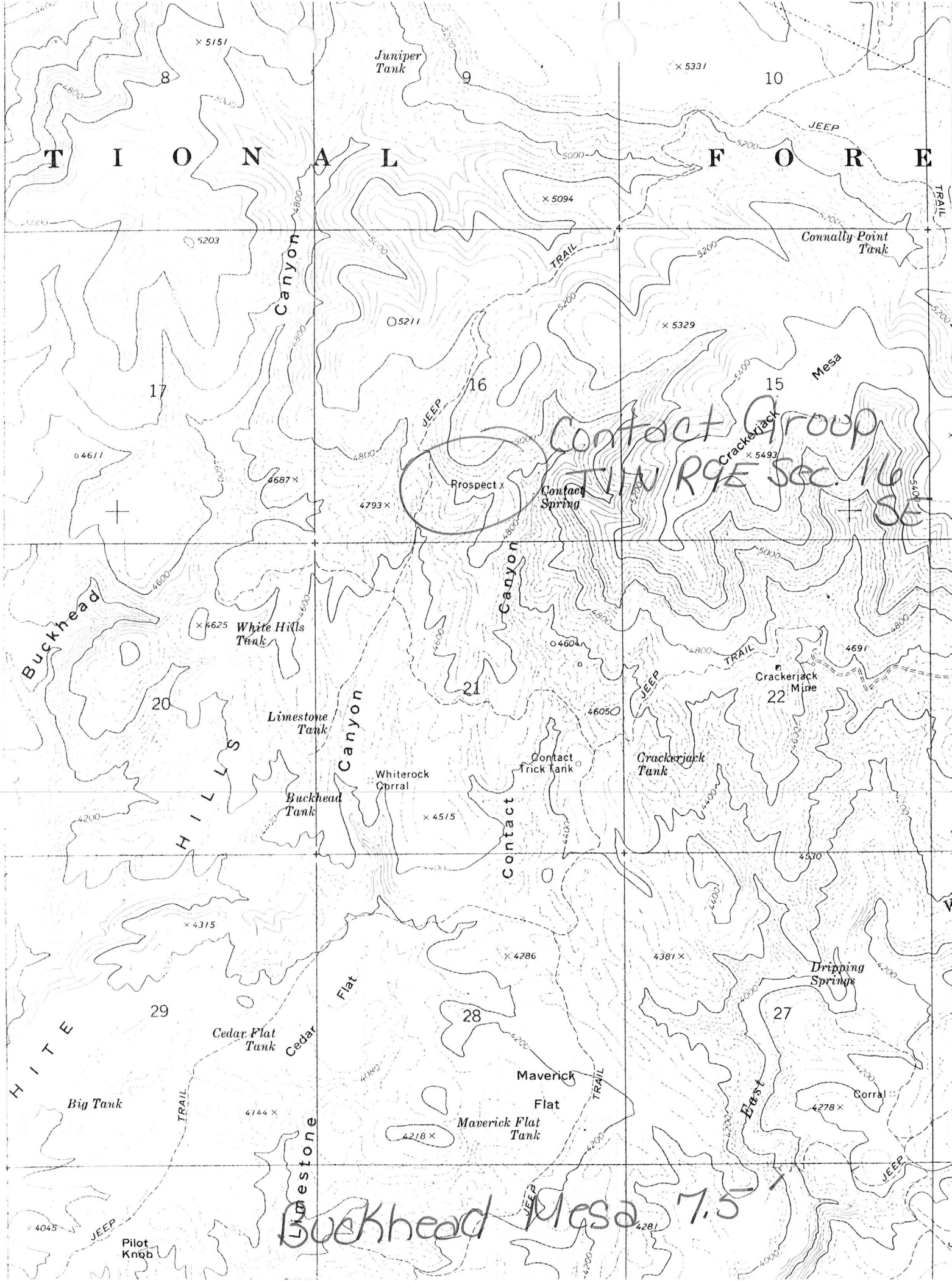
Of the properties investigated, I was very favorably impressed with the surface showing on the Contact Group, this property consisting of four contiguous mining claims embracing an area of approximately eighty acres of patented land, extending along the outcrop for over twelve hundred feet and situated at the base of the high plateau, two miles a little west of north from the Gowan Mine.

From a geological and economical stand point, and from the showing outlined by nature on the surface, and from the character of the material removed from the ancient workings, I can verify the statements which in opinion are very conservative, made by Prof. F. C. Smith in his report covering this property, under date of Dec. 3, 1930, that this property has all the essentials necessary for the development of a Gold-Copper mining property of unlimited possibilities, and that the plan of development outlined in his report, for this property, if carried out will prove his contentions to be well founded.

Very truly yours,

J. R. McDonald, M.E.

Reg. Prof. Engineer
Cer. 296



T I O N N A L A F O R E E

Contact Group
TIN R9E SEC. 16

Buckhead Mesa 7.5

Prospect

Contact Spring

Crackerjack Mine

Maverick Flat

Maverick Flat Tank

Dripping Springs

Limestone Tank

White Hills Tank

Buckhead Tank

Juniper Tank

Connally Point Tank

Big Tank

Cedar Flat Tank

Pilot Knob

Contact

SUPPLEMENTARY REPORT
UPON THE PROPERTIES OF
THE VERDE FALLS GOLD MINING CO.

Dec. 4th/30

My original Report upon the Verde Falls Gold Mining Company was made some ten years ago; since which time I have kept quite thoroughly posted upon all items of progress, and upon all general and particular conditions. A very considerable amount of work has been done, during this time, for the general betterment of conditions (such as somewhat wide-spread development of a sort; great improvement of roads etc.) but, in a case where the various claims are so scattered, the changes worked are not readily visible.

I may say that all items of test have only served to confirm, and even to better, my former opinion as to the very great prospective value of these claims, and a few of them I shall enumerate below.

The possibility of railroad development which might serve these properties has, since the time of my former report, been temporarily abandoned, doubtless by reason changes of policy and conditions; so that, so far as I know, no railroad construction is to be expected at any early date. The vastly improved condition of the wagon-roads, however, together with the wonderful strides made in motor-truck transportation, make this a matter of relatively small importance.

When the first work was done (now nearly fifty years ago) upon these mines, it must be remembered that the old-timers who located and worked the claims, and who finally patented them and left them--never to return--were hampered in many ways;--by the almost utter lack of roads (which made it difficult to bring in supplies of all kinds, and equally difficult to ship anything out) by insufficient and inadequate machinery (whereb they lacked pumps and also any sort of concentrating machinery) and, finally, by very different markets for metals from those existent today. Emphasis must also be laid upon the fact that these old-time miners were gold miners pure and

simple, and knew (or probably cared) very little indeed about the copper which was so widely present on all the claims, and which, indeed may one day exhibit the major values of the whole group.

In probably every case (such as can now be discerned in the area of the Gowan and Summit) it is most probable that, after a short depth below the oxidized surface zones, the gold became, in large part, so mixed with sulphides of copper and iron as to become much less easily amalgamable with mercury, which was the only process then in use for its saving.

In the case of the Gowan ores, the level of the East Verde River was reached at a depth of about 70 feet from surface, and below this water-level it is an important fact that, no matter what reasonable gold content might be found in the ore, they not only had no adequate means of saving it from its mixture with copper and iron sulphides, but they had no pumps with which to remove sufficient water to permit mining operations. It is an important and favorable condition, however, that they did mine down to the water level, and they did stope to surface on both sides of the shaft, and all of this dirt they did mill; presumably at a profit. Since they left--un-mined and un-milled--the two feet of hanging-wall breccia (which gave me an assay of about \$11.00 per ton) it seems likely that the pure quartz which they did mine and mill must have assayed considerably higher; thus establishing a very probable condition that the continuation of the quartz vein in depth may carry good values; and values which will not be decreased by their sulphide contents under the present-day methods of milling, but will increase them.

The same reasoning may well also apply to the Summit. With reference to the great losses attendant upon the former lack of concentration, about the only available method consisted in taking a sample of the old mill-tails at the Gowan Mill, and concentrating the same, with subsequent assay of the concentrate. These tails were, naturally, much more completely oxidized by the passage of 40 years, and the weights taken and concentrated by hand (panned) made

only an estimate possible; but at the same time, they conclusively show what a valuable product had formerly been wasted (and from a presumably oxidized gold ore) which could, today, be certainly saved. The assay of the concentrate was as follows:--

<u>Silver</u>	<u>Gold</u>	<u>Value per ton.</u>
0.7, oz. per ton.	8.43 oz. per ton.	\$174.36

One claim, The American, which lies about one mile from the Cowan--was not included in my former report, since it was then under bond and lease to Mr. Cl McFarland. It is now shown on the new map herewith. At the time Mr. McFarland took it over, the opening on the property showed a gold bearing vein of about eight feet in thickness, which yielded on assay very good gold values. He installed a small free-gold mill, and did a considerable amount of development (exposing several veins or stringers in a quartz-porphry matrix; one of them approximating four feet in thickness) but he found, at a small distance below the surface oxidation, the same old story iron sulphides, which made amalgamation difficult; so, not being able to install concentrators, the property came back to the Company. A rough general assay recently gave \$12.00 per ton in gold.

In conclusion I would say that my high opinion of these properties has been only increased by the passage of nine years. As indicated in my former report, I was deeply impressed by the possibilities of the Contact Group as a function of development in depth of its great sulphide deposit. It seems to me unavoidable, that when development of this group and other claims has been made, there will be "a world of ore" available which will supply a modern flotation mill with material for an exceedingly profitable copper-gold concentrate, which may be further concentrated to a matte-- or shipped by truck to custom-smelter as may be found desirable.

With electric power now available (and possibly at least 100 H.P. available from 1 cal water-fall) with abundant timber for mining and enough for ordinary fuel consumption, the enterprise looks to me like a sure winner, if backed by sufficient capital.

Yours truly,