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RECONSTRUCTION FINANCE CORPORATION
MINING DIVISION
REPORT OF SUPERVISING ENGINEER

Docket No. ND-5320
Date Authorization for Examination
Received March 13, 1943
Date of Examination, Inclusive March 26, 1943
Date of Report April 7, 1943

*Josephine Mine
now "Gold Nugget"*

1. NAME AND ADDRESS OF APPLICANT:

J. L. McWilliams, Sr.
Box 3787
Lowell, Arizona

Correspondent: Same

2. CHARACTER OF PROJECT:

To buy equipment, develop lead prospect and maintain trail.

3. LOCATION OF MINE:

In Section 1. T.24 S., R.20E., Hartford Mining District, Cochise County, Arizona. The nearest railroad station is Stark, about fifteen (15) miles away. However, the nearest loading ramp is at Don Luis, about thirty (30) miles away.

A paved road extends to within two (2) miles of a camp to be established by the applicant. The underground workings are about one (1) mile from the proposed camp and approximately 1,000' more or less higher.

A brushy, unused trail now extends from the proposed camp to the underground workings. The steepness of the terrain prevents building a road.

4. APPLICANT:

Applicant has never operated a mine and knows little about the property, except what he has been told by Mr. Charles Morgan, Owner of the Claim. Mr. McWilliams, Sr., is in Lowell, Arizona, for his health, as he suffers from tuberculosis. The applicant has been to the underground workings only once and was unable to accompany your engineer because of his health.

5. LOAN REQUESTED:

\$10,000.00

6. DESCRIPTION OF PROJECT

A. General Features

1. There are no mine workings, mill or other necessary appurtenances which are not confined within applicant's ownership.
2. The Project would comply with State Compensation of Safety First Statutes.
3. There are no legal discrepancies not covered.
4. No impeded right-of-way facilities.
5. No likelihood of surface or sub-surface trespass.

B. Existing Development

1. Tunnel mine

- a. A Compass and Tape Map was made of the underground workings.
- b. An examination was made to determine the distribution of galena in the vein before any samples were taken. Five places were noted where a scattering of sulphides could be observed. These sulphides consisted of galena, sphalerite, pyrite and chalcopyrite in a white "bull" quartz vein between 2-1/2' and 4' thick, which dips between 10° and 17°.

Applicant's samples, as well as samples in Engineer Motz's report, show values high in gold and low in lead, except for selected samples.

Your Engineer took a 20 lb. sample of the ore exposed on the dump with the following results:-

<u>Au.</u>	<u>Ag.</u>	<u>Cu.</u>	<u>Pb.</u>	<u>Zn.</u>
.22	1.0	.20	9.40	1.90

Examination of the places from which this ore came showed that the ore was restricted to the top 3 or 12" of the quartz vein and did not extend beyond a few feet of the places marked on the map.

The high silica content of this ore, no doubt, would be acceptable, but the metallic content of the ore would be small, if the entire vein was shipped. If the ore was sorted, the ratio of concentration would be 100 to 1, or greater.

c. Condition and Accessibility

The portal of the underground workings is about to fall in and the entire area near the portal is covered with heavy brush. The drift followed the flat dipping vein for 30' with the vein left in the roof. At this point, the floor of the drift rises abruptly 3', continues level for a short distance, but then follows the dip of the quartz vein until the face is about on the same level as the portal. At the 30' point, a drift extends to the left and follows the dip of the vein for 150'. Thus, the face of this drift is about 25' lower than the portal.

Your Engineer had to climb from the cabin to these workings up the side of the mountain with a slope approximately 42°. The steepness of much of this area will prevent building a road.

ADVISABILITY OF PROJECT:

- 1. Ore is highly siliceous and contains lead.

OBJECTIONS TO PROJECT:

- 1. Lead content is not high.
- 2. Underground workings inaccessible, except by trail which has not been built.

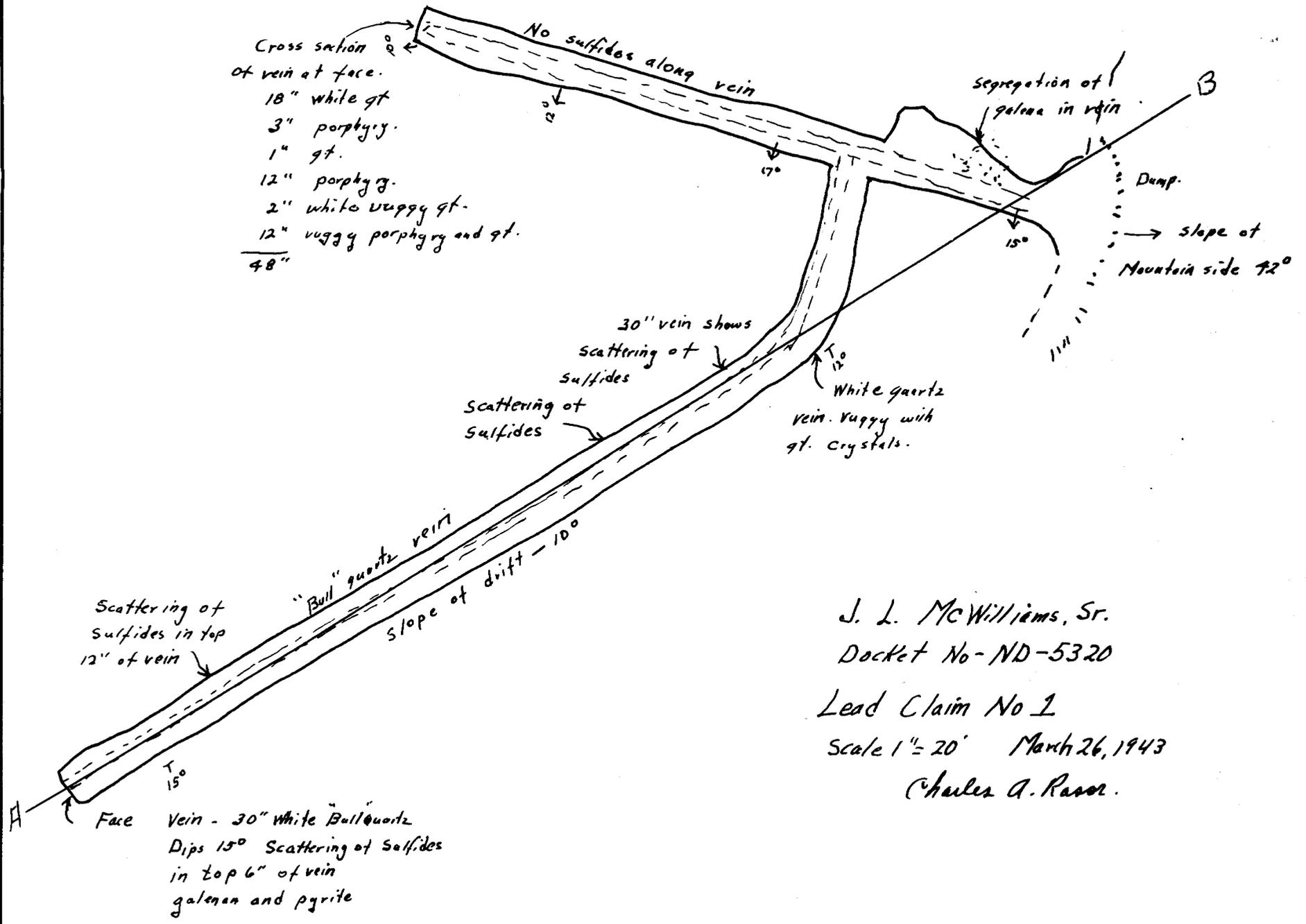
3. Applicant does not have any equipment and none is available in Bisbee.
4. Labor unobtainable. Mine nearby, operating under R.F.C. Loan, Docket No. B-ND-4202, unable to get sufficient labor.
5. Water unavailable, except by pumping from a small spring under a head of 500'.
6. Applicant in poor health and has had no previous mining experience.

COMMENTS OF SUPERVISING ENGINEER

Although the ore is highly siliceous and contains some lead, the cost of equipping the mine, hauling the machinery and ore by burro, would not justify a loan.

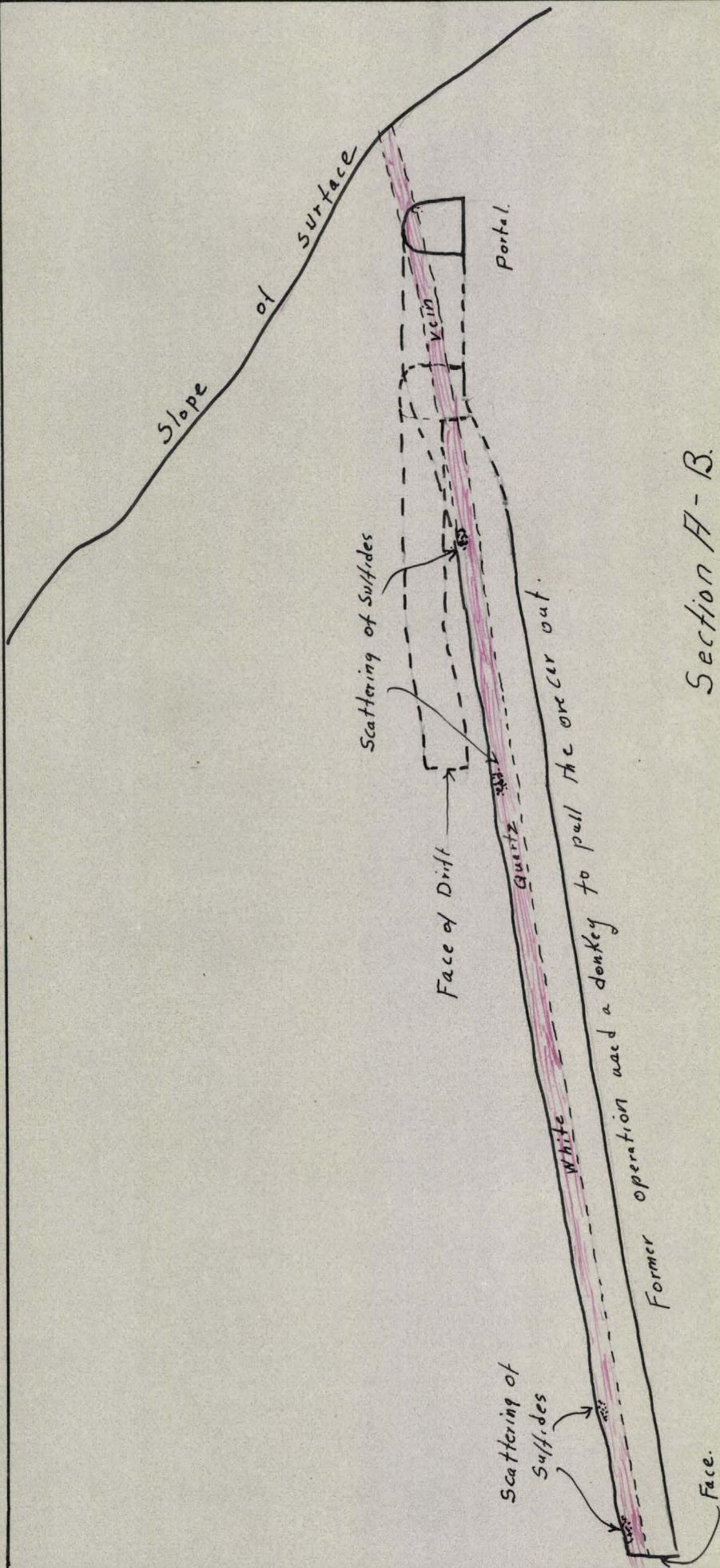
CHARLES A. RASOR
Supervising Engineer

CAR:MJ
Enclosures
Assay Certificate
Plan of Underground Workings
Section of Underground Workings



J. L. McWilliams, Sr.
Docket No - ND-5320

Lead Claim No 1
Scale 1" = 20' March 26, 1943
Charles A. Rason.



Section A-B.

Docket No MD-5320

Scale 1"=20' March 26, 1943

Charles A. Reason.

