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Reconstruction Finance Corporation Arizona Records

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Phoenix, Arizona
325 Heard Building
July 15, 1944

TULLY - Ass't Chief Mining Division - RFC - Washington, D. C.

Re: Falcon Mining Company- ND-8424

At the request of the applicant I visited this project on July 11th in order to survey their lower tunnel and assist them in their future development program. They sunk the vertical shaft to a depth of 55 feet and have drifted southeast from the bottom of the shaft for a distance of 60 feet. Unfortunately they did not realize that the ore shoot dipped and raked to the southwest and therefore they still have to crosscut approximately 34 feet to pick up the downward extension of the ore exposed above. They have not exactly followed the program agreed upon when the loan was granted, but they have been very economical in the expenditure of their loan funds. They claim that it would have been too difficult to follow the ore down below the old stopes so they sunk the main shaft as deep as possible with the funds available and then attempted to drift over to intersect the ore. All of the loan funds have been exhausted for some time but the applicants are carrying on with their own money and they intend to complete this crosscutting with their own funds.

Since the ore in the old stope averaged between 22% and 40% lead it is possible that if ore is encountered in this lower level they may be able to repay the loan.

William B. Maitland
Supervising Engineer

WBM/b

Mr. Maitland (Personal)

RECONSTRUCTION FINANCE CORPORATION

MINING DIVISION

LIQUIDATION REPORT OF SUPERVISING ENGINEER

Falcon Mining Company
Docket No. ND-8424
October 10, 1944

1. NAME AND ADDRESS OF APPLICANT:

Falcon Mining Co.
Box 54
Claypool, Arizona
Correspondent: R. A. Keller

2. LOCATION OF PROJECT:

In the Dripping Springs Mining District, ~~Pinal~~ GILA (TPL) County, Arizona, about 8 miles from Christmas, Arizona, the nearest railroad shipping point.

3. AMOUNT OF LOAN AND DATE OF AUTHORIZATION:

On Aug. 11, 1943, $2000 was authorized, and again in January, 1944, an additional $3000 was granted, making a total of $5,000 for the project.

4. PURPOSES FOR WHICH LOAN WAS EXPENDED:

To rehabilitate a shallow shaft, sink the shaft an additional 20 feet and do 105 feet of drifting or crosscutting.

5. EQUIPMENT:

a. Equipment purchased with loan funds:-

1	6 x 6 x 1 13/16" steel pulley	$ 8.10
1	12 x 14 used tent	40.00
2	used mattresses	7.00
1	Ford motor	40.00
1	gasoline hoist	150.00
2	carbide lamps	4.82
1	used Fairbanks Morse centrifugal pump	65.00
	hand tools	12.50
	Total purchase price	$327.42

b. There is no equipment on hand.

c. In addition to the $5000 loan granted the applicant company advanced $3185.51 in order to complete the development program. Since the mine is located 2-1/2 miles from the nearest road the cost of bringing this equipment out to be sold would be extremely high and in addition the tent and mattresses have practically no resale value. With the approval of Mr. Gohring the applicant company bought all of the equipment for $278.31 (85% of purchase price) and used this amount to reimburse themselves for advances they made. I believe this is an equitable way of handling the equipment.

d. All equipment has been liquidated.

6. PROPERTY:

The property was held under lease and a copy of this lease was sent to Washington. In applicant's letter of October 5th he stated his intention of abandoning the property.

7. COMMENTS:

All insurance deposits and gasoline tax refunds have been obtained and the money used to pay outstanding obligations.

There is no money left in the loan account.

The property was last visited by the writer on July 11, 1944.

8. CONCLUSION:

The proposed project failed to develop any material quantity of ore and the property is believed to be of no value. Consequently the loan should be considered a loss.

9. RECOMMENDATION:

It is recommended that this account be closed.

William B. Maitland
Supervising Engineer

Liquidation Report

Falcon Mining Co
ND 8424
Oct 10, 1944

1. Name and address of applicant

Falcon Mining Co
Box 54
Clayfool, Ariz
Correspondent - R. G. Keller

2.

3. Character of Project

To rehabilitate a shallow shaft and drifts therefrom and do additional sinking & drifting.

2. Location of Project

GILA CO. In the Dripping Springs Mining District, Pinal Co, Ariz., about 8 miles from Chastina, Arizona, the nearest railroad shipping point

3. Amount of Loan and Date of Authorization

On Aug 11 1943 $2000 was authorized and again on Jan 1944 an additional $3000 was granted making a total of $5000 for the project

4 Purposes for Which Loan was Expended

To rehabilitate a shallow shaft, sink the shaft an additional 20 feet and do 105 feet of drifting & crosscutting

5 Equipment

a. Equipment purchased with loan funds:-

1- 6X6X1 13/16" Steel Pulley	8.10
1- 12 X14 used tent	40.00
2 - used mattresses	7.00
1 Ford motor	40.00
1 gasoline hoist	150.00
2 carbide lamps	4.82
1 used Fairbanks Morse Centrifugal Pump	65.00
Hand tools	12.50
Total purchase price	$327.42

b. There is no equipment on hand.

c. In addition to the $5000 loan granted the applicant company advanced $3185.51 in order to complete the development program. ~~all of the~~. Since the mine is located 2 1/2 miles from the nearest road the ~~of~~ cost of bringing this equipment out to be sold would be extremely high and in addition the tent and mattresses have practically no resale value. With the approval of Mr Isaacs the applicant company bought all of the equipment for $278.31 (85% of purchase price) and used this amount to reimburse themselves for advances they made. I believe this is an equitable way of handling the equipment.

d. all equipment has been liquidated

6 Property

The property was held under lease and a copy of this lease was sent to Washington. In applicants letter of Oct. 5th he stated his intentions of abandoning the property

7. Comments

All insurance deposits and gasoline tax refunds have been obtained and the money used to pay outstanding obligations

There is no money left in the loan account

The property was last visited by the writer on July 11, 1944

8 Conclusion

The proposed project failed to develop any material quantity of ore and the property is believed to be of no value. Consequently the loan should be considered a loss.

9. Recommendation

It is recommended that this account be closed

Wm B Mulhern(?)
Eng. Ex.(?)

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine PLOMOSA. Pb., Zn. Date July 21, 1943

District Mineral Creek - Gila Co. Engineer Earl F. Hastings

Subject: Reconstruction Finance Corporation
Mine Loan

Docket No.		C-222
Date Application Received		July 19, 1943
Date of Field Examination	(Macfarlane)	July 12, 1943
Date of Report		July 20, 1943

1. Name and address of applicant (correspondent):
Falcon Mining Co., R. A. Keller, Secretary, Summit Lodge, Superior, Arizona.

2. Character of project and estimated cost thereof:
Pb., Zn. Rehabilitate 65 foot shaft and sink additional 50 feet. Drift from 115 foot level 180 feet. Repair road. $4,750.00.

3. Location of property:
Mineral Creek Mining District, Gila County, Arizona.

4. Applicant's interest in or ownership of property:
Applicants hold 10 year least at 10 percent royalty.

5. Loan requested:
$4,750.00.

6. Loan recommended:
$2,000.00.

7. Comments:
(A) Added to the docket is the report and accompanying sketch of A. Macfarlane, Field Engineer, Department of Mineral Resources, dated July 12, 1943.

(B) Sampling indicates there is an ore shoot 60 feet in length and 4½ feet plus in width exposed at, and 20 feet below, the tunnel level. This is an oxidized lead ore averaging approximately 19 percent lead and minor amounts of silver.

(C) It is claimed that 5 feet of 20 percent lead ore is exposed in the shaft, but such claim is not substantiated by affidavit or other substantial proof.

(D) The proposed working program is of exploratory nature predicated upon an uninterupted downward continuation of a strong shoot but one limited in visible exposure.

(E) Considering the character of the applicants, the amount of available mining equipment, and the probable ore which can be made accessible and shipped from the existing workings, the property deserves consideration in spite of its isolated location and condition of limited development.

It is recommended that $2,000 be allowed to rehabilitate the existing workings in preparation for further development and/or the extraction of the remaining tonnage between the 35 foot and tunnel levels. This block has been partially removed (approximately 300 tons having been shipped) and some 450 tons apparently

remain in place.

(F) Following such rehabilitation development below the level can be accomplished to a shallow depth at low cost by a winze. This winze, being in ore, should about pay its way; it would further limit the risk of the sinking and drifting program proposed.

ARIZONA DEPARTMENT OF MINERAL RESOURCES

Earl F. Hastings, Projects Engineer

325 Heard Bldg.
Phoenix, Arizona
December.15, 1943

TULLY - Ass't. Chief - Mining Section RFC - Washington, 25, D. C.

Re: Falcon Mining Company - Docket No. ND-5897

Enclosed please find two copies of my report on the above captioned docket, together with one copy of original application.

WILLIAM B. MAITLAND
Supervising Engineer

WBM: dem
Enclosures
2 copies Sup. Eng. Report
1 copy Original Applic.

RECONSTRUCTION FINANCE CORPORATION
MINING DIVISION
REPORT OF SUPERVISING ENGINEER

Docket No. ND-5897
Falcon Mining Co.
Date Authorization for Exam.
Received - Nov. 24, 1943
Date of Exam. Incl.-Nov. 30, 1943
Date of Report-December 15, 1943

In August, 1943, a $2,000 accessibility loan (ND-8424) was granted this lead mine in order to make accessible a vertical shaft and adit. The shaft was cleaned out to a depth of 34 feet at which point water was encountered, and the adit and stope there from was made accessible for sampling. Since the stope extends below the adit level for an unknown depth, it is not known how deep these workings extend nor whether there is still ore in the bottom of the stope. Considering the fact that the mine is reached only by a 2-1/2 mile pack trail, the first loan was well spent.

1. NAME AND ADDRESS OF APPLICANT

Falcon Mining Company
Box 54
Claypool, Arizona

Correspondent - R. A. Keller -Sec.
Same Address

2. CHARACTER OF PROJECT

To further develop a lead vein by means of sinking the existing shaft deeper and drifting off the bottom of said shaft.

3. LOCATION OF MINE

Name of Mine - Plomosa Mine
Township, range section - T-3-S, R. 15-E G & S. R. B. & M.
Mining District, County, State - Mineral Creek Mining District, Gila County, Arizona
Name and distance by road nearest railway station - Christmas, a siding on the Southern Pacific Railroad, is 10 miles from the mine.
Condition and seasonal accessibility of road, mine to railway - A good graded dirt road accessible at all times of the year extends to within 2-1/2 miles of the mine. The rest of the way is by mountain trail so all supplies must be packed in by burros and ore is packed out. The trail is in good shape and follows an old wagon road. The Falcon Mining Co. has applied for an access road but to date this road has not been approved.

4. APPLICANT

The Falcon Mining Company composed of a group of Eastern building contractors and real estate men is managed by Mr. R. A. Keller, a former real estate operator. Mr. Keller, who is about 40 years old, is an intelligent and educated man although he has had but little mining experience. I believe him to be sincere and honest and should be capable of operating this project. He is now employing two experienced miners.

5. LOAN REQUESTED

The application requests an additional loan of $4,500 which added to the present existing loan of $2,000 would make a total of $6,500.

However, as per the attached letter, the applicant now wishes to amend his application in order to apply for a further loan of $3,000 which, if granted, would make a total indebtedness of $5,000.

I believe the present showings in the mine do not justify an expenditure of an additional $4,500.

6. DESCRIPTION OF PROJECT

A. Legal Considerations

The original loan of $2,000 was based upon the applicant's 10 year lease on two claims, "Plomosa" and "Plomosa No. 2". Since that time the applicant discovered that the first lease was invalid due to the fact that the lessor did not actually own the claims. I understand that the applicant then obtained a new lease from the real owner and that the first lessor is willing to quit claim his rights to the property. I do not have a copy of the new lease nor know the exact terms. Furthermore, it is my understanding that the new lessor recently died so it may be difficult to obtain a revision of the new lease if this is found necessary.

B. Existing Development

The mine is developed by a vertical shaft not in the vein and an adit exposing the vein for over 80 feet along its strike. With the first loan granted, the applicants made accessible this adit with its underhand stope and also made accessible the shaft for a depth of 35 feet. It is reported that at a depth of 40 feet in the shaft a drift connects with the bottom of the stope exposed in the adit level.

My attached plan and section maps show these relationships as well as the assays taken.

C. Surface Improvements

The camp consists of two small shacks. Since the mine is not accessible by road, ore must be packed out by burro for a distance of about 2-1/2 miles over a good trail.

Applicants have installed no equipment. The ore is very soft so drill holes are easily driven with hand steel or auger. However, if it is intended to sink the shaft deeper it will be necessary to install a small gasoline pump and perhaps a small hoist. I do not expect much water will be encountered until the shaft reaches a depth of 100 feet.

The present camp is large enough for three men which is all of the workers necessary, and since the ore is easily smelted no mill is contemplated.

D. General Geology of Area

There are no large lead mines in this area but there are a number of gold-copper prospects in the region.

Briefly, the geology consists of limestones and related metamorphosed sedimentaries intruded by granitic rocks.

E. Economic Geology of Deposit

This deposit is a contact metamorphic lead-silver mine. The ore follows a definite wide fissure zone between the granite(?) and limestone with no ore being found in the granite (?) but it does extend irregularly out along the bedding planes of the limestone. The ore does not extend to the surface and as yet there are no indications that the ore has bottomed out. The lead occurs as cerrusite and galena in irregular bunches and lenses in an altered and brecciated limestone.

I estimate that the former operators of the property extracted about 300 tons of high grade lead ore from the stope and this ore probably ran in excess of 40% lead as the applicant shipped 38 tons of 22.6% lead ore from reject stope filling and from the ore in place in the margins of the old stope. In addition, the applicant with loan funds has mined an additional 28 tons from the old stope and this ore sampled 1.2 oz. silver and 14.86% lead. I believe that the stope still contains as fill and along its margins perhaps another 100 tons of ore of like grade between the 40 foot shaft level and the adit.

Since the contact ore zone is wide and persistent, it is possible that further to the southeast there will be found similar lenses of ore although considerable prospect drifting would be necessary to ascertain this fact.

No data is available on the old mine production

F. Ore Reserves

There is no blocked out ore in the mine and as yet it is impossible to determine the condition of the ore shoot at depth as the bottom of the stope is still caved.

It is estimated that if virgin ore is encountered in the bottom of the stope it will probably run in excess of 22% lead which was the grade of the first car shipped (before the loan was granted).

To be conservative, we can consider that the future ore produced will assay 1.2 oz. silver and 14.86% lead as my samples indicate and if this ore is shipped to the El Paso Smelter we have the following ore payments:

Smelter Payments

14.86% lead - 1.5% = 13.36 = 267.2 x 90% x $0.049	=	$11.78
1.2 oz. silver - 1.0 oz. = 0.2 oz. x $0.69125	=	.14
Total smelter payment		$11.92

Bonus Payment

14.86% lead x 2000 = 297.2 lbs. x 95% x $0.0275	=	7.76

Total Ore Payment $19.68

Marketing Charges

Base smelter rate	$3.50	
Excess over $15 at 10%	=	—
Bullion tax $0.0002/lb.	=	0.05
Freight rate/ton (RR)	=	3.40
10% Royalty	=	0.50
Hauling 10 miles to Christmas		1.25
Packing 2½ miles (contract)		5.50
Total marketing charges		$14.20
Net at mine before mining cost deduction		$ 5.48
Estimated mining cost per ton (soft rock, no timbers)		4.00
Estimated net profit per ton		$ 1.48

From the above analysis, it is apparent that 14% lead ore will just about pay expenses and any ore in excess of this grade will pay a profit.

It is impossible to estimate either the tonnage or grade of ore that will be produced as the mine is not now completely accessible.

6. Economic Considerations

Applicant intends to clean out the shaft for another 10 feet and make accessible the 40 foot level and the bottom of the present stope. He then expects to sort out a few cars of ore from the stope fill and sink the stope deeper by underhand stoping.

The three men now employed will be sufficient for this work. They are now receiving $7 per day each. This work should be completed within 6 mos. and at that time it can be determined whether further development of the mine is justified.

7. Proposed Expenditures

Sinking shaft 10' and making 10' sump.....	$ 500.00
Purchase and installation of pump.....	250.00
Cleaning out 40' level for 45 feet.....	450.00
Retimbering and cleaning out stope bottom.....	300.00
Underhand stoping of ore & packing expense.....	1,000.00
Timber and supplies.....	250.00
Incidental expense.....	250.00
Total Expenditures.....	$ 3,000.00
Repayment of First Loan.....	2,000.00
Total Loan Funds.....	$ 5,000.00

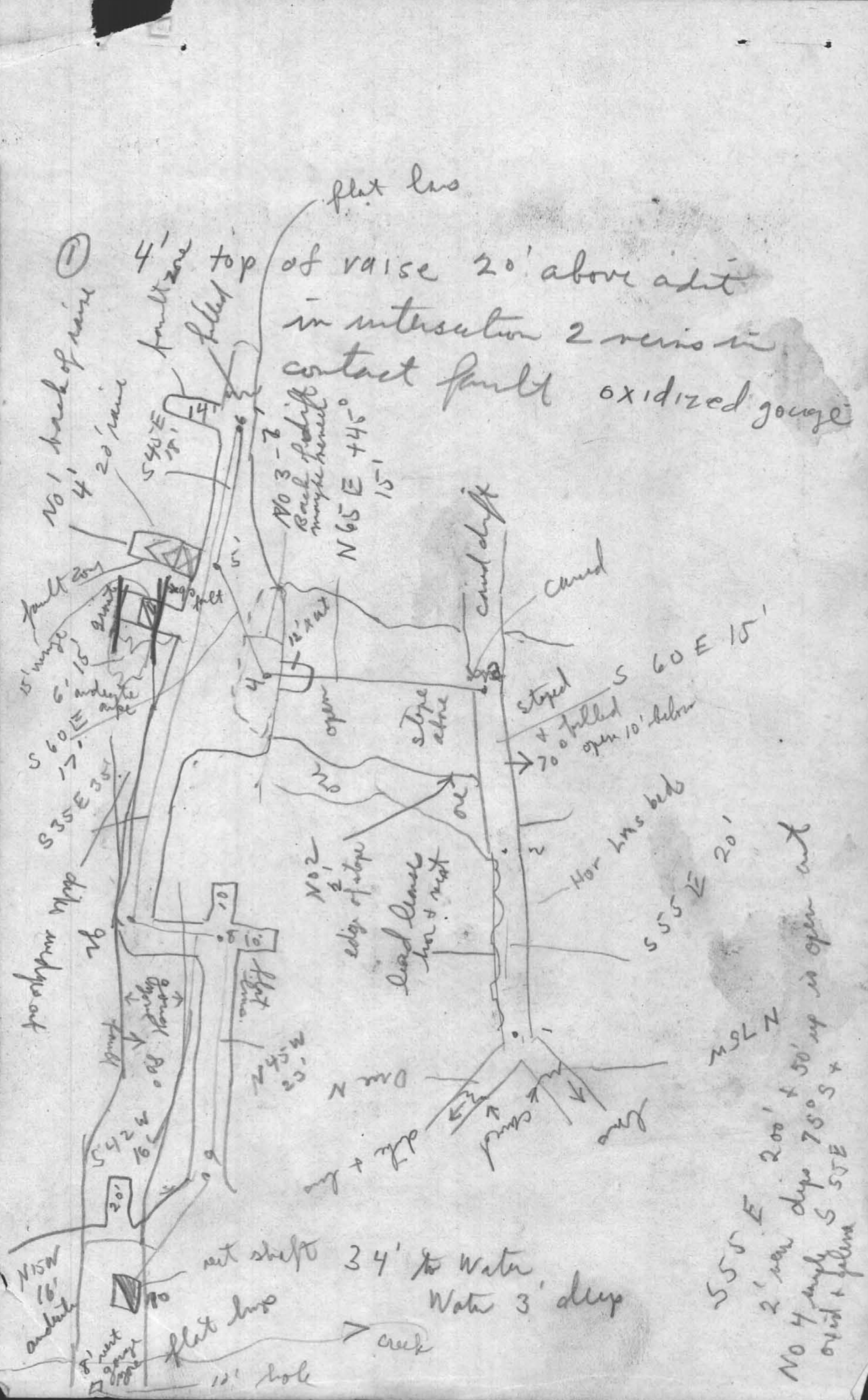
8. Comments of Supervising Engineer

The disadvantageous features of this property are:-

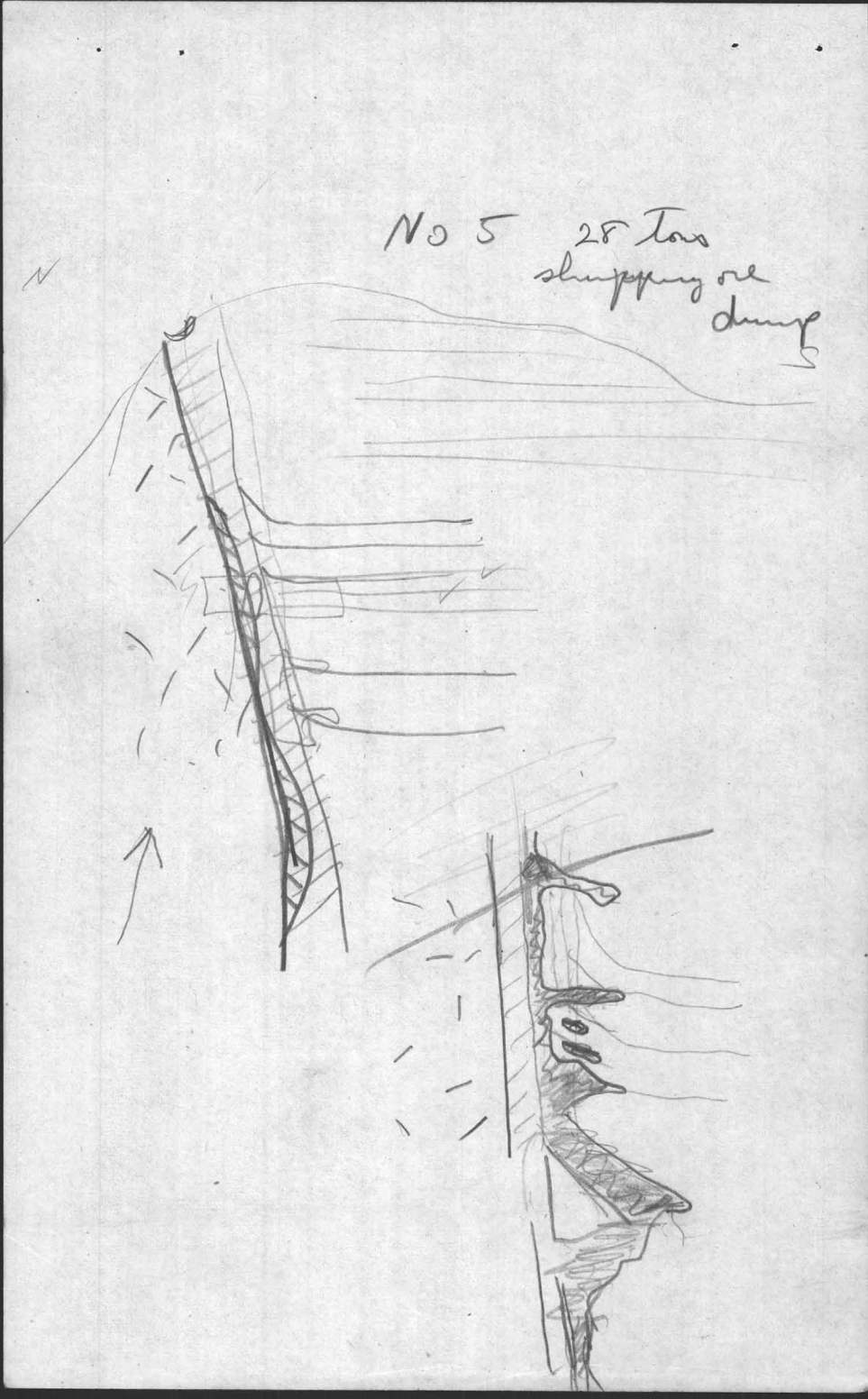
1. The mine is located 2½ miles from the nearest road so ore must be packed out by burros.
2. It would cost at least $2,000 to construct a road to the mine.
3. The lower workings are not accessible so it cannot be determined whether the ore extends to depth or not.
4. Some water will be encountered if the shaft is sunk deeper.

On the other hand, if lead is still in demand for the War Effort, a further loan of $3,000 is justified for the following reasons:

1. In the past, the mine has produced high grade lead smelting ore.
2. It seems very probable that this expenditure of money will make the balance of the mine accessible and produce at the same time at least two more cars of ore.
3. Very little additional equipment will be necessary.
4. The mine now employs sufficient labor for this work.
5. The geology of the deposit appears favorable for future lead production.
6. The applicant seems sincere and capable.
7. It will be impossible for the applicant to repay the first loan unless a second loan is granted and produces additional ore.



1
top of raise 20' above adit
in intersection 2 veins in
contact fault oxidized gouge
flat lms
NO 1 back of raise
4' 20' raise
4'
fault zone
filled
14'
S 40 E
NO 3 - 2
N 65 E +46°
15'
end drift
caved
S 60 E 15'
stoped
& filled
70°
open 10' below
open
stope above
S 60 E
6' andesite
fault zone
S 35 E 35'
Hor lms beds
S 55 E 20'
NO 2
edge of stope
lead cleanse
M S L N
N 45 W
20'
S 42 W
16'
20'
N 15 W
16'
andesite
vert shaft
34' to Water
Water 3' deep
flat lms
creek
12' hole
S 55 E 200' & 50' up is open cut
2' vein dips 75° S &
NO 4 raise S 55 E
oxid & galena


No 5 25 Ton
slugging ore
dump

CLAUDE E. McLEAN
P. O. BOX 1888

TELEPHONE 3-6272

ARIZONA TESTING LABORATORIES

ANALYTICAL AND CONSULTING CHEMISTS
ASSAYERS, MINING ENGINEERS
823 EAST VAN BUREN STREET

ASSAY CERTIFICATE

PHOENIX, ARIZONA, December 4 1943

M F. W. D. Maitland, Supervising Engineer, R.F.C.
325 Heard Building
Phoenix, Arizona

WE HAVE ASSAYED THE SAMPLES RECEIVED FROM YOU AND FIND THE RESULTS AS FOLLOWS:

GOLD FIGURED AT $ 0.70 PER OUNCE.
SILVER FIGURED AT $ _____ PER OUNCE.

LAB. FORM 2

LAB. NO.	SAMPLE	GOLD		SILVER		PERCENTAGES			
		OZ. PER TON	VALUE	OZ. PER TON	VALUE	COPPER	LEAD		
49796	Falcon Mining Co #1,	4 ft		0.10	$0.07		1.23%		
49797	" " " #2,	2 ft		2.80	1.54		16.17%		
49798	" " " #3,	7 ft		1.60	1.12		22.81%		
49799	" " " #4,	2 ft		0.60	0.42		0.80%		
49800	" " " #5,	Grab		1.20	0.84		14.96%		

REGISTERED ASSAYER
CERTIFICATE EXPIRES
CLAUDE E.
McLEAN
DEC. 31, 1943
ARIZONA U.S.A.

RESPECTFULLY SUBMITTED,
ARIZONA TESTING LABORATORIES
BY Claude E. McLean
ASSAYER

CHARGES $ 10.00

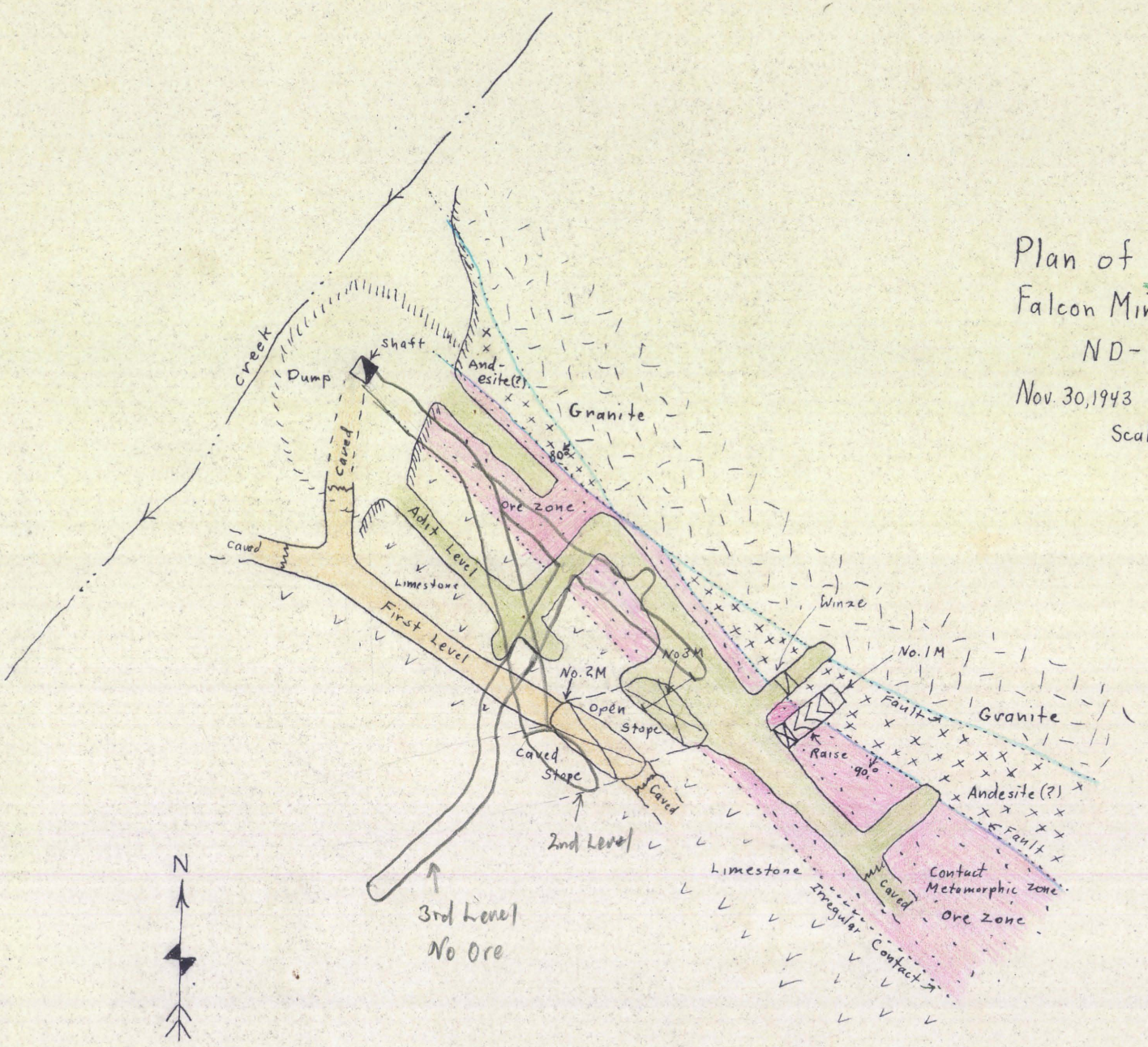
Plan of Workings

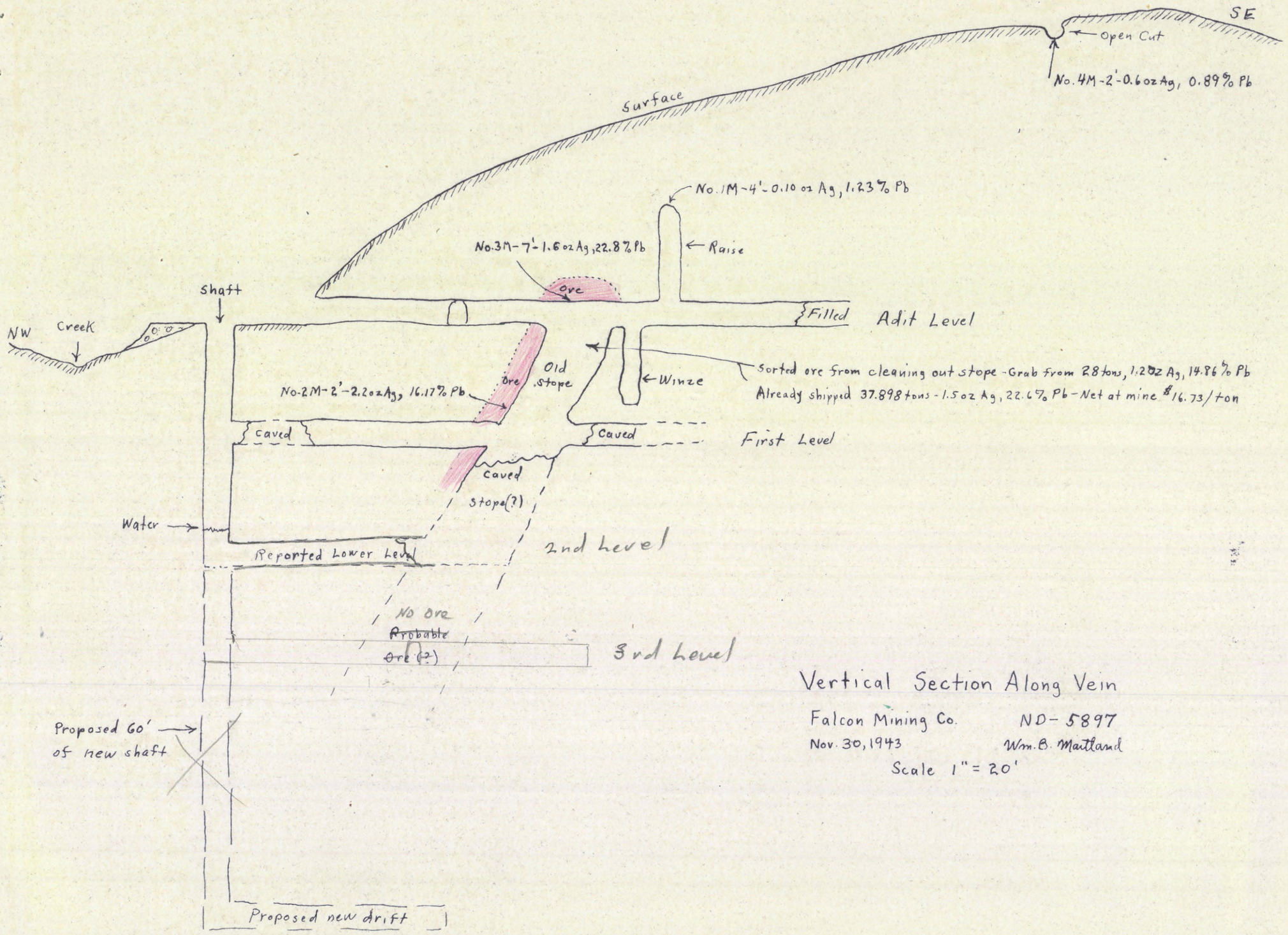
Falcon Mining Company

ND-5897

Nov. 30, 1943 Wm. B. Maitland

Scale 1"=20'



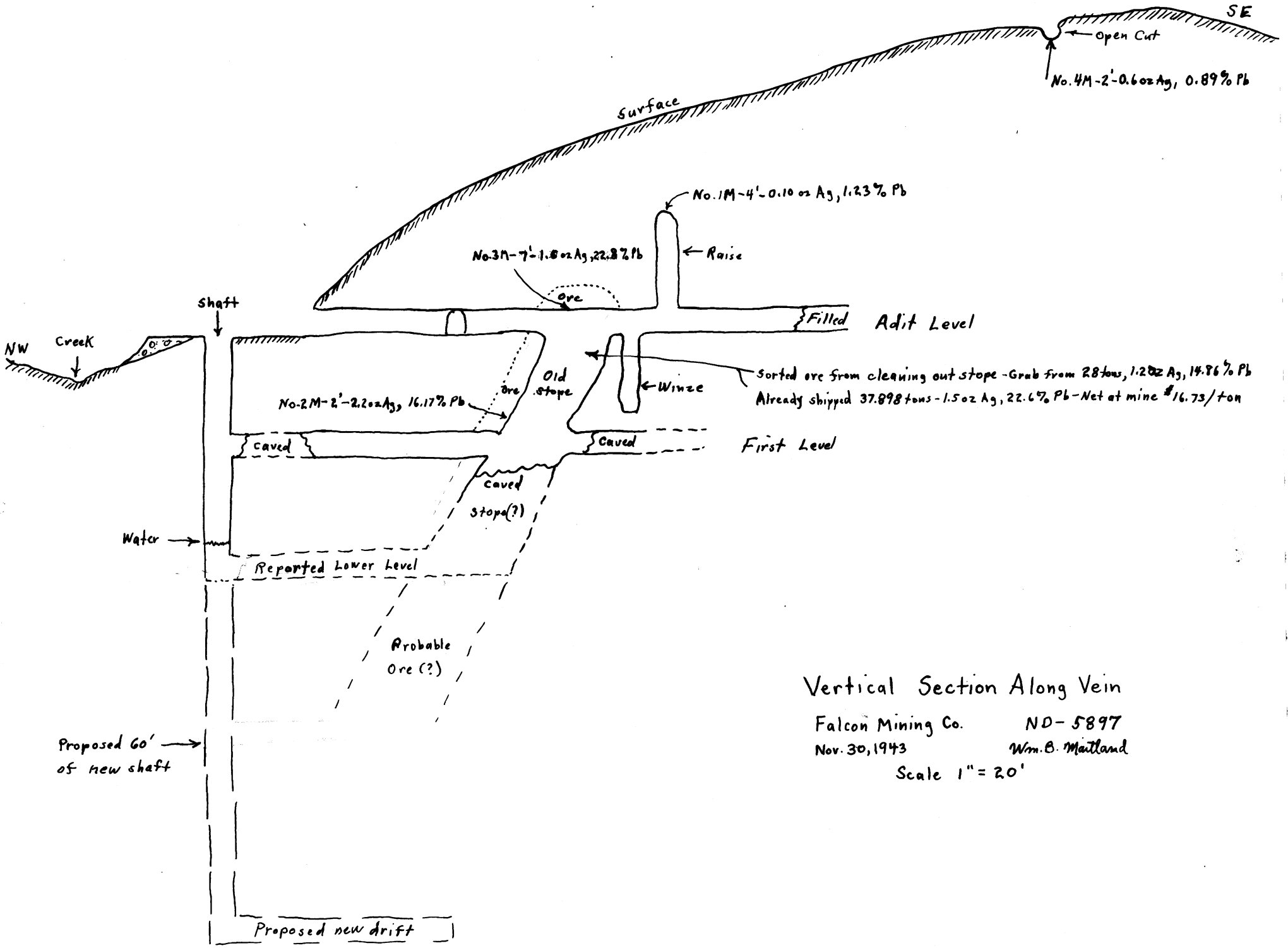


Vertical Section Along Vein

Falcon Mining Co. ND-5897

Nov. 30, 1943 Wm. B. Maitland

Scale 1" = 20'

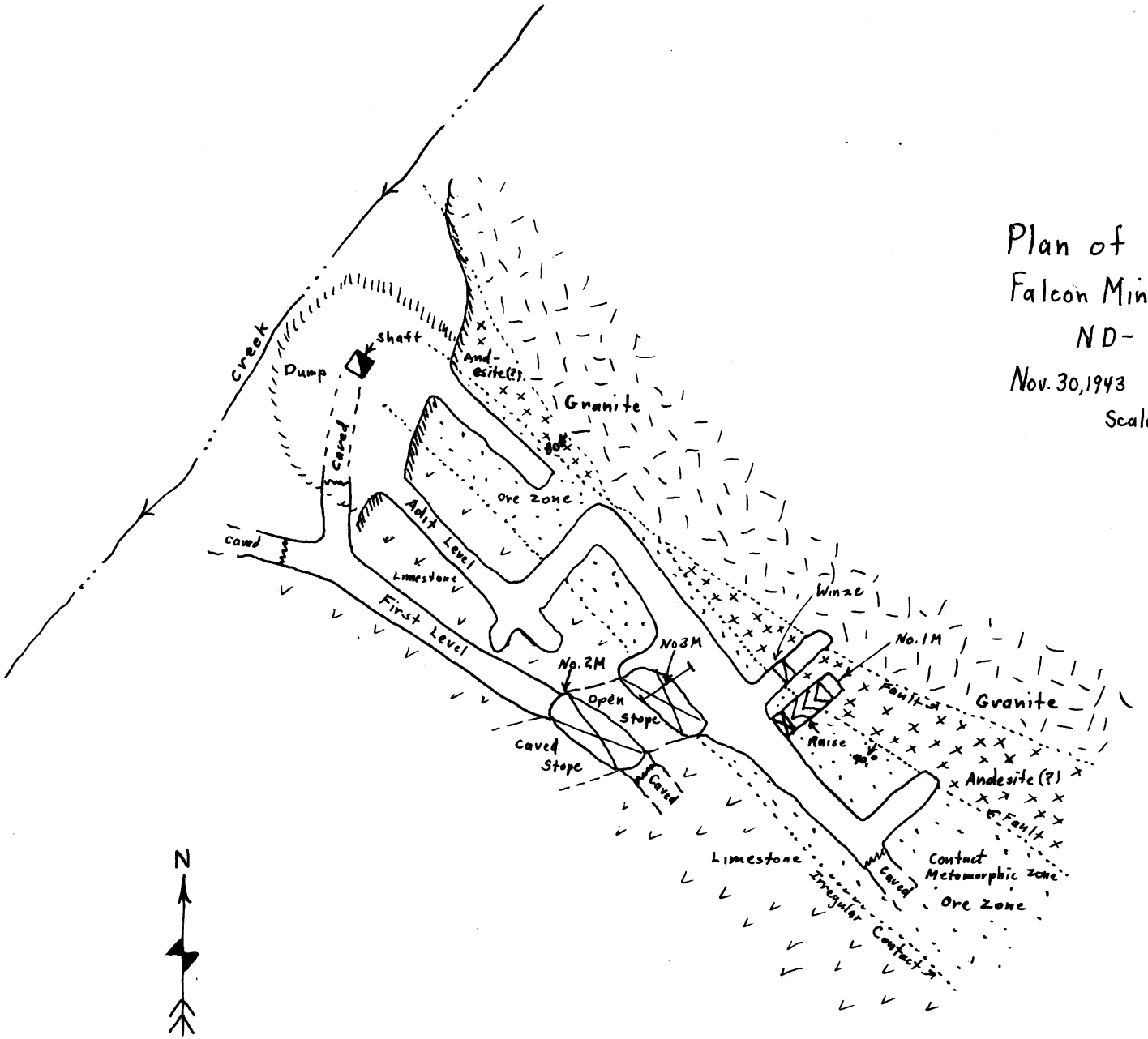


Vertical Section Along Vein

Falcon Mining Co. ND-5897

Nov. 30, 1943 Wm. B. Maitland

Scale 1" = 20'



Plan of Workings

Falcon Mining Company

ND- 5897

Nov. 30, 1943 Wm. B. Maitland

Scale 1"=20'

Report of Supervising Egneer

Docket No. ND 5897
Date Authorization for Exam
Rec'd - Nov 24, 1943
Date of Exam Rec'd Nov 30, 1943
Date of Report Dec 15, 1943

In August 1943 a $2000 accessibility loan (ND 8424) was granted this lead mine under to make accessible a vertical shaft and adit. The shaft was cleaned out to a depth of 34 feet at which point water was encountered, and the adit and stope there from was made accessible for sampling. Since the stope extends below the adit level for an unknown depth it is not known how deep these workings extend nor whether there is still ore in the bottom of the stope. Considering the fact that the mine is reached only by a 2½ mile pack trail the first loan was well spent.

(1)

1. Name + Address of applicant

Name Falcon Mining Co
Address Box 54, Claypool, Arizona
Correspondent. R. G. Keller, Sec. - same address.

2 Character of Project

To further develop a lead vein by means of sinking the existing shaft deeper and drifting off the bottom of said shaft.

3 Location of Mine

Name of mine – Plomoso Mine

Township, range, section – ~~Sec~~ T 3 S, R 15 E G+SRB+M

Mining District, County, State – Mineral Creek Mining Dist, Gila Co, ~~Calif~~ Ariz

(2) Name + Distance by road nearest railway station – Christmas a siding on the Southern Pacific Railroad is 10 miles from the mine

Condition + seasonal accessibility of road, mine to railway – a good graded dirt road accessible at all times of the year extends to within 2½ miles of the mine. The rest of the way is by mountain trail so all supplies must be packed in by burros and ore is packed out. The trail is in good shape + follows an old wagon road. The Falcon Mining Co has applied for an access road but to date this road has not been approved.

Hauling 10 mi
Christmas 1.25
Packing 5.50
6.00

4 Applicant

The Falcon Mining Company composed of a group of Eastern building contractors and real estate men is managed by Mr. R. G. Keller a former real estate operator. Mr. Keller who is about 40 years old is an intelligent and educated man altho he has had but little mining experience. I believe him to be sincere and honest and should be capable of operating this project. He is now employing two experienced miners

5 Loan Requested

The application requests ~~a loan~~ an additional loan of $4500 which added to the present existing loan of $2000 would make a total of $6500.

However as per the attached letter the applicant now ~~has~~ wishes to amend his application in order to apply for a further loan of $3000 which ~~would make~~ if granted would make a total indebtedness of $5000.

I believe the present showings in the (3) mine do not justify an expenditure of any additional $4500.

6 Description of Project

A Legal Considerations

The original loan of $2000 was based upon the applicant's 10 yr lease on two claims, "Plomosa" and "Plomosa No 2". Since that time the applicant discovered that the ~~former~~ first lease was invalid due to the fact that the lessor did not actually own the claims. I understand that the applicant then obtained a new lease from the real owner and that the first lessor is willing to quit claim his rights to the property. I do not have a copy of the new lease nor know the exact terms. Further more it is my understanding that the new lessor recently died so it may be difficult to obtain a revision of the new lease if this is found necessary.

B Existing Mine Development

The mine is developed by a vertical shaft not in the vein and an adit ~~50 ft~~ ~~50 ft~~ exposing the vein for over 80 feet along its strike. With the first loan granted the applicants made accessible the adit with its underhand stope and also made accessible the shaft for a depth of 35 feet. It is reported that at a depth of 40 feet in the shaft a drift connects with the bottom of the stope exposed in the adit level.

My attached plan and section maps show these relationships as well as the assays taken (4)

C. Surface Improvements

The camp consists of two small shacks. Since the mine is not accessible by road, ore must be packed out by burros for a distance of about 2½ miles over a good trail.

applicants have installed no equipment. The ore is very soft so drill holes are easily driven with hand steel or auger. However if it is intended to sink the shaft deeper it will be necessary to install a small gasoline pump and perhaps a small hoist. I do not expect much water will be encountered until the shaft reaches a depth of 100 feet.

The present camp is large enough for three men which is all of the workers necessary and since the ore is easily smelted no mill is contemplated.

D. General Geology of Area

There are no large lead mines in this area but there are a number of gold-copper ~~prop~~ prospects in the region.

Briefly the geology consists of limestones and related metamorphosed sedimentaries intruded by ~~granted~~ granitic rocks.

E. Economic Geology of Deposit

This deposit is a contact metamorphic lead-silver mine. ~~for~~ The ore follows a definite wide fissure zone between the granite (?) and limestone with no ore being found in the granite (?) but it does extend irregularly out along the bedding planes of the limestone. The ore does not extend to the surface and as yet there are no indications that the ore has bottomed out. The lead occurs as cerussite and galena in irregular bunches and lenses in an altered and brecciated limestone.

(5)

I estimate that the former operators of the property extracted about 300 tons of high grade lead ore from the stope and this ore probably ran in excess of 40% lead as the applicant shipped 38 tons of 22.6% lead ore from the reject stope filling and from the ore in place in the margins of the old stope. In addition the applicant with loan funds has mined an additional 28 tons from the old stope and this ore sampled 1.2 oz silver and 14.56% lead. I believe that the stope still contains as fill and along its margins

perhaps another 100 tons of ore of like grade between the 40 foot shaft level and the adit.

Since the contact ore zone is wide and persistant it is possible that further to the south east there will be found similar lenses of ore altho considerable prospect drifting would be necessary to ascertain this fact.

No data is available on the old ~~mine~~ production.

≠ Ore Reserves

There is no blocked out ore in the mine and as yet it is impossible to determine the condition of the ore shoot at depth, as the bottom of the stope is still caved.

(6) It is estimated that if virgin ore is encountered in the bottom of the stope it will probably run in excess of 22% lead ~~as did~~ which was the grade of the first car shipped (before the loan was granted).

To be conservative we can consider that the future ore produced will assay 1.2 oz silver and 14.06% lead as my samples indicate and if this ore is shipped to the El Paso Smelter we have the following ore payments:

Smelter Payments

14.86% lead − 1.5% = 13.36 = 267.2 × 90% × $0.049 = 11.78

1.2 oz silver − 1.0 oz = 0.2 oz × $0.69125 = .14

Total smelter payment 11.92

Bonus Payment

14.86% lead × 2000 = 297.2 lbs × 95% × $0.0275 = 7.76

Total bonus Payment 7.76

Total ore payment 19.68

Marketing Charges

Base smelter rate $3.50

Excess over $15 at 10% = —

Bullion tax $0.0002/lb = 0.05

Freight rate/ton (R.R.) = 3.40

10% Royalty = 0.50

Hauling 10 miles to Christmas = 1.25

Packing 2½ miles (contract) = 5.50

Total marketing charges 14.20

Net at mine before mining cost deduction $5.48

Estimated mining cost per ton 4.00 (soft rock, no timbers) 4.00

Estimated net profit per ton $1.48

From the above analysis it is apparent that 14% lead ore will just about pay expenses and any ore in access of this grade will pay a profit.

It is impossible to estimate either the tonnage or grade of ore that will be produced as the mine is not now completely accessible

6. Economic Considerations

Applicant intends to clean out the shaft for another 10 feet and make accessible the 40' level and the bottom of the present stope. He then expects to sort out a few cars of ore from the stope fill and sink the stope deeper by underhand stoping.

The three men now employed will be sufficient for this work. They are now receiving $7 per day each. This work should be completed within 6 months and at that time it can be determined whether further development of the mine is justified

(8)

7. Proposed Expenditures

Sinking shaft 10' and making 10' sump	$500.00
Purchase and installation of pump	250.00
Cleaning out 40' level for 45 feet	450.00
Retimbering and cleaning out stope bottom	300.00
Underhand stoping of ore + packing expense	1000.00
Timber and supplies	250.00
Incidental expense	250.00
Total expenditures	$3000.00
Repayment of first loan	2000.00
Total loan funds	$5000.00

8 Comments of Supervising Engineer

The disadvantageous features of this property are :-

1. The mine is located 2½ miles from the nearest road so ore must be packed out by burros.

2. It would cost at least $2000 to construct a road to the mine.

3. The lower workings are not accessible so it cannot be determined whether the ore extends to depth or not.

4. Some water will be encountered if the shaft is sunk deeper.

(9)

On the other hand if lead is still in demand for the War Effort a further loan of $3000 is justified for the following reasons :-

1. In the past the mine has produced high grade lead smelting ore.

2. It seems very probable that this expenditure of money will make the balance of the mine accessible and produce at the same time at least two more cars of ore.

3. Very little additional equipment will be necessary.

4 The mine now employs sufficient labor for this work.

5. The geology of the deposit appears favorable for future lead production.

6. The applicant seems sincere and capable.

7. It will be impossible for the

applicant to repay the first loan unless a second loan is granted & produces additional ore.

Wm B Martin

Falcon Mng Co
ND 5897

Letter of Transmittal

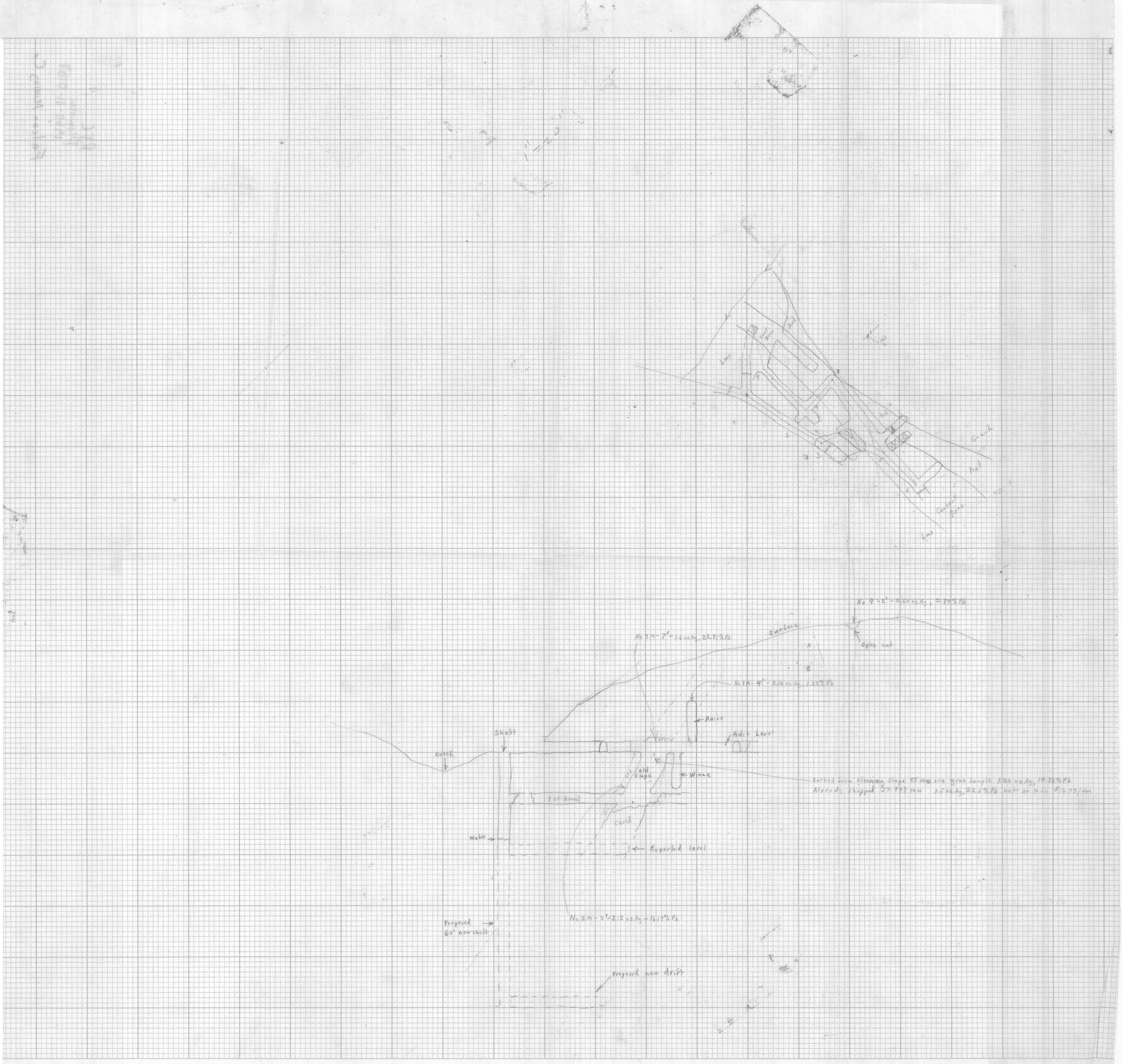
Enclosed please find two copies of my report on the above captioned docket together with one copy of original application.

(18)

Wm B Martin

Enclosures

2 copies Sup Eng Rpt
1 copy orig applic



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