



CONTACT INFORMATION
Mining Records Curator
Arizona Geological Survey
3550 N. Central Ave, 2nd floor
Phoenix, AZ, 85012
602-771-1601
<http://www.azgs.az.gov>
inquiries@azgs.az.gov

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Midnight Test Mine

NATIONAL GOLD CORPORATION

250,000 Shares Capital Stock

CAPITALIZATION

(As of Jan. 1, 1934)

Authorized
Capital Stock

Outstanding
2,500,000 Shares

1,663,129 Shares

The 250,000 shares now being offered, or any part thereof, constitute stock already outstanding, and does not involve any new financing on the part of the Company.

No dealer, salesman, or any other person is authorized, in connection with this offering to give any information or to make any representations other than contained in this circular, and no purchaser of said stock is entitled to rely upon any representation or information not contained herein.

While we regard the common stock of National Gold Corporation as an attractive issue, nevertheless, due to the fact, among others, that the price of gold, upon which the earnings of the Company depend, has varied widely in the past few years, we offer this issue as a speculation.

NATIONAL GOLD CORPORATION

CORPORATION

COMMON STOCK

National Gold Corporation was formed under the laws of Arizona in 1932. It has an authorized capital of 2,500,000 shares of which 1,668,129 are outstanding as of January 1, 1934.

The Company is free from debt other than nominal current accounts and a deferred item of about \$14,000.

The Company has ample working capital.

THE MINING PROPERTY

The property consists of 20 claims approximating in all about 320 acres.

The claims are contiguous, forming a connected group, covering and embodying the most extensive ore bodies in this section of the Hassayampa and Walker Mining Districts.

LOCATION

The property is located nine (9) miles in a southeasterly direction from Prescott, Arizona, in Yavapai County. The property lies at the foot of, and on Spruce Mountain, one of the highest peaks of the Bradshaw Mountains, the altitude varying from 6,500 to 7,600 feet.

A complete topographical and geological survey of this district of the Bradshaw Quadrangle was made by Dr. Lindgren for the United States Geological Survey.

Briefly the report shows that the entire area was at one time covered by Yavapai Schist. This Schist has been intruded by Diorite and Grano Diorite dykes of great Diorite magnitude both as to length and width and with numerous Rhyolite and other Porphoretic and Quartz Porphyry flows.

In the immediate vicinity of the main workings (Midnight Test Shaft) is the longest Diorite in the Quadrangle. This extends to the southwest for more than a mile and varies in width from a few hundred feet to half a mile. At the immediate vicinity of the Midnight Shaft it is not over 500 feet wide and contacts the Schist both east and west of the shaft. To the northwest this dyke extends for a mile and a half and has a maximum width of one-half mile. The Midnight Shaft is located at the elbow of the two arms of this Diorite stock and at its narrowest dimensions with the maximum points of the Schist. Almost without exception production in this district has come from or near the contact of the Yavapai Schist, with the various volcanic intrusions.

Veins in every instance appear to have split off from the Schist contacts and on the particular ground surrounding the Midnight Shaft numerous veins have split off the contact, all carrying, wherever prospected, good values of gold, silver and lead.

It is nothing but reasonable to suppose that if these splits from the Diorite are carrying good values, that the source of contact and veins lying along the contact should carry higher values and with much larger dimensions of size.

Such a condition is quite evident and a proven fact in and near the Midnight workings. This is also proven by the Nevada Tunnel, 350 feet south of the shaft on the same vein, and by the work recently done on a spur off this vein running through the Midnight Shaft, and contacting with the main vein and with the contact itself.

Most of the underground work has been done on or near this spur vein (Referred to on maps as the N. W. Vein), and with feeders and stringers running into and absorbed by this spur vein. Also work has recently been done on the surface at a point where this spur vein contacts the Schist and the vein lying along the Schist, proving the above contentions, and also underground on the third (3rd) level. On the third level where the work has been carried to point of touching the contact, the assays show as high a value as \$600.00 per ton.

Spruce Mountain, the highest point in this vicinity and just above the workings, has, no doubt, influenced the entire immediate area and during its upthrust has contorted and radiated the veins and veinlets in all directions from there to the Midnight vein, which can undoubtedly be called the Mother Lode vein of this district. It is a noticeable fact that no vein crosses the Midnight Vein but that all are absorbed in their contact.

There is direct evidence of a second flow of mineral solution in the underground workings that will with depth greatly enrich the ores and an unquestionable fact that the fissuring and ore bodies are of deep seated origin. The absorption of the contacting veins also show the deep seated origin of the fissure.

MINERALOGY AND METALLURGY

The mineral contents of the vein can be briefly classed as gold, silver, iron, galena, and pyrites. The iron being of the hemitite family with the pyrites and galena disseminated throughout the quartz masses.

The quartz carries all of the present high grade values. The remainder of the vein filling or the lower grade ore is a Schistose gangue caused by the leaching and erosion of the quartz causing the values to settle and become disseminated throughout the Schistose filling.

The ores opened by present development above the four hundred foot level are oxidized ores with less than 10% sulphides. At and below the four hundred foot level they are reaching the sulphide stage, although considerable oxidization is still present. Occasionally above the four hundred foot level sulphide pipes have pushed their way up into the oxidized material and wherever this occurs there is invariably high grade.

The gold appears as free and oxidized.

The silver occurs as native, horn, wire, chlorides, carbonates, bromides and sulphides.

DEVELOPMENT

The Midnight test vein on which the major workings are located has been worked at various intervals for over a mile in length, and all these various workings show commercial ores. A total footage of these various workings is approximately 5,290 feet and consists of shafts and drifts in shafts, tunnels, raises, winzes, all in ore (no cross-cutting is figured in the above footage). In addition to the development above listed as the Midnight test vein, other close paralleling veins have been worked and prospected by over 2,000 feet of work.

A detailed description of these workings can be obtained for interested parties upon request.

EQUIPMENT

Recently the National Gold Corporation built and equipped a modern mill, designed for 200 tons, but capable of milling 250 tons daily. This mill has been equipped with all the latest approved crushers, ball mills, amalgamating tables and flotation machines. Reports show an approximate recovery of 97% of the values at a cost approximating \$3.85 per ton.

The property is fully equipped with living quarters, cook houses and utensils, for all miners, officers and visitors.

There is a full complement of tools, shaft machinery, hoist engines, belting drums, and in fact everything necessary to properly work the mine. Replacement cost of new modern mine equipment would approximate \$250,000.

ORE RESERVES

Assays show approximately \$9,000,000 of ore developed for milling in a limited portion of the ore bodies in the Midnight Vein system at the main shaft. This portion of the ore bodies alone would show a good profit on the outstanding stock without considering the vast amount of undeveloped ore in the system, situated in paralleling veins all close enough to the proposed Tunnel Development of the Midnight Vein to be explored and economically worked through one major working unit. Examination or inspection of the veins on the surface and the many developments along them will clearly demonstrate the magnitude which further development will disclose.

WATER

Engineers' reports show an ample supply of water to properly operate mine as well as for domestic use.

TIMBER

The properties are covered with an ample supply of suitable timber for the Corporation's needs for many years.

MANAGEMENT

Harry G. Wright, President, DeKalb, Illinois, is heavily interested in Northern Finance Company and in the DeKalb Trust and Savings Bank. He is State Senator of Illinois. Many of his friends and associates at his invitation have become stockholders of the National Gold Corporation. Mr. Wright has withdrawn from other official positions to devote his time to this corporation.

W. W. Linesba, Vice President and General Manager, formerly an active partner of George Kislingbury, one of the great mining engineers of this country, is a responsible, seasoned engineer. He has been in charge of this project for several years.

K. H. Linesba is active Treasurer and John L. Carroll of Slade, Hipp & Maloy, Chicago, is Secretary. The officers and directors are all large investors in the stock of the corporation.

PERSPECTIVE AND COMPARISONS

The properties are in the heart of the mineralized area of Yavapai County which has produced over 500 million dollars worth of minerals. The United Verde, United Verde Extension, the great Congress Gold Mine, and many other large producers are in this area.

Among the really great gold mines of the United States are the Homestake, in South Dakota, the Empire, North Star, Idaho-Maryland, and Sixteen to One in California. The veins of these mines, other than the Homestake whose ore body is more like that of the Midnight Vein system, range from a few inches to a few feet in width, averaging perhaps two and one-half feet wide.

These mines are now operating at from 2,000 to 9,000 feet in depth. Perhaps the highest average ore value in these mines is \$9.00 per ton. By comparison the National Gold Company's Midnight Vein system alone carries ore bodies probably 200 feet in width and 8,350 feet in length with values in the present workings averaging, according to the assay map of the main workings, \$34.08 per ton at the old standard price of \$20.67 per ounce. It apparently has much greater quantities of undeveloped ore than the other mines mentioned.

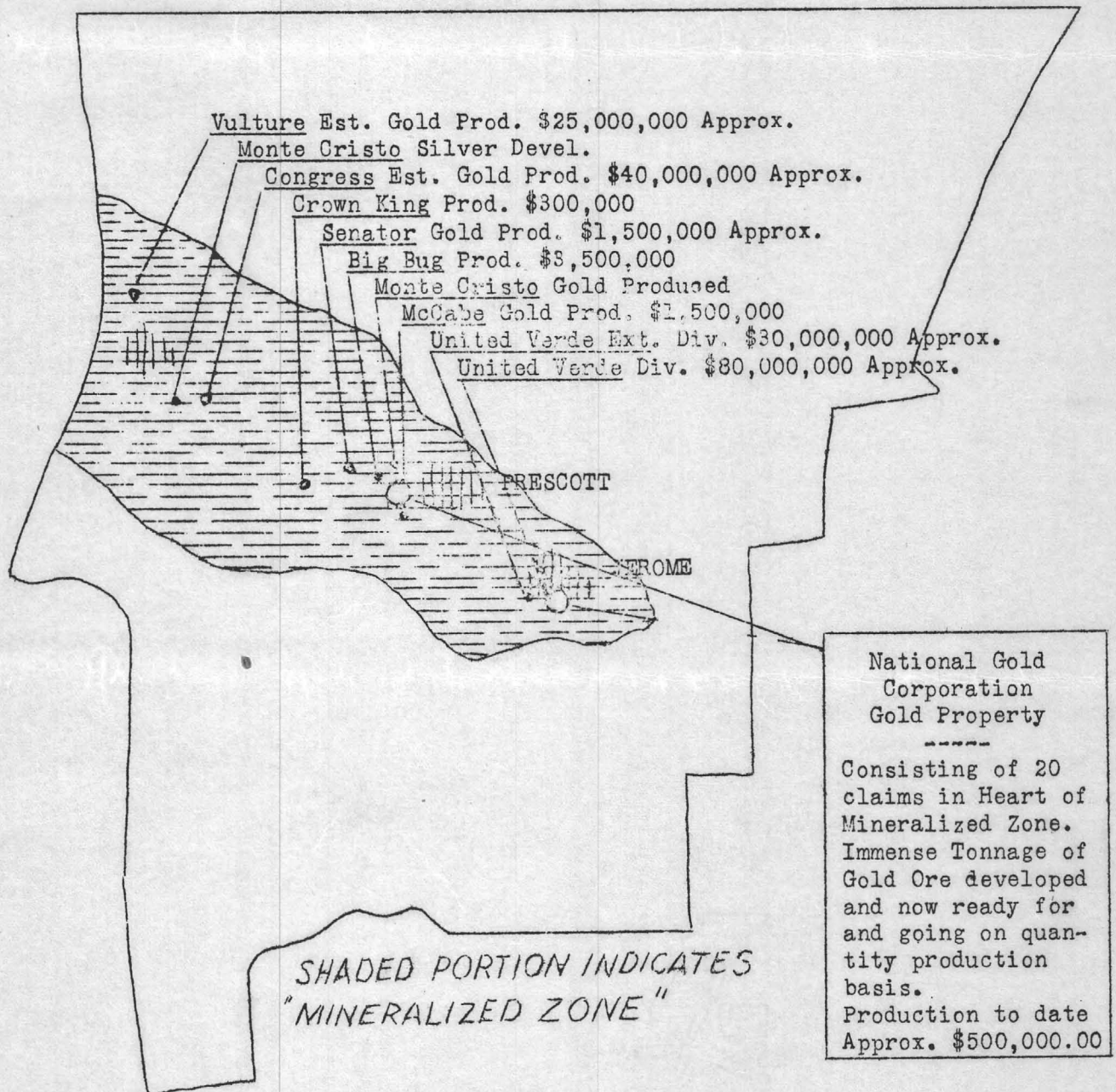
With huge quantities of ore available, the natural expansion program will be to increase the mill capacity, perhaps equal to that of the Homestake mine, which ran 4,100 tons per day in 1932 with average values of \$7.08 per ton; or the Hollinger Consolidated, Canada's great gold mine, which has a mill capacity of 8,000 tons per day, with values in 1932 of \$6.38 per ton. Such an increase will naturally increase the earning capacity of the stock proportionately.

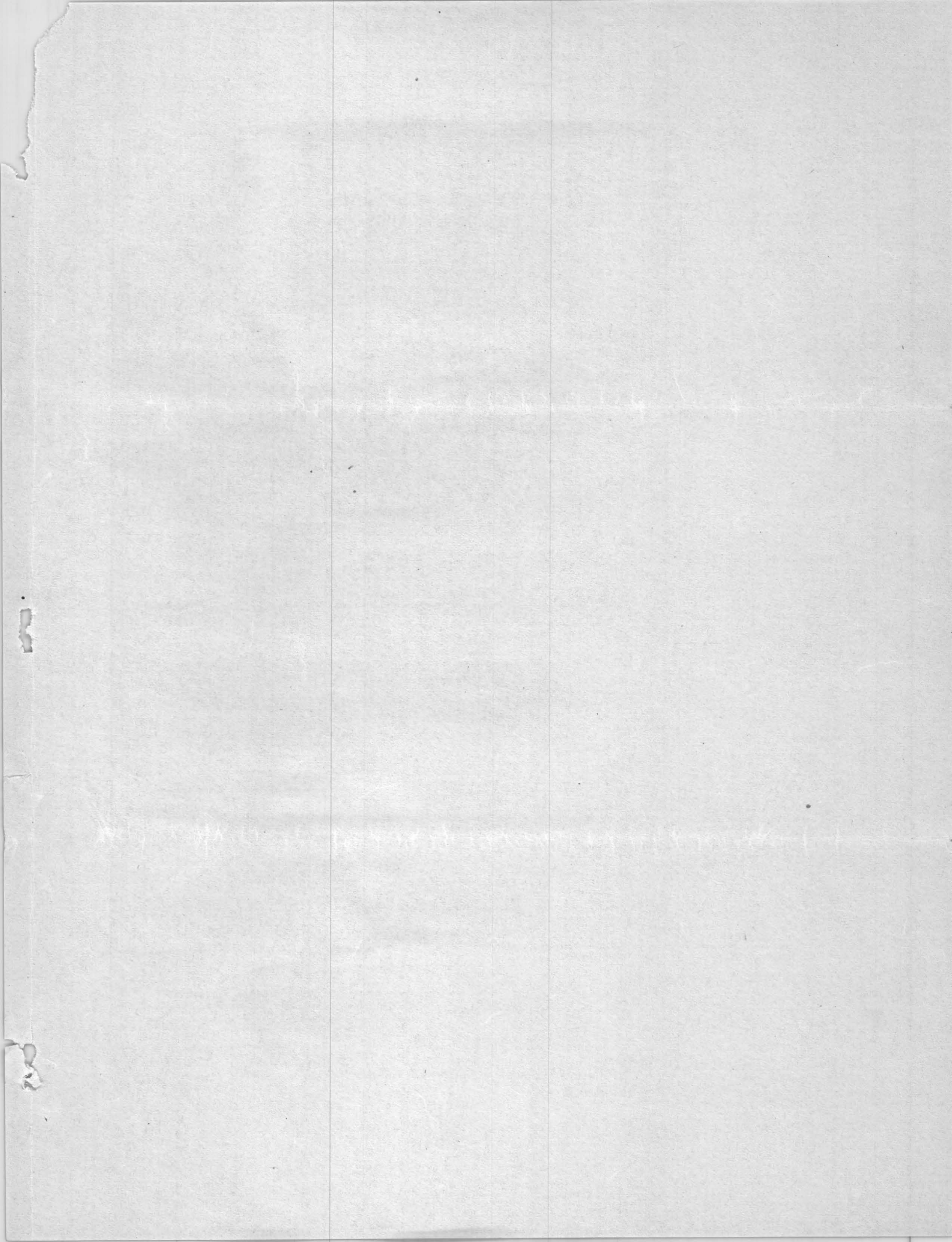
Homestake with a dividend rate of \$12.00 per share, had a recent high of \$373.00 per share for its stock on the New York Stock Exchange. It can reasonably be expected that when the ultimate logical mill capacity of National Gold Corporation is reached, the ratio of the market value of its stock to its earnings will correspond with or exceed that of such great mining companies as Homestake.

We believe the stock of National Gold Corporation will prove to be an investment that should not only earn a splendid income, but should increase greatly in actual and market value annually for many years.

MAP of YAVAPAI COUNTY, ARIZONA SHOWING "MINERALIZED ZONE"

ARIZONA'S MINERAL PRODUCTION OVER \$3,000,000,000.00
 YAVAPAI COUNTY'S MINERAL PRODUCTION OVER \$500,000,000.00





12/10/33

By J. M. C.

Midnight Test Mine near Groom Creek now being operated by the National Gold Co. President-- W. W. Linesba, Box 432, Prescott.

Have erected and are beginning to operate a 250 ton mill working two shifts and expecting to produce 40 to 70 tons of concentrates per month.

the mill heads are said to now average \$15.00 and there is some ore with twice this value and with SiO₂---60 to 70%

The concentrates carry.

Au---	2 oz or more
Ag---	3 oz or more
Pb---	2-3%
Fe---	13.20%
SiO ₂ ---	40%
No copper or zinc.	

The mill is equipped with a Gibson amalgamator in which 20% of the gold values are recovered as amalgam and then 40-45% of the values are saved in the table concentrates and the balance in the flotation machine.

A total of 95% of the gold values are saved. Sulphatizing is used in the flotation machine (Fahrennald cells) The mill is equipped throughout with Denver automatic samplers furnished by the Colorado Equipment Co. but these do not seem to work very well.

In the mine the ore is developed to a depth of 600' and the average width of the vein is 8' and it is opened for a length of 6000'.

there are 75,000 tons of ore broken in the stope and 400,000 tons of ore blocked out.

vein is in the diorite which comes over from Pine Mt. and in the granodinite. Water for the mill is obtained from the mine and from an old shaft. there are nine parallel veins all of which carry pay ore. (All the above according to Linesba.)

SENATOR DISTRICT

Midnight Test (continued)

Trucking to Prescott will cost \$1.75 per ton or probably \$4.00 to Humboldt. The mine is only 2 1/2 miles from Walker but the road is pretty bad.

There is some high grade ore which might be shipped crude.

This mine might furnish two or three tons of concentrates per day to a furnace and there is so little lead that it could probably go in with copper concentrates.

I think that the statements regarding values and tonnage are much exaggerated but a lot of money has been spent here and the plant is good, and with present gold prices the operations ought to be continuous for some time unless the Co. should get into a financial mess.

Feb '38

Company went broke & into bankruptcy, seems
that there was no large body of pay ore in
the mine but only strings of high grade
which might be worked in a small way
by leases or balance of mineralized ground is
too low grade to mine & mill
J. H. H.

Aug. 1938

MIDNIGHT TEST (National Gold)

Linesba has reorganized the Company and obtained \$25,000 which permits him to pay some of the debts and resume active work.

There is a prospect of some trouble with the parties who advanced this money and talk of the mine having been salted when the examination was made by their engineer.

Larsen thinks that criminal proceedings may follow.

Leo Stack who is representing Linesba says that Linesba is in the East trying to straighten things out and arrange to resume operations from which I gather that funds have not actually been made available beyond those which were required to pay off liens, etc.

Very doubtful if and when the mine will actually get going again but it is pretty certain to be a losing game under any conditions.

*Abandoned or equipment sold, some low
grade ore might be found later.*