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C O P Y

OBSERVATIONS RELATIVE TO "CEDAR HILL"
SIERRA NEVADA MINE - COMSTOCK DISTRICT - STOREY COUNTY
VIRGINIA CITY - NEVADA

GENERAL

The situation described is at the north end of the Comstock Lode at Virginia City, Nevada. The property discussed was owned and operated by Sierra Nevada Ltd., a Nevada Corporation. The ground involved covers about 250 acres and principal claims are patented. This corporation built and ran a two-hundred-ton flotation plant from 1935 to 1942, under my management. Operations were spotted but during this period over 200,000 tons of material were milled which produced a paid for revenue of over \$700,000.00.

Ore was taken from Open Pits on the surface of Cedar Hill. The northern end of the Comstock Lode crosses this ground and is divided into two segments on its way to the North. All time traceable production of the Sierra Nevada mine is about \$2,500,000.00, all of which has come in ores mined close to the surface. These surface values are practically all gold and occur both in the vein filling of the two above-mentioned segments of the Comstock Lode and also in great sections of rhyolite flows and andesite intrusions which cover the surface of the hill. There are also enormous basins of detritus at various points on the surface of Cedar Hill. These have been found to carry gold values, and at points where natural concentration has been possible, good mill ore has been taken from these "residual placers". In fact at no point on the Comstock Lode has mineralization been as general or over such

large areas as on Cedar Hill. However, due to lack of confinement of solutions, and other reasons, bonanza orebodies have not been as large or numerous as at other points of the District.

IMPORTANT FACTS LEARNED BETWEEN 1934-1942.

Cedar Hill gold is for the most part coarse and heavy, although some finely divided material is always present. In the operation of a 200-ton flotation plant, around 70% of recovered values were always taken from a gold trap between ball mill and classifier. One can describe this material as a continual collection of small nuggets - the coarsest gold I have ever seen in a Nevada or California lode milling operation. The balance of "fine gold" recovered was accumulated by flotation. However, there is reason to feel that, perhaps, the flotation end of the circuit did not pay for the operation, as remaining recovery of freed values passing the gold trap was not overly high.

The above situation explains why sampling on Cedar Hill is difficult. I feel that it can be accomplished only by pilot mill methods. A hundred or two hundred hand samples are of small value in drawing conclusions.

Flotation milling is hardly applicable. A high percentage (above 70%) of any gold present is freed "on the average" in crushing to around 1/4 inch, provided there is plenty of attrition in the crushing process. In subsequent stages of reduction of particle size only slight additional values are freed until - 30 mesh is achieved. Between this mesh and -50 mesh practically all values are liberated.

My experience convinces me that the ideal mill for Cedar Hill is a combination gravity concentration and cyanide plant. 70% to 75% recovery is possible by gravity methods with a very coarse grind. In view of the cheapness of such a process one might care to quit at such a point. However, a full 95% extraction is possible by following up with cyanide procedures, after additional grinding is undertaken.

Screen tests made on Cedar Hill ores, are as erratic as the hand samples of ore taken for assay. Conclusions can be reached, but it is advisable in making statements to say "on the average", as any single or any dozen samples screened can easily give results entirely foreign to the truth. Pilot mill screen tests are, once again, the only reliable guide in proving assertions. The statements in this report are based on observations from actual mill runs of ore conducted on the basis of tens of thousands of tons.

If overburden which has slid into the lower Open Pit is removed and, if the Riley Tunnel below said Pit is re-opened, I feel the following steady production of ore should be possible.

(a) With selective mining it should be possible to maintain a \$10 to \$20 grade of ore, on a basis of 40 to 60 tons daily, assuming of course that development work was carried ahead at all times.

(b) If overburden removal is carried on at the rate of about one ton for each ton of ore removed larger tonnages of \$2.50 to \$5 ore should be available for a larger milling endeavor.

(c) Enormous tonnages should average anywhere from \$1.00 to \$3.00 per ton and are available for milling by a simple process after reduction to 1/4 inch in size. An independent water supply seems

possible to the north of the mine and is essential. Such an operation, as I view the matter, seems certain of success, but would have to be conducted on a basis of at least 1200 tons per day on up.

SAMPLING LOW GRADE MATERIAL-EXPERIMENTATION WITH SCREENING AND GRINDING.

During my long stay in Virginia City the possibility of mining and milling and making a profit by handling all surface material as dug, occurred and reoccurred to those at the Cedar Hill property. To secure 200 tons daily of \$2.50 to \$5.00 rock for our flotation mill it had been necessary to remove a slightly greater amount of overburden. About 300,000 tons of this material was sampled by the following method. This material was waste and had been depleted of value by the milling of any ore uncovered while it was being set out. Forty-nine truck loads of four tons each were dug from representative points in these dumps and hauled to a central screening plant where plus 3/4 inch and minus 3/4 inch segments were saved. All the material was handled by individual truck samples, reduced to 100 pounds each for assaying. These were then crushed and two samples taken by splitter, from each original, for assay purposes. Assaying was on a basis of a four or five assay ton charge. Weights were carefully kept and results computed. The 108 tons of undersize ran \$1.18 gold and \$0.13 silver for a total of \$1.31. Oversize amounted to 100 tons and showed values of \$.78 gold and \$.14 silver or a total of \$0.92 per ton. The calculated weighted average of the material sampled was \$1.13. The 108 tons of undersized was sluiced to try and determine the amount of gold free as placer. About 30c per ton was recovered.

In the Spring of 1941 additional work was undertaken to try and determine if a commercial method of working low grade material could be discovered. Exhaustive screen tests were made on hand samples of crushed ore. Results were very spotted with some samples showing a fine segregation of values in -30 mesh segments. In other tests negative results were obtained. It had long been our thought that the principal values were lodged in the cleavage planes of the rock where natural breakage took place when the material was crushed to one-quarter inch, and that "fines" would be created from these points in crushing, which would be of sufficient value to furnish a mill head.

In the course of the above experimentation our mill superintendent saved plus one-quarter inch material from a certain test. He placed it in a laboratory ball mill and polished for thirty seconds or so. The grinding was not sufficient to pulverize the ore but simply to scrub the exposed surface. Upon assaying he obtained a very low "tail" and a minute quantity of high grade "fines". After many subsequent tests we reached the following conclusions. Values in the gold quartz and gold porphyry materials of Cedar Hill are largely lodged in the cleavage planes of the rock. If crushed to 1/4 inch, with attrition or scrubbing action present, a high percentage of gold is liberated. A long series of additional tests were entered into to further prove our point. Various methods of recovery of freed values were made. Our work convinced us that a 70% plus recovery of gold values was possible by crushing and scrubbing, when followed by gravity concentration methods.

MILL REVISION.

The Sierra Nevada Ltd. then went to work to revise its two hundred ton flotation mill. It was felt that the ore reserves of low grade material, similar to the 300,000 tons sampled as above outlined, should be sufficient to run a 1200 ton mill, designed to fit the requirements of the above test work, for numerous years in the future. It was felt that daily revenue might approximate, on a 1200 ton basis, at least \$750 per day or \$21,000 per month computed about as follows:

1200 tons \$1 ore (gold only)	\$1200.00
70% recovery	840.00
Marketing 10%(80% to mint)	<u>84.00</u>
	\$756.00 daily
Month 29 days running time	\$21,924.00

It was felt from the experience of seven years actual mining and milling on Cedar Hill, during which time about 500,000 tons of material had been excavated and over 200,000 tons of it milled, that direct operating expense should never exceed \$12,000 per month. This fact was later proven in actual operation. It was also felt that due to many wide exposures of ore that ran from \$2.00 to \$5.00 and to a tendency towards occasional pockets of very rich material, that mill heads would certainly exceed the \$1 estimate used in calculations. In the operation of the flotation mill many such pockets had been encountered, the best having yielded \$27,000 in twenty-four hours of operation.

The summer of 1941 was spent in plant revision as was the fall. Procedure was slow due to short finances. As cheap crushing

has always been a problem on the Coabstock, due to wet gouge found in most ores, it was decided to crush wet with water turned into a jaw crusher under pressure. Such a procedure eliminated the possibility of ore storage. (Note - I now feel dry crushing might be feasible). The following plant was installed good for 1200 tons daily. Coarse storage bin of 50 tons with ore removed from below into a large jaw crusher. Below this was placed a vibrating screen with 3/8 inch screen. The undersize from this screen went into a flume. The camp oversize discharged into a three-foot Symons Cone crusher. The discharge from this crusher dropped direct into the flume which accomodated the wet stream of fines from the jaw crusher. The material from the flume was fed directly into a 6 x 6 Allis Chalmers ball mill for attrition or polishing. (NOte - I now feel that this step was superfluous and that there are crushing procedures to provide ample attrition). The mill was run in open circuit with no return of pulp. The discharge from the ball mill flowed, first, across a hydraulic gold trap for the removal of coarse gold and second, over a Pan American duplex diaphragm placer jig. Tails from the jig left the mill to a natural tailings pond. The jig concentrate, which flowed continuously from the two hatches, was lead to a concentrating table where a concentrate streak was removed. Middlings from the table were pumped back to the head of the ball mill. Table tails, which assayed \$4 to \$6 per ton, were wasted, and at this point 50 to 60 tons of material should hve been salvaged and bullion produced. The residue from amalgamation was saved

as a low grade concentrate and the product shipped to the smelter.

OPERATION OF THE PLANT FOR DECEMBER 1941.

Operations were started on the above basis on Dec. 1, 1941. Ore was taken from dumps and at various points in the Lower Open Pit. No hill-top ores were included. It was dug by Power Shovel, without blasting, and conveyed in two large dump trucks to the discharge bin. At this time Sierra Nevada Ltd. was deeply in debt and in a position where it simply had to earn profit at once or cease operations and devote all energy to the payment of debt. No time was available for ordinary revision which frequently is necessary in a new mill. The mill run was continued till the end of the month. A loss resulted from December operation - one not explainable to creditors who were not mining people and it became necessary to suspend operations. Financial commitments were later met by Sierra Nevada Ltd. but by that time the War was underway and gold mining was impossible. But the results obtained in December, 1941, proved that we were right in our fundamental concepts of what might be done, with the vast bodies of low grade ore on Cedar Hill and there is little doubt that under proper management a good profit can be made from them at the present price of gold.

To begin with it is to be stated that no mill head or tail assays were taken. Bullion and concentrates were produced daily and were used as a guide. Running time was to be our guiding consideration insofar as this was an endeavor to mill all materials as encountered and without selection. Unfortunately, running time

for the month was poor and accounted for a loss in the operation. The mill ran just 55% of the total hours and minutes of the month.

This low average was caused by the following facts:

1. Early blizzards which made truck haul impossible for shifts at a time.
2. The break of a Cone crusher gear which had to be shipped from Los Angeles.
3. General breakage due to the fact that the mill was not built sturdy enough for the large tonnage expected from it.

For this 55% running time 12,178 tons were mined and milled. Even this figure was disappointing as we had anticipated at least 17,000 tons to be handled in such a span of running time. Several reasons accounted for this lack of tonnage. For example, launders were not steep enough to carry coarse rock along and tonnage had to frequently be cut back to allow for clearance before the feed was once again opened to higher rates. However, for periods of four to five hours at a time ideal conditions were frequently obtained. At such periods representative ore went through the mill at a rate in excess of the 1200 ton goal which we had set for each 24 hours of operation. Such a rate could easily have been obtained and kept, with operating ease, provided we had built more substantially.

Paid for revenue from the 12,178 tons of ore milled was as follows:

Bullion	\$4713.07
Concentrate	1405.95
Concentrate from small blanket sluice in tail race	470.00
Paid total	6689.02 or 54c per ton.

Now it is felt that under ideal operating conditions a return of almost double this figure might be expected by the above methods. Three factors in the December, 1941, run pointed to this possibility.

1. The recovery of concentrate in a crude rag plant in the tailings indicated that freed values were escaping from the mill. This installation was in effect simply as a sampling measure and only a small portion of the tails were diverted and handled. The jig in use was definitely overcrowded. Pan American jigs of the placer type are expected to handle a flow of 300 to 400 tons in 24 hours. Whereas the hourly rate, while the plant ran, was always around 1200 tons in 24 hours. Adequate recovery units would have boosted output considerably.
2. While it is felt that the release of gold is not directly proportionate to any degree of fine grinding, still crushing is most important. We had contemplated crushing to from one-quarter to three-eighths inches a figure possible to obtain. but during the above run a considerable portion of the material handled was from one-half inch or even plus this figure. More skillful handling of the crusher or a return system for oversize was certainly in order. With such improvement additional gold would have been liberated for recovery.
3. It has already been pointed out that the tails on the concentrating table handling the jig concentrate stream had a value of from \$4 to \$6 - a fact not anticipated - and with

no provision made for storage or additional treatment present Recovery of Additional values at this point would have added considerable to total revenue per ton.

COSTS:

During the month of December Sierra Nevada Ltd. spent less than \$10,000 for operation. Expense was complete for a month of thirty-one days as a crew was maintained at all times. In this figure was included \$1500 in overhead expense. Deferred expense like "liner wear" and etc. would have added to the above amount, but not greatly per month. In this post war period it would seem that such an operation could be operated for less than \$14,000 per month, exclusive of overhead and off the property expense.

Ore deposits are within close range of mill sites. Modern earth moving equipment should make mining cheap. Blasting should not be necessary for a long time in the future. Most of the 300,000 tons of overburden removed in the 'thirties was with leased 15-yard Cat and carryall. At that time a mining cost of 15¢ per ton seemed possible. And in the above period we felt that mill expense would be correspondingly low. Twelve men were found to be ample to run crusher room and mill. In my estimation the above matters are worth considering and I feel that even with present gold price and inflated values, there is ample room for a profitable mining operation of ^{C&P}exceptionally long duration. If to the future other values drop in a general deflation and gold increases in value, then Cedar Hill would be yet more attractive.

ORE RESERVES

Not much has been said about ore reserves. I feel them to be large. Cedar Hill has been known for some ninety years. Many people have maintained that in time to come the entire mountain would be milled - a thought inspired by the fact that it is hard to find any rock, in the mineralized zones on the hill, that is completely blank when assayed. To repeat - mineralization has really been over great areas, but values are low, except in the ore shoots in the veins, where real high grade has at times been mined. I feel that the 300,000 tons of dump, dug 50-50 from overburden and material in place at the Lower Open Pit, is representative of enormous tonnages. And it is always to be remembered that in removing this material some 200,000 tons of higher grade ore was selected and milled from the two broad veins in the Lower Open Pit. There are equally important areas on Cedar Hill known as the Sacramento cropping area - the Mason Cut area and the Texas cropping area. For eighteen months previous to Nov. 1938, Sierra Nevada Ltd. had been earning a profit. An enormous slide buried the Lower Open Pit and led to the above described endeavor to find a way to mill all material in the future. On six different benches in the Open Pit \$3 to \$5 rock was opened across good widths. As work progresses on the hill such ore can always be opened. The best exposure of ore yet taken on the hill yielded 100,000 tons of material that was settled for at \$1,200,000 on a twenty six seven gold price, when milled. It is entirely possible that additional

such areas might result from any program of mining and milling in large bulk from the known low grade widths on the hill. Mineralized areas that should be profitable on the above milling basis are tremendous. I feel very certain that the first operator with the foresight to attempt to mill on Cedar Hill on a basis of above 1000 tons daily and by simple gravity concentration, will find himself in possession of an extremely profitable enterprise.

Written by,

ARTHUR BLAKE THOMAS

Manager, Sierra Nevada Ltd.
Room 22 - 39 Exchange Place,
Salt Lake City, Utah

June 20th, 1950

"CEDAR HILL"

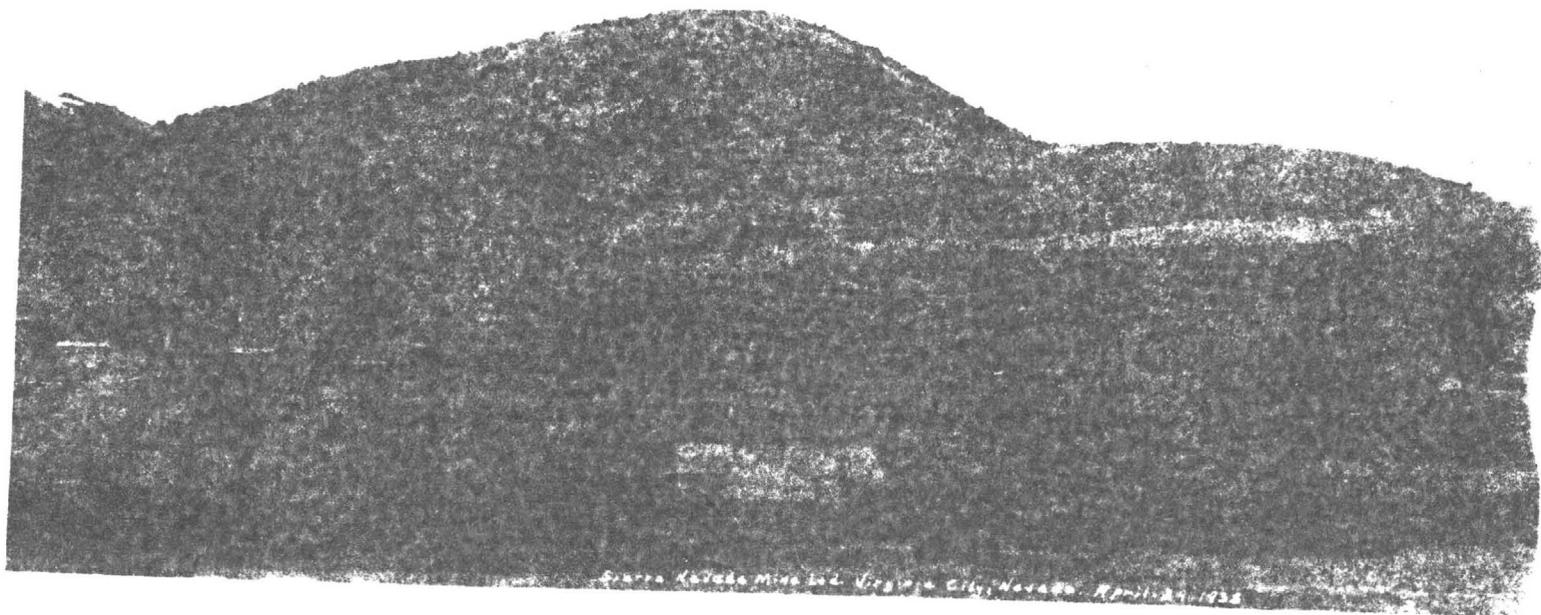
VIRGINIA MINING DISTRICT

VIRGINIA CITY, STOREY COUNTY, NEVADA

** ** * * *

LOCATION

"CEDAR HILL", as shown here,



is located at the north end of the Comstock Lode and lies just beyond the extreme north end city limits of Virginia City, Nevada. Virginia City is the county seat of Storey County, Nevada and is reached by an all-weather paved highway (Nevada State Highway 17) in a southeasterly direction from Reno, Nevada at a distance of approximately 23 miles. This paved highway crosses the "Cedar Hill Gold" property at an elevation of about 6200 feet above sea level.

Virginia City and State Highway are shown upon the accompanying Nevada Highways map. Virginia City and Cedar Hill are also shown upon the accompanying U. S. Geological Survey Topographic sheet, Virginia City Quadrangle, Edition of 1952.

Note the large white mineralized areas of the hill, as shown in the enclosed enlarged photo.

EXTENT OF PROPERTY AND TITLE

The property of Cedar Hill consists of one large patented mining claim known as the Miller-Sierra Nevada Lode, and 7 contiguous possessory mining locations. The map of these claims are shown accompanying the highway and topography maps. The patented mining claim is the Miller-Sierra Nevada Lode, Survey Lot No. 4023, embracing a portion of Section 20, in Township 17 North, Range 21 East, Mount Diablo Meridian, as patented to Sierra Nevada Mining Company by United States patent dated July 15, 1915. The Miller-Sierra Nevada Lode practically covers the entire outcrop of the Comstock Lode on Cedar Hill for a distance of about 3500 feet. The acreage of Cedar Hill is approximately 250 acres and ample for all proposed mining operations and tailing storage basins for years to come. The 7 possessory mining claims afford additional acreage for mill sites and tailing storage basins. Approximately 2000 gal. water per minute could be made available if developed from the properties at reasonable expense.

HISTORY

Gold and Silver mining on the Comstock Lode began in 1859 and past production is estimated at \$750,000,000. The sum of \$386,000,000 is accounted for. The greater part of these millions came from "bonanzas" when gold was at a price of \$20.67 per troy ounce and silver at \$1.29 per troy ounce.

Cedar Hill has long been known to contain an enormous mass of quartz traversed by numerous small gold veins and seams which appear to radiate in all directions from a central core somewhat similar to the spokes of a wagon wheel. These small gold veins or seams, as a rule, are not continuous but generally cut off on a cross fracture or cleavage plane, making it difficult to follow any one particular small vein or seam. For this reason the surface of Cedar Hill is literally honeycombed with veins and seams. By mining the entire mass of quartz on Cedar Hill all of the encountered small bonanzas would be saved.

The values in the great mass of quartz on Cedar Hill are practically all gold with very little silver being present. The balance of the Comstock Lode seems to carry a general ratio of 14 ozs. of silver to one ounce of gold.

Although mining has been carried on in the Comstock Lode since 1859, it appears that no serious previous attempt has been made to mine the great, entire mass of gold bearing quartz on Cedar Hill, until Mr. A. B. Thomas and his father attempted to do so in the period from 1935 to 1942.

It appears that this very logical approach to Cedar Hill was on the verge of success in 1942 when the efforts of Mr. Thomas and his father were thwarted by financial difficulties and the United States Government Edict L 208, which virtually closed down all the gold mines in the United States.

A detailed history of this near success is set forth in the report written by Mr. Thomas, Jr., of June 20, 1950, attached hereto.

The history of Cedar Hill and the Comstock Lode has been ably written by Grant H. Smith and published by the University of Nevada Bulletin, Vol. XXXVII, July 1, 1943, No. 3, Geology and Mining series No. 37.

GEOLOGY

The geology of the Comstock Lode is complex. Volumes have been written on the geology of the Comstock Lode by Baron Von Richthofen, Clarence King, George F. Becker, Vincent P. Gianella, F. C. Calkins, T. P. Thayer and others.

These exhaustive treatises can be read at the University of Nevada library, Mackay School of Mines, on the campus at Reno, Nevada.

Outline of Geology of the Comstock Lode District, Nevada, by F. C. Calkins, United States Department of Interior Geological Survey, Washington 1944 is available, and the "Preliminary Geologic Map", of the Comstock Lode District, Nevada, by F. C. Calkins and T. P. Thayer 1935-1939. Cedar Hill geology is expertly mapped in detail within this volume.

The A. B. Thomas operation on Cedar Hill from 1935 to 1942, mining by open pit methods and milling largely in a flotation mill of 200-ton capacity, milled over 200,000 tons of material that was taken from various parts of the Hill. Recovery was over \$2.00 per ton gold. Mr. Thomas proved that 70% of their values were recovered as coarse gold in placer type jigs, traps, and so forth, before the pulp was sent to the flotation cells. His views on flotation should be noted.

The Thomas operation was in reality a thorough sampling of Cedar Hill, and his experience is valuable and should be of great help to future operational planning.

It was with pleasure that I recently visited with Mr. Thomas in Salt Lake City to discuss the various technicalities of mining Cedar Hill. He informed me that, in his opinion, there is a minimum of 18,000,000 tons of low grade ore practically proven for open pit mining.

Figuring only a 70% gold recovery by placer type jigs, after crushing to 1/4" or 1/8" mesh, profit possible on the whole mass could be tremendous even if only \$1.00 per ton based on gold @ \$35.00 per ounce.

This estimate is based on mining, crushing and Placer type jigging at 50¢ per ton on a minimum of 2500 ton operation per 24 hours.

The great mass of mineralization exposed on the hill causes one to concur quite readily with Mr. Thomas and his estimate of tonnage. I, personally, believe that a little drilling will prove tonnage exceeding the 18,000,000 ton estimate.

Indications are that this 18,000,000 ton estimate could be doubled by future exploration and development. The pay zone is estimated at 3500 feet in length, average width of 400 feet and length of the deposit on an average 45° dip of 200 feet on the veins.

Conditions for open pit mining and cheap jigging are ideal on Cedar Hill.

The cost of installing a suitable plant of 2500 tons, or more, daily would have to be engineered. There are no buildings, machinery or equipment on the property at the present time.

Virginia City is less than one mile distant from Cedar Hill and sufficient labor is available at reasonable wages.

Mining operations can be carried on throughout the year.

Personal inspection prompted me to acquire this property and have it professionally inspected by Charles E. Melbye. His report is also submitted.

"Cedar Hill", in my opinion, presents the most promising, vast tonnage, open pit gold mining operation that I know of anywhere within the confines of the United States.

Respectfully,

P. A. Brock

February 5, 1960.

August 17, 1960

Mr. Sidney Gunther
Continental Materials Corporation
4401 West North Avenue
Chicago, Illinois

Dear Sid:

I am returning herewith your reports on the Cedar Hill' property together with a letter of inquiry from me directly to Mr. Brock. I don't believe that the low grade or \$1.00 ore that Thomas and Brock talk about is worth considering. I know of no way to handle material of this grade under present operating conditions. One must consider that minimum cost of picking up and moving material with trucks and shovels is approximately 35¢ a yard. This doesn't leave much margin for milling and making a profit. If the material had to be drilled and shot, and if there were as Thomas suggested, 1 to 1 stripping ratio, your entire dollar would be gone just in mining. Nevertheless, since the past operations did apparently average approximately \$3.50, if the area of these past operations can be reoccupied without too much dead work, it may well be worth determining whether or not several million tons of \$3 to \$5 ore can be easily proven up. In order to find this out, I will have to visit the property. If the pits are completely caved in it might cost \$50,000 to even have a look at the property.

I note that somebody apparently is paying \$600 a month minimum royalty at the present time which I presume we would not wish to be saddled with; certainly there is nothing in the Comstock Lode that justifies such holding payments under present economic conditions.

Most sincerely,

M. W. Cox

MWC:j

August 17, 1960

Mr. P. Albert Brock
1680 Steele Street
Denver 6, Colorado

Dear Mr. Brock:

Mr. Sidney Gunther of Continental Materials Corporation has requested that we advise him as to the "Cedar Hill" property at Virginia City, Nevada. It has been some time since I had occasion to visit the Comstock Lode, but as I remember the Sierra Nevada or Cedar Hill property from some years back, most of the pits had rather thoroughly caved in. I think it will be necessary for me to visit the property, however, before I could make any recommendations to Mr. Gunther. I am wondering therefore if you can indicate to me some person in the vicinity of the property who might be able to guide me to sites of former mining and indicate the property outlines of the submitted property. I would be primarily interested merely in determining the amount of work required to reopen workings from which surface ore has been extracted so that these may be properly sampled.

Most sincerely,

Manning W. Cox

MWC:jm

Blind cc: Gunther
Reynolds

1701 Central NE
Albuquerque, New Mexico
July 17, 1960

Continental Materials Corporation
4401 W. North Ave.
Chicago 39, Ill.

Mr. Sidney M. Gunther

Dear Mr. Gunther:

You may remember the writer of this letter as one of the partners of the Black Rose-New River gold mine in Boulder County, Colorado. We had correspondence concerning it in July, 1945.

This time I have learned of a gold property which may be more suitable for you in that it necessarily has to be a large scale operation, in contrast to our Black Rose, which will produce small tonnage. This one I mention is in Nevada, in an old district that has had a number of successes with this type of ore.

There are 18,000,000 tons of ore in sight, with an average grade of \$1.13. The estimate could be increased with diamond drilling. The ore has been milled, and the milling process can follow the recognized practice of jigging, followed by cyanidation.

The ownership has in mind a 10% royalty. They had been asking option money, but I believe they are about to give this venture up.

If this strikes you, I can have the owner send the data, and his revised terms. And should something positive result from all this correspondence, I would place myself in line for a finder's fee. Please give this your earnest consideration.

yours truly

Barry R. Caplin

1680 Steele Street
Denver 6, Colorado
August 8, 1960

Sidney M. Gunther, Esq.
Continental Materials Corp.
4401 W. North Avenue
Chicago 39, Illinois

Dear Sir:

Enclosed find reports, etc. on the "Cedar Hill" properties located at Virginia City, Nevada. This data is forwarded to you per the request of Harry E. Coppin, Albuquerque, New Mexico.

I hold a lease upon the properties here submitted, and they carry a 10% royalty. There is a minimum \$600.00 per month payable to the lessors.

Should you, after examination of the data, desire further information, please advise.

Would appreciate at your earliest convenience the return of these documents.

Yours very truly,

P. Albert Brock

PAB:MK
Encl.

August 15, 1960

Mr. P. Albert Brock
1680 Steele Street
Denver 6, Colorado

Dear Mr. Brock:

Re: Cedar Hill Gold Property
Virginia City, Nevada

This will acknowledge your letter of August 8, 1960
with the following enclosures:

1. Observations by Arthur B. Thomas dated
June 20, 1950, 13 pages.
2. Preliminary Evaluation, Sierra Mine dated
January 27, 1969 by Charles E. Melbye,
6 pages.
3. "Cedar Hill" dated February 5, 1960 by P. A.
Brock, 4 pages.
4. Two photographs, a sheet on Virginia City, Nevada
and a pamphlet: "Historic Virginia City".

At the present time we are examining the material you so
kindly sent us, and I will let you know in the near future what
further action we plan to take.

Sincerely,

CONTINENTAL MATERIALS CORPORATION

By _____
Sidney H. Gunther

lp
cc: H.M. Smithson
C.H. Reynolds
Manning W. Cox

August 22, 1960

Mr. Manning W. Cox
Wisser and Cox
55 New Montgomery Street
San Francisco, California

Dear Mr. Cox:

Re: "Cedar Hill",
Virginia City, Nevada

Enclosed find report and other data that may be of some service to you in fulfilling the request of Mr. Sidney Gunther, Continental Materials Corporation.

Mr. Ray Peak, the former mill superintendent of the last operation upon the property, lives in Virginia City, and is now associated with the Water Department there. I have found Mr. Peak in the past very cooperative.

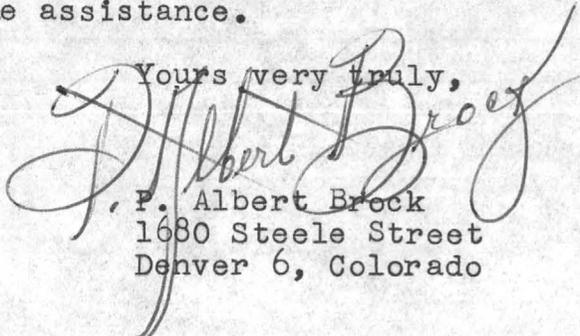
During the seven years that Mr. Thomas operated the property, Mr. Peak was employed by same and is very familiar with the ground, past operation, and testing, as set forth in the enclosed report.

Mr. Peak is well known in Virginia City and readily found through inquiry.

I will inform Mr. Peak by mail that there is a probability of hearing from you.

Please return the enclosed data at your earliest convenience, and trust that the aforementioned information may be of some assistance.

Yours very truly,



P. Albert Brock
1680 Steele Street
Denver 6, Colorado

DAB:MK
Encl.

This is the legal - as recorded.

The following described land in the County of Storey, State of Nevada, to wit:
"Cedar Hill," consisting of one large patented mining claim known as the Miller, Sierra Nevada Lode mining claim, U.S. Survey No. 4023 embracing a portion of Section 20, in Township 17 North, Range 21 East, M.D.M., Storey County, Nevada, as patented to Sierra Nevada Mining Company by United States patent dated July 15, 1915, - and seven (7) contiguous possessory mining claims by location, known as "Cedar Hill" Claims Nos. 1, 2, 3, 4, 5, 6, and 7 embracing portions of Sections 20, 21, 28, and 29, Range 21 East, Township 17 North, M.D.M., Storey County, Nevada.

over

The 7 possessory claims take in the entire valley as tailing & dump sites — and tie into the East line of the patented claims

August 19, 1960

Mr. P. Albert Brock
1680 Steele Street
Denver 6, Colorado

Re: Cedar Hill Gold Property
Virginia City, Nevada

Dear Mr. Brock:

I am returning herewith the material which you sent me on August 3, 1960 as follows:

1. Observations by Arthur B. Thomas dated June 20, 1950, 13 pages.
2. Preliminary Evaluation, Sierra Mine dated January 27, 1959 by Charles E. Melbye, 6 pages.
3. "Cedar Hill" dated February 5, 1960 by P. A. Brock, 4 pages.
4. Two photographs, a sheet on Virginia City, Nevada and a pamphlet: "Historic Virginia City".

We have secured from this material the information which we need and after we have received the recommendations of Manning W. Cox, we will advise you.

Sincerely,

CONTINENTAL MATERIALS CORPORATION

By _____

Sidney H. Gunther

lp

encl.

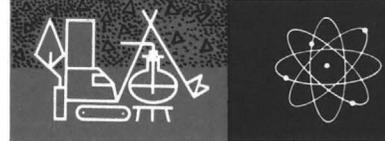
cc: Harry E. Coppin
Manning W. Cox

bcc: C.H.Reynolds

See reply in dictaphone 8/17/60; (1) letter to Brock
(2) " to Gunther

PHONE: CAPITOL 7-6600

CONTINENTAL MATERIALS CORPORATION



EXECUTIVE OFFICE: 4401 W. NORTH AVENUE • CHICAGO 39, ILLINOIS

August 15, 1960

Mr. Manning W. Cox
Wisser and Cox
55 New Montgomery
San Francisco, California

Re: Cedar Hill Gold Property
Virginia City, Nevada

Dear Bill:

I recently received more material on the above property from P. A. Bock of Denver who forwarded it to me at the request of Harry E. Coppin, whose "\$1.13" letter I showed you July 26 in Grand Junction.

Received

I enclose the following items:

- X ✓ 1. Observations by Arthur B. Thomas dated June 20, 1950, 13 pages.
- X ✓ 2. Preliminary Evaluation, Sierra Nevada Mine dated January 27, 1960 by Charles E. Melbye, 6 pages.
- X ✓ 3. "Cedar Hill" dated February 5, 1960 by P. A. Brock, 4 pages.
- X ✓ 4. Two photographs, a sheet on Virginia City, Nevada and a pamphlet: "Historic Virginia City".
- ✓ 5. Copies of correspondence:

<u>Date</u>	<u>To</u>	<u>From</u>
7-17-60	SMG	Harry E. Coppin
7-19-60	H. E. Coppin	SMG
8-8-60	SMG	P. Albert Brock
8-15-60	P. Albert Brock	SMG

X returned to Gunther under letter dated 8/17/60

CONTINENTAL MATERIALS CORPORATION

Mr. Manning W. Cox

-2-

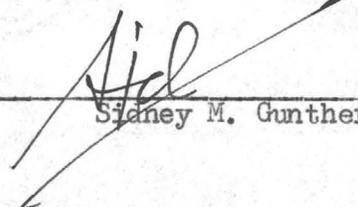
August 15, 1960

If you feel, that based upon this material, the property is worth no further attention, please return the enclosures to me and I will send them to Mr. Brock. Otherwise take whatever action you deem appropriate. I think it would be well if you let me know so that I can tell Brock that we are giving his matter further attention.

Sincerely,

CONTINENTAL MATERIALS CORPORATION

By



Sidney M. Gunther

lp

encs.

cc: H.M. Smithson
C.H. Reynolds

August 22, 1960

Mr. P. Albert Brock
1680 Steele Street
Denver 6, Colorado

Dear Mr. Brock:

We are returning herewith the following data which you so kindly forwarded to us under date of August 21, 1960:

1. Observations by Arthur B. Thomas
2. Photos (2)
3. Topographic Map, Virginia City quadrangle
4. Pamphlet on Virginia City

Sincerely,

M. W. Cox