MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE

Contract No. 14-23- _____ Docket No. MME-6532

Application
- [x] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. _____: Reports

- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with Transmittal, Narrative and Maps

Folders No. _____: Maps (Use pocket folder or envelope)

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

52615

Dixie Valley Mining Co.
P. O. Box 67
Babbitt, Nevada

Mr. Thomas B. Nolan
Director of the Geological Survey
Department of Interior
Washington D. C.

Dear Mr. Nolan

The enclosed report of The Dixie Valley Mining property is forwarded to your office for the purpose of obtaining a government loan to help finance exploration work. We believe the report is quite complete and hope it meets the necessary requirements. When you have finished with the report we would like to have it returned. If there is additional information needed please let us know.

Yours truly,

Warren E. Johnson

Warren E. Johnson, Sec. Tres.

MME Form 40
Jan. 65

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85–701 (72 Stat. 700; 30 U.S.C. 641)

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*

Dixie Valley Mining Corp.
P.O.Box 67
Babbitt, Nevada

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6532

DATE RECEIVED: 1-19-66

REGION: 11

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL	
CORPORATION	X
PARTNERSHIP	
OTHER *(Specify)*	

STATE IN WHICH FIRM IS ORGANIZED: Nev.

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Robert G. Johnson	Box 238, Hawthorne	Pres.
Archie Hinton	Hawthorne	V.Pres.
Warren Johnson	67 Babbitt	Sec.Tres.
Roy Moad	132 G st.Hawthorne	Direct.
Guy Spooner	906 7st. Hawthorne	"
William Barnes	138 Bst. Hawthorne	"

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Silver

ESTIMATED COST OF PROJECT: $150,000.00

PROPERTY NAME	LOCATION COUNTY	STATE
Golden Rod	Churchill	Nev.

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

12/30/65
DATED

R G Johnson
BY *(Signature)*

President
TITLE

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. Physical Description:

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves, giving quantities and grades and sampling methods used. Support your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *land boundaries* or to the closest identifiable corner.

(b) If an access road must be built, show the proposed location on the property map and state the length, type and construction methods proposed.

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. (*Note*—If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant which will be used in the exploration work.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration work, stating specifications and cost including labor, materials, and supervision.

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(e). Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories. [*Note*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

INT.-DUP. SEC., WASH., D.C

Dixie Valley Mining Inc.

1.
(a) letters enclosed

(b) None

(c) Labor and supervision ??

2.
(a) Owner

(b) Copy enclosed

(c) None

3.
(a) Report enclosed

(b) Work done by Dixie Valley Mining Co.

(c) Reports enclosed

(d) Reports enclosed

(e) Maps enclosed

(f) Copies of assay reports enclosed

(g) Enclosed

4.
(a) Robert G. Johnson P.O.Box 238, Hawthorne, Nev. Phone 945-2832
Warren E. Johnson P.O.Box 67 Babbitt, Nev. Phone 945-2121 or 945-3266

(b) Fallon, Nev. 72 miles

5.
(a) Tunnel 7½ft.X 6½ft., stripping, cross cutting and core drilling. Map enclosed
(b) Access road is built, needs maintanance only- fill washes and grade.

(c) Work to start immediately and completed in one year.

6. R. G. Johnson supervisor of Dixie Valley under direction of Ralph Reede, engineer, plus 20 years experience as miner,

Dixie Valley Mining Inc.

7.

(b) Engineer $150.00 per day including travel and per diem expense.
Total of 96 days. 14,400.00
Supervisor $40.00 per day Total $14,400.00
3 miners $30.00 per day Total $22,000.00
Cat skinner $40.00 Total $3,600.00
Core driller $4.00 to $12.00 per foot depending on condition of ground.
Approxlmate $20,000.00
Business manager & Accounting $500.00 per month $6,000.00

(c) Fuel for compressor, cat & trucks $24.40 per day Total $8,784.00
Powder, caps & fuse $20.00 per day Total ~~$7200000-~~ $7200.00

(d) Cat rental $300.00, Compressor rental $2,600.00 , Mucking machine $2,600.00, Jack leg & drill $500.00 Purchase, Drill bits & steel $500.00, Air line $1,000.00, tank $600.00, Rail $300.00, Water hose $400.00

(e) Repair change room, assay office & business office $500.00

(f) Blacksmith & welding shop $300.00

(g) Workmans compensation $3,262.00
Maintenance and repairs $1,00.00 Approx.

Total expenses $134,946.00

Dixie Valley Mining Co.

2

(b) Legal description

Recorded at Fallon, Churchill county, Nevada

Golden Rod and Golden Rod #1	book 27 page 230
# 2 and 3	book 28 page 380
# 4	book 29 page 343
# 5	book 30 page 226
Mill Site	book 28 page 380

Item 1 (a)

NAD Hawthorne Federal Credit Union

United States Naval Ammunition Depot
P.O. BOX 892 BABBITT, NEVADA
Phone Wilson 5-2421

November 1, 1965

Mr. R. G. Johnson, President
Dixie Valley Mining Corp.
Box 67
Babbitt, Nevada

Dear Mr. Johnson:

NG

The NAD Hawthorne Federal Credit Union cannot grant a loan to the Dixie Valley Mining Corporation. The reason is that all stockholders in your firm are not eligible for membership in the Credit Union.

Very truly yours

W. J. Verling
Treasurer.

WJV/lp

item 10

October 25, 1965

N A D Federal Credit Union
Babbitt, Nevada

Dear Sirs:

We the stockholders of the Dixie Valley Mining Company are desirous of borrowing the sum of $75,000.00 to explore and develope the Dixie Valley Mine. The principal plus interest to be repaid from receipts recieved from shipments or sales of ore at the rate of 10% of the gross sales.

Yours truly,

R. G. Johnson

Item 1 (a)

SECURITY NATIONAL BANK
OF NEVADA
MINERAL COUNTY OFFICE
P. O. BOX 977
HAWTHORNE, NEVADA
89415

November 5, 1965

Dixie Valley Mining Company
R. G. Johnson, President
Babbitt, Nevada

Dear Mr. Johnson,

Your request for a loan in the amount of $75,000.00 for the exploration and assessment of mining property has been considered today. I am sorry to inform you that we are unable to grant a loan of this type because of the speculative risks involved.

Sincerely,

Richard C. Nye
Manager

RCN:pm

Item 1 @

November 2, 1965

Security National Bank of Nevada
Mineral County Office
P.O.Box 997
Hawthorne, Nevada
Mr. Richard Nye

Dear Sir:

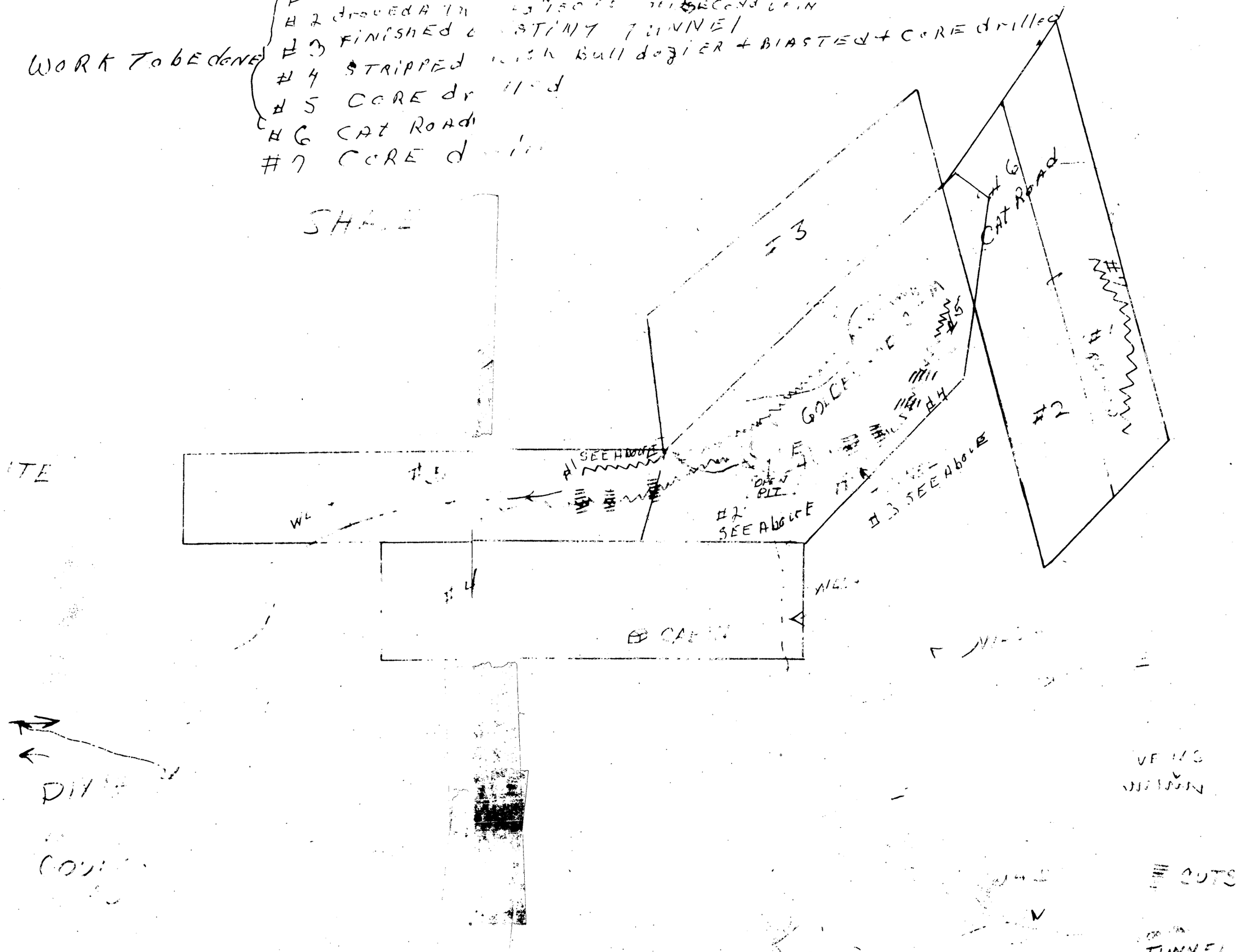
The Dixie Valley Minining Co. would like to make application for a loan in the amount of $75,000.00 for the purpose of exploring and developing the Dixie Valley Mining property. The principal plus interest to be repaid from profits of ore sold.

Yours truly,

R. G. Johnson

WORK To BE done

#1 [illegible]
#2 drouEDA [illegible] SECOND VEIN
#3 FINISHED [illegible] STINT TUNNEL
#4 STRIPPED [illegible] Bull dozER + BIASTED + CORE drilled
#5 CORE dr[illegible]
#6 CAt Road
#7 CORE d[illegible]



Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

ORIGINAL COPY

September 7, 1967

Diversified Mines, Inc.
P.O. Box 398
Lynnwood, Washington 98036

Attention: Mr. Benjamin A. Luchini

Re: OME-6532 (Silver)
Dixie Valley Mining Corp.
Golden Rod Group of Claims
Churchill County, Nevada

Dear Mr. Luchini:

In reply to your letter of September 5, 1967, concerning the Dixie Valley Mine, if you wish Government assistance in an exploration project at the subject property it will be necessary for you to submit a new application.

The application for assistance made by the former owners, dated December 30, 1965, was denied without prejudice to the property on June 7, 1966. The denial stated that if, in the future, the applicant did preliminary work which revealed evidence that could alter the decision, we would be pleased to consider a new application.

At the time I made the field examination of the property, on April 12, 1966, there had been no work on the property for a number of years, the old open pit and trenches were sloughed in, and the portals of the old adits were caved and inaccessible. Before submitting a new application the claims should be surveyed and an accurate map showing claim boundaries, old workings, topography, and geology should be prepared. The mineralized exposures should be systematically sampled and the sample points and assays plotted on the map. A geologic report, by a competent mining geologist, should accompany the application, stating the geologic evidence to support the contention that a significant amount of silver ore might be found

by the work proposed in the new application. An exploration program, including complete cost estimates for the work planned, should be presented in detail. Copies of letters to two banks, dated within 90 days, should be included, requesting loan funds to do the proposed work, as well as letters of refusal from the banks.

Enclosed are new application forms and descriptive literature for your use and guidance.

If I can be of further assistance to you please write again or call me.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures

cc: Chief, OME, WDC w/cpy incoming letter 9-5-67
MP RF
Docket 6532
ACG RF
HKStager:mlb

9-67

See OME-6532
Golden Rod Claims

DIVERSIFIED MINES INCORPORATED

18800 Highway 99 ▪ P. O. Box 398 ▪ Lynnwood, Washington 98036 ▪ (206) 778-1116
Cable: DIDCO, Seattle

September 5, 1967

Mr. Harold Stager
U. S. Geological Survey
345 Middlefield Road
Menlo Park, California 94025

Dear Mr. Stager:

Re: Dixie Valley Mine; Dixie Valley Mining Corporation; Alpine Mining District; Churchill County, Nevada

Diversified Mines Incorporated recently acquired the mineral rights to the Dixie Valley Mine. It is our understanding that some time in the past an exploration loan was approved for this property. It is our intention to continue with the exploration and development of this silver mine at the earliest possible time.

We would appreciate any information and assistance which you may be able to provide to assist us in negotiating for the completion of the old loan, or, in the alternative, if this is not feasible, some type of recommendation to expedite a new loan.

It is our understanding that the procedure can be shortened if we are able to pick up the work on the old loan at this point rather than having to commence an application for a new loan.

Your assistance and advice will be greatly appreciated.

Sincerely,

Benjamin A. Luchini

BENJAMIN A. LUCHINI
Company Counsel

BAL:ps

RECEIVED
SEP 7 1967
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

OME-6532
Goldenrod Claims

DIVERSIFIED MINES INCORPORATED

18800 Highway 99 ▪ P. O. Box 398 ▪ Lynnwood, Washington 98036 ▪ (206) 778-1116
Cable: DIDCO, Seattle
625 S. Center St., Reno, Nevada

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 11 1967
INITIALS CODE
gla 130
120 M
110
320

Aug. 31, 1967

U.S. Dept. of the Interior
Geological Survey-Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California

Re: Dixie Mining Corporation

Dear Sir:

We are writing you for information on a loan which was supposedly approved in the amount of $175,000.00 for the exploration of the Golden Rod Claims #1 thru #5, Inclusive, Dixie Valley, Churchill County, Nevada, located in Sec. 6 & 7, T21N, R34E, MDB&M; said claims being owned by Tony Weiler, and R.G.Johnson et al.

We would like a copy of the approved loan which was made sometimes between the years 1954-1958.

Diversified Mines, Inc. now has this property under option to lease & purchase, and have been undergoing an exploration of said claims. We would like to either renegotiate for a new loan for exploration purposes, or pick up the old approved loan.

Any information you can supply us pertaining to this matter shall be greatly appreciated.

Yours truly,

Jim Johnson
Diversified Mines, Inc.

RECEIVED
SEP 8 1967
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

Mailed copy of letter to Mr. B. A. Luchini, Lynnwood, Wash. dated September 7, 1967, as reply. Enclosed booklet and application forms - September 8, 1967.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	RMSmith	
12/9/66	Kikamo	120
		110
		220

Dixie Valley Mining Corporation
P. O. Box 67
Babbitt, Nevada 89416

DEC 9 1966

Re: GME-653X (Silver)
Dixie Valley Mining Corp.
Golden Rod Group of Claims
Churchill County, Nevada

Gentlemen:

In accordance with your request of December 2, 1966, we are returning one copy each of the following engineering reports which accompanied your application:

Table of contents
Preliminary Analysis of the Mine . . . by Ralph L. Reade, E.M.
General Evaluation Report by Jack G. Dick
Two letter reports to the Directors of Dixie Valley Mining Co. by Ralph L. Reade
Copies of nine assay certificates
Copies of six settlement sheets (3 pages)
Copy of assay certificate, Nevada Mining Analytical Laboratory
Critique, Dixie Valley Mine, by Donald W. Swanson

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Division File
Econ. Geol. File
OME Reading File
Region II w/cy inc. ltr
Smith
120M

RMSmith/mm (12/8/66

23263

Dixie Valley Mining Corporation
Post Office Box 67
Babbitt, Nevada 89416
December 2, 1966

OFFICIAL
COPY
G. M. E.
RECEIVED

United States Department of the Interior
U. S. Geological Survey
Office of Minerals Exploration
Washington D. C. 20242

Dear Sirs:

Please return all material pertaining to the Dixie Valley Mining Corporation number assigned to this report is OME-6532. We would appreciate your returning these as soon as possible.

Yours truly,

W. E. Johnson

W. E. Johnson

DIXIE VALLEY SILVER LODE

Table of Contents

I. Generalized History of Property

Section A. Preliminary Analysis of the Mine by Ralph L. Reade; E. M.

Section B. General Evaluation Report by Jack G. Dick; Mining Engineer

Section C. Reports by Ralph Reade on Revisit to Property

Section D. Some Past Assay Reports and Settlement Sheets of Dixie Valley Mine.

II. Critique

Dixie Valley Mining Co. Box 67, Babbitt, Nev.

PRELIMINARY ANALYSIS OF THE MINE OF THE DIXIE VALLEY MINING CORPORATION CHURCHILL COUNTY, NEVADA

***** *****

Location

The property, consisting of the Golden Rod--Golden Rod No. 1 --Golden Rod No. 2 --Golden Rod No. 3--Golden Rod No. 4--Golden Rod No. 5, Mining Claims, lay on the eastern flank of the Stillwater Range, in the north central part of Churchill County. U. S. Highway N. 50 the main route from Reno, Nevada to Ely and on into central Utah provides an outlet from the mine to the railroad shipping point and a supply base at Fallon. Leaving Highway No. 50, a well maintained county road extends northerly into Dixie Valley. At a point thirty miles north of the highway, a good dirt road of easy grade leads to the mine. The distance from the mine to Fallon, over county road and highway is seventy-two miles.

GEOLOGY

Laying between the Rocky Mountain Range to the East and the Sierra Range to the West is located the uplift known as the Nevada Plateau. The geologic time-scale delineated the length and breadth of this plateau covers a period from the dawn ages of the Archaen to the recent Quatenary, or age of Man. Over this time-scale of countless millions of years the Nevada Plateau has been subjected to uplift and subsidence until today we have a mountain ribbed desert plain cut up into broad and narrow valleys by rows of mountain ridges for the most part several thousand feet above sea level. Dixie Valley is typical of the foregoing, and eliptical plain bounded on the west by the Stillwater Mountains and on the east by the Glen Alpine Range.

During the Tertiary Period the Nevada Plateau was subjected to its greatest batholithic uplift and intrusion by flows of igneous crystalline rocks--Andesites, Rhyolites, Granites, Diorites, etc. Extruded directly from the deep seated magma into the earth crust above igneous dikes were formed, or great masses of same engulfed the original rock formations which at this period composed the mountain ranges. Also, the exudations from the magma in contact with the rocks of the preceding Cretaceous age, mostly Limestones and Sedimentary beds, a metamorphosis took place. Under the tremendous pressures and heat, the character of the original rock masses was latered and changed. The sedimentaries became Shales and Schists and much of the Limestone altered to Calcareous Shale.

The above paragraph covers the phenomena apparent at the mine of the Dixie Valley Corporation.

Northwesterly from the campsite at the foot of the range, a steep canyon follows the contact of a great batholithic intrusion of Granite with the altered schistose formation. This canyon or gulch leads from the floor of the valley to the summit above, an approximate elevation of one thousand feet. The gulch is filled with eroded material from top to bottom of floor to summit, so no determination could be made whether or not a contact vein lay in the contact of the Granite and Metamorphics.

VEINS

Traversing the canyon on to the summit, much quartz float was found scattered through and embedded in the eroded material. Much of this overburden could be classed as ore, as the mineral bearing quartz indicated such. At the summit of the canyon or gulch considerable exploration work was performed upon the exposed vein, which striked northeast and southwest nearly at right angle to the canyon. This was wholly surface work across the vein from hanging wall to footwall. The vein material is composed of massive banded quartz. The vein dips at about twenty five degrees to the east. The soft schistose hanging at the summit exposure has more or less eroded away. Over the ages of weathering with no enclosing hanging wall, the vein material is much broken, loose and displaced. But at this point the vein width is a good twenty feet.

Following the strike of the vein as was determined at the head of the canyon, we found it continuous, well-defined, strong and well mineralized. Several test pits had been made on the outcrop, showing widths from four feet to ten feet. The banded character occurs in all exposures.

For over one thousand feet the vein can be followed without any apparent break or displacement. Beyond the summit pit, both walls are solid and in place. You have an unusually strong fissure vein of good mining width.

Westerly of this main vein several outcrops of another vein appear. This is also a true fissure of same character as the main vein. No work has been performed upon same at this time.

MINERALS

Under heading "Geology", the Nevada Plateau and the relationship of the Tertiary Age or Period, to this plateau was emphasized. From premise of Economic Geology, and Econimic Mineralogy it is well established that if we draw an imaginary line from Rochester, Nevada three hundred miles southerly to Goldfield, Nevada, then east and west for a distance of one hundred and fifty miles, we will have outlined a mineral belt laying in the

heart of the Nevada Plateau. Herein is shown the great period of ore deposition of the Tertiary, unequaled by and previous geological age.

Within this area of the plateau we can delineate the following rich and productive mining districts which have from their ores given so much to the wealth of the state and republic: Goldfield, Tonopah, Silver Peak, Manhattan, Round Mountain, Battle Mountain, Austin, Ione, Berlin, Candalaria, Marletta, Garfield, Gabbs, Mina, Fairview, Wonder, Victor, and Rochester. The districts of Fairview, Victor, and Wonder are adjacent and within the same mineral zone as the mine of the Dixie Valley Corporation. From these mines came Gold, Silver, Lead, Zinc, Copper, Tungsten, Iron, and many other metals as byproducts.

The districts of Fairview, Wonder, Victor, and Rochester were essentially producers of Silver. Being in the same mineral zone, your mine by its geology, mineralogy, and character of its ores, is a potential Silver mine. By observation and study of the ores from different places along the vein and substantiated by microscopic check, I have been able to segregate the following Silver ores: ARGENTITE (Silver Sulfide), CERARGERITE(Silver Cloride), PROUSTITE (Silver Arsenic-Sulfide), EMBOLITE (Silver Bromide). With the exception of the Argentite, the above listed ores are secondary ores of Silver, chemical alterations of the primary ores. If depth is gained in the future development of the mine, you will encounter the primaries in place--Native Silver and Argentite.

In the traverse along the vein I was enabled to outline where exposed, several ore - shoots, where the enrichment was most apparent. . . . both mill grade and high grade ores. Six type samples were taken at different localities, not essentially for richness, but to determine what could be expected in a general grading of the ores for milling.

RECOMMENDATIONS

The first essential is to make your vein system accessible. Due to the elevation of the vein above the valley floor of around one thousand feet, any mining development or production of ore from surface outcrops presents an arduous undertaking, as all equipment would have to be packed up to scene of operations, on man back or pack-horse. Production or ore from this high source due to lack of transportation would be prohibitive.

Just west of the camp site the slope of the land is such, and the heavy covering of soil overburden, would permit a fairly easy locale for the beginning of road construction by use of heavy duty bulldozer. Several switchbacks would bring the road to the summit and to the source of ore production. The cost of this work due to the lay of the land would not be over expensive.

DIXIE VALLEY
NO. 4

On the summit and along the strike of the vein, the steep country becomes a fairly level terrain. It is essential that the outcrop be uncovered, as there is little doubt but what several good ore-shoots would be exposed. With the completion of the road to the summit, the stripping of the vein is in first order, as well as clearing the overburden covering the parallel vein adjacent.

After the outcrops are cleared and exposed, a systematic sampling of the ore should be undertaken over the full length of the vein, enabling you to establish a valuation of ore in sight at the grass roots.

It is possible that from the broken vein structure at the head of the canyon considerable milling ore could be gained from open-pit mining if made accessible by construction of the road to the vicinity of the broken vein. But you must take into consideration that the vein does not continue down at a steep dip. This being the case, an open cut would soon reach its limit at a shallow depth.

The overhang of the hanging wall as depth was gained would bring up the problem of timbering and the abandonment of cheap open-pit mining.

As your property is undeveloped and only the vein outcrops superficially prospected, it is good mining and good economics to plan a development program which would expose your ore bodies below the surface in a degree which would enhance the value of the mine and prove its future.

At a point one hundred feet below the pit on the summit, a short crosscut, with its portal in the gulch would cut the main vein and give you adequate depth on the vein to commence stopping.

As the gulch is very steep and the dip of the vein is toward the crosscutting. The rock of the hanging wall is rather soft schistose character and the mining cost would be very low as the amount of explosives would not be great to break the ground. A large percentage could be removed by use of pick alone. Ten days labor should enable you to complete this crosscut.

Also, if the proposed road is undertaken from the valley to the summit, a side road on level grade could be cut to the portal of the tunnel to the vein, permitting easy outlet for any ores mined and hauled out for shipping or milling.

SUMMARY

Taken into consideration the locality of your mine and its relation to the very productive districts of Fairview, Wonder, and Victor, with nearly

identical geology and mineralization, I must say that after my study of this undeveloped property, I can state as follows:

1. The ores exposed in the outcrops are of the best types of Silver ores. The mineralization of the quartz seem uniform and well distributed. Its banded structure, on both hanging and footwalls should yield shoots of hi-grade as development proceeds. Such being probable, this richer ore would raise the grade of the whole vein mass if stopped or mined for milling.

2. This is a virgin property, high in promise and potentials. The recommendations I have made, I believe, are vital, as they will permit you to open the mine at low cost when the vein system is made accessible to transportation; the surface ores thoroughly sampled to define your main payshoots; development undertaken to permit you to mine your ores rapidly and at low cost.

3. This analysis has been wholly confined to the vein system of the Golden Rod No. 4 Claim. I understand that the other four claims are ore bearing and subject to exploration and future development.

4. The six type samples taken will be subject to further discussion.

Dixie Valley Mining Co. Box 67, Babbitt, Nev.

RALPH L. READE E. M.
State of Nevada License No. 907
National Society P. E. 4455

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ADDENDA TO BE ADDED TO THE PRELIMINARY ANALYSIS OF THE MINE OWNED BY DIXIE VALLEY CORP.

Winter

At the time of the visit to the property we covered the vein system as outlined in the report. The surface so covered by overburden made it impossible to consistently view the vein structure overall. But the vein is continuous as plotted on the accompanying map. No attempt was made to select rich ore at any place where the six samples were taken. The purpose of this sampling is discussed in the Analysis of Page 3, second paragraph.

SAMPLE - D. V. No. 1 ----OUNCES OF SILVER----34.01----VALUE---$30.60
This sample was taken from scattered ore along the Gulch and from a shallow pit dug into the floor of the gulch.

SAMPLE - D. V. No. 2 ----OUNCES OF SILVER----10.9----VALUE---$ 9.81
At the head of the canyon where the vein is well exposed in the broken zone, this sample was cut in the general quartz mass. No inclusion of this banded Argentite, rich ore was made.

SAMPLE - D. V. No. 3 ----OUNCES OF SILVER----7.81----VALUE---$ 7.02
Approximately one hundred and fifty feet easterly from point where Sample No. 2 was taken, a cut along the slope exposed the outcrop of the vein. Part of the vein has been weathered to a talcose material, poorly mineralized, and apparently barren.

SAMPLE - D. V. No. 4----OUNCES OF SILVER----0.23----VALUE---$0.20
In contact with the vein of Sample No. 3, an exposure of hard quartz gave us the ore of Sample No. 4, Practically barren of value.

SAMPLE - D. V. No. 5 ----OUNCES OF SILVER----22.36---VALUE---$20.12
Along the course of the vein, a shallow pit was dug and the ore exposed. On the footwall a band of rich ore exists. None of this was included in the sample.

SAMPLE - D. V. No. 6----OUNCES OF SILVER----40.81----VALUE---$36.72
A continuation of the ore shoot beyond Sample No. 5. The type and character of the ore is identical to that of Sample No. 5

It must be a matter of record that we avoided any of the apparent high grade Silver minerals in these samples. We wished to determine if the average of the vein quartz could be commercial ore. If the high grade had been

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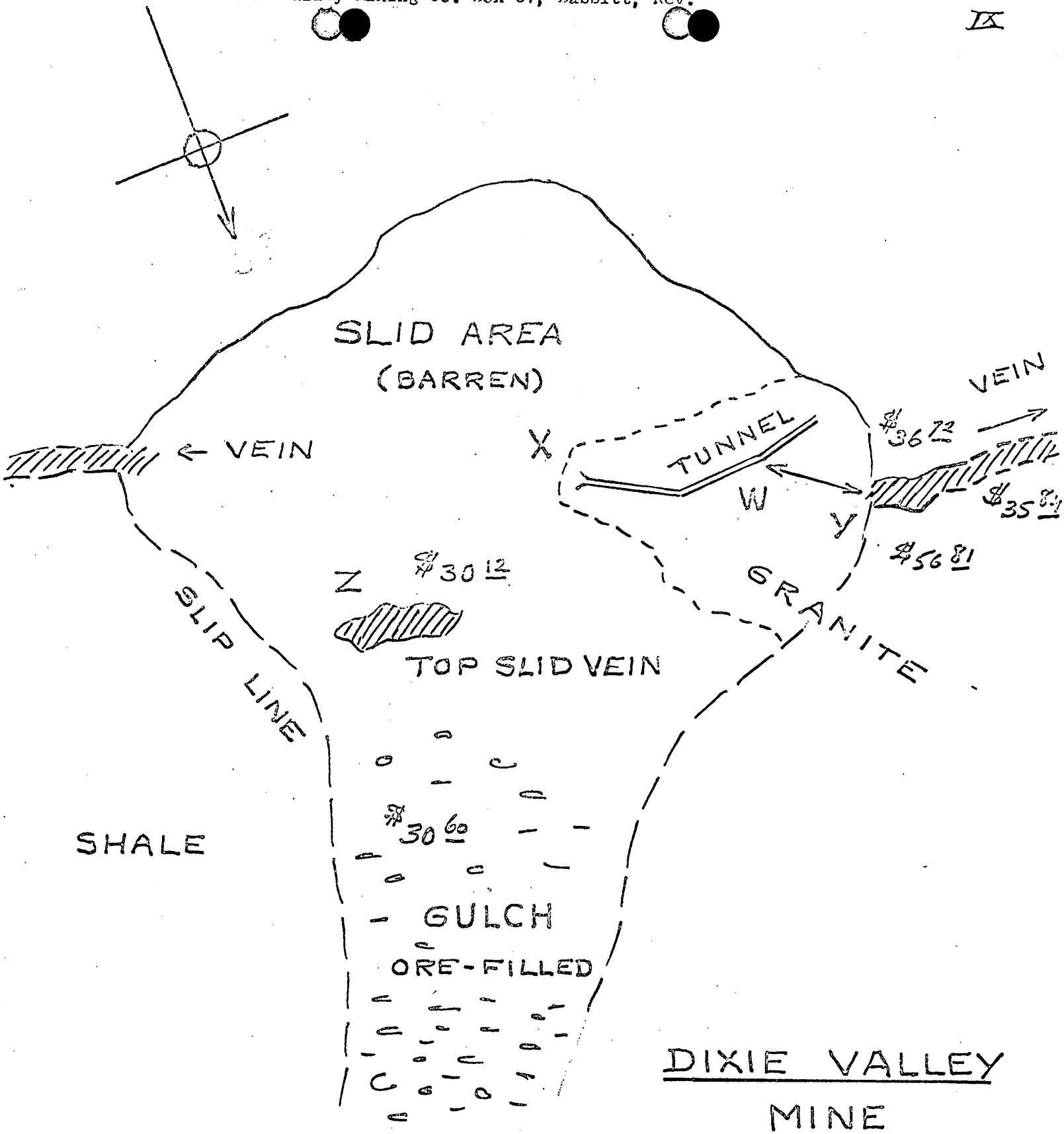
included in the samples the results would have been much higher. If we take an average of the values indicated by the samples, eliminating Sample No. 4, our average will be $22.85 per ton. Commercial ore if the mine is operated efficiently.

Signed: _____

Hawthorne, Nevada
Sept. 30, 1958



DIXIE VALLEY
MINE

September, 1953

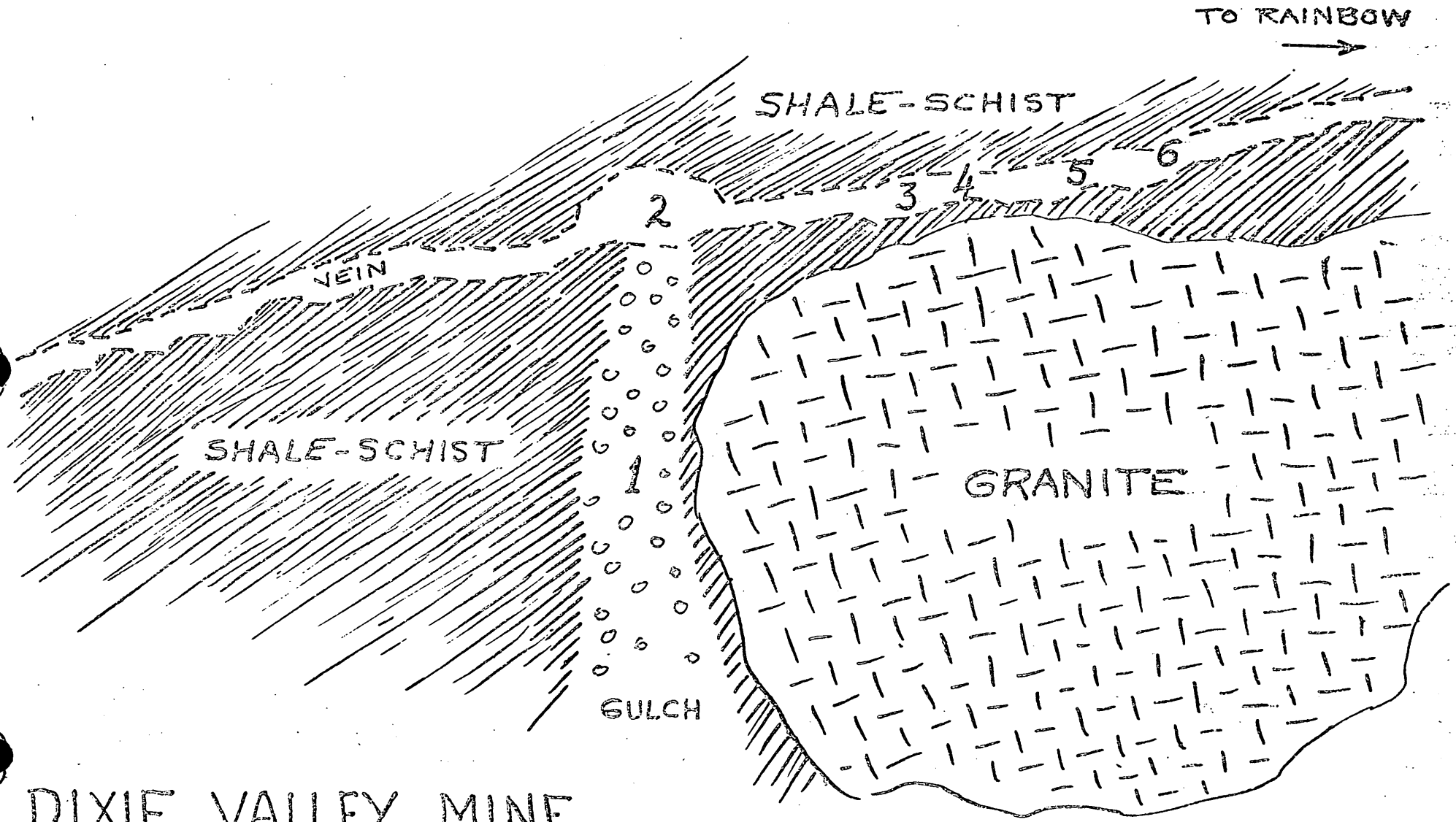
X

Notes on Map *

This map shows the direction of the tunnel driven by the Dixie Valley Corporation and its relation to the section of vein toward which they were driving. It clearly shows the inexplicable turn taken westerly away from the vein when the true course should have been easterly.

The map further indicates the point at which correction should be made and approximate distance to intersect vein (approx. 30 ft.)

* referred to by Ralph Reade



DIXIE VALLEY MINE

GEOLOGY and ASSAYS

SCALE = 1" = 100 ft.

PLP 1958

Dixie Valley Mining Co. Box 67, Babbitt, Nev.

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GENERAL EVALUATION REPORT

MINING PROPERTY

of

THE DIXIE VALLEY MINING INC.

CHURCHILL COUNTY

NEVADA

****

To further locate this property it lays on the Eastern Flank of the Stillwater Range. From Frenchmans Junction 5 (five) miles in the direction of Ely, Nevada, thence, West for 27.6 miles on a well maintained County road. At this point a sign left of road reads (IXL), turn left 2 (two) miles to base of mountain and property. Sec. 6 & 7, T 21 N-R 34 E.

The general geology of this property begins with a steep canyon that starts at base of the mountain and generally follows the Granite intrusion from the Valley floor to the Summit and further lays between the contact of the hard Granite on the North and the soft Liminated Shale formation on the South.

The fissure vein is of the massive banded Quartz. The hanging wall and foot wall is the Liminated Shale, however, in some places on North side the hanging wall is Granite.

At base of mountain and just off the Valley floor I found the vein well defined and mineralized a width of 70 ft. A cut had been made

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through part of the vein matter, from the hanging wall it showed 6 feet of good mineralization, Sample No. 5 was cut, and since only part of the vein had been opened, it would be impossible to make a true sample cut across entire vein.

The width is maintained from this exposure to about 800 feet up the mountain, at this point it was apparent to me that the vein split, making it appear that there are (2) two separate veins. There are further indications that they come together again about 1,000 feet from separation point, this is somewhat difficult to determine because of overburden and the complete shattering of the vein and ground matter at higher levels. The widest point of separation is approximately 200 feet from this point, we shall call them the North vein and the South vein.

The general strike of the vein is Northeast by Southwest, and runs nearly parallel with the canyon. The vein dips at about 25° to the South, as shown by cuts made in the North vein, however, I doubt if this is true of the South vein and the main vein at the base of the mountain, this could not be determined.

All of the Cat work and tunneling was done on the North vein.

From the cut near the base of the mountain to point of vein separation, found exposures and prospect holes, all showing Silver Ores. At one such hole a high grade sample was taken several years ago that ran 1,000 ounces in Silver and 2 ounces Gold, this speciman was entered in the Fallon Mineral Show and for a long time was Top Honor for the Mineral Show of Nevada.

Continuing further and at a higher level and on the North vein, are the first workings of any size, at this point the North vein is well defined. Approximately 12 feet wide, an open cut was made and $50,000.00 in ore was shipped from this opening. No records were available. Supposedly, it was hand sorted and ran $78.00 per ton., also the top of an ore shute was cut about 8" (inches) wide and 3 feet long. Silver 350 ounces per ton. Storms have covered this high grade which I was informed of but did not see.

Still on North vein at 60 feet higher level and 100 feet right of vein a tunnel was driven in the Granite to intersect vein at about 200 feet, at this time no intersection was made.

In my opinion this tunnel has no value, as I will explain later.

It is apparent that at the time of the Granite intrusion, the upward thrust of the Granite came in contact with the North vein, about 200 feet from the Valley floor causing complete shattering of all ground matter and a different displacement of the vein. It is this Granite thrust where the tunnel was driven, if an intersection was made by continuing this tunnel it would be in the badly shattered zone, and would be nearly impossible to mine.

This zone continues for about 300 feet then the vein appears to be in place. It was also in this shattered zone that all the cuts were made. The first one being 30 feet above the portal of the mine, even though the vein material was badly jumbled, you could determine the width. I took Sample No. 1, cut across the entire width of 15 feet, next cut was

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60 feet above portal. Sample No. 2 was cut across entire vein of 12 feet. Several other cuts were made from this point to top of mountain which is 90 feet above portal and 400 feet east. They had tried to remove the over-burden from the vein at about the point where the 2 (two) veins come together, and tried to cut into the vein matter, without much success. The vein appears to be in place. At this point I cut Sample No. 3, from the exposed parts of the vein for a distance of 40 feet, because of the shattered condition of the North vein, it is difficult to take a true sample. It should be noted that float of a very high grade Silver Ore was found along this veins, pushed up through the ground mass from the displacement of the vein. I would guess that some of the ore would run two or three hundred dollars a ton, which indicated high grade ore shutes along the vein.

The South vein has had no cuts made and no prospect holes. However, the vein is exposed at various places from the vein split, to place of joinment at the top of the mountain. The road that was built across this vein showed a strong fissure vein of at least 8 feet. Sample No. 6 was taken from an 8 foot cut in the roadway. The south vein can be seen for over 1,000 feet without any displacement.

The South vein is exposed 300 feet South of portal and 30 feet above. This exposure was made by the over-burden being washed away. Sample No. 4 was cut at this exposure and on the very top of vein this sample cut was made 8 feet across vein. I am sure that the entire width was not exposed. From this point to place of contact of the North

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and South vein is about 400 feet. No sampling was made along this part of vein as no exposures occured. A distance of 2300 feet from exposure at base of mountain a cross action occurs another large massive Banded Quartz vein 6 feet to 20 feet in width, runs from intersection in a Northerly direction. No work has been done on this vein, but Silver Ore does appear at various exposures along this vein.

Type of Silver Ores: ARGENTITE (Sulfide), CERARGERITE (Cloride), PROUSTITE SILVER (Arsenic Sulfide), EMBOLITE (Bromide).

Numbers on map indicate where the samples were taken.

It is my opinion that this property warrants further study and development work. This property should produce large tonage of medium grade ores, and that ore shutes of very high grade ore will be encountered. If development proves large enough tonage to support a processing plant, a Mill Site is available with sufficient water rights.

Even though some of the samples assayed quite low, all sample cuts were made at or near the surface level, and some in the shattered and displaced zone. I believe that some Coring and Cat work would prove this property to be a great Silver producer.

Incl: Assay Certificate
(1) Map-Water Rights
(2) Map-Claims

Jack G. Dick

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Notes on Inclusions*

The assay certificate, map of water rights and map of claims were not available during compilation of this material.

However, certificate of water right has been verified and proof of claims shown on record at Churchill County Records Office.

* Referred to by Jack G. Dick

XVIII

RALPH L. READE E. M.

State of Nevada License No. 907

National Society P. E. 4455

HAWTHORNE, NEVADA
MARCH 31st. 1959

TO THE DIRECTORS OF THE DIXIE VALLEY MINING CO.

GENTLEMEN:--

On September 22nd. 1958, I visited your mining property in the Stillwater Range, Churchill County, Nevada for the purpose of analysis of its potentialities and general possibility that it could be considered a promising mining venture if further work to expose and open the vein system was undertaken. On September 30th. I rendered you a written "Preliminary Analysis" of my observations, covering Geology, Mineralogy, Veins, Assays of Ores, and finally "RECOMMENDATIONS and SUMMARY.

I believe it is essential that you review the headings of Recommendations and Summary as it will enlighten you as to the results obtained when these points were followed during this month of March and a better idea of the mines resources made available.

By use of bulldozer, a road was graded from the camp site to and over the summit of the main mineral bearing ridge. At the same time, cuts were made across the vein system regularly from the lowlands to the top. These cuts exposed the vein system for over fifteen hundred feet along its course. Furthermore, as the road cuts were made along the summit and southeasterly along the slopes of the adjacent ridges four new veins were exposed paralleling the strike of the main vein. These veins hold the same characteristics as to mineralization determined in the major vein. Later these veins will be sampled for Silver values. Their future for the present as regards ore production can be left for the time being, as our efforts should be directed and concentrated upon the development of the main ore body which is more readily acessible and to a degree proven as to Silver contents.

From the work of this past month, the vein being exposed by the cuts made regularly along its strike over the distance of fifteen hundred feet, we were enabled to check vein continuity and from the type of ores exposed gain some determination as to surface values and the existence of richer ore shoots.

The surface outcrops of the vein and veins are much broken and

shattered from ancient earthquake movements and under these conditions it is difficult to separate the broken wall rock from the vein material when sampling. Also, the weathering and alteration of these broken outcrop has depleted the original Silver contents to such an extent that I feel that the range of Silver values in our assays is much below the original value when the ores were deposited from the underlaying magmas.

The above condition is most apparent in the ore zone to the south-east. The soft wall rocks have been so intermixed with the quartz that separation is almost impossible in sampling. As we follow the vein to the northwest, the rock structure is more solid. Here the ore is more contained between walls and the percentage of wall rock unavoidably intermixed with the quartz is much less. A definite ore shoot is outlined and with less surface alteration and shattering a fairer sampling of the ores is possible. For a distance of two hundred feet along the vein five samples were taken which gave us an average value of $24.80 per ton. The difference in elevation from the first sample to the last taken on this shoot is over 150 feet. By taking an average depth from the first sample to the last we have at least 100 feet of stoping ore, with a five foot width. This factor in this small area a tonnage of approximately 10,000 tons. With an assay value of $24.80 per ton, the gross value of this block of ore is $248,000.

If this short ore shoot goes down to a depth of 600 feet, about the distance down to the foot of the ridge, we would then have 50,000 tons of ore of a gross value of $1,240,000.

It is practically impossible to mine the surface ores without high cost and depletion of values due to waste intermixture. We have proven this decrease in value of ore due to this intermixture. One sample taken at the northwest end of the ore shoot across the ore face, intermixed, assayed $36.72. At the same point, a sample of the clean quartz ore, alone gave an assay value of $56.81, a difference of $20.09. I believe this proves the point of non-mining on the surface.

I believe that the surface shattering should not extend to a depth of over two hundred feet. Below this horizon, the walls should be more solid and the ore well confined and unbroken. This would make it possible to mine clean ore without the values reduced by waste material.

To mine economically we should at the start come to the decision to get depth on the ore bodies, below the shattered zone and where the ores should be stable in value, unaffected by surface weathering. It is well to mention at this time that in ore bodies of the type of the Dixie Valley property a zone of secondary enrichment should exist below the surface down to the zone of primary ores. Ages of alteration of the ores and the breaking down of the original Silver primary ores as they were first deposited by surface

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waters percolating through the shattered mass, carried substantial amounts of Silver salts downward.

From years of past experience mining Silver ores, I will state that your real values lay at depth, and hold much higher values than encountered at or near the surface outcrops.

Considering the necessity of mining your property at depth, we made a careful check of the lay of the land, elevations, distances and low cost of same.

At the base of the ridge near the bottom the steep canyon which extends to the summit, we found an old crosscut which was started toward the main vein. This was driven for a distance of 150 feet. By survey we found that with its bearing of 10 degrees East, that it would if continued cut the main vein at the southerly end of the proven payshoot.

With the pitch of the vein toward the tunnel, I am sure that less than three hundred feet more of tunnelling would cut the main vein at a depth of over six hundred feet. Also you would cut three parallel veins which outcrop within this distance of three hundred feet.

By using this old tunnel you save 150 feet of tunnel driving, and the distance to the vein is minor, from this point.

Also a short road from the camp site would bring you to the tunnel portal on an easy grade.

I am advised that a contract at $10.00 per foot can be arranged for the driving of this tunnel for the first two hundred feet. The next one hundred feet at $12.00 per foot. The contractor to provide compressor, drills mucking machine etc. These are extremely low figures.

You have a most valuable property, which with development as outlined should develop into a substantial profitable producer with gained depth.

Your stock values should rapidly increase in value as the amount under which you were incorporated is low.

Mining at depth, you can block out your ores and reduce unnecessary handling of ore. Also the life of the mine can be increased as you drift on the vein to the west, gaining more tonnage with the greater elevation from tunnel level to the outcrop. The other parallel veins can be developed from this entry and if of good grade possibly double or triple ore in sight.

Ralph L. Reade

CERTIFIED

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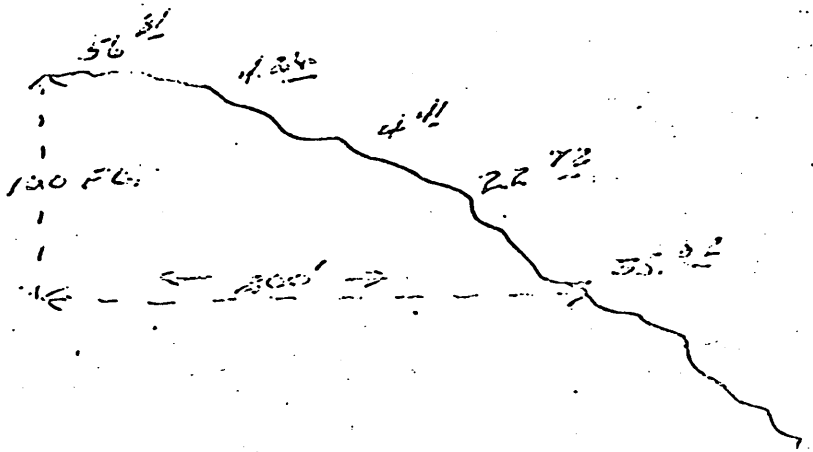
Ore Shoot At Summit



Average — 300 ft. = $24.56 per Ton

Probable Tonnage = 10,000 Tons

Gross value Block of ore = $245,000

Dr. Tufell

Kept Schenck

Factory Mgr

Dixie Valley Mining Co. Box 67 Babbitt, Nev.

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RALPH L. READE E. M.

State of Nevada License No. 907

National Society P. E. 4455

TO THE DIRECTORS OF THE DIXIE VALLEY

MINE INCORPORATED

On Wednesday, September 30th., Messrs Carl Barnes--R. G. Johnson R. L. Reade visited the mining property of your corporation in Dixie Valley.

1--- The purpose of this visit, was to determine the reason why, after driving the crosscut tunnel for one hundred and twenty two feet, (122) the vein had not been encountered. This tunnel is wholly in Granite the apparent hanging wall of the vein first indicated by observation before the last bulldoze cut was made to bench for the tunnel site. At that time I believe any observor or visitor would agree to this apparent indication.

At this time, I will state that your present tunnel has been driven in miner-like fashion. Proper height, width, a most satisfactory working entry to your mine.

2--- This is the first trip the writer has made to the mine since the tunnel area was stripped and benched and the tunnel pushed into the hill. You will note on the accompanying map the letter X. After the first few minutes arrival at the tunnel site and studying the rock formation at X, it was convincing that I was looking at the shale footwall of the vein with no ore or quartz in sight laying upon it. Walking easterly along this wall there seemed to be no question but what for a distance of approximately one hundred and fifty feet, (150) there was no vein or vein hanging wall in sight.

3--- To determine the points where the vein was in place, with both foot and hanging walls intact, I began a traverse from the old drift near the bunker to the tunnel. For over eight hundred feet I took an instrument bearing of the vein strike at regular intervals. Over this distance the vein is in place with solid definite walls enclosing same. Coming to the ridge overlooking the tunnel site, there was now no question as to what had occured. Between the Granite ridge, northwesterly and the Shale ridge southeasterly, was located a natural broken slippage area. Unknown number of formation shatterings due to earthquakes of the past whose line of movement was parallel to the

vein structure, eventually so loosened the broken vein that with no secure footing on the foot wall to anchor the quartz mass, it became a massive slide between the Quartz and Shale ridges down a natural trough, toward the valley.

4--- To confirm the above, Made a traverse down the trough or gulch to the point marked Z on the map. Here is located the top of the vein which originally was in position approximately over one hundred feet further up the slope. Then the traverse line was carried on up to the tunnel site and to the shale footwall. From here a bearing was taken to the ore in place and beyond the slide area. Here the walls are perfect and from this section samples No. s 15--16--17 were taken. This point is marked on the map Y. From point Y, a back site was taken to the tunnel portal and the slope angle calculated.

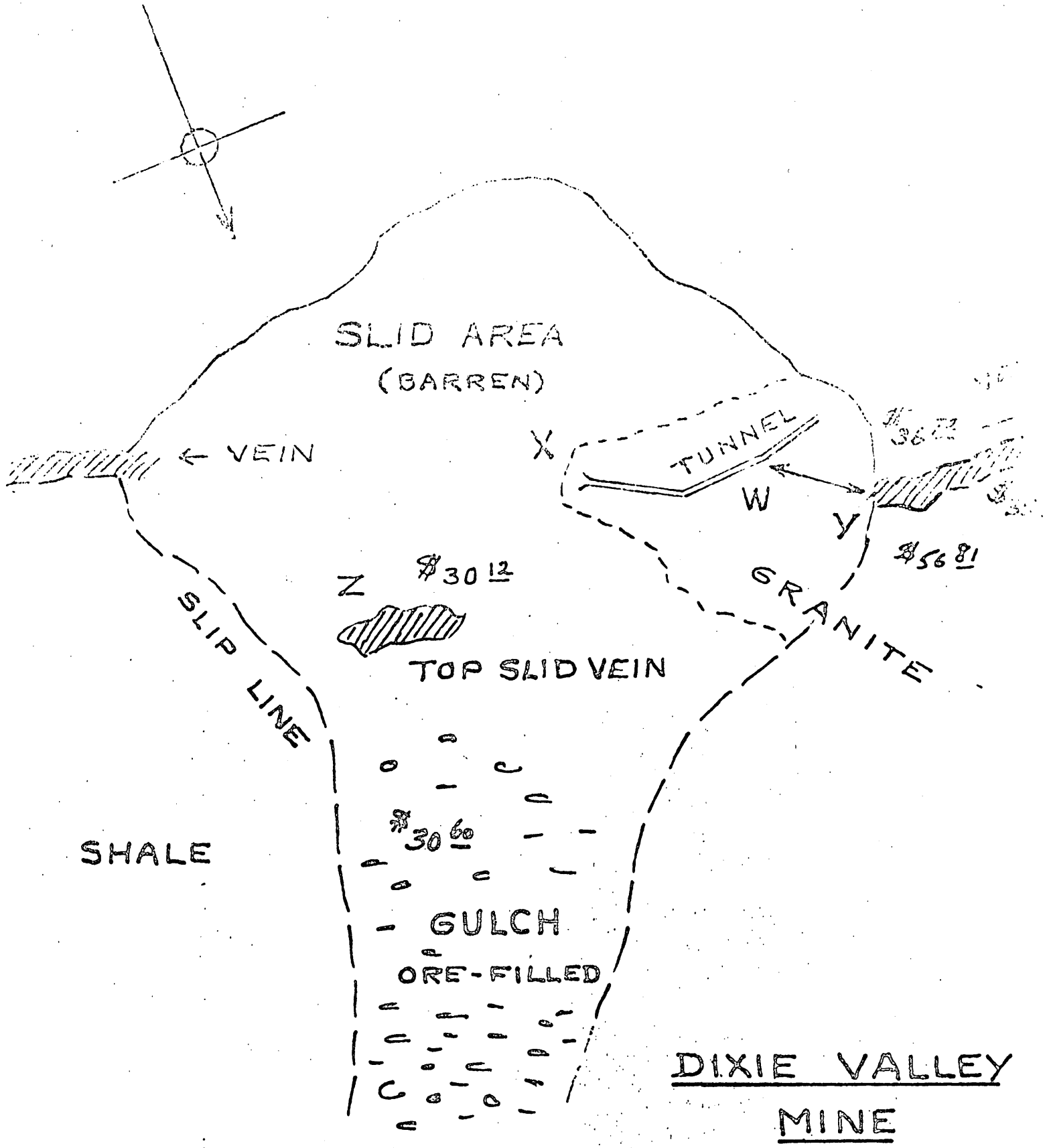
5--- Next we ran a survey of the tunnel, delineated on the map. The turns in the tunnel were honestly made. With the vein supposed logically to be in its original position, the turns would have helped to bring you into ore in shorter time.

6--- From the survey, which I feel is correct by instrument, you can still take advantage of the present tunnel, by continuing its original course as started from point marked W on the map. This should not be over a distance of thirty feet. (30) Ore backs of ninety feet. (90).

7--- In September 1958, I visited your mine with Mr. Johnson. We started from the bottom of the gulch or trough, continuing on up to point marked Z on the map. Over this distance we climbed over boulders of ore. On reaching the cut at point Z several samples were taken, of which you have record. Also further down the trough a sample of the loose ore was taken. From the great amount of ore scattered the length of the trough, its source could not have come from the small cut at point I estimate several thousand tons of ore laying loose in trough, going down from the surface to what depth yet not determined. This broken vein material is worthy of consideration and sampling. It is evident that the old arrastra at the foot of the canyon was set up to mill ore from the trough.

Signed

Ralph L. Reade. E. M.



DIXIE VALLEY MINE

September, 1958

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MINERAL ASSAY OFFICE
ASSAYERS and CHEMISTS
P. O. BOX 183 - MINA, NEVADA

Dixie Valley Mining Co.
Box 67
Babbitt, Nev.

ASSAY CERTIFICATE

We hereby certify that the samples assayed for Mr. [illegible] [illegible] 9/25/58
gave the following results: [illegible]

Sample No.	Sample Identification	Gold Troy Oz.	Silver Oz. Per Ton	-	-	-	-	-	Value Per Ton
3412	D.V. #1		34.01						$30.61
3413	D.V. #2		10.9						$9.80
3414	D.V. #3		7.81						$7.02
3415	D.V. #4		0.23						
3416	D.V. #5		22.36						$20.10
3417	D.V. #6		40.81						$36.80

Gold @ $_____ Per oz.

Silver @ $ 0.90 Per oz. Charges $ 13.50

PAID 9-25-58

By E. S. Yates
Assayer

Dixie Valley Mining Co. Box 67, Babbitt, Nev.

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ASSAY CERTIFICATE

November 29 1941

M. Mackelow-Derrick

Sample No.	Owner's Mark on Sample	GOLD Ozs per Ton	GOLD Value per Ton	SILVER Ozs per Ton	SILVER Value per Ton	TOTAL VALUE PER TON	PERCENTAGE OF Copper	Iron	Tin	Lead
	#3	.02	70	32.6	23 15	23 85				
	Lot "73" Control	.015	2 62	1468	104 23	106 85				

Control 73

B-K-H-Co. S.F.

ASSAYER

WESTGATE MINING & MILLING CORP

ASSAY CERTIFICATE

PLANT LOCATION
WESTGATE, VIA
FALLON, NEVADA

MR. Mackelow Derrick

December 23, 1941

SAMPLE NO.	OWNER'S MARK	OZ. PER TON GOLD	OZ. PER TON SILVER	VALUE PER TON GOLD	VALUE PER TON SILVER	TOTAL VALUE PER TON
	#1 Alameda	.01	24.1	$35	$17.42	$17.77
	#2	Tr.	2.1	$00	$2.06	$2.06
	#3	.11	44.0	$3.85	$31.34	$37.19
	#4 Alameda #3	.01	24.1	$35	$17.11	$17.42

GOLD $35.00 PER OZ.

SILVER _____ PER OZ.

ASSAYER

Dixie Valley Mining Co. Box 67, Babbitt, Nev.

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WESTGATE MINING & MILLING CORP

PLANT LOCATION
WESTGATE, VIA
FALLON, NEVADA

ASSAY CERTIFICATE

MR. MacKedon

November 8 19 41

SAMPLE NO.	OWNER'S MARK	OZ. PER TON GOLD	OZ. PER TON SILVER	VALUE PER TON GOLD	VALUE PER TON SILVER	TOTAL VALUE PER TON
	#1	.005	3.0	$.17	$2.13	$2.30
	#2	.02	22.1	$.70	$15.69	$16.39
	#3	.03	46.0	$1.05	$32.66	$33.71
	#4	.03	31.05	$1.05	$22.01	$23.06

GOLD $35.00 PER OZ.

SILVER _____ PER OZ.

ASSAYER

SILVER STATE MILLING CORP

PLANT LOCATION
WESTGATE, VIA
FALLON, NEVADA

ASSAY CERTIFICATE

MR. MacKedon

June 13 19 42

SAMPLE NO.	OWNER'S MARK	OZ. PER TON GOLD	OZ. PER TON SILVER	VALUE PER TON GOLD	VALUE PER TON SILVER	TOTAL VALUE PER TON
	#1	.07	27.0	$2.45	$19.17	$21.62
	#2	.09	52.9	3.15	$37.56	$40.71
	#3	.11	107.09	$3.85	$76.61	$90.96
	#4	.11	108.9	$3.85	$77.32	$81.17

GOLD $35.00 PER OZ.

SILVER _____ PER OZ.

ASSAYER

Dixie Valley Mining Co. Box 67, Babbitt, Nev.

XXIX

ASSAY CERTIFICATE

C. A. JOHNSON
Assayer and Chemist
221 LINCOLN ALLEY
Rear Golden Hotel
P. O. BOX 339 PHONE 21323

RENO, NEVADA, June 2d, 1942. 19

The samples assayed for Mr. J. Mackedon,

gave following results per ton of 2000 lbs.

DESCRIPTION	GOLD OZ. PER TON	VALUE PER TON	SILVER OZ. PER TON	VALUE PER TON	PERCENTAGE OF	VALUE PER TON	TOTAL VALUE PER TON
Control on Lot 46	.03	1.05	32.80	23.29			$24.34

Gold at 35.00 per oz. Copper at

Silver at 71 ¢ per oz. Lead at

Charges, $ 3.00

C. A. Johnson

Ass

Dixie Valley Mining Co. Box 67, Babbitt, Nev.

ASSAY CERTIFICATE

XXX

C. A. JOHNSON
Assayer and Chemist
221 LINCOLN ALLEY
Rear Golden Hotel
P. O. BOX 339 PHONE 21323

RENO, NEVADA, June 2d, 1942. 19

The samples assayed for Mr. J. Mackedon,

gave following results per ton of 2000 lbs.

DESCRIPTION	GOLD OZ. PER TON	VALUE PER TON	SILVER OZ. PER TON	VALUE PER TON	PERCENTAGE OF	VALUE PER TON	TOTAL VALUE PER TON
Control on Lot 83	.04	1.40	44.10	31.31			$32.71

Gold at 35.00 per oz. Copper at

Silver at 71 ¢ per oz. Lead at

Charges, $3.00

C. A. Johnson
Assayer

Form NMAL:2

Dixie Valley Mining Co. Box 67, Babbitt, Nev.

(XXI)

NEVADA MINING ANALYTICAL LABORATORY

UNIVERSITY OF NEVADA

No. 1030

RENO, NEVADA

Mr. Willis Barnes

Box 1053, Hawthorne, Nevada Date July 21, 1955

Report on sample or specimen received from you on July 7, 1955, is as follows:

Number	MINERAL OR ROCK	Ounces Per Ton	
		Gold	Silver
	Quartz, argentite	trace	127.2
	Dixie Valley from Big Hole		

By: [illegible]
Analyst.

The Laboratory very often receives a letter which does not state definitely what is desired on a given sample, or we may misunderstand a request, therefore in case we have not made the determination you desire or you want further information regarding these samples, please write within a month, and refer to the number of this report given above.

1470

Dixie Valley Mining Co.
Box 67
Babbitt, Nev.

MINERAL ASSAY OFFICE
ASSAYERS and CHEMISTS
P. O. BOX 183 -- MINA, NEVADA

XXII COPY

ASSAY CERTIFICATE

WE HEREBY CERTIFY THAT THE SAMPLES ASSAYED FOR Dixie Valley Mining, Inc. DATE 7/24/59
GAVE THE FOLLOWING RESULTS: P. O. Box 1502 Hawthorne, Nevada

OFFICE NO.	SAMPLE INDENTIFICATION	GOLD OZ. PER TON	SILVER OZ. PER TON	GOLD SILVER VALUE PER TON
5041	#1	0.04	45.43	$42.40
5042	#2	0.17	56.26	$50.85
5043	#3	0.02	12.02	$11.60
5044	#4	0.11	28.69	$29.85

REMARKS:

CHARGES $ 10.00

BY E. A. Fulton, Jr. ASSAYER

XXXIII

Dixie Valley Mining Co.
Box 67
Babbitt, Nev.

ASSAYERS AND CHEMISTS
LAS VEGAS, NEVADA

ASSAY CERTIFICATE

WE HEREBY CERTIFY THAT THE SAMPLES ASSAYED FOR Mr. Robert Daniel DATE 2/20/62
GAVE THE FOLLOWING RESULTS:

OFFICE NO.	SAMPLE IDENTIFICATION	GOLD OZ. PER TON	SILVER OZ. PER TON	GOLD SILVER VALUE PER TON
1,297	Golden Rod #1	.005	.95	$1.17
1,298	" " 2	.01	11.47	12.18
1,299	" " 3	.015	30.54	32.28
1,300	" " 4	.01	9.83	10.58
1,301	" " 5	Trace	.57	.59
1,302	" " 6	.02	23.82	25.50

REMARKS:

CHARGES $ 18.00
2-20-62

BY [illegible]
ASSAYER

Form NMAL:2

Dixie Valley Mining Co. Box 67, Babbitt, Nev.

XXXIV

NEVADA MINING ANALYTICAL LABORATORY

UNIVERSITY OF NEVADA

RENO, NEVADA

No. 1255

Mr. R. G. Johnson

Box 238, Hawthorne, Nevada

Date March 26, 1964

Report on sample or specimen received from you on March 24, 1964, is as follows:

Number	MINERAL OR ROCK	Ounces Per Ton	
		Gold	Silver
1.	Quartz vein material with iron oxide staining.	0.04	5.48
2.	Milky white quartz from vein with sericite and small amount of iron staining.	0.10	126.26

By: P. A. Weyler

Analyst.

The Laboratory very often receives a letter which does not state definitely what is desired on a given sample, or we may misunderstand a request, therefore in case we have not made the determination you desire or you want further information regarding these samples, please write within a month, and refer to the number of this report given above.

1470

WESTGATE MINING & MILLING CORPORATION
Plant at WESTGATE, via FALLON, NEVADA; Main Office, Gazette Bldg., Reno, Nevada

SETTLEMENT SHEET

Dixie Valley Mining Co. Box 67, Babbitt, Nev.

In account with Mackedon & Derrick Lot No.

Date ore milled Mch 22, 1942. Moisture content 1.5

Gross tonnage to mill . . . . . 42.43 lbs.
Less moisture . . . . . .64 lbs.
Net dry tonnage . . . . . 41.79 lbs. equals 41.79 dry tons

Assay value per ton, dry basis:
Gold . . $ 7.40 @ 90 % $ 1.26 x 41.79 $ 52.65
Silver . . $ 25.84 @ 85 % $ 21.96 x " $ 917.71

Total value milled . . . . . $ 970.36

Charges:
Milling 41.79 tons @ 4.50 . . . . . $ 188.06
Assays @ . . . . . $
Trucking to Chas. Lawrey 3.00 $ 125.29
Sampling $
Incidentals $

Total charges deducted . . . . . $ 315.35

Check herewith in full settlement of balance . . . . . $ 655.01
ADV. 300.00
355.01

Computed by E

Checked by L.

56 M. R. No 716

WESTGATE MINING & MILLING CORPORATION
Plant at WESTGATE, via FALLON, NEVADA; Main Office, Gazette Bldg., Reno, Nevada

SETTLEMENT SHEET

In account with Mackedon & Derrick Lot No.

Date ore milled Moisture content 1.67

Gross tonnage to mill . . . . . 13.75 lbs.
Less moisture . . . . . .22 lbs.
Net dry tonnage . . . . . 13.53 lbs. equals 13.53 dry tons

Assay value per ton, dry basis:
Gold . . $ 1.57 @ 90 % $ 1.41 x 13.53 $ 17.08
Silver . . $ 32.09 @ 85 % $ 27.28 x $ 369.10

Total value milled . . . . . $ 388.18

Charges:
Milling 13.53 tons @ 4.50 . . . . . $ 60.88
Assays None @ . . . . . $
Trucking to Chas Lawrey @ 3.00 $ 41.25
Sampling No Sampling Charges $
Incidentals None $

Total charges deducted . . . . . $ 102.13

Check herewith in full settlement of balance . . . . . $ 286.05

Computed by 40.045 Ag 452

Checked by

M. R. No 905

~~783~~

WESTGATE MINING & MILLING CORPORATION
Plant at WESTGATE, via FALLON, NEVADA; Main Office, Gazette Bldg., Reno, Nevada

SETTLEMENT SHEET

In account with Dixie Valley Mining Co. Box 67, Babbitt, Nev. Lot No.

Date ore milled Nov. 11 1941 Moisture content 1.5%

Gross tonnage to mill . . . . . 3.30 lbs.
Less moisture . . . . . .05 lbs.
Net dry tonnage . . . . . 3.25 lbs. equals 3.25 dry tons

Assay value per ton, dry basis:
Gold . . $ 2.80 @ 90 % $ 2.52 x 3.25 $ 8.19
Silver . . $ 103.30 @ 85 % $ 87.80 x $ 285.35

Total value milled . . . . . $ 293.54

Charges:
Milling 3.25 tons @ 4.50 . . . . . $ 14.62
Assays 4 @ 50 . . . . . $ 2.00
Trucking to Chas. Lowry 3.00 $ 9.90
Sampling $
Incidentals $

Total charges deducted . . . . . $ 26.52

Check herewith in full settlement of balance . . . . . $ 267.02

Computed by E.

Checked by L.

M. R. 873 No 1603

WESTGATE MINING & MILLING CORPORATION
Plant at WESTGATE, via FALLON, NEVADA; Main Office, Gazette Bldg., Reno, Nevada

SETTLEMENT SHEET

In account with MacKedow & Derrick Lot No. 2nd

Date ore milled December 15, 1941 Moisture content 1.5%

Gross tonnage to mill . . . . . 13.62 lbs.
Less moisture . . . . . .20 lbs.
Net dry tonnage . . . . . 13.42 lbs. equals 13.42 dry tons

Assay value per ton, dry basis:
Gold . . $ 1.05 @ 90 % $ .94 x 13.42 $
Silver . . $ 31.59 @ 85 % $ 26.85 x $

Total value milled . . . . . $ 372.94

Charges:
Milling 13.42 tons @ 4.50 . . . . . $ 60.39
Assays None @ . . . . . $
Trucking to Chas. Lowry @ 3.00 $ 40.86
Sampling $
Incidentals $

Total charges deducted . . . . . $ 101.25

Check herewith in full settlement of balance . . . . . $ 271.69

Computed by A.L.D. Rep. 44.5

Checked by

M. R. 910 No 981

WESTGATE MINING & MILLING CORPORATION
Plant at WESTGATE, via FALLON, NEVADA; Main Office, Gazette Bldg., Reno, Nevada

SETTLEMENT SHEET XXXVII

Dixie Valley Mining Co. Box 67, Babbitt, Nev.

In account with ..... Lot No. .....

Date ore milled ..... Moisture content 1.8%

Gross tonnage to mill . . . . . 26.74 lbs.
Less moisture . . . . . .32 lbs.
Net dry tonnage . . . . . 26.42 lbs. equals 56.42 dry tons

Assay value per ton, dry basis:
Gold . . $ 1.05 @ 90 % $ 0.94 x 26.42 $ 24.83
Silver . . $ 23.92 @ 85 % $ 20.34 x $ 537.38

Total value milled . . . . . $ 562.21

Charges:
Milling 26.42 tons @ 4.50 . . . . . $ 118.89
Assays None @ . . . . . $
Trucking to Chas Lowry @ 3.00 $ 80.22
Sampling $
Incidentals $
Total charges deducted . . . . . $ 199.11

Check herewith in full settlement of balance . . . . . $ 363.10

Computed by 17.0.00 Hy 33.7

M. R. № 855

Checked by ..... #46

WESTGATE MINING & MILLING CORPORATION
Plant at WESTGATE, via FALLON, NEVADA; Main Office, Gazette Bldg., Reno, Nevada

SETTLEMENT SHEET

In account with [illegible] Lot No. .....

Date ore milled April 27, 1942 Moisture content 2.6%

Gross tonnage to mill . . . . . 13.75 lbs.
Less moisture . . . . . .22 lbs.
Net dry tonnage . . . . . 13.53 lbs. equals 13.53 dry tons

Assay value per ton, dry basis:
Gold . . $ 1.57 @ 90 % $ 1.41 x 13.53 $ 19.02
Silver . . $ 32.09 @ 85 % $ 27.28 x $ 369.10

Total value milled . . . . . $ 388.18

Charges:
Milling 13.53 tons @ 4.50 . . . . . $ 60.88
Assays @ . . . . . $
Trucking to C. Lowry. 3.00 $ 41.25
Sampling $
Incidentals $
Total charges deducted . . . . . $ 102.13

Check herewith in full settlement of balance . . . . . $ 286.05

Computed by E

Checked by L.

Com .5-45 Cy. 45.2

35. M. R. № 721

Dixie Valley Mining Co. Box 67, Babbitt, Nev.

XXXVIII

Do NOT write on this page. For Laboratory use only.

Report No. 405 Date: November 5, 1964

Sample Number	SAMPLE DESCRIPTION	Ounces Per Ton Gold	Ounces Per Ton Silver	
1.		0.04	37.46	1st ent.
2.		Trace	1.72	2nd ent
3.		Trace	75.08	3rd ent
4.		Trace	15.26	4th ent
5.		0.32	60.72	Rainbow
6.		0.14	98.16	

All are quartz vein matter with varied shattering and leaching, inclusions of country rock and staining with jarosite and iron oxides. No. 4 shows slight malachite staining.

P. A. Weyler
Nevada Mining Analytical Laboratory

Exx IX

Rack Rock Mining Company, Inc.
POST OFFICE BOX 5237 ◎ RENO, NEVADA

CRITIQUE

Dixie Valley Mine

The mineralization along this strong vein system, the numerous outcrops of rich ore and the great amounts of loose, milling grade ore scattered about from sections of the shattered vein indicate an exciting potential.

Mr. Reade, in his report in the last of Section C., states "I estimate several thousand tons of ore laying loose in trough, going down from the surface to what depth not yet determined."

He further alludes to the property in the first report of Section C. to an ore block of 10,000 tons grading $24.80 per ton and worth approximately $248,000. If the ore shoot continues to its probable depth of 600 feet, this block alone runs to $1,240,000. These figures, of course, are based on a ninety cent price of Silver. (This investigation was made in 1959). At today's price of $1.29 per ounce, these figures would be upgraded by some 40 per cent.

With one exception, all of the assays in this report were based on Silver at either seventy-one or ninety cents per ounce. The assays run consistent in values and are almost all of milling grade ore. None of the exceptionally hi-grade ore assays have been included.

In the analysis by Reade and Dick certain specifics should be pointed out.

> "...for over one thousand feet the vein can be followed without any apparent break or displacement. Beyond the summit pit, both walls are solid and in place... you have an unusually strong fissure vein of good mining width."

XL

"... being in the same mineral zone, your mine by its geology, minerology and character of its ores, is a potential Silver mine."
"... this is a virgin property, high in promise and potential."
"... you have a most valuable property, which with development as outlined would develop into a substantial profitable producer with gained depth."
"... This property should produce large tonage of medium grade ores, and that ore shoots of very high grade ore will be encountered."
"I believe that some coring and cat work would prove this property to be a great Silver producer."

Most of the vein system on these claims has not been adequately sampled and it is evident that no attempt has been made to determine amounts and grade of ore at depth.

Although the explored and unexplored surface portions of this property indicate substantial amounts of milling grade ores, the tonage and grade of ore at depth provides the most intriguing possibilities. Core drilling through the shattered and leached upper limits of these veins where mineral values have been diluted would prove the likelihood of the rich values to be found in the primary zone and the zone of secondary enrichment.

This property is accessible year-round by a good road. Water rights are registered and approved by the State Engineer. This guarantees water for mining and milling purposes. This is one of the last virgin prospects with such high promise still available in the West.

A systematic program of stripping, core drilling and sampling should prove large tonages of good grade milling ores. Bands of extremely rich ores have been exposed in sections previously sampled. Further development should

uncover more ores of this high quality.

This property constitutes a rare acquisition for a group with sufficient backing to capitalize on its potential. It should prove to be a multi-million dollar producer.

Donald W. Swanson
President, Black Rock Mining Corp.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/3	RMSmith	120A
6/3/66	Kirkemo	120B
"	Johnson	110
		220
6/6/66	Kilgaard	
6/6	Kuy	

AIRMAIL

JUN 7 1966

Dixie Valley Mining Corporation
P. O. Box 67
Babbitt, Nevada

Re: OME-6532 (Silver)
Dixie Valley Mining Corp.
Golden Rod Group of Claims
Churchill County, Nevada

Gentlemen:

Careful study of your application for financial assistance in exploring the referenced claims and of other information available to us indicates that the probability of disclosing significant silver ore reserves on the property is not sufficiently promising to justify Government assistance in the proposed exploration. Accordingly, we regret to inform you that your application for exploration assistance is denied.

We regret the necessity of taking such action which, however, is taken without prejudice to your property. If in the future you do preliminary work which reveals evidence that could materially alter this decision, we shall be pleased to consider a new application.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Region II
130
Smith
120M

RMSmith/mm (6/3/66)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/2	R M Smith	
6/3/66	Kirkemo	120
	JEF	110
		220

June 3, 1966

Memorandum

To: The File

From: R. M. Smith

Subject: OME-6532 (Silver)
Dixie Valley Mining Corp.
Golden Rod Group of Claims
Churchill County, Nevada

Justification for Denial of Application

The Applicant proposed a vague and poorly planned program of trenching, drilling, and underground work to explore for high grade silver ore in numerous small discontinuous lens-shaped masses of quartz, the largest of which is about 10 feet thick and 100 feet long. The quartz lenses occupy bedding planes in slate and phyllite locally interbedded with thin quartzite and limestone strata that are underlain at shallow depth by granodiorite.

Total production from the property is about $6,500. The latest shipment was 32 tons valued at $2,500 in 1950. No work has been done on the property for about three years. The claims are not surveyed, the access road is washed out, the old open pit and trenches are badly sloughed-in, portals of the old adits are caved and inaccessible, the ore bodies have not been systematically sampled, and natural exposures are so scattered by bulldozing or covered by slopewash that an adequate appraisal of the extent and continuity of the mineralized bodies is impossible. The most recent work is an accessible adit in the underlying granodiorite which does not expose any quartz veins or mineralized material.

Although much of the quartz is barren and probably does not extend downward into the granodiorite, there may be worthwhile exploration targets in the quartz lenses, small pods of which may range in grade from a trace of silver to several thousand ounces per ton. Before an exploration program can be properly planned, however, the old workings

should be made accessible for sampling, geologic mapping, and appraisal. Before an OME contract could be approved, a claim map would also be required. Neither the Applicant nor his consultant is competent to do the necessary preliminary work.

Because the quartz lenses in the slate are small, discontinuous along the strike, and probably do not extend down dip into the granodiorite, the Field Officer recommends that the application be denied.

Inasmuch as the productive workings are inaccessible and there may be high grade exploration targets that might warrant a modest project, I recommend that the application be denied without prejudice.

R. M. Smith

R. M. Smith

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Smith

RMSmith/mm (6/3/66)

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum

May 6, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 9 1966
110
130
~~120.07~~
120.8

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6532 (Silver)
Dixie Valley Mining Corp.
Golden Rod Group of Claims
Churchill County, Nevada

Enclosed is my Application Report on the subject property, recommending that the Application for Financial Assistance be denied.

H. K. Stager

Enclosure

UNITED STATES

DEPARTMENT OF THE INTERIOR

STEWART L. UDALL, SECRETARY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION II

APPLICATION REPORT

OME-6532 (Silver)
Dixie Valley Mining Corporation
Golden Rod Group of Claims
Churchill County, Nevada

By

H. K. Stager
Field Officer
OME, Region II

May 6, 1966

FIELD
EXAM. REPT.

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SUMMARY	1
RECOMMENDATIONS	2
LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES	2
PROPERTY	3
History and Production	3
Ownership	3
Financial Eligibility	4
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GEOLOGY	5
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Ore Deposits	6
Sampling	6
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ILLUSTRATIONS

Figure 1. Index map of Churchill and Pershing Counties, Nevada.

INTRODUCTION

The Dixie Valley Mining Company, Inc., P.O. Box 67, Babbitt, Nevada, applied to the Office of Minerals Exploration for Government assistance in a $150,000 program, Docket OME-6532, to explore for silver at the Golden Rod Claims, Churchill County, Nevada. The applicant infers the presence of minable silver ore bodies in quartz veins cutting slate and wishes to explore for these ore bodies by surface stripping, core drilling, and underground drifting and crosscutting.

A field examination was requested by the Office of Minerals Exploration, and was made by H. K. Stager, Field Officer, on April 12, 1966, accompanied by Mr. Robert G. Johnson, president of the company. The accessible mine workings, consisting of several shallow bulldozer trenches and a short adit, were carefully examined. Two samples were taken and the assays are included in this report.

There has been no work done on the property for about three years. Winter snows and summer storms have washed out the access road and nearly obliterated the pits and trenches. Nothing had been done by the applicant to make the property and workings accessible for examination.

SUMMARY

The Golden Rod Group of Claims contain several exposures of silver-bearing quartz lenses. The results of the examination indicate that the ore-bearing material is discontinuous along strike and probably does not extend down dip into the underlying granitic rocks.

The applicant proposed to explore the deposit with a poorly planned program of bulldozer trenches, drilling and underground work. Although there may be worthwhile exploration targets on the property a considerable amount of preliminary work would be required before a program could be properly planned. Of first importance would be a map showing the location of the claims, topography, and geology. The trenches, pits, and old adits should be cleaned out and made accessible for study.

RECOMMENDATIONS

It is recommended that the application for Government assistance in an exploration project for silver on the Golden Rod Claims be denied on the basis that veins are probably small discontinuous lens-shaped masses of quartz and do not extend into the underlying granitic rocks.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The Golden Rod Claims are in an unsurveyed township about Secs. 6 and 7, T. 21 N., R. 34 E., MDBM, north of the I.X.L. mining district, on the east flank of the Stillwater Range at an altitude of about 4,500 feet, Churchill County, Nevada (Fig. 1).

To reach the property, that is about 35 miles northeast of Fallon, Nevada, go east from Frenchman Station on paved U.S. Highway 50 for 5 miles, turn north on the Dixie Valley graded-dirt road for about 28 miles, then turn west on a poor dirt road 2 miles to the property. All but the last 2 miles of the road is passable to ordinary two-wheel drive vehicles. The 2-mile access road to the mine is in poor condition and a high-clearance field-type car is necessary. The trip from Frenchman Station requires about 1 hour.

Labor, mail, telephone, railroad, some mining supplies, and freight service are available in Fallon, 72 miles. Water is available from springs on the property. Assay service is available in Mina, 105 miles, or Reno, 135 miles, at $3 for gold and silver.

PROPERTY

History and Production

Gold and silver were discovered in I.X.L. Canyon, several miles south of the Golden Rod Claims, about 1878. The I.X.L. district was formed in 1879 and a small Mexican smelter, one of the first in Nevada, was built. There are remains of old arrastres in the wash below the Golden Rod Claims. Production from the I.X.L. district was only about $20,000 in gold and silver.

Production from the Golden Rod Claims has been small and erratic. According to Mr. Johnson, ore valued at about $4,000 was mined from a small open pit and shipped to a mill at Eastgate in the 1930's. About 32 tons of ore valued at $2,500 was shipped to Ely, Nevada in 1950.

Ownership

The property consists of six unpatented claims, the Golden Rod, and the Golden Rod Nos. 1 through 5. These claims are recorded in Fallon, Nevada, Book No. 27, page 230; Book No. 28, page 380; Book No. 29, page 343; and Book No. 30, page 226. The claims are owned by the applicant. There are no maps of the property and the claims are unsurveyed and poorly marked--running from "over there to yonder" in the words of Mr. Johnson.

Financial Eligibility

The copy of the application furnished to the Field Office did not include copies of letters to and from banking institutions showing attempts have been made to obtain financial assistance, but it is assumed that such evidence was submitted to Washington, D. C., with the original application. The company was incorporated for 150,000 shares and work to date has been financed by the sale of 123,000 of these shares at prices ranging from $0.20 to $1.00 per share. Shareholders number 17 or 18 at this time. Remaining in the company treasury at the time of the examination were 27,000 shares. The applicant proposes to furnish its share of exploration costs by the sale of the remaining shares, use of equipment, and by furnishing labor and supervision at rather excessive rates.

Development

The property is developed by several old adits, the portals of which are caved and inaccessible, a small open pit badly sloughed-in, several bulldozer trenches and shallow prospect pits. A short adit, about 100 feet in length, the most recent work done on the claims, is entirely in granite and does not expose mineralized material. There is a small tool shed, an ore bin, and a cabin, all in need of extensive repair. There are some rail, pipe, and small tools on the property.

GEOLOGY

Geologic Setting

The Golden Rod Claims are in an area of moderate relief, but the surface is almost completely covered with slope wash and slide material. There are few outcrops and the old man-made exposures are now largely filled by surface rubble. The rocks exposed in the area of the claims are chiefly slate and phyllite locally interbedded with thin quartzite and limestone beds. These rocks are probably of Upper Triassic age.[1]

---

[1] Page, Ben M., 1965, Preliminary Geologic Map of a part of the Stillwater Range, Churchill County, Nevada: Nevada Bureau of Mines Map 28.

The sedimentary rocks are intruded by a small (½ mile x 1 mile) body of granodiorite of probable Late Cretaceous or Early Tertiary age.

The slate and phyllite are gray-black, weathering to pale gray with slaty cleavage approximately parallel with the bedding. The unit is 5,000 to 10,000 feet in thickness. The bedding, in general, strikes east or northeast and dips northwest 60°-90°. The east side of the claim area is bounded by the recently active Dixie Valley fault, marked by prominent fresh scarps and hot springs.

There are numerous lenticular masses of white, massive to crystalline quartz intruded along the bedding of the slate overlying the granodiorite. It is within these quartz bodies that the silver mineralization occurs.

Ore Deposits

The silver ore bodies occur in small discontinous podlike to lenticular masses of quartz in the slate. They range from a few inches to about 10 feet in thickness, from a few feet to perhaps 100 feet in length. The dip length is not exposed, but the bodies do not appear to extend into the granodiorite that underlies the slate at a shallow depth throughout the claim area.

Argentite, cerargyrite, and argentiferous galena are the chief ore minerals. The grade of the ore ranges widely from a trace of silver to several thousands of ounces per ton. Much of the quartz is barren.

Sampling

The applicants have not attempted to systematically sample the quartz bodies, being content to take random specimen samples of high grade.

Two samples were taken of the mineralized material partly exposed in two of the bulldozer trenches. The results of assaying of these samples were as follows:

Sample No.	Ounces per ton Gold	Silver	Description
1	0.04	30.35	Chip and grab across 5' quartz body in #3 cut above adit.
2	0.05	15.15	Chip and grab across 5' quartz body in #4 cut above adit.

Ore Reserves

There are no measured or indicated reserves of silver ore exposed on the Golden Rod Claims. There is abundant mineralized quartz float scattered over the claim area, and there are several pits and trenches where ore-grade material has been mined in the past that may still contain pods of high-grade silver-bearing quartz. Exposures that have existed in the past are now so scattered by bulldozing and covered by slope wash that it is extremely difficult to determine if there is any continuity between the outcrops. The only underground workings that may have exposed the down-dip extent of the quartz lenses are not accessible. The single accessible underground working is entirely in granitic rock and does not expose any quartz veins or mineralized material.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OME-6532
(Silver)

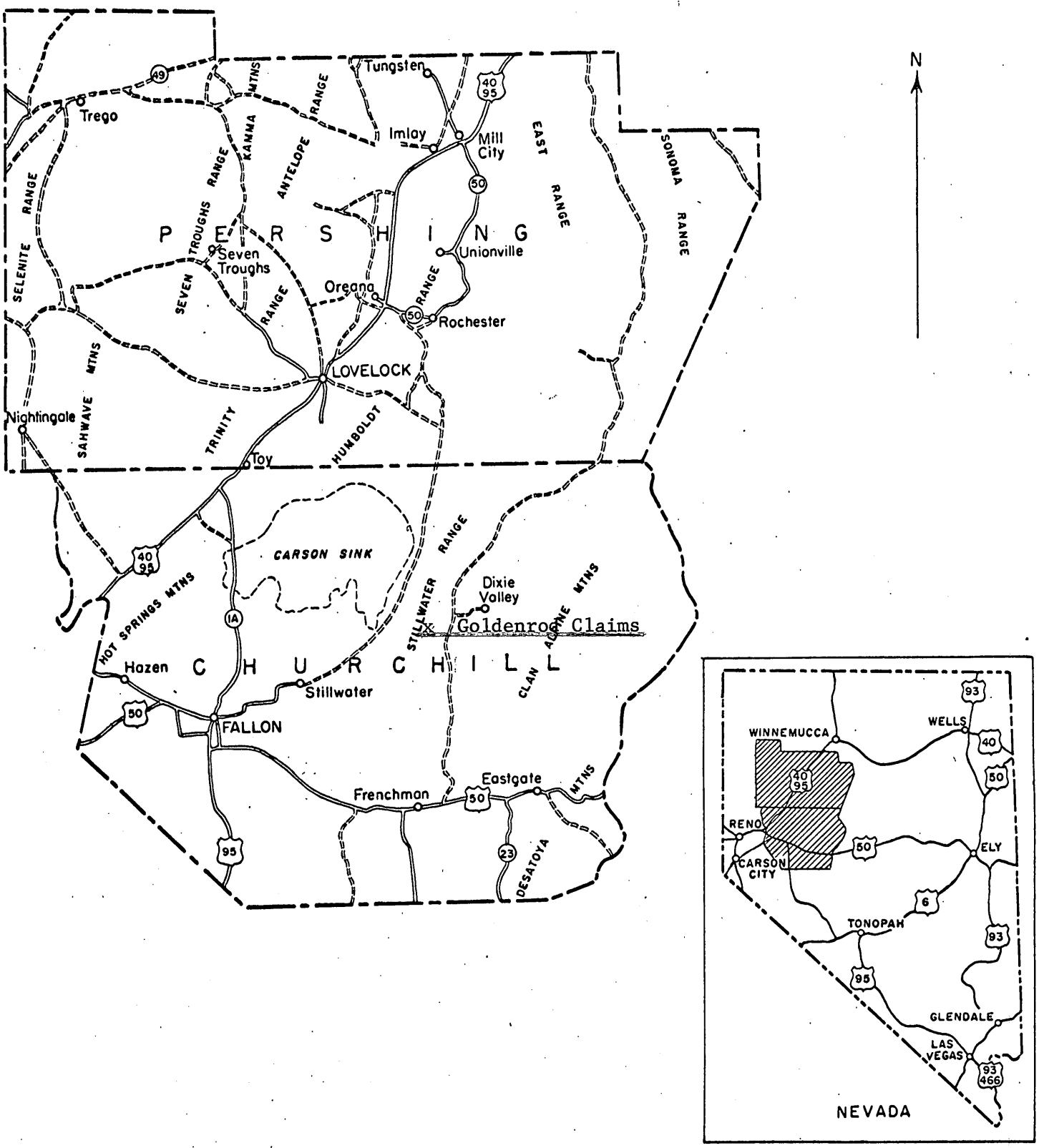

Figure 1. INDEX MAP OF CHURCHILL AND PERSHING COUNTIES, NEVADA

0 20 40 60 Miles

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/2	[illegible]	120
	Selbrede	~~120~~
2/3	Johnson	110
		220
2/3	Cal	120M

Memorandum FEB 3 1966

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6532 (Silver)
Dixie Valley Mining Corp.
Golden Rod Group of Claims
Churchill County, Nevada

The subject application is referred to Region II for a field examination and recommendations.

Our review of this application indicates that there is an exceptionally good chance of making a significant discovery of silver. The engineering reports, however, are so inept, the maps are so unintelligible, and the proposed work is so vague that we consider it useless to request additional information from the Applicant. What is needed first is a competent geologic appraisal and a project proposal that takes the geology into account.

The Applicant proposes to furnish its share of the costs by services at excessive rates. If you recommend a contract, the Applicant should be informed of our experience that services and depreciation on the Applicant's equipment will not normally cover the operator's share of the total exploration costs, even at 75 percent participation. You should also explain that the Government does not advance funds for its share of the costs under a contract. An operator pays all the first month's costs and then submits a voucher on forms furnished by the Government. After approval, the operator is reimbursed for the Government's share of the costs. As it usually takes from two to three weeks to reimburse an operator, it should have sufficient funds at hand to cover all costs for at least the first two months. Thereafter, normally, reimbursement is received by an operator at monthly intervals. The Applicant should be asked to explain in detail how it plans to finance its share of the costs under these conditions.

The costs estimated by the Applicant are unrealistic, but until a suitable project is proposed they are also irrelevant. We would, of course, disallow such items as an assay and business office, but a

[redacted]

23263

welding shop might be allowable if the specifications and costs are both reasonable. Under Item 7(b), the services of a core driller are provided at $4-$12 per foot. If any drilling is to be contracted, bids from at least two independent contractors will be required.

(signed) FRANK E. JOHNSON

Frank E. Johnson

cc to: Director's Reading File
Division File
Economic Geology File
OME File ✓
OME Reading File
Mr. Selfridge
Mr. Smith

RMSmith/gla 2-2-66

P. S. Please obtain the correct legal name of the Applicant. Is the word "Corporation" spelled out, or is it abbreviated?

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/2	Smith	120
	Selfridge	120
2/3	Johnson	110
		220
		120M

FEB 3 1966

Dixie Valley Mining Corporation
P. O. Box 67
Babbitt, Nevada

Re: OME-6532 (Silver)
Dixie Valley Mining Corp.
Golden Rod Group of Claims
Churchill County, Nevada

Gentlemen:

The application for assistance in exploring the subject property has been reviewed by the Washington Office and referred to Mr. Harold K. Stager, Field Officer, Region II, Office of Minerals Exploration, U. S. Geological Survey, Building 2, 345 Middlefield Road, Menlo Park, California 94025.

The Regional Office will notify you in case additional information concerning the application is needed.

Sincerely yours,

(Signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Region II
OME Reading File
Mr. Smith

GLAult/a 2-2-66

23263

January 19, 1966

Dixie Valley Mining Corporation
P. O. Box 67
Babbitt, Nevada

Subject: OME-6532

Gentlemen:

Your application for exploration assistance, dated December 30, 1965, submitted to our office at Washington, D. C. has been assigned Docket No. OME-6532.

Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region II with
copy of application