Refer to	Noted	Date
Answered		

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED
JUL - 9 1951
SAN FRANCISCO, CALIFORNIA

Memorandum

To: Landon F. Strobel, Executive Secretary, DMA

Through: Director, Supply Division

From: Tungsten Branch

Subject: Loan application of
Gold Corporation of America
205 First National Bank Building
Reno, Nevada

In reply please refer to:
DMA-1386 — Tungsten

The applicant requests a production loan of $610,138 to equip a tungsten prospect on the west side of Mount Davidson, Washoe County, Nevada about 7 miles from Virgina City Nevada. He requests an immediate advance of $33,000 for a 30-day mill test. The proposed expenditures are itemized as follows:

Labor, mine and mill, 60 days	$ 26,340
Superintendent, engineer, bookkeeper, and time keeper, 2 months	3,500
Buildings	35,500
Mill, 300 ton capacity	300,000
Mining and hauling equipment	109,798
Rental diamond drilling equipment	5,000
Materials and supplies	9,000
Pumping equipment, tanks, etc.	25,000
Purchase of water rights, reservoir, tailings and dump ground and mill site	25,000
Power installation	25,000
Power bill for 60 days	6,000
Insurance, offices, auditing, overhead, etc.	40,000
	$ 610,138

The applicant submits as evidence of ore reserves 12 assays ranging from .22 to .60 percent of WO_3, a sketch map showing stripping, and photographs showing bull-dozer scars in sage-covered hills. No adequate exploration or sampling has been done.

The application was denied because no satisfactory evidence of ore reserves was given that could justify the erection of a mill or purchase of expensive mining equipment. The Superintendent of the Company, Mr. I. Foster Smith, was unsuccessful during World War II in operating 3 properties in Nevada for tungsten. At that time he specialized on dry-concentrating processes on low-grade rock that had not been adequately sampled.

George B. Holderer
George B. Holderer
Chief, Tungsten Branch

Approved:

Director, Supply Division

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DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED
JUL - 9 1951
SAN FRANCISCO, CALIFORNIA

June 29, 1951

Mr. P. J. Burfening, Secretary
Gold Corporation of America
205 First National Bank Building
Reno, Nevada

In reply please refer to:
DMA-1386 -- Tungsten

Dear Mr. Burfening:

We have carefully reviewed your application for a production loan of $610,135.00 to be spent at the Hunt Tungsten Mine, Washoe County, Nevada. We also have your letter of June 20 with new assays.

The information that you present is not sufficient to prove an ore reserve that warrants the expenditure proposed. It appears that a great deal more sampling and exploration are required before construction of milling facilities is considered. Also, we would require satisfactory evidence of metallurgical tests that demonstrate that such low-grade ore can be successfully beneficiated.

There are no funds available for mill tests consequently your request for $30,000 for a 30-day test must be denied.

We regret that we must deny your request for a production loan.

Yours very truly,

Tom Lyon, Director
Supply Division

Immediate Recognition