



TECHNICAL NOTE

Mailing List 2

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Bureau of Land Management U.S. DEPARTMENT OF THE INTERIOR

Subjects: Mineral Valuation, Gold Mine
Appraisal, Gold Mine

Reference: The Denver Post, September 7, 1969, page 6J.

Data:

According to the article, Webb Resources, Denver acquired an additional 5.6% interest in the Cortez gold mine near Elko, Nevada at its appraised value of \$500,000. Therefore, the calculated total value is \$8.5 million.

(According to information supplied by Robert Webb, Nevada State Office, this purchase was genuine and the value related to an appraisal of the current value of the deposit. The discovery was largely the result of drilling a favorable area identified by geochemical study by the U. S. Geological Survey. Ore reserves total 3.5 million tons of 0.28 ounces of gold per ton grade. The gold is of micron size. The deposit is mined by open pit methods. Production started in January 1969 with 1,500 tons per day processed through the cyanide mill and smelter. Production is currently 1,600 tons per day (over capacity) of 0.28 ounces per ton ore. Benches in the open pit are 20 feet high, and the wall slope is 50°. The mining equipment used is as follows:

Two bulldozers used for pioneering work handle pit clean-up and dump maintenance. Blasthole drilling on a 12-foot by 13-foot hole pattern is accomplished by two 6-inch rotary/down-the-hole drills. Explosives are dispensed into dry holes from a truck-mounted ANFO mixing unit by one man, with shot detonation by primacord. Two shovels (5 cubic yards and 3-1/2 cubic yards respectively) maintain a production rate of 12,500 tons per day, operating one shift. A 5 cubic yard front-end loader is used for various pit jobs and supports the primary loading equipment. Eight 35-ton end-dump trucks handle the hauling requirements. A 4 cubic yard front-end loader moves stockpiled pit-run ore to the crusher as required. The usual supporting equipment and vehicles round out the mining plant.)