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Fallon



**CHALK MOUNTAIN
SILVER-LEAD
MINES COMPANY**

FALLON, NEVADA



**CONDENSED REPORT
OF OPERATIONS FOR
1926**



BALANCE SHEET

DECEMBER 31, 1926

ASSETS

Cash	\$	406.85
Buildings and Equipment:		
Autos and Trucks	\$	1,290.17
Buildings, Machinery and Equipment		14,121.16
Office Equipment		507.67
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		15,919.00
Less: Depreciation Reserve	4,502.85	11,416.15
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Mine Property		574,340.00
Discount on Treasury Stock....		61,956.30
Organization Expense		180.00
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TOTAL		\$648,299.30

LIABILITIES

Bills Payable—Cash		
Advanced	\$	14,300.00
Capital Stock	\$1,000,000.00	
Less: in Treasury	331,500.00	668,500.00
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Deficit		34,500.70
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TOTAL (Less Deficit) ..		\$648,299.30

Fallon, Nevada, Dec. 31, 1926.

To the Stockholders:

The following is a condensed summary of our activities during 1926, present condition of our property and prospects for 1927.

HIGH GRADE SHIPMENTS

During the past year our work has been principally development and exploration, although, in the course of this work, thirteen 50-ton cars of high grade ore were shipped, with a total value of \$33,974.43.

MILLING ORE BLOCKED OUT

We have opened up and blocked out large bodies of excellent milling ore. In October, 1926, a careful survey and conservative estimate of the value of this ore was made. This estimate gave a total value of approximately \$400,000.00 worth of ore in sight and on the dump, at that time. Since this date our developments have opened other large bodies of ore which greatly increase this amount.

PLANS FOR A MILL

Plans are now under way for the erection of a concentrating plant for handling these bodies of ore which are now opened and ready to take out rapidly. This mill will not only enable us to make a good profit on the ore already in sight but will also facilitate our exploration work, as it will enable us to thoroughly explore all of the extensions of these known deposits.

We are having mill tests made in order to determine the most satisfactory process to be used in concentrating the values. The United States Bureau of Mines is assisting us in the solution of our metallurgical problems, and we believe a satisfactory and economical process will soon be developed.

ANALYSIS OF OUR ORES

Recently a complete analysis of a representative sample of our ore, made by Abbott Hanks, Inc., of San Francisco, showed, in addition to the known metals of silver, lead, gold and iron, a commercial percentage of molybdenum and vanadium. The United States Bureau of Mines is particularly interested in the saving of these last two metals, and is working on our problem with this end in view.

EXPLORATION AND DEVELOPMENT

During 1926 we continued the sinking of the Main, No. 2 Shaft to

water level, which was reached at a depth of 517 feet. Our lowest level was run at a depth of 510 feet in order to be above the water. During the year a total of 1165 feet of drifts and cross-cuts was run and about 385 feet of raises and winzes.

VISITORS OF NOTE

Within the past year many well known engineers and mining men have visited and inspected our property, among them being Mr. C. F. Jackson, formerly associated with the United Eastern Mining Co., who spent several days with us, and made a report of his findings. This report was very favorable. Professor J. C. Jones of the Mackay School of Mines, Reno, has visited the mine on several occasions, and is quite optimistic in regard to the future of Chalk Mountain. Mr. F. C. Schrader of the United States Geological Survey, spent several days at the mine making a survey for the government of the Chalk Mountain district. His report will be printed later at Washington, and will be available in the near future.

PLANS MADE FOR 1926 FULFILLED

The development plans for 1926, outlined in our last report, were fully carried out, and we have done much additional work. The ore uncovered in our developments has justified our expectations, and has greatly enhanced the intrinsic value of our property. This work has also added to our geological knowledge of the district, and will aid us materially in our future developments.

PLANS FOR 1927

Our plans for 1927 are briefly:

The construction of a reduction plant, and also further exploration and development of the property. While the ore bodies we have are large, we feel that there are larger bodies as yet untouched. When we consider that we have a total of fifteen full claims in the heart of this wonderful district, and that all of our work so far has been done on a small portion of two claims only, it gives an idea of what the future holds in store for us as we continue development, especially in view of the fact that there are fine surface mineral showings on every claim except two. The outlook for 1927 is splendid and the stockholders can rest assured our plans will be carried out as rapidly as possible.

Respectfully submitted,

E. M. DAWES, President.