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BY-LAWS



CON.-VIRGINIA MINING COMPANY

BY LAWS

of the
Con Virginia Mining Company

The name of this corporation shall be -----

Con Virginia Mining Company

ARTICLE I.
Corporate Powers.

The corporate powers, business and property of this corporation shall be exercised, conducted and controlled by a Board of Five Directors, who shall be Stockholders, holding one or more shares of stock in their own names on the books of the corporation, and three shall constitute a quorum for the transaction of business; and every decision of a majority of the Directors forming such Board, made when duly assembled, shall be valid as a corporate act.

ARTICLE II.

Election of Directors.

The Directors shall be elected by ballot, from among the holders of stock, at the annual meeting of the Stockholders, to serve for one year, and until their successors are elected. Their term of office shall begin immediately after election. A majority of the Directors must in all cases be citizens of the State of California.

ARTICLE III.

Vacancies in the Board of Directors.

Whenever a vacancy occurs in the office of Director of this corporation such vacancy must be filled by the other Directors electing or appointing some Stockholder to the office so made vacant and such person shall hold office until the next regular annual meeting of the Stockholders thereafter.

ARTICLE IV.

Powers of Directors.

The Directors shall have power:

1st. To call special meetings of the Stockholders when they deem it necessary. And they shall call a meeting at any time upon the written

request of the Stockholders holding one-third of all the Capital Stock.

2nd. To appoint and remove at pleasure all officers, agents and employees of the corporation, prescribe their duties, fix their compensation and require from them security for faithful service.

3rd. To conduct, manage and control the affairs and business of the corporation, and to make rules and regulations not inconsistent with the laws of the State of California, or the By-Laws of the corporation, for the guidance of the officers and management of the affairs of the corporation, and the disposition of any and all stock of this Company, the legal title to which is vested in this corporation by reason of the purchase of its own Capital Stock at delinquent assessment sales.

4th. To incur indebtedness - the term and amount of such indebtedness shall be entered on the minutes of the Board, and the note or obligation given for the same, signed officially by the President and Secretary, shall be binding on the corporation.

ARTICLE V.

Duties of Directors.

Immediately after their election the Directors must organize the Board of Directors by the election of a President, who must be one of the Directors, a Secretary and Treasurer.

It shall be the duty of the Directors:

1st. To cause to be kept a complete record of all their business transactions, minutes and acts, and of the proceedings of the Stockholders, and present a full statement at the regular annual meeting of the Stockholders, showing in detail the assets and liabilities of the corporation and generally the condition of its affairs. A similar statement shall be presented at any other meeting of the Stockholders, when thereto required by persons holding at least one-half of the Capital Stock of the corporation. And the Directors shall require the Secretary to keep a journal of all meetings of their Directors, Members and Stockholders, with the time and place of holding the same, whether regular or special; and if special, its object, how authorized, and the notice thereof given. The record must embrace every act done or ordered to be done; who were

present and who absent; and if requested by any Director, Member or Stockholder, the time shall be noted when he entered the meeting or obtained leave of absence therefrom. On a similar request, the ayes and noes must be taken on any proposition and a record thereof made. On similar request the protest of any Director, Member or Stockholder to any action or proposed must be entered in full- all such records must be open to the inspection of any Director, Member, Stockholder or Creditor of the corporation.

2nd. To declare dividends out of the surplus profits, when such profits shall, in the opinion of the Directors, warrant the same.

3rd. To supervise all officers, agents and employees and see that their duties are properly performed. To cause to be issued to the Stockholders, in proportion to their several interests, certificates of stock not to exceed in the aggregate two million, ~~one hundred~~ one hundred ~~thousand~~ ^{hundred} ~~thousand~~ Dollars. \$2,160,000.)

4th. The Board of Directors shall meet regularly at the office of the Company at one o'clock in the afternoon on _____ of every _____ for the transaction of the business of the Company.

ARTICLE VI.

Officers.

The officers shall be a President, Vice-President, Treasurer _____ and Secretary, which officers shall be elected by, and hold office at the pleasure of, the Board of Directors.

The compensation and tenure of office of all officers of the corporation (other than Directors) shall be fixed and determined by the Board of Directors.

ARTICLE VII.

President.

The Board of Directors shall, immediately after their election, elect one of their number to act as President, and if at any time the President shall be unable to act, the Vice-President shall take his place and perform his duties, and if the Vice-President from any cause shall be unable to act they shall appoint some other member of the Board to do so, in whom shall be vested, for the time being, all the duties and functions of his office.

The President or in his absence, the Director appointed, as above

provided:

1st: Shall preside over all meetings of the Stockholders and Directors.

2nd. He shall sign as President all Certificates of Stock, and all contracts and other instruments in writing which have been first approved by the Board of Directors.

3rd. He shall call the Directors together whenever he deems it necessary, and shall have, subject to the advice of the Directors, direction of the affairs of the corporation, and generally shall discharge such other duties as may be required of him by the By-Laws of the corporation.

The President, or two of the Directors, may call special meetings of the Directors by leaving a written or printed notice at the last known place of business or residence of each Director. Such service of notice shall be entered on the minutes of the corporation, and the said minutes, upon being read and approved at a subsequent meeting of the Board shall be conclusive upon the question of service.

ARTICLE VIII.

Secretary.

The Board of Directors shall, immediately after their election elect a Secretary.

1st. It shall be the duty of the Secretary to keep a record of all the business transactions and proceedings of the Board of Directors and of the Stockholders, a journal of all meetings of the Directors, Members or Stockholders, as set out in Article V, of these By-Laws.

2nd. He shall keep the corporate seal of the corporation and affix it to all instruments requiring a seal; and he shall also keep the book of blank Certificates of Stock, fill up and countersign all certificates issued, and make the corresponding entries in the margin of such book on such issuance.

3rd. He shall keep a proper Transfer Book, and a Stock Ledger in debit and credit form, showing the number of shares issued to and transferred by any Stockholder, and the dates of such issuance and transfer.

4th. He shall keep proper Account Books, and discharge such other duties as pertain to his office, and as may be prescribed by the Board of Directors.

5th. The Secretary shall serve all notices required either by law or the By-Laws of the Company; and in case of his absence, inability, refusal or neglect so to do, then such notices may be served by any person thereunto directed by the President or Vice-President of the Company.

ARTICLE IX.

Treasurer.

It shall be the duty of the Treasurer:

1st. To receive and safely keep all the funds of the corporation, and pay them out only on the check of the President, countersigned by the Secretary.

2nd. To submit at each annual meeting of the Stockholders, a complete statement of his accounts for the past year, with the proper vouchers.

He shall also discharge such other duties, pertaining to his office, as shall be prescribed by the Board of Directors.

ARTICLE X.

The Board of Directors shall appoint a Superintendent, who shall hold his office at the will of said Board and be removable at their pleasure.

It shall be the duty of the Superintendent:

1st. To take charge of all the property belonging to the corporation and to control and direct all labor and business pertaining to the interests, affairs and operations of the Company, but entirely subject to the direction of the Board of Directors or President of the Company.

2nd. To file with the Secretary of this corporation, on the first Monday of each month, an itemized account verified under oath, showing all receipts and disbursements made by him for the previous month, and for what said disbursements were made. It shall also be the duty of the

Superintendent to file with the Secretary, a weekly statement under oath showing the number of men employed under him, and for what purpose, and the rate of wages paid to each one. He shall attach to such account a full and complete report, under oath, for the work done. All accounts, reports and correspondence from the Superintendent shall be kept in some conspicuous place in the office of this corporation, and shall be open for the inspection of all Stockholders.

3rd. To make requisition upon the Board of Directors for necessary funds, stating the precise object for which the funds are required, and if approved by the Board of Directors, the money shall be transferred to

if approved by the Board of Directors the money shall be transferred to him in such amount as the Board shall direct; but the Superintendent shall not have the power to sign notes or contracts for the Company, nor to incur any indebtedness for or on behalf of the Company, unless specially authorized to do so by the President or Board of Directors.

ARTICLE XI.

Compensation of Officers.

1st. The Board of Directors of this Corporation shall receive five dollars per day for each days attendance at the meetings of the Board, and shall be allowed their reasonable traveling expenses, when actually engaged in the business of the Company, to be audited and allowed as in other cases of demand against the Company.

2nd. The officers of the corporation shall receive such compensation as the Board of Directors shall from time to time fix and determine.

ARTICLE XII.

Record of all meetings of Directors and Stockholders to be open to the inspection of any Director, Stockholder or Creditor of this corporation. All books of account, records and journals of all meetings of Directors, Members and Stockholders of this corporation shall at all times in business hours be subject to the inspection of the Board of Directors and of any Director, Member, Stockholder or Creditor of this corporation. And any Stockholder of this corporation, lawfully demanding, shall have the right to inspect during business hours, viz: from ten o'clock in the morning until three in the afternoon, all books of account, records and journals of all meetings of Directors, Members and Stockholders of this corporation; and any Stockholder of this corporation may also have a reasonable opportunity to take a copy of the same, or any part thereof.

ARTICLE XIII.

Certificates of Stock. Certificates of Stock, representing shares of Capital Stock of this corporation, shall be of such form and device as the Board of Directors may direct, and such certificate shall be signed by the President and countersigned by the Secretary, and express on its face its number, date of issuance, the number of shares for which, and the person to whom, it

it is issued.

The Certificate Book shall contain a margin, on which shall be entered the number, date, the number of shares and the name of the person expressed in the corresponding certificate.

ARTICLE XIV.

Upon motion Transfer of Stock. and carried by the

1st. Shares of Capital Stock in this corporation may be transferred by indorsment by signature of the proprietor thereof, or by attorney legally constituted, or by their legal representatives, and delivery of the certificate to the Secretary for cancellation and the acknowledgment of such transfer on the books of the Company as to show the names of the parties by and to whom transferred, the number or designation of the shares and the date of the transfer.

2nd. The receiver of the new certificate shall be required to sign the By-Laws of the Company and accept his stock subject to all the requirements of the same. No transfer shall be valid upon which an assessment, or assessments are due and unpaid, or the holders of which are indebted to the Company on any account whatsoever, without the consent of the Board of Directors.

3rd. No surrendered certificate shall be cancelled by the Secretary before a new one is issued in lieu thereof, and the Secretary shall preserve the certificate so cancelled as a voucher. If, however a certificate shall be lost or destroyed, the Board of Directors may order a new one issued, upon such guarantee by the party claiming the same as the Board may deem satisfactory. No Stock can be transferred on the books of this Company during the ten days prior to the annual election.

4th. When the shares of the Capital Stock of this Corporation are owned by parties residing out of the State of California, the President, Secretary or the Directors of this corporation, before entering any transfer of the said shares on its books, or issuing a certificate thereof to the transferee, may require from the attorney or agent of the nonresident owner, or from the person claiming under the transfer, an affidavit or other satisfactory evidence that the non-resident owner was alive at the date of the transfer, and if such affidavit or other satisfactory evidence

Con. Virginia

At a meeting of the Board of Directors of the ~~Mountain~~
~~Gold & Silver~~ Mining Company, held on the twenty-seventh day of
May, Nineteen Hundred and Nineteen, the following resolution and
amendment were adopted, to-wit:-

Upon motion duly made, seconded and carried by the
unanimous vote of the entire Board of Directors of the Company,
it was resolved that section XIV of the By-Laws of the Company
be and the same are hereby amended by the annexation thereto of
a paragraph reading as follows, to-wit:-

5th. A charge of twenty-five cents per certificate
shall be made and collected by the Company for and upon the issuance
of each and any new certificate in lieu of any certificate or
certificates cancelled upon any transfer of stock upon the books
of the Company, or upon issuance of new certificates or certificate
in lieu of any surrendered or outstanding certificates, any person
entitled to receive new certificates or a new certificate in lieu
of old shall first pay said charge before he shall be delivered
the new certificate.

be not furnished may require from the attorney, agent or claimant, a bond of indemnity, with two sureties, satisfactory to the officers of the corporation, or, if not so satisfactory, then one approved by a Judge of the Superior Court of the City and County of San Francisco, State of California, conditioned to protect the corporation against any liability to the legal representatives of the owner of the shares, in case of his or her death before the transfer; and if such transfer or other evidence or bond be not furnished when required, as above provided, this corporation may decline and refuse to enter the transfer on the books of the corporation.

ARTICLE XV.

When An Assessment Has Been Levied No Shares Of Stock Shall be Transferred Without Payment of the Assessment Due Thereon.

No transfer of any shares of the Capital Stock of this corporation shall be made upon the books, while an assessment on the stock is pending unless payment of the assessment shall first have been made upon the shares presented for transfer and no certificate shall be cancelled, nor a new one issued in lieu thereof, for any shares upon which an assessment remains due, payable, unpaid or delinquent. No assessment shall be deemed to be due until the order levying the same has been entered upon the minutes of this corporation.

ARTICLE XVI.

Meetings.

Amended March 20 1912
The annual meeting of the Stockholders shall be held at the office of the Company in San Francisco on the 30 Wednesday of March at one o'clock P.M. in each year, and shall be called by two weeks notice of the same by advertisement in one or more newspapers published in the City and County of San Francisco, as the Directors may direct, for at least two weeks preceding the day of the meeting.

No meeting of the Stockholders shall be competent to transact business unless a majority of Stock is represented, except to adjourn from day to day, or until such time as may be deemed proper.

At such annual meeting of the Stockholders, Directors for the ensuing year shall be elected by ballot, to serve for one year and until their

successors are elected.

If however, for want of a quorum, or other cause, a Stockholders' meeting shall not be held on the day above named, or should the Stockholders fail to complete their elections, or such other business as may be presented ^{for their consideration, those present} may adjourn from day to day until the same be accomplished.

ARTICLE XVII.

Disposition of Stock Held by This Corporation.

The Board of Directors of this corporation, may, if they deem it expedient, authorize and empower a Committee, consisting of one or more of its Directors, to make disposition, as herein provided, of any and all stock of this Company, the legal title to which is vested in the corporation, by reason of the purchases of its own Capital Stock at delinquent assessment sales:

1st. When such power and authority is granted to said Committee to make disposition of said stock, pursuant thereto, said Committee may sell, for the benefit of the corporation and its Shareholders, any and all shares of its stock that, at the date of the Committees appointment, may have been purchased by this corporation. Said sale or sales may be made by said Committee, either at public auction or private sale, or in any of the Stock Boards or Exchanges in the City of San Francisco, as, in the judgment of said Committee, may be for the best interests of this corporation and its Stockholders; and for such price or prices, and in such lots, and at such times, as said Committee may deem advisable.

All money received upon such sale or sales of said stock shall, immediately, be paid over to the Treasurer of this corporation, and, upon such sale or sales, certificates for the shares of such stock so sold, shall be issued by the President and Secretary, and delivered to the purchaser or purchasers.

2nd. The Board of Directors of this corporation shall, also have power to distribute among the remaining Stockholders, pro rata, the shares of its stock purchased by this corporation at delinquent sales thereof; and, certificates for the shares so distributed, shall be issued by the President and Secretary, and delivered to the remaining Stockholders, accordingly

ARTICLE XVIII.

Voting at Elections of Stockholders.

At all elections or votes had for any purpose there must be a majority of the Capital Stock represented either in person or by proxy in writing. All Stockholders' elections must be held by ballot, and the right to vote shares of stock follows the legal and not the equitable title, and rests in the member in whose name the shares of stock stand on the books of this corporation, although in fact he may have transferred said shares to another. When no transfer of shares appears on the books of this corporation, ownership of the same may be presumed to continue accordingly. Every Stockholder shall have the right to vote, either in person or by proxy, the number of shares standing in his name. And every person voting (either in person or by proxy or personal representative) must be a Stockholder of this corporation, having stock standing in his own name on the stock books of this corporation for at least ten days prior to any such election. Every Stockholder shall have the right to vote in person, or by proxy, the number of shares standing in his name, for as many persons as there are Directors to be elected, or to cumulate said shares and give one candidate as many votes as the number of Directors multiplied by the number of his shares of Stock shall equal, or to distribute them on the same principle among as many candidates as he shall think fit.

ARTICLE XIX.

Amendments.

The By-Laws may be altered or amended at any meeting of the Stockholders, by a majority of the Stock represented at such meeting, or by a two-thirds vote of the whole number of the Board of Directors, to be ratified at the first meeting of the Stockholders thereafter.

After the Secretary had read the above code of By-Laws to the Stockholders, on motion of Mr. _____ seconded by Mr. _____ it was unanimously

R E S O L V E D ,

That each Stockholder be, and he is hereby, requested to subscribe his name to the same in token of his written assent thereto, and adoption of the same as the By-Laws of this Corporation.

Thereupon, each Stockholder of said Corporation did, in accordance with the provisions of said resolution, duly subscribe his name to said By-Laws in that certain book kept in the office of this Corporation, which

said book is known as, and called, "Book of By-Laws", of this corporation. Said assent and adoption of said By-Laws, as signed by said Stockholders in said "Book of By-Laws", is in words and figures following viz:

KNOW ALL MEN BY THESE PRESENTS,

That we, the undersigned, being holders and owners of _____

_____ Capital Stock of the _____

_____ viz:

A true copy of the original By-Laws adopted at the annual meeting of the Stockholders held _____

Witness my hand and the seal of said Company this _____ day
of _____

_____ hereby assent to the foregoing By - Laws , and adopt the same as the By -
Laws of the said Corporation.

IN WITNESS WHEREOF, we have hereunto subscribed our names , this _____
_____ day of _____
A.D. Eighteen hundred and _____

Chas H Fish
John W. Briggs
Thomas J. Lee

} STOCKHOLDERS

Chas H Fish
Proxies 179011 Shares

Amendment to Article XVI of These By-Laws
March 20th 1912 (Minute Book-79)
Resolved, that Article XVI of the By-Laws of
of this Company, be and ^{it} is hereby amended
so that the hour of the Meeting of the Annual
Stockholders Meeting is changed from one
o'clock P.M. to 3 o'clock P.M.

A. W. Evans
Secretary

Amendment to Article XVI of These By-Laws
March 15th 1916 (Minute Book p. 181)-
Resolved, that the date of the Annual Meetings
of this Company as set forth in Article XVI be
amended and changed from the 3rd Wednesday
in March of each year to the 2nd Monday in
January of each year

A. W. Evans
Secretary.

Report on
The Consolidated Virginia Mine
and
The Underground Mill

The enclosed report was made by Mr. Frederick B. Hyder, mining engineer, who has unqualified recommendations from Mr. D. C. Jackling, the Copper King.

The object in having this report prepared was to get for the Stockholders the opinion of a disinterested engineer on the plans for the underground mill, and the value of the mine.

ZEB KENDALL,
President.

INTERNATIONAL APPRAISAL ASSOCIATION

CALIFORNIA BRANCH INCORPORATED
403-405 PACIFIC BLDG.
4TH AND MARKET STS.
SAN FRANCISCO

August 9, 1926.

MR. ZEB KENDALL, *President*
Consolidated Virginia Mining Co.,
707 Alexander Building,
San Francisco, California.

DEAR SIR:

Pursuant to your commission of July 28th, relative to the contemplated mining operations of the Consolidated Virginia Mining Company at their properties in Comstock Lode, Storey County, Nevada, we take pleasure in submitting the following report.

The proposed operations consist of the working of the low-grade ores above the 1750-foot level which remain between stopes or rejected during previous workings of high-grade ore, by means of an underground mill located on the 1750-foot level. This method appears quite feasible and will result in a cheap milling expense.

Based on a study of records of previous workings and of present production, there appears to be available an ore reserve of 2,000,000 tons or more, of an average grade of \$7.00 per ton. An analysis of the operation of the proposed mill indicates a daily capacity of 250 tons with a net operating profit of \$2.37 per ton. This would result in an annual profit of \$215,000 for a period of twenty-two years, for an initial investment of \$200,000.00. By doubling the capacity of the mill at an estimated expense of \$50,000 additional, the annual profit will approximate \$500,000 for a period of eleven years.

A detailed engineering report as furnished by Smith, Emery and Company, of our staff, is attached hereto.

Respectfully submitted,

INTERNATIONAL APPRAISAL ASSOCIATION, INC.

T. A. HOPKINS,

Manager San Francisco District.

TH:L

REPORT

ON

CONSOLIDATED VIRGINIA MINING CO.

BY

INTERNATIONAL APPRAISAL ASSOCIATION, Inc.

REWORKING THE CONSOLIDATED VIRGINIA MINE

We submit the following report on the proposed plan for exploitation of the Consolidated Virginia Mine, based on a personal inspection by our engineer, of the mine and old maps and a critical study of information and estimates supplied by the company's operating officials.

It is proposed to rework that portion of the Comstock lode within the Consolidated Virginia and California Claims above the Sutro Tunnel or 1750-foot level and extended to slightly above the 1200 level, using flat top slice stoping methods.

The greater part of the Bonanza Orebody—approximately 1,000,000 tons of \$111 ore—was removed from this ground. There remain the caved and settled stope fills and low-grade ores—perhaps high-grade bunches never found—left by former operations.

The top slicing method will permit rejection of old timbers and waste and complete recovery of the commercial ore in those portions shown by development to be worth stoping.

The ore recovered is to be crushed and treated by flotation in a mill to be constructed underground on the Sutro Tunnel level, the tailings filled into the larger stopes and workings below that level or later, when necessary, pumped to the surface through the Sutro adit.

ORE RESERVES

The Consolidated Virginia and California Claims cover 1310 feet along the lode. Within this ground occurs the junction of the east vein with the Comstock vein apparently determining the location of the Bonanza Orebody which during 1873-1881, both inclusive, produced 1,370,000 tons averaging \$111.25 per ton from which \$82.07 was recovered. The lower grade ores were left unbroken or used as fill in the square set stopes, which have caved and closed up. Probably 1,000,000 tons of Bonanza Ore were taken from the volume now proposed to be reworked. Portions of this volume were reworked when less than \$20 ore was unprofitable. The ground in question is now thoroughly drained by the Sutro Tunnel and is dry and drifts and raises stand well so long as there is ventilation.

The Comstock lode has the following widths on the common endline plane of the Consolidated Virginia and California claims. The lode matter narrows gradually both north and south of this plane. The maps show stopes occupying from 6% to 25% of the area of the lode on the various levels and considerable areas were apparently only superficially prospected because of the low grade—by the standards of time—vein filling encountered by such work as was done.

Level	Width of Vein Matter of Feet	Approximate Area	
		Of Old Stopes from Maps—Square Feet	Of Total Lode in Mine
1200	150	10,100	160,000
1300	220	17,250	230,000
1400	333	26,339	350,000
1500	473	57,800	500,000
1550	320	98,350	335,000
1650	164	37,800	170,000

The original stopes in their final form are incompletely shown on the old maps. Some stopes known to exist but only partly indicated were omitted in making the above estimates. The areas definitely shown on the maps and tabulated above are estimated to correspond to more than one and one-half million tons of ore. But additional large areas were stoped and only about one million tons were removed, the rest being left in place or in fills. The high-grade areas as shown by the drawings of Becker and others were surrounded by considerable areas of low-grade quartz, which was left unbroken. A long drift and short crosscuts in this material adjoining the south stope on the footwall side on 1400-foot level averaged \$7.01. All the stopes and old workings have caved and settled. It is estimated in view of these facts that there may now be re-worked profitably areas three times as large as the stopes definitely mapped. On the basis of recovery of one ton of commercial ore per 25 cubic feet, to allow for voids in the caved ground, and for rejection of old timber and waste, this would give an estimate of 2,000,000 tons of commercial ore recoverable.

The preparatory development for top slicing would include sufficient crosscutting to determine the portions of the lode worth stoping and the method is sufficiently flexible to permit complete recovery of the commercial ore in such portions as are stoped.

GRADE OF ORE RECOVERABLE

It is commercially impracticable to systematically develop and sample this mass in advance of extraction, but small scale operations during recent years, although unprofitable because of excessive tramping, hoisting and milling costs, have in effect sampled considerable areas, proving, as might reasonably be expected from the history of the property, that there remain large tonnages of ore assaying from five to ten dollars per ton.

ORE PRODUCED ABOVE SUTRO LEVEL, DEC. 1, 1920, to DEC. 31, 1925

(Data on Tonnage produced above Sutro Level in first half of 1922 not available)

	Tons Ore	Average Grade
Dec. 1, 1920, to Dec. 31, 1921.....	10,795	\$7.57
July 1 to Dec. 31, 1922.....	16,001	6.01
Jan. 1 to Dec. 31, 1923.....	19,048	5.49
<hr/>		<hr/>
Total Milled	45,844	\$6.14
Shipped Crude, 1924-25.....	3,728	9.79
<hr/>		<hr/>
Grand Total	49,752	\$6.42

Included in the ore milled from October, 1922, to February, 1923, there was produced from the 1650 level and a 300-foot crosscut on 1500 level 4833 tons averaging \$8.86 and representative of considerable areas on those levels.

Included in the 1923 production milled was 5694 tons from the 1400 level averaging \$7.01 chiefly from a drift and crosscuts in the footwall casing of the old South Stope.

In the case of the ore milled, all material extracted from drifts, raises and shrinkage stopes was included, as no selection, sorting or wasting was possible under the conditions, even when by appearance or assaying it was known to be too low grade.

The ore shipped crude was hoisted through the C. & C. shaft and barren material could be dumped. The higher grade of these shipments is in part due to this.

The tonnage milled averaging \$6.14 is then representative of the "run-of-mine" of the commercial portions of the volume under consideration. Top slicing methods permit rejection in the stope of old timber waste and ore below profitable grade and selection of better grade of ore than the average of recent operations. It is believed that a grade of seven dollars can be maintained.

The Comstock Silver or "merger" operations on three miles of the lode lying to the south of this mine are unofficially reported to have produced 2,000,000 tons of ore from which \$4.50 has been recovered. At 90% extraction this would mean \$5.00 ore. Part of this tonnage has been recovered by top slicing.

The Consolidated Virginia ore averaged two to three times that of the rest of the lode, however, and it is reasonable to expect that the vein matter left by the old operations would also be much higher grade.

MINE DEVELOPMENT

A program of development of the mine preparatory to systematic stoping by the top slicing method and including ample crosscutting to determine the portions of the lode to be stoped and insure a high recovery of the commercial ore bodies, has been estimated in detail to cost \$75,000. With an allowance of one-third for contingencies, which is justified by the unknown factors, it is believed that a fund of \$100,000 is ample to establish the system on a scale to supply 250 tons of ore daily.

From experience in the Comstock Merger Operations, and other mines where the method is used, it is estimated that the development cost will amount to twenty-five cents per ton, and capitalized development should be written off to expense at that rate. The cost of stoping and delivery to the mill will not exceed \$1.25 per ton.

MILL CONSTRUCTION

The Minerals Separation, N. A. Corporation has tested representative samples of ore and reports tests showing recoveries from 85% up to about 93% of both gold and silver. A cycle test on four charges, approximating actual milling conditions, on material ground through 85 mesh, have a 35.7 to 1 ratio of concentration with a recovery of 90.4% of the gold and 85.9% of the silver. Minerals Separation report states: "The ore is particularly amenable to flotation and there should be no difficulty in securing results comparable to these in practice."

It is believed that 90% recovery of both metals may be expected in actual operation. The proportion of silver in the ore varies from 50% to 60%.

The location chosen for the mill on the Sutro Level is in hard solid diorite in the footwall of the lode, safe from effects of movements in the lode and affording a strong roof over the necessary chambers.

The primary crusher will be installed at the foot of the ore transfer raise. As the ore is dry and breaks fine, the crushing duty will not be heavy, as most of the ore will go through the grizzly.

The crushed ore will be raised by conveyor belt into an ore bin cut in solid rock, from which it will be fed to two 6 x 5 ball mills grinding in closed circuit through bowl classifiers. Pulp goes to flotation machines. Concentrates will be filtered and tailings will be pumped to old stopes below Sutro Level.

The machinery can be brought in by tram through the Sutro Tunnel, this mine being a little more than four miles from the portal. Railroad delivery would be made at Dayton, three miles by wagon road from the Sutro portal.

The mill will be well ventilated. The main fresh air current will be downcast through the C. & C. shaft directly through the flotation department to the crushing room, thence up the main transfer raise through the upper levels and stopes to an air connection to be driven on the 1400-foot level to the Ophir shaft. This connection to be at the joint expense of the Ophir and Consolidated Virginia companies. Ample water for milling purposes can be caught at the Consolidated Virginia shaft on the 1650 level and conveyed by gravity to the mill. This water

comes down along the footwall from near the surface. Unlimited water is available 30 feet below Sutro level.

Concentrates will be hoisted to surface through the nearby C & C shaft, which has railroad loading facilities.

A detailed estimate of the cost of machinery and installation of a first mill unit having a capacity of 250 tons per 24 hours, including the excavation of the underground chambers with liberal allowance for contingencies, totals \$80,000.00.

It is planned to increase the capacity of the mill to 500 tons per day by adding a second unit after the first unit is in successful operation. This doubling of capacity should cost less than \$50,000.00 additional.

The assessment levied on the Consolidated Virginia stock amounts to about \$216,000.00. In addition to providing the capital requirements indicated above, of \$100,000.00 for mine development and \$80,000.00 for mill construction, which estimates include no management or overhead expense, the assessment makes provision of \$36,000.00 for working capital, overhead and contingencies during the development and "tuning up" period.

It is planned to complete the development to the point of production of 250 tons per day and the construction of the first unit of the mill ready for operation by April, 1927.

EXPECTED OPERATING RESULTS

Milling Ore-Head Assay.....	\$7.00	
Less 10% Loss in Milling.....	.70	\$6.30
<hr/>		
Operating costs:		
Sutro Tunnel Royalty (4% Gross?).....	\$0.28	
Development	0.25	
Mining-Top Slicing	1.25	
Milling Flotation	0.60	
Freight, Smelter Deductions and Treatment of Concentrates	0.95	
Depreciation of Mine and Mill Equipment.....	0.10	
Management, Taxes, Insurance, except Federal Income Tax	0.50	\$3.93
<hr/>		<hr/>
Operating Profit per ton.....		\$2.37

On scale of 250 tons daily or 91,000 tons per year, the annual profit should be \$215,670.00.

Should 2,000,000 tons of mill ore be recovered the life of the operation would be 22 years at 250 tons per day.

On a scale of 500 tons per day, which is the economic capacity for this mine, the cost would be reduced and a net profit of about half a million dollars a year for 11 years might be expected.

PRESENT EQUIPMENT

The Consolidated Virginia Company's present plant and equipment comprises besides the old Consolidated Virginia Shaft, which is not in operating condition, the C. & C. shaft 2500 feet deep, three compartment, in good operating condition to the Sutro Tunnel level, with which it connects at a little more than four miles from the portal, but filled with water to about thirty feet below the Sutro, or 1750 level. This shaft is fully equipped with a double drum, electric hoist, 250-horsepower motor and cages. The old 12-inch pump column is used as an air receiver.

A two-stage Ingersol Rand two-stage air compressor, 900 free cubic feet capacity, driven by 200-horsepower motor, will furnish air for twenty drills. An electric cable of large capacity is installed in the shaft to the Sutro level. On the surface near the shaft are fully equipped machine, electric, carpenter, and blacksmith shops and assay laboratory; also railroad shipping facilities. The company owns the Mexican 150-ton cyanide mill and an office building in Virginia City.

CONCLUSION

We are convinced of the feasibility of the proposed plan for reworking the Consolidated Virginia Mine. The top slicing method of stoping proposed is already in successful operation on the Comstock lode and elsewhere and its efficiency, safety, and costs are well established. It is eminently adapted to the conditions in this mine. The ore is particularly amenable to flotation and the plan of constructing the mill underground has the advantage of minimizing the transportation of the ore and facilitating disposal of tailings as well as simplifying the reopening of the mine. The mill site is safe and convenient for both construction and operation. The estimates of capital expenditures have been scrutinized and are believed ample to carry the program to completion. It is believed that the estimates given above of grade of ore, recovery and operating costs and profit can be realized.

Respectfully submitted,

INTERNATIONAL APPRAISAL ASSOCIATION, INC.

T. A. HOPKINS,

Manager San Francisco District.

Dated August 9, 1926.

APPLICATION FOR A GENERAL MINING LOAN

Note.—Read carefully Reconstruction Finance Corporation Circular No. 14 (revised) and this application form before starting to prepare application

Application of

(NAME) CONSOLIDATED VIRGINIA MINING COMPANY

(ADDRESS) "C" STREET

(CITY AND STATE) VIRGINIA CITY, NEVADA

For a General Mining Loan under authority of Section 14, Public No. 417, Seventy-third Congress, as amended.

The application should be prepared and executed in duplicate; one counterpart should be accompanied by a complete set of exhibits, including maps, reports, and all other documents called for; the other should be accompanied by a set of exhibits complete except for supporting maps, assay reports, and other documents of which it is difficult to obtain more than one copy; each counterpart with exhibits should be fastened in a separate binder and sent to Reconstruction Finance Corporation, 1825 H Street NW., Washington, D. C.

Name and address of applicant should be stamped or typed on each sheet of application, and on all accompanying papers, for identification. If any space in any exhibit is not large enough to permit giving full information, such information should be typewritten on attached sheets of paper labeled, lettered, and numbered to correspond with the respective exhibit, section, and subsection.

Date _____

Name of correspondent Thatcher and Woodburn

Address of correspondent 206 North Virginia Street, Reno, Nevada

Location of mine: County Storey State Nevada Metals produced Gold and Silver

Application for Loan

Consolidated Virginia Mining Company (hereinafter called "applicant"),
a corporation, hereby applies to RECONSTRUCTION FINANCE CORPORATION (hereinafter called
(Corporation, individual, partnership)

"R. F. C.") for a loan of not more than \$ 325,000.00 to be evidenced by a note or notes satisfactory to R. F. C. and secured as required by R. F. C.

To induce R. F. C. to make such loan, applicant submits as part of this application the attached exhibits, A to E, inclusive, and such other exhibits and papers as are attached hereto, and warrants and represents the statements herein and therein to be true and complete.

Applicant represents that applicant is not, at the time of making this application, indebted to R. F. C. in any amount, and neither the applicant nor any other party on applicant's behalf has heretofore applied to R. F. C. for a loan, except as follows:

That applicant, on January 2, 1935, with Ophir Mining Company, made an application to the R. F. C. for a loan of \$450,000.00, which application was subsequently withdrawn.

Applicant hereby authorizes all constituted Federal, State, municipal, and other authorities at all times and from time to time to permit representatives of R. F. C. to have full access to and to furnish R. F. C. with any and all information, records, reports, returns, and files pertaining to or filed by or on behalf of applicant.

Dated _____, 1938.

WITNESS:

WITNESS:

Consolidated Virginia Mining Company

By President

By Secretary

(Corporate application to be executed by the President and Secretary with corporate seal affixed;
partnership application to be executed by a general partner)

EXHIBIT A

General Information

1. NATURE OF BUSINESS.—Describe briefly the type of operation being conducted.

It is proposed to mine and mill gold and silver ores. Large tonnages are already blocked out and can be profitably extracted. (See report of Engineer Howard Squires attached)

2. LOAN:

(a) Amount of loan applied for: \$ **325,000.00**

(b) Full statement of necessity for loan:

In order to beneficiate the known ore bodies, funds are required, which are not available from other sources, to equip the mine for the extraction of ores, to build a mill and to treat the ores and reduce them to bullion.

3. PURPOSES OF LOAN:

Specific purposes for which applicant proposes to expend proceeds of loan applied for. (Detailed information should be given.)

Nature of Expenditure	Amount	Percent
To construct and equip a milling plant of 500 tons per day (See proposals for constructing milling plant furnished by Hamilton, Beauchamp & Woodworth, attached hereto)	\$ 271,418.	
Interest during construction, supervision, taxes during construction, abstracts of title and title examinations	18,000.	
Mine preparation and incidentals	35,582.	
	\$ 325,000.	100%

4. HISTORY, MANAGEMENT, ETC.:

This subject should be fully covered and should include the following information: Date mining project was originally established; statement as to exact nature of applicant's interest and equity in the mining property, date acquired, and terms and circumstances of acquisition; names and addresses of former owners or operators; if applicant, or the business, or property offered as security for the loan has been involved in receivership, reorganization proceedings, or bankruptcy, or if applicant has made an assignment for the benefit of, or effected a compromise with creditors, discuss fully; set forth facts disclosing applicant to be "recognized and established" and "engaged in the business of mining, milling, or smelting ores"; and state all pertinent facts regarding the mining business, and the character and ability of applicant's management, including length of service. etc.

5. LOCATION:

Give State, county, and mining district in which property is situated. If on surveyed ground, give section, township, and range. Give name of and distance to railroad station.

6. MINING PROPERTY:

- Names and legal survey numbers of all patented claims or claims surveyed for patent. (Include copies of mineral survey plat.)
- Names, dates of location, place and date of recording, book and page record of all unpatented locations.
- Description of acreage or placer ground, and recording data.
- Names of any adjoining or neighboring productive properties.

7. OPERATION:

- Are operations being carried on at present time? **yes** State number of men employed **6**
- If loan is made, will operations be increased? **yes** If so, to what percent of capacity? **500 tons per day**
- If operations are not now being carried on or have not been continuous, give dates of suspension and resumption of operations, reasons for such suspensions, and description of most recent operations.

8. AFFILIATIONS:

Outline briefly any trade agreement and/or close affiliation through stock ownership, interlocking directorates, mutuality of management, or otherwise, with any other concerns.

EXHIBIT A

4. History, Management, Etc.:

The properties of the Consolidated Virginia Mining Company are composed of properties originally owned by it, by the properties purchased from the Ophir Mining Company, and from the Mexican Gold and Silver Mining Company. All of these companies are old companies dating back to the '70's. The properties are located on the Comstock Lode in Storey County, Nevada. The report of Howard Squires attached to this application deals fully with the history and production record of both the Comstock Lode in general and the mines of this applicant.

At the date of Mr. Squires' report the Ophir Mining Company properties had not yet been acquired by the applicant, nor had applicant yet purchased the properties of the Mexican Gold and Silver Mining Company.

The Consolidated Virginia Mining Company was reorganized on January 12, 1921. The buildings on the property have been standing for a considerable time. The original C. & C. Shaft is equipped with a 250 Horsepower Electric Hoist and with 1250 cubic feet per minute Ingersoll Rand Imperial Type 10 Compressor. These pieces of machinery are in good shape. It is, however, not the intention of the management to work through this C. & C. Shaft as the original reserves shown in the Squires' report are near the surface and will be worked through different openings.

All of the mining claims of this company are patented and owned outright. They have been a part of the assets of

this company and its predecessors in interest, the Ophir Mining Company and the Mexican Gold and Silver Mining Company, since the incorporation of these companies.

This company has never been in receivership or bankruptcy.

The applicant has been engaged in mining and milling ores from its property while there were milling facilities in the district. The last shipments were made at the rate of 400 tons per day to the Consolidated Chollar, Gould and Savage Mining Company's mill in Gold Hill during the latter part of 1937. Since then the custom milling plant has had an abundance of their own ore and has been unable to accept outside ores, making it necessary for a milling plant to be erected to treat these ores by the applicant.

The personnel of the applicant has been engaged in the mining and reduction of gold and silver ores over a period of thirty years or more. Mr. Zeb Kendall has been active in the management of mines in the State of Nevada for the past thirty-seven years and will have direct charge of the applicant's operation. Mr. Val Dempsey, an experienced metallurgist and mining engineer, will be the engineer for the applicant. He has been actively engaged in mining and milling in California and Nevada during the past fifteen years.

EXHIBIT A

5. Location:

State of Nevada, County of Storey, Virginia Mining District, Township 17 N., Range 21 East, M.D.B. & M.

The railroad station of the Virginia and Truckee Railway adjoins the Consolidated Virginia Mining Company and a spur track crosses the property and delivers materials at the C. & C. Shaft.

6. Mining Property:

- (a) See list of claims immediately following.
- (b) None
- (c) None
- (d) The Dayton Company's property has a 150 ton mill and is operating on the Silver City branch of the lode. The Consolidated Chollar Gould & Savage Mining Company is operating the Caledonia and Consolidated Chollar claims on the lode. Arizona-Comstock is operating the Chollar, Potosi, Savage, Gould and Curry, Best and Belcher, and Hale and Norcross claims on the lode. Sutro Tunnel Coalition is operating the Crown Point mine and adjoining properties and a 100 ton cyanide plant located on the main lode in Gold Hill; Sierra Nevada, Ltd., adjacent to the applicant's property on the north, is operating a 300 ton daily flotation plant.

7. Operation:

- (c) Last fall 400 tons per day were being shipped to a custom plant, as stated previously. Prior to the shipment of this 400 tons per day, and for more than five years last past, the operations have consisted mainly of reopening the workings of the mine for the purpose of sampling and assaying and determining the ore reserves.

EXHIBIT A-6(a)

CONSOLIDATED VIRGINIA MINING COMPANYLIST OF PATENTED MINING CLAIMS

Virginia Mining District.

Storey County, Nevada

<u>U. S. Survey Number.</u>	<u>Lode or Name</u>	<u>Portion Owned by Company</u>
2581	Ohio & Miami	<p>All that portion of U. S. Survey No. 2581 that lies south of the most southerly end line of the most southerly claim of the Ophir Mining Company on the Comstock Lode extended easterly in its own direction through U. S. Survey No. 2581</p> <p>Also that portion of U. S. Survey No. 2581, from the surface down to the Sutro Tunnel level, lying between the end line of the Mexican C. & S. Mining Company's Comstock Lode Claim extended easterly in their own direction through U. S. Survey No. 2581.</p>
119	Andrews & Fowler Piety Hill Mine	<p>All that portion lying south of the most southerly end line of the most southerly claim of the Ophir Mining Company on the Comstock Lode extended easterly in its own direction through U. S. Survey No. 119.</p> <p>Also all that portion of U. S. Survey No. 119, from the surface down to the Sutro Tunnel Level, lying between the Company's Comstock Lode Claim extended easterly in its own direction through said U. S. Survey No. 119</p>
113 A & B	Joe Scates	<p>All that portion of the Joe Scates claim, U. S. Survey No. 131 A & B lying between the North line of the Sutro Tunnel Grant and a line made by extending in its own direction easterly through said Survey No. 131 A & B the north line of the patented claim of the Con. Virginia Mining Company known as the Central U. S. Survey No. 50.</p>
4066	Hardy Extension	All

CONSOLIDATED VIRGINIA MINING COMPANY

LIST OF PATENTED MINING CLAIMS

Virginia Mining District

Storey County, Nevada

<u>U. S. Survey Number</u>	<u>Lode or Name</u>	<u>Portion Owned by Company</u>
154 A & B Page 1.	California Comstock Lode	All except a small portion of west end conveyed to the Massey Co. and to O. C. Steel, this portion is now a part of the West Con. Virgin- ia Mining Company's ground.
50 Page 5	Central Comstock Lode	All
71 Page 7	Central No. 2 Comstock Lode	All
171-B Pages 8 & 10	Mexican Comstock Lode	All that certain 600 feet of United States Survey No. 171-B, conveyed to the Mexican G. & S. Mining Company by the Ophir Silver Mining Company and by the Mexican G. & S. Mining Co. to the Con. Virginia Mining Company from the surface down to the Sutro Tunnel level.
3648 Page 9	January et al	All that portion of U. S. Survey No. 3648 which lies south of the most southerly end line of the most southerly claim of the Ophir Mining Company on the Comstock lode extend- ing easterly in its own direction through said U. S. Survey No. 3648. Also all that portion of U. S. Sur- vey No. 3648, from the surface down to the Sutro Tunnel Level, lying between the end lines of the Mexican G. & S. Mining Company's Comstock Lode Claim extended easterly in their own direction through said U. S. Survey No. 3648.

CONSOLIDATED VIRGINIA MINING COMPANY

PATENTED MINING CLAIMS

<u>U. S. Survey No.</u>	<u>Patentee</u>	<u>Date of Patent</u>	<u>Feet of Lode</u>	<u>Acres</u>	<u>Recorded</u>
Lot No. 154 A & B	California Mining Co.	Aug. 15, 1882	350	11.43	Book 47 Deeds, Page 187 et seq.

REMARKS

West Portion of these claims conveyed to O. C. Steel and Massey Mining Co.
Part conveyed is now a portion of the West Con. Virginia Mining Company.

Description of portion conveyed to O. C. Steel.

Commencing at post No. 3 of Lot 154 A and running thence along the easterly boundary of Lot No. 74 (Andes) N. 21 degrees E. 304.38 feet to corner No. 4 of Lot 154A a post from which post No. 1 of lot 50 of the Central Mining Company bears North 78 degrees 43 minutes E. 201.4 feet; thence S. 21 degrees W. 304.38 feet along a line parallel with said first course; thence N. 78 degrees 43 minutes W. 201.4 feet to the place of beginning, containing 1.4 acres. Deed not to be construed as conveying any portion of the Comstock Lode.

Also that portion of Lot 154 B commencing at Post No. 7 the same being post No. 1 of Lot 155 (Con. Virginia) thence from said Post No. 7 N. 11 degrees, 17 minutes E. 50 feet to post No. 8 the same being Post No. 2 of Lot 71; thence S. 78 degrees 43 minutes E. 201.4 feet along the northerly boundary line of said Lot 154B; thence S. 21 degrees W. 50.73 feet; thence N. 78 degrees 34 minutes W. 192.92 feet to place of beginning, containing 23/100 of an acre. Conveys no portion of the Comstock Lode.

Recorded in Book 48 of Deeds at page 485, Storey County Records.

CONSOLIDATED VIRGINIA MINING COMPANY
PATENTED MINING CLAIMS

<u>U. S. Survey No.</u>	<u>Name of Patentee</u>	<u>Date of Patent</u>	<u>Feet of Lode</u>	<u>Acres</u>	<u>Recorded</u>
U. S. Survey No. 131A and 131B	Joe Seates Con. Silver Mining Company	May 27, 1880		5.21 Acres	Book 45 Deeds, Page 402

(Portion of)

Portion of the Joe Seates U. S. Survey No. 131 A & B conveyed to the Con. Virginia Mining Company by W. E. F. Deal:

That portion of the Joe Seates U. S. Survey No. 131 A & B lying between the North line of the Suture Tunnel Grant and a line made by extending in its own direction easterly through said survey No. 131 A & B, the north line or boundary of the patented claim of the Con. Virginia Mining Company known as the Central Claim being U. S. S. No. 50.

Recorded Sept. 16, 1907, Book 56 of Deeds at page 57.

CONSOLIDATED VIRGINIA MINING COMPANY

PATENTED MINING CLAIMS

<u>U. S. Survey No.</u>	<u>Name of Patentee</u>	<u>Date of Patent</u>	<u>Feet of Lode</u>	<u>Acres</u>	<u>Recorded</u>
U. S. Survey No. 119	Andrews & Fowler (Pleety Hill Mine)	Dec. 15, 1877		8.26 Acres	Book 43 of Deeds, Page 475.

CONSOLIDATED VIRGINIA MINING COMPANY

PATENTED MINING CLAIM

<u>U. S. Survey No.</u>	<u>Name of Patentee</u>	<u>Date of Patent</u>	<u>Feet of Lode</u>	<u>Acres</u>	<u>Recorded</u>
U. S. Survey No. 4066 (Hardy Extension)	Con. Virginia Mining Co.	July 15, 1913	1312.28 feet along Hardy Extension Vein	16.821	Book 57 Deeds, Page 373.

REMARKS

This claim lies east of and adjoins the east side lines of U. S. Surveys Nos. 50,71,154 A & B, and 155.
Patent Claims of the Con. Virginia Mining Company.

CONSOLIDATED VIRGINIA MINING COMPANY
PATENTED MINING CLAIM

<u>U. S. Survey No.</u>	<u>Name of Patentee</u>	<u>Date of Patent</u>	<u>Feet of Lode</u>	<u>Acres</u>	<u>Recorded</u>
U. S. Survey No. 50	Central S. Mining Co.	Feb. 15, 1870	150 Ft.		

REMARKS

Conveyed to the California S. Mining Company by the Central Silver Mining Company by deed dated
Deeds at page 119. Recorded in Book 54

Conveys 150 feet next southerly to the Ophir Silver Mining Company.

CONSOLIDATED VIRGINIA MINING COMPANY
PATENTED MINING CLAIM

<u>U. S. Survey No.</u>	<u>Name of Patentee</u>	<u>Date of Patent</u>	<u>Feet of Lode</u>	<u>Acres</u>	<u>Recorded</u>
No. 2581	Ophir S. Mining Company	Apr. 25, 1913	1500 ft. Miami Lode and 1400 ft. Ohio Lode.	29.099	Book 57 Deeds, Page 308.

The Ophir Silver Mining Company conveyed all of that part of U. S. Survey No. 2581 lying south of the most southerly end line of the Ophir Silver Mining Company's most southerly claim on the Comstock Lode projected easterly through U. S. Survey No. 2581. Recorded in Book 57 of Deeds at page 101, Storey County Records.

CONSOLIDATED VIRGINIA MINING COMPANY
PATENTED MINING CLAIM

<u>U. S. Survey No.</u>	<u>Name of Patentee</u>	<u>Date of Patent</u>	<u>Feet of Lode</u>	<u>Acres</u>	<u>Recorded</u>
U. S. Survey No. 71	Williams & Bixler	Oct. 18, 1873	100 ft.		
	(Known as Central No. 2)				

REMARKS

Conveyed to the California Silver Mining Company by the Central No. 2 Mining Company. Deed dated Jan. 3, 1874 and recorded in Book 35 of Deeds at page 312, Storey County Records.
Conveys: 100 ft. of lode between the old California Claim and the Kinney Claim.
This patent is between U. S. Survey 154 A and 154 B.

CONSOLIDATED VIRGINIA MINING COMPANY

LIST OF PATENTED MINING CLAIMS

<u>U. S. Survey Number</u>	<u>Name of Lode Name of Claim</u>	<u>Portion Owned by Company</u>
(171-A	Comstock Lode	All of 171-A
(171-B	Comstock Lode	All except the north 825 feet conveyed to the Mexican and Union Mining Company
		575 ft.
2581	Ohio & Miami	All that portion of U. S. Survey No. 2581 lying between the end lines of the most northerly and the most southerly claims of the Ophir Mining Company, on the Comstock Lode, extended easterly in their own direction through said survey No. 2581.
4028 Page 3.	Spanish and Mexican	All
133 A & B Page 4	Ada Fairfax, Enterprise Mine and Mill Site	All
131 A & B Page 5	Joe Scates	All that portion of U. S. Survey No. 131 A & B that lies north of a line made by extending, in its own direction, easterly through U. S. Survey No. 131 A & B, the north line of the Central Mining Claim U. S. Survey No. 50.
4020 Page 6.	March Fraction	All
164 Page 7.	Spring Garden	All that portion of the Spring Garden, U. S. Survey No. 164, lying south of the north end line of the Ophir Mining Company's patented Claim, U. S. Survey No. 171-A, on the Comstock Lode, drawn easterly in its own direction through said Spring Garden Patented Mining Claim.

<u>U. S. Survey Number</u>	<u>Name of Lode Name of Claim</u>	<u>Portion Owned by Company</u>
4065 Page 8.	Hardy	All that portion of the Hardy, U. S. Survey No. 4065, lying south of the north end line of the Ophir Mining Company's patented Claim U. S. Survey No. 171-A, on the Comstock Lode, drawn easterly in its own direction through said Hardy Patented Mining Claim.
3648 Page 9	January, et al	All that portion of the January, U. S. Survey No. 3648, lying south of the north end line of the Ophir Mining Company's patented Claim U. S. Survey No. 171-A, on the Comstock Lode, drawn easterly in its own direction through said January Patented Mining Claim.
188 Page 10.	Santa Rita Lode W. H. Clemmons	One half interest with the Mexican G. & S. Mining Company.

CONSOLIDATED VIRGINIA MINING COMPANY
PATENTED MINING CLAIM

<u>U. S. Survey No.</u>	<u>Name of Patentee</u>	<u>Date of Patent</u>	<u>Feet of Lode</u>	<u>Acres</u>	<u>Recorded</u>
171 B	Ophir S. Mining Co.	May 27, 1880	600 ft. From surface to the Sutro Tunnel Level	23.46	Book 45, Page 631

Mexican Gold & Silver Mining Company)
to) Grant, Bargain and Sale Deed.
Consolidated Virginia Mining Company)

Consideration: \$10.00

Date of Deed: Sept. 15, 1926.

Conveys: "All of the right, title and interest of the party of the first part in and to that portion of the following described mining claims on the Comstock Lode between the surface and the Sutro Tunnel Level beneath the surface of said claims, together with all shafts, openings, works, minerals, metals, earth and veins therein on said Comstock Lode, as follows:

"U. S. Mineral Survey No. 171-B, Comstock Lode and Mexican Claim and all of those portions of the January, February, March Fraction, May, June, July, Hardy, Spring Garden, Piety Hill, Miami, Ohio, Enterprise and Enterprise Mill Site, lying between the end lines of the Mexican Gold & Silver Mining Company's Comstock Lode claim produced easterly. Reserving to the party of the first part the right to all ores and veins below the Sutro Tunnel level, together with the right to mine the same."

Duly acknowledged and recorded in Book 60 of Deeds at page 265, Storey County Records.

CONSOLIDATED VIRGINIA MINING COMPANY
PATENTED MINING CLAIM

<u>U. S. Survey No.</u>	<u>Name of Patentee</u>	<u>Date of Patent</u>	<u>Feet of Lode</u>	<u>Acres</u>	<u>Recorded</u>
U. S. Survey No. 3648	Ophir Silver Mining Co.	Apr. 23, 1913			Book 57 Deeds, Page 312
Portion of the January, Feb., March, April, May, June and July Lode Claims.					

REMARKS

Ophir Silver Mining Company conveyed to Con. Virginia Mining Company all those portions and parts of the April Lode Claim (which said April claim is a part of U. S. Survey No. 3648) which lies south of the south end line of the most southerly claim of the Ophir Silver Mining Company on the Comstock Lode extended easterly in its own direction through said April claim.

Deed recorded in Book 57 of Deeds at page 111.

CONSOLIDATED VIRGINIA MINING COMPANY

PATENTED MINING CLAIM

<u>U. S. Survey No.</u>	<u>Name of Patentee</u>	<u>Date of Patent</u>	<u>Feet of Lode</u>	<u>Recorded</u>
171-B	Ophir G. & S. Mng. Co.		600 Ft.	
164	Spring Garden)	
3648	January et al)	
4020	March Fraction)	
4065	Hardy)	
119	Plety Hill)	
2561	Ohio & Miami)	
133 A & B	Enterprise Mine and Mill Site)	
	Mexican Gold & Silver Mining Company,			
	to			
	Party of the First Part,			
	Consolidated Virginia Mining Company,			
	Party of the Second Part,			
				Grant, Bargain & Sale Deed.
	Dated September 15, 1926: Consideration \$10.00			
	<p>Conveys: All the right, title and interest of the party of the first part in and to that portion of the following described mining claims on the Comstock Lode between the surface and Sutor Tunnel level beneath the surface of said claims, together with all shafts, openings, work, minerals, metals, earth and veins thereon on said Comstock Lode as follows: United States Survey No. 171B Comstock Lode and Mexican Claim and all of those portions of January, February, March, March Fraction, May, June, July, Hardy, Spring Garden, Plety Hill, Miami, Ohio, Enterprise and Enterprise Mill Site, lying between the end lines of the Mexican Gold & Silver Mining Company's Comstock Lode Claim produced easterly, reserving to the party of the first part the right to all ores and veins below the Sutor Tunnel level, together with the right to mine the same.</p>			
	Duly acknowledged and recorded in Book 60 of Deeds at page 265, Storey County Records			

CONSOLIDATED VIRGINIA MINING COMPANY
PATENTED MINING CLAIM

<u>U. S. Survey No.</u>	<u>Name of Patentee</u>	<u>Date of Patent</u>	<u>Feet on Lode</u>	<u>Acres</u>	<u>Recorded</u>
171 A and 171B	Ophir Silver Mining Co.	May 27, 1880	1400 ft. Comstock Lode	51.28 A.	Book 45 of Deeds, Page 634
			Ophir now owns 575 ft. of Com- stock Lode		

Ophir Silver Mining Company conveyed 600 feet of the Comstock Lode to the Mexican G. & S. Mining Company. Deed recorded in Book 44 of Deeds at page 556.

Ophir Silver Mining Company conveyed 225 feet of the Comstock Lode to the Union Con. Mining Company. Deed recorded in Book 45 of Deeds at page 444, Storey County Records.

CONSOLIDATED VIRGINIA MINING COMPANY
PATENTED MINING CLAIM

<u>U. S. Survey No.</u>	<u>Name of Patentee</u>	<u>Date of Patent</u>	<u>Feet of Lode</u>	<u>Acres</u>	<u>Recorded</u>
No. 2581	Ophir Silver Mining Company	April 25, 1913	1500 ft. of Miami Lode. 1400 ft. of Ohio Lode. Portion of Sec. 28 & 29, T. 17 N., R. 21 E., M.D.B. & M., Virginia Mining District, Storey County, Nevada	29.099 Ac.	Book 57 Deeds Page 308.

Ophir owns only that part of U. S. Survey lying between the end lines of its most northerly and most southerly claims on the Comstock Lode drawn easterly in their own direction through Survey 2581.

The Ophir S. Mining Company conveyed all that portion of said survey lying south of the south end line of the most southerly claim of the Ophir S. Mining Company, on the Comstock Lode, extended easterly in its own direction through U. S. Survey No. 2581.

BOOK 57, PAGE 101.

Ophir Silver Mining Co. to Con. Virginia Mining Company. Dated June 19, 1911; Grants, Bargains, Sells, and Quit Claims; Consideration \$5,943.63; conveys, all that portion of the Miami & Ohio relocations which lie south of south end line of the most southerly claims of the Ophir Silver Mining Company on the Comstock Lode, extended easterly in its own direction, through said Miami & Ohio relocation Lode Claims.

BOOK 57, PAGE 103.

Ophir Silver Mining Company to Mexican G. & S. M. Company. Dated June 19, 1911; Grants, bargains, sells and quit-claims; Consideration \$3,589.79; Conveys: All those portions of the Miami and Ohio Lode Claims which lie north of the north end line of the most northerly mining claims of the Ophir Silver Mining Company on the Comstock Lode, extended easterly in its own direction through said Miami and Ohio Relocation Lode Claims.

CONSOLIDATED VIRGINIA MINING COMPANY
PATENTED MINING CLAIM

<u>U. S. Survey No.</u>	<u>Name of Patentee</u>	<u>Date of Patent</u>	<u>Feet of Lode</u>	<u>Acres</u>	<u>Recorded</u>
4028	Ophir Silver Mining Co.	Dec. 17, 1912	100 feet of Spanish & Mexican Lode	3.742 A.	Book 57 Deeds, Page 253

CONSOLIDATED VIRGINIA MINING COMPANY

PATENTED MINING CLAIM

<u>U. S. Survey No.</u>	<u>Name of Patentee</u>	<u>Date of Patent</u>	<u>Feet of Lode</u>	<u>Acres</u>	<u>Recorded</u>
No. 133 A & B	Ada Fairfax et al	Jan. 25, 1878	Enterprise Mine and Mill Site	6.86 A.	Book 45 Deeds, Page 58.

REMARKS

The above claim was sold by the Sheriff of Storey County to W. P. Henry to satisfy a judgment obtained by said W. P. Henry in a suit entitled W. P. Henry vs. Fairfax Mining Company amounting to the sum of \$13,837.20. W. P. Henry assigned his certificate of sale to the Ophir Silver Mining Company, and Fairfax Mining Company having failed to redeem said property, within the time allowed by law, James Quirk, Sheriff of Storey County, Nevada, conveyed the property of the Fairfax Mining Company, consisting of United States Survey No. 133 A & B to the Ophir Silver Mining Company by deed dated April 13, 1907. Recorded in Book 55 of Deeds at page 613, Storey County Records.

CONSOLIDATED VIRGINIA MINING COMPANY
PATENTED MINING CLAIM

<u>U. S. Survey No.</u>	<u>Name of Patentee</u>	<u>Date of Patent</u>	<u>Feet of Lode</u>	<u>Acres</u>	<u>Recorded</u>
131 A and 131 B	Joe Scates M. Co.	May 27, 1890		5.21 A.	Book 45 Deeds, Page 402

Portion of the Joe Scates U. S. Survey No. 131A and 131B conveyed to the Ophir Silver Mining Company by W. E. F. Deal, viz: That portion of the Joe Scates Patented Claim, Mineral certificate No. 212, Lots 131A and 131B, that lies north of a line made by extending, in its own direction, easterly through lots 131A and 131B, the northern line of the Central Mining Claim U. S. Survey No. 50. Recorded in Book 56 of Deeds, at page 59.

CONSOLIDATED VIRGINIA MINING COMPANY
PATENTED MINING CLAIM

<u>U. S. Survey No.</u>	<u>Name of Patentee</u>	<u>Date of Patent</u>	<u>Feet of Lode</u>	<u>Acres</u>	<u>Recorded</u>
4020	Ophir Silver Mining Co.	Dec. 7, 1912	642.12 Ft. March Fraction Lode.	1.836 A.	Book 57, Deeds, Page 249

CONSOLIDATED VIRGINIA MINING COMPANY

PATENTED MINING CLAIM

<u>U. S. Survey No.</u>	<u>Name of Patentee</u>	<u>Date of Patent</u>	<u>Feet of Lode</u>	<u>Acres</u>	<u>Recorded</u>
No. 164 (Part of)	(Spring Garden)	May 3, 1889		6.79 A.	Book 50, Deeds, Page 190.

REMARKS

Ophir S. Mining Company owns that portion of the Spring Garden U. S. S. No. 164, purchased from W.E. F. Deal, described as follows:

That portion of the Spring Garden U. S. S. No. 164 lying south of the north end line of the Ophir S. Mining Company's U. S. S. No. 171A, on the Comstock Lode, drawn easterly in its own direction through said Spring Garden Patented Mining Claim. Recorded in Book 56 of Deeds at 89 et seq.

CONSOLIDATED VIRGINIA MINING COMPANY

PATENTED MINING CLAIM

<u>U. S. Survey No.</u>	<u>Name of Patentee</u>	<u>Date of Patent</u>	<u>Feet of Lode</u>	<u>Acres</u>	<u>Recorded</u>
No. 4065	Ophir Silver Mining Co. Mexican G. & S. M. Co. Union Con. Mining Co.		Hardy Lode.		

Mexican G. & S. Mining Company owns that portion of U.S. Survey No. 4065 lying between the end lines of the Mexican G. & S. M. Company's Claim of the Comstock Lode projected easterly in their own direction through said U. S. Survey No. 4065.

CONSOLIDATED VIRGINIA MINING COMPANY
PATENTED MINING CLAIM

<u>No. Survey No.</u>	<u>Name of Patentee</u>	<u>Date of Patent</u>	<u>Feet of Lode</u>	<u>Acres</u>	<u>Recorded</u>
No. 3648	Ophir Silver Mining Co. Mexican G. & S. Mining Co. Union Con. Mining Co.	Apr. 23, 1913	(January, February, March, April, May, June and July Lode claims) embracing a portion of Secs. 21, 28 & 29, T. 17 N., R. 21 E. MDB&M, Virginia Mining District.)		

Ophir Silver Mining Company owns all that portion lying between the most northerly end line of Ophir Mining Company's most northerly claim on the Comstock Lode and the most southerly end line of said Ophir Mining Company's claim on the Comstock Lode drawn easterly in their own direction through said U. S. Survey No. 3648.

The Ophir Silver Mining Company having conveyed all of the rest of said patent to the Con. Virginia, the Mexican G. & S. and the Union Mining Companies. Book 57, page 107.

CONSOLIDATED VIRGINIA MINING COMPANY
PATENTED MINING CLAIM

<u>U. S. Survey No.</u>	<u>Name of Patentee</u>	<u>Date of Patent</u>	<u>Feet of Lode</u>	<u>Acres</u>	<u>Recorded</u>
No. 138	W. H. Clemmons	March 15, 1883	1500 ft.	17.57 A.	Book 54 Deeds Page 330.
(one-half interest with Mexican G. & S. Mining Company) (Santa Rita Lode)					

REMARKS

Conveyed by W. H. Clemmons to Virginia & Gold Hill Water Company and by the Virginia & Gold Hill Water Company to Mexican G. & S. Mining Company of an undivided one-half interest and to the Ophir Silver Mining Company of an undivided one-half interest.

Deed recorded in Book of Deeds, at page
This patent lies directly east and borders on the Summit U. S. S. No. 1971 and the
Last Chance U. S. S. No. 1970, on Spanish Hill, west of the Ophir and Mexican Patents on
Comstock Lode.

EXHIBIT A

8. Affiliations:

None.

9. IF APPLICANT IS A CORPORATION, SUPPLY THE FOLLOWING:

(a) GENERAL INFORMATION:

1. Principal office and place of business "C" Street
(Street and number)
Virginia City Nevada
(City) (State)
2. When organized. Reorganized in 1921. Present company
formed as of that date.
3. Under what laws organized. Nevada
4. Names of States in which qualified to do business.
Nevada

(b) NAMES AND ADDRESSES OF OFFICERS, DIRECTORS, AND 10 LARGEST STOCKHOLDERS:

Name and address	Official title (if officer is also director indicate by "D")	Annual salary, commissions, bonuses, etc., received from applicant and/or affiliates during last fiscal year	Number of shares held	
			Common	Preferred
Zeb Kendall, Virginia City, Nev. (D)	President	\$6,000.00	224000	
A. L. Kendall, Virginia City, Nev. (D)	Vice-Pres.	2,400.00	206001	
W. J. Henley, Virginia City, Nev. (D)	Secretary	1,800.00	10006	
Geo. B. Thatcher, Reno, Nev. (D)	and Treas.		20000	
A. N. Jacobson, Virginia City, Nev. (D)			None	
C. E. Gilman, Oakland, Calif. (D)			None	
P. R. Coryell, Virginia City, Nev. (D)			3500	
(See next page for 10 largest stockholders)				
TOTAL		10,200.00	463507	

(c) CAPITAL STOCK ISSUES:

	Authorized	Outstanding	Par value	Number of shares	Dividend rate	
					Last paid	Fixed by charter
Common stock	\$5,000,000.	\$2,953,692.	\$1.00	5,000,000	None	X X X
Preferred stock	---	---	---	---	---	---

(d) ARTICLES BYLAWS, ETC.—Copies of Articles of Incorporation, bylaws, and certificates of authority to do business, with all amendments to date, certified and sworn to by applicant's Secretary, all to be attached hereto as EXHIBIT "F."

10. IF APPLICANT IS A PARTNERSHIP, SUPPLY THE FOLLOWING:

(a) NAMES AND ADDRESSES OF ALL PARTNERS:

NAME (Indicate if any partners are limited or special partners)	ADDRESS

(b) AFFIDAVITS AND AGREEMENTS.—Copies of all partnership affidavits and agreements, certified and sworn to by the partner signing the application, all to be attached hereto as EXHIBIT "F."

11. TAXES:

Amounts of all Federal, State, municipal, and other taxes and assessments:

- (a) Delinquent at the time of the filing of this application.
- (b) Levied or assessed each year for the past 3 years.

EXHIBIT A (Continued)

9 (b) Continued

TEN LARGEST STOCKHOLDERS

William Kendall	Virginia City, Nevada	925,292
Zeb Kendall	Virginia City, Nevada	224,000
A. L. Kendall	Virginia City, Nevada	206,001
Mexican Gold & Silver Mining Co.	Alexander Building San Francisco, Calif.	201,600
Robert C. Adams	Piedmont, Calif.	112,250
E. A. Pierce & Co.	301 Montgomery St. San Francisco, Calif.	67,845
Shaw Bros.	155 Montgomery St. San Francisco, Calif.	65,700
A. C. Rulofson	Butler Building San Francisco, Calif.	62,615
George T. Williams	111 Sutter Building San Francisco, Calif.	59,522
F. Hayward	C/o Shaw Bros. 155 Montgomery St. San Francisco, Calif.	55,650
		<hr/> 1,980,475

EXHIBIT A

11. TAXES.

- (a) There are no delinquent taxes.
- (b) Taxes assessed for 1935 ----\$1034.22
Taxes assessed for 1936 ---- 1091.88
Taxes assessed for 1937 ---- 1903.04
The first two installments of 1937 taxes

have been paid, amounting to \$951.52, the remaining installments being due in June and December.

Under the laws of Nevada improvements upon mines are taxed as other property. Generally, the assessed valuation is approximately 50% of cost. Patented mines, when not operating, are assessed at \$500.00 per claim and the applicable tax rate applied thereto. Mines, when operating, are taxed upon their net proceeds which are defined by statute as being the gross value of the ore after deducting the actual cost of extracting the ore, the actual cost of transportation, reduction, refining and sale, the cost of marketing and delivering the product and converting it into money, the actual cost of maintenance and repairs of all machinery, milling equipment and transportation facilities. The cost of fire insurance and Industrial insurance are also deductible, as well as depreciation on machinery and equipment, not less than 6% nor more than 10% of the assessed valuation thereof. There is also deductible the cost of development work upon the mine or group when operated as a unit.

EXHIBIT B

Technical Data

The questions set forth in EXHIBIT B should be answered in detail on separate sheets of paper which should be attached to this application at the end of this EXHIBIT, and the answers should be numbered and lettered to correspond with the questions.

Answer all questions, in detail, except those for the type of deposit or mine which do not apply to this case.

A. REPORTS:

Give names and addresses of all engineers or geologists who have examined the property and reported thereon, together with copies of any available reports. Such reports must be signed and the date of the report given.

B. METAL OR METALS:

Statement of metal or metals to be produced.

C. GEOLOGY:

1. Submit available topographic and geologic maps of the district and any available data on the geology of the district.
2. Give a detailed description of the geology of the property, stating:
 - (a) Varieties of country rock.
 - (b) Ore minerals contained in the deposit
 - (c) Gangue minerals of the deposit.
 - (d) Form, size, and type of ore deposit, whether vein or lode, irregular body of disseminated ore minerals in country rock, buried placer, placer, etc.
 - (e) Whether any faults are known and how they affect ore deposits.
 - (f) Whether ore minerals are widely dispersed or localized in shoots.
3. If it be a surface or buried placer deposit, state:
 - (a) Dimensions of ore-bearing gravel or gravels.
 - (b) Type of overlying country rock (granite, sandstone, etc.).
 - (c) Whether ore-bearing gravel lies on bedrock; if not, depth to bedrock.
 - (d) Texture of gravel (fine, medium, or coarse, and percentage of clay).
 - (e) Whether gravel is loose, tight, cemented, or frozen.
 - (f) Whether gravel contains boulders more than 1 foot in diameter; if so, how large, and in what proportion.
 - (g) Type of bedrock (granite, sandstone, shale, etc.).
 - (h) Whether bedrock is hard or soft; smooth, uneven, or rough.
 - (i) Amount of overburden, whether loose, tight, or cemented; fine or coarse texture.

D. ORE RESERVES:

1. If deposit is other than placer:
 - (a) Submit maps showing location of each ore body in mine. If mine has more than one working level, send a composite map and a map of each level separately.
 - (b) Show location, width of ore represented by each sample, and assays of all samples on the level plans. Number each sample to correspond with assayer's certificates.
 - (c) Submit section along plane of ore body showing ore blocked out, probable ore, stoped areas, and any old workings; designate inaccessible areas.
 - (d) Show location, width of ore represented by each sample and assays of all samples from raises, shafts, or winzes on section maps. Number each sample to correspond with assayer's certificates.
 - (e) Give detailed tonnage estimates of ore blocked out and method and assays used in estimating same. If more than one ore body, list each body separately.
 - (f) If ore has been mined subsequent to sampling and ore estimate submitted, show in detail the amount, grade of ore, and location where mined.
 - (g) Give detailed estimates of probable ore reserves and supporting data.
2. If a placer deposit:
 - (a) Give estimated yardage and value of ore-bearing gravel and method of testing and calculating the same. If more than one deposit, list each deposit separately.
 - (b) Submit map showing location of ore reserve yardage and location of all holes drilled or shafts sunk to prove values and yardage of gravel. Show depth and values of each hole or shaft.

E. ASSAYS:

1. Submit assayers' reports (certified if possible) giving metal content of each sample used in figuring ore reserves. Number each sample to correspond with sample number on above maps.

EXHIBIT B

A. REPORTS:

Innumerable reports and Government bulletins have been published upon the geology and history of the Comstock Lode. From 1862 until 1886 the United States Government took an active hand in the guidance of underground work. Accurate underground surveys were made by Government engineers and statistical reports were published. The Government Atlases of Hague, followed by Beckers, are records of care and accuracy and give much valuable information concerning the Comstock mines. The University of California publication, Volume four "The Structure and Genesis of the Comstock Lode", published in 1905 by Professor Reid, is another source of information.

We have available the "Report on Ophir Mining Company and Consolidated Virginia Mining Company" by Howard W. Squires, Mining Engineer, which is herewith included.

In the closing pages of Mr. Squires' report will be found extracts from the weekly report book of G. Mc M. Ross, Superintendent and Mining Engineer of the Ophir Mining Company from 1898 to 1901. These extracts were copied and published in report form by W. L. Osborne, and furnish valuable historical information as to ore occurrences and assay values in the mines of your applicant.

EXHIBIT B-A

REPORT ON

OPHIR MINING COMPANY

AND

CONSOLIDATED VIRGINIA
MINING COMPANY

MINES

BY

HOWARD W. SQUIRES

MINING ENGINEER

Virginia City, Nevada.

October 20th, 1934.

Mr. Zeb Kendall, President.

Ophir Mining Company

Consolidated Virginia Mining Company

Virginia City, Nevada.

Dear Sir:

I herewith submit my report on the mines of the Ophir Mining Company, and the Consolidated Virginia Mining Company, Virginia City section of the Comstock Lode, Storey County, Nevada.

With the report are six maps. One compiled map of Ophir and California workings.

Five maps of assay plans.

Respectfully yours,

Howard W. Squires

Howard W. Squires.
Mining Engineer.

INTRODUCTION:

The Comstock district is in Storey County. Virginia City and Gold Hill are the two towns on the lode. It is sometimes divided into Virginia City district on the north, and the Gold Hill district on the south. These towns are built on top of the lode, and the mines are under the towns. Mt. Davidson rises to the west of the lode, is the highest peak in the district, and has an altitude of 7,870 feet, and the Comstock lode outcrops on its east flank at elevations in the neighborhood of 6,550 feet. During the bonanza days, these towns had a combined population of some thirty thousand people. The present population is estimated at 1,500.

The Comstock lode is connected by broad gauge railroad with Carson City, the Nevada State capital, by the Virginia and Truckee railroad which also connects with the Southern Pacific railroad at Reno. The Sierra Power Company serves the district with hydro electric power. Telephone and telegraph lines connect with the outside world, and the Comstock lode has one of the best water supplies in the western mining country, water being brought through pipe lines and flumes, some twenty-five miles from the Sierra Nevada range.

GENERAL:

Without question, the Comstock is one of the most extensive gold-silver deposits ever discovered in the western hemisphere. The Comstock mines were of great importance in their day, and no such volume of money had ever been produced from a single source up to the time of their operations.

From 1862 until 1886, the United States government, first through the war department, and later the interior, took an active hand in the guidance of underground work. Accurate underground surveys were made by government engineers and statistics of costs and bullion production were printed and distributed to the various mine managers. The

government atlas of Hague, followed by Beckers, are records of care and accuracy, and today we are indebted to much valuable information concerning the Comstock Mines.

PRODUCTION FROM SURFACE BONANZAS:

The recorded production furnished by the Director of the Mint, from 1859 to 1864, is as follows:

<u>Year</u>	<u>Tons</u>	<u>Total</u>
1859		\$ 30,000.00
1860	10,000	750,000.00
1861	140,000	3,500,000.00
1862	250,000	7,000,000.00
1863	450,000	12,400,000.00
1864	680,000	16,000,000.00

There is no doubt, a large unrecorded production in the early days, which cannot be roughly estimated. By this time, however, the ore bodies first discovered, had begun to play out and we find a gradual decline in production from 1865 to 1871 as follows:

1865	430,745	15,833,720.00
1866	640,000	14,908,895.00
1867	462,176	13,738,608.00
1868	300,560	8,779,769.00
1869	279,534	7,405,578.00

During the above period, enormous sums of money had been spent in litigations. The V. & T. Railroad had been completed from Carson City to Gold Hill in 1869; and the same year Adolph Sutro began work on the Sutro Tunnel, four miles from the Comstock Lode, which made connections with the lode in the Savage Mine in 1878, at an approximate depth of 1750 feet vertically, and immediately became of great value for drainage purposes, although many mines had reached greater depth and were first to pump to the tunnel level.

DEEP BONANZAS:

From 1860 to 1870, Crown Point, Kentuck, and Yellow Jacket had their first bonanza ore extending practically from the surface down to the 900 foot level. In 1871, Crown Point and Belcher encountered an immense body of high grade ore at a depth of 1160 feet, which extended down to the 2000 foot level, being one of the biggest and richest bodies ever discovered and which produced in a few years, \$67,499,000.00 in bullion.

When Crown Point-Belcher discovered the large bonanza at depth, all other mining companies started shafts far out east of the lode, with the intent to intersect the Comstock at depth on its downward 45 degree east dip. In 1874, the big bonanza in Con. Virginia was encountered first on the 1167 foot level. This extended into California ground adjoining on the north. It extended down to the 2060 foot level, and according to J. A. Church, the big bonanza yielded \$104,007,653.00, which was an average of \$93.35 per ton.

The following is a digest of the best two years of this ore-body.

1876	Net Yield per ton	Tons mines	Extraction	Bullion	Dividends
Con.Va.	\$114.50	142,678	73.25%	\$16,661,940.70	\$12,960,000.00
Cal.	105.50	128,800	73.37%	13,400,841.40	8,640,000.00
				<u>\$30,062,782.10</u>	<u>\$21,600,000.00</u>
1877					
Con.Va.	95.20	144,400	72.30%	13,734,019.07	8,640,000.00
Cal.	88.49	217,432	73.30%	18,924,850.27	14,040,000.00
				<u>\$32,658,869.34</u>	<u>\$22,680,000.00</u>

ANALYSIS:

In 1876 Con. Virginia produced ore of a net yield of \$114.50 per ton, receiving an extraction of 73.25%

This means the ore had an assay value of \$156.30 per ton to the extent of 142,678 tons.

In 1876 a yield of bullion amounting to \$30,062,782.00 was realized, representing 73.30% of the

value of the ore mines. Therefore, the ore mined had a value of about \$41,000,000.00.

In 1877, the \$32,658,869.34 bullion produced, representing 72.80% of the value of ore mined, shows the ore to have been worth about \$45,000,000.00.

It will be noted that about \$25,000,000.00 was lost in the mills by reason of poor extraction with the methods used at that time.

All the bonanzas taken together, produced 6,550,620 tons yielding an average of \$42.89 per ton. The average recorded value of all ore mined from 1859 to 1921, including values recovered by re-treatment of tailings is \$31.16, per ton.

Bullion production rose with the discovery of deep bonanzas from eight million dollars in 1870, to over thirty-six million dollars in 1877.

Year	Tons	Total
1871	409,718	\$10,249,528.00
1872	334,668	12,236,399.00
1873	448,301	21,671,980.00
1874	526,743	22,476,758.00
1875	546,425	25,825,521.00
1876	598,818	31,618,660.00
1877	562,519	36,301,536.00

MEDIUM GRADE ORES:

Upon exhaustion of the big bonanza, the low grade ores in the mines were systematically worked. Production however, declined steadily to a trifle over \$1,000,000.00 in 1881. In 1882 an immense flow of hot water drowned out Gold Hill mines below the Sutro Tunnel, and they were forced back to mining ores above drainage level. The Virginia City Mines continued pumping until 1886 when they also suspended work below the Sutro Tunnel, and worked above this horizon.

However, production again rose to over \$7,000,000.00 in 1888, and declined to less than \$2,000,000.00 in 1899. Pumping was resumed in 1899 by the Comstock Pumping Association and considerable ore mined before discontinuing in 1922. Production ranged from under four hundred thousand dollars per year, to nearly one million, four hundred thousand dollars, yearly.

GEOLOGY:

The University of California Publication, Vol 4- pages 177-199, 1950, Professor Reid says in part, that the Comstock Lode is on the east flank of Mt. Davidson, which is composed of a mass of diorite bounded on all sides by faults. The lode occupies the great fissure made by the east member of this block faulting system, which is a normal fault with a movement of about 3000 feet. This movement resulted in the shattering of the hanging wall, and the production of numerous nearly vertical fissures, which join the lode in depth but pinch out in height. The lode has a length of 13,000 feet, terminating by branching at both extremities, and varies in width from one hundred to fourteen hundred feet. The strike of the lode is north 14 degrees east, and its dip is 43 degrees easterly. The country consists of late tertiary igneous rocks ranging from diorite on the west, which forms Mt. Davidson and the footwall of the lode, through a hanging wall, consisting mainly of hornblend andesite, to augite andesite on the east.

ORE-BODIES:

The country rock of the Comstock Lode has been highly altered by hydrothermal action. The wide body of quartz and altered rock, which constitutes the Lode, contains rich ore chutes or "bonanzas" separated from another by long irregular stretches of low grade material. In the north section, the principal bonanzas occur in the vertical hanging wall fractures, while in the south, or Crown Point section

they occur in the main lode. The location of bonanzas appears to have been determined by Northwest and Northeast pre-mineral fractures intersecting the main Lode, and their size, by the strength of these fractures.

ORE MINERALS:

Typical Comstock ore consists of quartz and more or less calcite in which is disseminated a fine grained mixture of sulphides. According to Clarence King, "the Comstock Lode, in Hague, Mining Industry; U. S. Geological Exploration, 40th. Parallel Vol. 3, 1870, he says that the main ore mass of the bonanzas is composed of quartz (several generations), pyrite, shapelite, argentite, stephanite, and calcite. Gypsum occurring locally. Gold and silver are the two minerals of economic value. Gold occurs in the native state, and associated with pyrite. Silver occurs mostly in the form of argentite, and with small quantities of native silver, horn silver, and stephanite occasionally in evidence.

In 1870, the original Con. Virginia shaft was sunk to a depth of 500 feet. From the bottom of this shaft, a crosscut west, was run 1107 feet, striking the so called foot wall of the Lode, from which point a drift south was run a distance of 700 feet to the end line of the Con. Virginia line, and north a distance of over four hundred and fifty feet into California ground. (See Becker Atlas, U.S. Geological Survey, Comstock Lode.)

It was decided to sink the Con. Virginia shaft deeper in 1872 and on the 1187 level, the "Big Bonanza" was discovered. From then on, the upper levels on the main Comstock Lode in Con. Virginia, California and Ophir have been neglected, above the 1400 level, as will be described later.

PRESENT ORE RESERVES:

About three years ago, the upper ore bodies on Ophir

and California were opened by an inclined shaft from the surface. Work has been carried on continuously with the result that several thousand feet of early day workings are now accessible. The result of this work, I am showing in detail in this report. An incline shaft has been sunk on Ophir Croppings to a depth of 146 feet. A plan of these workings accompanies this report, on which is outlined eight ore bodies, and also accompanied by detailed assay reps and descriptions, which follow.

OPHIR AND CONSOLIDATED VIRGINIA
COMPANY MINES

LOCATION ON THE COMSTOCK LODE:

These mines are located on the north end of the Comstock Lode, in Virginia City. They adjoin each other.

Ophir, U. S. Patent #171, is bounded on the north by the Mexican Claim, and on the south by the California, and owns 675 feet on the Comstock Lode.

California, U. S. Patent #154, is bounded on the north by the Ophir Claim, and on the south by the Consolidated Virginia Claim, and owns 600 feet on the Comstock Lode.

TITLE:

Title to the Ophir is vested in the Ophir Mining Company, and title to the California is vested in the Consolidated Virginia Mining Company.

These Companies are listed on the San Francisco Mining Exchange and title dating back to these companies for over a period of fifty years.

VEINS:

As described in general geology, the Lode is a series of parallel ore channels, each channel constituting what may be described as a large vein with prophyry fillings between them. In this ground there are a number of such

veins or channels. In the early day development, Ophir had a bonanza ore body extending to the surface. This was developed to a depth of over five hundred feet, and for a greater length, and is believed to have produced about \$20,000,000. California developed a great deal of lower grade ore from the years 1859 to 1872.

BLOCK A CALIFORNIA SOUTH ORE BODY

(See Assay Map #2; 104 Sub level and Assay Map #1 of the 75' level, 60 Sub level, 40', 32' and 20' Sub level)

This ore body of massive quartz is irregular in shape, has a pitch to the west of about 40 degrees, an apparent downward rake to the north, and widens as it goes down. Starting from the surface, the first level is but twenty feet under ground. Here the exposed ore is only 36 feet in length, having a width of 12 feet. The next sub-level at 32 feet exposes ore 32 feet in length and 12 feet wide. The 40 foot level exposes ore 90 feet in length and 12 feet wide. From here on down, the ore body widens rapidly to 37 feet on the 60 foot sub level, and 90 feet in length. The 75 foot level shows ore 35 feet wide and 75 feet in length. The 123 foot level exposes ore 30 feet wide for a length of 60 feet. Two pits sunk in the floor, a depth of six feet each, show the same character of ore going down. Pilot samples taken south on the 123 foot level indicate a greater length of ore than has been sampled. No workings are below this block, so I am allowing an additional 100 feet.

This block of ore, having a vertical exposure of 129 feet with a pitch of approximately 45 degrees gives a length of vein dip of 195 feet, plus 100 feet allowed as ore. Irregular in shape as it is now exposed, I calculate the tonnage as follows. 75 feet average length, with a 25 foot width, and 295 feet on ore depth.

$75 \times 295 \times 25 = 553,125$ cubic feet.

Of this ore I estimate one quarter has been

removed by various workings, cutting up the ore bodies, and some small pulled stopes. This reduced the area to 414,844 cubic feet.

Divided by 13: 414,844 - 13 = 31,972 tons.

In estimating the value of Block A, 175 samples assayed, gave an average of \$8.71 as follows:

20' Sub level. Average 18 samples	\$18.89
40' and 32' Sub levels Average 13 samples	13.46
60' Sub level. Average 51 samples	7.64
75' Level Average 41 samples	4.93
104' Sub level Average 20 samples	11.03
" 5 "	6.04
" 2 "	19.11

31,972 tons x \$8.71 = \$278,476.

Block B CALIFORNIA NORTH ORE BODY

(See Assay Map No. 3, of 207'-187' -163' Levels.
" " " 2, Alum Stope 123' Sub level.)

This ore body, composed of massive white quartz, is developed and sampled on the 207 foot level, the 187 level, the 163 Sub level, and the Alum Stope 104' Sub level. The ore body is almost vertical and about as wide east and west, as it is long north and south. It is about 60 feet wide east and west, and about 60 feet long north and south. The area is approximately 3,000 square feet and the ore body is exposed vertically 202 feet. I allow 50 feet upward, and 50 feet downward extension as ore.

3,000 x 202 = 606,000 cubic feet.

Due to the fact that this Block has been cut up with drifts, crosscuts, raises, and small stopes, I estimate one fifth of the ore has been extracted. This reduces the cubic contents to 484,8000 cubic feet, divided by 13 = 37,292 tons.

The ore value, calculated from 130 samples is as follows:

Average	of	17	samples	\$7.52
"	"	38	"	5.11
"	"	75	"	5.80, giving a

general calculated value of \$5.82 per ton.

37,392 tons x \$5.82 = \$217,039.

OPHIR ORE BODY BLOCK C

(See Assay Map #4 of Ophir and A & A workings)

This block is triangular in shape and extends 30 feet south of Block D on the 146 level, and to the incline shaft on the surface. The area is 146 feet by one half of 80 feet by 25 feet wide.

146 x 40 x 25 = 146,000 cubic feet, divided by 13 = 11,230 tons.

The only sampling possible on this Block is on the 146 level where 20 samples average \$6.26. Two high grade samples eliminated, marked "x" on the map.

11,230 tons x \$6.26 = \$70,299

OPHIR ORE BODY BLOCK D

(See Assay Map #4 of Ophir and A & A workings.)

This Block is figured in two sections.

First: The ore and values above the 60 foot level to the surface. The length as shown by sampling, is taken as 102 feet.

The width of ore exposed by two crosscuts, one at the north end and the other at the south, is taken as 25 feet. The height is 60 feet to the surface.

The value calculated from 119 samples is taken as an average of \$8.80 per ton as follows:

30 samples average \$10.18, 16 samples average \$3.20, 73 samples average \$9.46.

102-x 60 x 25 = 180,000 cubic feet, divided by 13 = 13,846 tons.

13,846 tons x \$8.80 = \$121,844.

Four high grade samples eliminated, marked "x" on the map.

Second: The ore and values below the 60 foot level to the 146 level, a distance of 86 feet.

The length and width are taken the same as above. The value calculated from 223 samples is as follows:

Average 50 samples \$5.79; average 12 samples \$1.33; average 38 samples \$6.57; average 50 samples \$6.73; average 73 samples \$9.46; a general calculated value of \$7.09 per ton.
 $120 \times 86 \times 25 = 258,000$ cubic feet, divided by 13 = 19,846 tons.
 $19,846 \text{ tons} \times \$7.09 = \$140,708.$

TOTAL BLOCK D

Total calculated tonnage 33,692 tons.
"Average value of \$7.80 per ton.
 $33,692 \text{ tons} \times \$7.80 = \$262,797.$

OPHIR ORE BODY - BLOCK E

(See Assay Map #4 of Ophir and A&A workings.)

As no sampling has been done on the 250 foot level immediately below Block C and Block D, I believe it fair to allow 50 feet below the 146 level as ore, taking the average sampling for 200 feet in length as average ore value. This is assuming that the ore extends downward an additional one third the distance to the surface.

$200 \times 50 \times 25 = 250,000$ cubic feet, divided by 13 = 19,230 tons.

The value calculated from 108 samples is as follows:

Average 38 samples \$6.57; Average 50 samples \$6.73; Average 20 samples \$6.26, giving a general calculated value of \$6.58 per ton.

$19,230 \text{ tons} \times \$6.58 = \$126,533.$

MATHEWS ORE BODY * BLOCK F.

(See Assay Map #4 of Ophir and A&A workings.)

From the 146 foot level the "backs" are 62 feet above the level. An incline raise above the backs, now caved, is so to go 30 feet higher. The 190 Sub level run under this block shows good values 44 feet below the 146 level. I am therefore, allowing a height of 136 feet. The ore body is proven for a length of 120 feet, with a width of 20 feet. As there are fills in this stoped area, I am taking 15 cubic feet to a ton.

20 x 120 x 136 = 326,400 cubic feet.
326,400 divided by 15 = 21,769 tons.

There were 55 samples taken that average \$19.43 per ton. There were 12 samples taken in the "backs" average \$82.22 per ton, and 4 wall samples averaging \$299.91. I am eliminating the "wall" and "back" samples, and taking the average as \$19.43 per ton.

21,769 tons x \$19.43 = \$422,796.

The Mathews ore body, Block F, lies to the west, approximately 30 feet, of Block C and Block G, and apparently is parallel. It is my opinion that it will extend farther south than ore has been exposed at present.

OPHIR ORE BODY - BLOCK G.

(See Map #5, North extension of 146 foot level.)

This Block runs north into ground having no workings between the 146 level and the surface, with the exception of a shallow cross-cut tunnel now caved, driven across this ore body about 200 feet north of the north face of the 146 level.

Weight carloads of ore were shipped from the dumps in this area in 1925 to the United States Smelting, Refining and Mining Co., Mammoth Plant, at Kennett, California. Following, are dates, weight, and value per ton taken from the Smelter settlement sheets, now on file at the Ophir's Company office in Virginia City.

(14)

<u>Date</u>	<u>Weight</u>	<u>Value per Ton</u>
April 11, 1925	54.0 tons	\$ 13.00
" 5, "	54.31 "	10.57
" 8, "	41.03 "	19.91
May 5, "	43.44 "	12.54
" 12, "	44.36 "	7.61
" 20, "	51.06 "	5.75
" 20, "	51.39 "	5.54
" 26, "	48.43 "	5.86

The evidence is so conclusive this ore extends to the surface that estimated tonnage for this Block is taken 146 feet above this level and in Block C and Block D, 50 feet below the 146 level. Ore is exposed and sampled on the 146 level, a distance of 90 feet. Indicated width of 20 feet.

196 x 20 x 90 - 352,800 cubic feet.

Divided by 13, equals 27,138 tons.

Calculated value from 85 samples are as follows.

Average of 85 samples \$5.01.

27,138 tons x \$5.01 equals \$135,961.

BLOCK H. CALIFORNIA CLAIM. EAST ORE BODY.

This section is undoubtedly the best of the eight blocks of ore developed so far, as systematic sampling shows a large tonnage at a splendid value. The whole mass appears to consist of quartz material with sulphides, all of which is in place. High grade assays are found on almost every level and sub-level, but were discarded in the analysis of the ore block average. So far as I can determine, the ore body stands almost vertical. If there is any dip it is slightly to the west. As shown on the Assay Plan of this Block, this ore body is developed and sampled on the following levels:

197 Sub level,	14 samples,	Average \$15.80 per ton.
163 level	47 "	9.34 " "
138 "	52 "	7.51 " "

111 level	49 samples, Average \$ 5.92 per ton
75 "	10 " " 2.66 " "
25 "	15 " " 7.23 " "

Average value of 187 samples. \$7.78 per ton.

The indicated length of this ore body according to sampling along the zone, is approximately 175 feet. In height it extends from the 197 foot Sub level to the surface. Width is calculated at 30 feet, judged by three cross-cuts. Indicated tonnage is as follows.

175 x 200 x 30 - 1,050,000 cubic feet.

Probably one tenth has been removed by workings.

1,050,000 less 105,000 equals 945,000 cubic feet.

Divided by 13 - 72,700 tons

72,700 tons x \$7.89 - \$573,603.

SUMMARY OF ORE RESERVES AND VALUE.

<u>Block</u>	<u>Tons</u>	<u>Value per ton</u>	<u>Gross Value</u>
Block A	31,972	\$ 8.71	\$ 278,476
" B	37,392	5.82	217,039
" C	11,200	6.26	70,299
" D	33,692	7.80	262,797
" E	19,230	6.58	126,533
" F	21,769	19.43	422,769
" G	27,138	5.01	135,961
" H	72,700	7.89	573,603
	<u>254,993</u>	<u>8.18</u>	<u>\$2,087,477</u>

Gold \$35.00 per ounce
Silver .641% " "

SURFACE DUMP ORES.

There are several dumps of ore on California and Ophir, which are unquestionably an important asset. Here-with are the details of tonnage and calculated value of three dumps. What is known as the California dump, located on California ground, just North East of the original Con. Virginia shaft, is designated as "Dump # 1". The Brewery dump, located east of the C & C shaft, is designated as "Dump #2". The Stock Pile dump, is located at the Incline Shaft on Ophir on Block C, and is the ore taken out of drifts and workings

through this shaft and is designated "Dump # 3."

DUMP # 1.

Estimated tonnage 100,000 tons. Assayed Con. Virginia assay office. Assays on file Con. Virginia office, Virginia City, Nevada.

Tunnel #1 driven in dump 50 feet	21 samples average	\$3.81
Tunnel #2 " " " 60 "	24 " "	6.64
Tunnel #3 " " " 19 "	5 " "	7.99
Lift samples 10 feet deep	6 " "	5.43
Dump side cut, over tunnel #2	2 " "	10.60

Recent check samples, June 1934 in Report of H. J. Duncan, Mining Engineer, Virginia City. His report on file Con. Virginia Co., office, Virginia City.

Central Dump, N. W. Tunnel	7	"	"	4.25
" " S. E. "	2	"	"	6.07
" " Long trench	17	"	"	3.49
S. E. " Tunnel	6	"	"	5.41
" " N. E. trench	2	"	"	2.04
" " S. W. "	3	"	"	2.37
West shovel cut face.	12	"	"	3.44
" " " 2 tunnels	9	"	"	2.40
California Dump.	42	"	"	4.30

158 samples Average \$4.57
100,000 tons x \$4.57 - \$457,000

DUMP # 2

Estimated tonnage, 35,000 tons. Assayed Con. Virginia assay office. Records on file Con. Virginia office, Virginia City, Nevada.

Average 17 samples	\$4.85
" 79 "	2.39
" 26 "	3.80
" 52 "	3.20
" 14 "	3.38

188 samples, Average \$3.10

35,000 tons x \$3.10 = \$108,500

DUMP # 3.

557 tons @ \$7.80 per ton - \$	4,344	Block D
310 " " 6.58 " " -	2,039	" E
219 " " 5.01 " " -	1,097	" G
125 " " 19.43 " " -	2,428	" F
<u>1211</u> " Average Value \$8.18	<u>9,908</u>	

SUMMARY OF DUMP RESERVES AND VALUE.

<u>Dump.</u>	<u>Tons.</u>	<u>Value per Ton</u>	<u>Gross Value</u>
# 1	100,000	\$ 4.57	\$ 457,000
2	35,000	3.10	108,500
3	<u>1,200</u>	<u>8.18</u>	<u>9,908</u>
	<u>136,200</u>	Average- <u>\$4.22</u>	<u>\$575,408</u>
Gold	\$35.00 per ounce		
Silver	.641¢ " "		

DEEPER ORE BODIES:

These are of great potential value, and because of the fact that where known ore bodies exist, and are not at present accessible due to caved ground, some past history must be related.

Following the discovery of the Big Bonanza, the Con. Virginia shaft was sunk to the Sutro Tunnel level, called the 1750. This shaft intersects the main Comstock Lode at the 1650 foot level, and is west of the Big Bonanza about 150 feet. The Con Virginia and California Companies decided to sink a joint shaft about one thousand feet east of the Con. Virginia shaft. Eventually the C. & C shaft was sunk to the 2500 foot level, and became the main working shaft for both companies. Mining was carried on extensively for a period of over 20 years, and upper levels were neglected. In 1925 Mr. Kendall, the President of the Con. Virginia and Ophir Mining Companies did a great deal of work on the 1400 foot level. From the 1400 foot station in

the C & C shaft, a long crosscut is driven west, through the Big Bonanza stopes, and on west through the great zone of the Comstock Lode. Drifts were run north and south, and in May, 1927 an incline raise was run up at an angle which virtually crosscut the Lode at this point.

The shift boss, Mr. Oscar R. Lewis who resides in Virginia City, now, was in charge of this work and took the samples as work progressed. From Company records Mr. Lewis recognizes the list of samples taken from the 1403 raise, which are herewith presented, on the following page.

About the 1400 level on the Con. Virginia and California, and above the 1300 level on Ophir, no work has ever been done on the Comstock Lode proper up to the 500 level. This 500 foot level was driven in 1870 and upon discovery of the Big Bonanza was abandoned. Careful examination of the maps of the Lode clearly show a great unexplored virgin territory, approximately 1,000 feet on the incline of the Lode, and 1275 feet along its strike. This area is certainly deserving of an intensive campaign of development, in ground never explored previously.

METALLURGY:

So far as I am able to determine, to effect a saving of the values of from 94% to 95% at least cost, a double treatment is necessary. This double treatment consists of concentration and cyanide the tails. Concentration either by tabling or flotation, only recovers part of the values, and concentration is advisable simply for the purpose of eliminating from the tailings the concentrate that will not give up its value without special treatment. It is necessary to use cyanide in the treatment of the tailings from the concentration plant. The special treatment of the concentrates requires fine grinding in cyanide solution, and giving it a long contact in a strong cyanide solution.

There is little doubt, but that all-slitting of the entire mass, if given a long time contact in a strong cyanide solution, will recover as much value of the ore as a double treatment. To prove this statement I am giving a full month's run of the Dayton Consolidated Mines Co. in their mill, which is all slime plant. However, the percentage of concentrates, which requires very fine grinding is small; as an average not 2% of the whole. Therefore the saving is in the grinding, as it is apparent the increased cost of grinding the entire mass is beyond reason.

This resolves itself to a question of grinding the ore fine enough to satisfy the concentration plant (3% plus 60 Mesh), eliminating the concentrate from the tailings, and agitate the tailings in cyanide solution. Fine grind the concentrate (98% 150 mesh), giving it a long contact in cyanide solution. This will effect a high recovery of values at a reasonable milling cost.

DAYTON CONSOLIDATED MINES COMPANY.
September 30th, 1934.

ORE MILLED.

THIS MONTH

Dayton		
Development		2294.20
Stoping	1111.6	
CUSTOMS	<u>1172.6</u>	
---TOTAL---		110.35
		<u>2394.55</u>

ASSAYS.

	Au.	Ag.	Total.
MILL HEADS	7.49	.64	8.13
Dayton	7.43	.62	8.05
Custom	8.74	1.22	9.96
TOTAL TAILS	.345	.158	.352
Solid	.204	.1153	.352
Soluble	<u>.141</u>		<u>.141</u>
INDICATED RECOVERY per ton	7.145	.482	7.627

Dollars Value.

	Au.	Ag.	Total
Mill Heads	17942.38	1540.83	19483.21
Dayton	16984.57	1409.19	18393.76
Custom	957.81	131.64	1089.45
TOTAL TAILS	823.09	376.96	862.55
Solid	485.59	376.96	862.55
Soluble	337.50		337.50
INDICATED RECOVERY Value	17119.29	1163.87	18293.90
Percentage*	95.4%	75.5%	94.0%

SOLUTIONS.

TONS PRECIPITATED			7104.
	Au.	Ag.	TOTAL.
VALUE PER TON	2.44	.17	2.61
Total Value	17393.22	1205.54	18592.76
PRECIPITATES CLEANED UP			18592.76

BULLION SETTLED FOR.

	Au.	Ag.	Total
TOTAL	17644.13	1338.74	18982.87

ESTIMATES OF COSTS:

Costs will vary slightly on the Comstock depending on the ore bodies encountered, surface equipment, and size of milling plants. On Page 21 I have shown results from the Dayton Consolidated Mines Co. Plant totaling 76 tons daily with a recovery of 94% of the ore values. Attention is called to the fact that actual bullion returns is about 1% better than called for by assays. Page 22 gives detail costs of milling an average of 76 tons of ore daily, being \$1.729 per ton.

Each ore body is a separate problem in mining, as to the method to be employed. Block H. and Block B can be mined by shrinkage no doubt, which will be cheaper per ton than the Matthews Stope Block F which will no doubt have to be square set or top sliced. I feel confident that part of Block C can be power shoveled from the surface.

I am giving two cost set-ups, and after three and one-half years active mining experience on the Lode with the Arizona Comstock Corporation as Manager, believe they will come very close to any organized operation in this district. The basis of operation is mining and milling 300 tons daily or 9,000 tons monthly.

Before setting up the Cost Sheet it is necessary to explain that \$450,000 is needed to carry out the proposed program of operation. This entails building a 300 ton daily capacity milling plant which will cost approximately \$250,000.00. Other mine equipment necessary, is a compressor of adequate size, machine drills, machine steel, mine rail, mine cars, power shovel, mine tools, etc., and will require an estimated amount of \$50,000.00.

It is planned to use the Andes shaft which is equipped with a double drum electric hoist of adequate capacity,

		Au. Oz.	\$	Ag. Oz.	\$	Per ton Value
1403	D.S. File Grab No. 1	.62	12.81	15.20	8.51	21.32
1403	" " " 2	1.42	29.35	17.26	9.67	39.02
1403	Cut No. 1 back	5.66	116.99	76.76	42.99	159.98
1403	" " 2 "	.64	13.23	5.56	3.11	16.34
1403	" " 2 C	3.60	74.51	57.76	32.35	106.86
1403	" " 3 C	1.04	31.50	24.50	13.72	35.22
1403	" " 3 bottom	.90	3.93	6.13	3.43	7.36
1403	" " 4	1.69	34.93	40.21	22.52	57.45
1403	" " 5	.13	2.69	3.79	2.12	4.81
1403	" " 6	.20	4.13	2.86	1.60	5.73
<u>May 6, 1927 (Ag at .56¢)</u>						
1403	Raise No. 1 back	1.68	34.72	41.60	23.30	58.02
1403	Raise No. 2 back	1.60	33.07	55.60	19.70	52.77
1403	" " 3 "	.98	20.26	25.32	14.18	34.44
1403	10 cars	1.00	20.67	13.80	7.73	28.40
1403	Muck pile grab	1.20	24.80	24.70	13.83	38.63
<u>May 7, 1927</u>						
1403	Raise Muck pile grab	.31	6.41	9.93	5.56	11.97
1403	" 7 cars	2.76	57.05	22.06	12.36	69.40
<u>May 8, 1927</u>						
1403	4 cars	1.16	23.98	19.06	10.67	34.65
1403	5 cars	1.30	26.87	14.62	8.19	35.06
1403	No. 1 end	.88	18.19	22.38	12.53	30.72
1403	No. 2 "	.18	3.72	4.18	2.34	6.06
1403	No. 3 back	.19	3.93	5.65	3.16	7.09
1403	No. 4 "	.28	5.79	12.98	7.27	13.06
1403	No. 5 "	.21	4.34	6.11	3.42	7.76
1403	No. 6 end	.19	3.93	4.69	2.63	6.56
1403	No. 7 "	.25	5.17	7.23	4.05	9.22
1403	No. 8 H.W.	.10	2.07	2.66	1.49	3.56
<u>May 9, 1927</u>						
1403	Raise 18 cars	1.20	24.80	18.40	10.30	35.10
1403	" File grab	.19	3.93	5.61	3.14	7.07
<u>May 14, 1927</u>						
1403	Raise Top	.46	9.51	15.10	8.46	17.97
1403	" Bottom	.07	1.45	2.35	1.32	2.77
1403	" Face	.43	8.89	15.97	8.94	17.83
	Ophir Raise					Trace
<u>May 15, 1927</u>						
	Lot # 4 Shipment	.44	9.09	12.36	6.82	15.91
1403	Raise No. 1 Bottom					
1403	" " 2 top	.39	8.06	14.31	8.01	16.07
1403	" " 3 face	.60	12.40	19.53	10.93	23.33
1403	" " 4 left side	.47	9.71	13.97	7.82	17.50
1403	" No. 10 cars	.25	5.17	6.47	3.62	8.79

This Month:
TONS MILLED: 2,394
CUSTOM 110
DAYTON 2,284

DAYTON CONSOLIDATED MINES CO.
MILLING COSTS
September, 1934

7 Months to Date;
TONS MILLED: 20,371
CUSTOM 2,554
Dayton 17,817

	Operating Expenses This Month.			7 Months to Date	
	Labor	Supplies	Power	Total	Per Ton
Crushing & Conveying	\$ 186.11		\$ 107.03	\$ 239.14	.122
Sampling	30.00	40.40		70.40	.030
Ball Milling	261.81	831.18	296.68	1,401.67	.585
Tube Milling	245.71	35.38	217.05	498.14	.208
Agitating & Settling	97.66	12.68	164.83	275.17	.114
Filtering	222.59	182.25	173.39	578.23	.241
Clarifying	107.12	28.40	5.35	104.87	.059
Precipitating	164.31	5.01	73.85	243.17	.101
Refining	60.44	87.98		148.42	.062
Water	1.25		17.98	19.21	.003
Superintendence	258.00			258.00	.1108
General Charges	23.72	73.62	3.43	99.77	.042
Assaying	46.98	4.10	4.72	55.80	.023
Lighting		9.60	10.69	20.29	.009
Surface & Plant	4.41			4.41	.002
Chemicals		374.45		374.45	.157
Total	\$1710.18	\$1,696.35	\$1,075.00	\$4,481.53	\$1.871
				\$35,223.33	\$1.729

and good buildings and perhaps reopen the Central Tunnel. The Andes shaft which is 3 compartments will have to be mucked out and timbered an additional 30 or 40 deeper to what is known as the 250 foot station. This station will no doubt need retimbering and the drift north into California ground cleaned out. The present ore bodies in the 8 Blocks previously described will need preparation for stopping and pulling the ore. It will be necessary to lay track in levels, and install compressed air and water pipe. Special reference is here made to compiled notes by W. L. Osborne which follow immediately after this report and is part of same under the heading "Development Work in the North Section of the Ophir Claim", by G. Mc M. Rose, 1898 to 1901 copies from Weekly Report Book by W. L. Osborne. It is proposed to reopen these additional ore bodies which have splendid possibilities and thus increase ore reserves. To do the above mentioned work I estimate \$10,000 is necessary.

When the mill has been completed and other equipment installed and the entire operation to begin production, I estimate an additional \$50,000 is needed to make deposits demanded by the Sierra Pacific Power Co., the Industrial Insurance Commission, purchase of supplies such as cyanide, grinding balls, explosives, oils, timber, etc., take care of payrolls and other items until returns on bullion shipments begin to materialize.

Thus we have a total of \$450,000 with the following set-up:

\$250,000 for Milling Plant
 50,000 other mine equipment
 100,000 for mine preparation and development
 50,000 for running expenses.

It is proposed to borrow this amount of \$450,000.00.

I do not know how long this loan will run, or at what interest will be charged, but in order to set up and "Operating Cost", I am assuming 6% interest on the entire principal during the life of present "Ore Reserves." This interest charge will appear in Estimated Operating Cost, under "Miscellaneous Charges."

Another operating charge is Fire Insurance. On Milling Plant and Mine equipment costing \$300,000.00. I am assuming \$200,000.00 insurance will be required. This amounts to approximately \$300 monthly and appears in Miscellaneous Charge.

OPERATING COST ON BASIS OF 300 TONS DAILY

	<u>MINE</u>		
1 Foreman	\$6.67	per day	\$200.00 per month
3 Shift Bosses	5.50	" "	495.00 " "
3 Hoist Men	5.50	" "	495.00 " "
1 Blacksmith	5.50	" "	165.00 " "
1 Blacksmith helper	4.50	" "	135.00 " "
1 Toolsmith	5.50	" "	165.00 " "
1 Carpenter	6.00	" "	180.00 " "
1 Mechanic	6.00	" "	180.00 " "
60 Miners	4.50	" "	7,100.00 " "
18 Trammers	4.50	" "	3,430.00 " "
5 Service men	4.00	" "	600.00 " "
1/2 Truck man	2.50	" "	75.00 " "
3/4 Surveyor	5.00	" "	150.00 " "
1/2 Assayer	2.50	" "	<u>75.00</u> " "
Per Ton \$1,493			\$13,455.00 " "
Mine Supplies:			
Power	50.00	" "	1,500.00 " "
Timber	100.00	" "	3,000.00 " "
Explosives	35.00	" "	1,050.00 " "
Miscellaneous	40.00	" "	<u>1,200.00</u> " "
			\$6,750.00 " "

Per Ton 75¢

Total mine cost per ton \$2.243

MILL

General Expense:	Cost per Month	Cost per Ton
1 Mechanic	\$	\$
1 Laborer		
1 Mill Superintendent		
Lights & Misc. Supplies	900.00	.10
Total men employed - 11		
Total Installed H. P. - 595		
Crushing	500.00	.055
Feeding, Conveying and Screening	255.00	.28
Grinding	2,700.00	.30
Classifying	209.00	.023
Agitating	549.00	.061
Thickening	250.00	.028
Leaching, Pumping, etc.	720.00	.08
Water	500.00	.033
Chemicals	3,200.00	.355
Assaying	150.00	.017
Clean-up & Refining	200.00	.022
Clarifying & Precipitation	450.00	.05
General Expense	900.00	.10
	<hr/>	<hr/>
	\$10,858.00	\$1.252
OFFICE		
1 Accountant	\$ 6.67 daily	\$200.00 monthl
1 Stenographer	5.00 "	150.00 "
Supervision	33.00 "	<hr/> 1,000.00 "
		\$1,350.00

Office per ton 15¢

MISCELLANEOUS CHARGES:

6% Interest on Loan \$450,000.00	\$2,250.00 monthly	
Fire Insurance on 200,000.00	300.00	"
Taxes 4% on \$45,000 - 1,800.00	150.00	"
Compensation Insurance, Mine 6% on \$13,445.	808.00	"
" " Mill & Office 3½% on \$2,740	96.00	"
	<u>\$5,604.00</u>	"

Miscellaneous Charges per ton -.404¢

Metallurgical loss 6% on \$8.18 ore -.49

Total Miscellaneous Charges .894¢ per ton

RECAPITULATION OF COSTS PER TON

Mine to Mill	\$ 2.00 per ton	
Development254 "	"
Mill	1.252 "	"
Office15 "	"
Miscellaneous894 "	"
Total cost per ton	\$ 4.550	

\$8.18 less \$4.55 = \$3.63 profit per ton

254,993 tons x \$3.63 = \$925,624.59 profit

OPEN CUT MINING DUMP ORES

MONTH OF JULY - 1934

	Labor	Material	Total	Cost per Ton		Ore & Waste.
				Ore	Waste	
Foreman	159.37		159.37	.0236	.0330	.0138
Engineering & Surveying	150.00		150.00	.0222	.0311	.0130
Labor	449.88		449.88	.0666	.0931	.0388
Supplies		125.33	125.33	.0185	.0259	.0108
Shoveling & Trucking		5282.25	5282.25	.7814	.0936	.4558
Assaying		270.75	270.75	.0400	.0562	.0234
Blacksmith		154.44	154.44	.0228	.0320	.0133
Compressor		263.30	263.30	.0390	.0545	.0227
Overhead		673.79	673.79	.0997	.1395	.0581
Compensation Insurance		45.56	45.56	.0067	.0094	.0039
Tons Mined:	\$759.25	\$6815.41	\$7574.66	.1205	.5683	.6536
Ore	6760					
Waste	4830					
	<u>11590</u>					

CRUSHING EXPENSE MILL

MONTH OF JULY 1934

	Labor	Material	Total	Cost Per Ton
Forman	21.25		21.25	.0032
Labor	973.38		973.38	.1480
Supplies		11.10	11.10	.0017
Power & Lights		305.42	305.42	.0465
Repairs	104.28	109.59	213.94	.0325
Overhead		178.59	178.59	.0272
Compensation Ins.		35.17	35.17	.0054
	\$1098.91	638.94	\$1758.85	.2645

TONS CRUSHED - 6575

MILLING EXPENSE

	LABOR	MATERIAL	TOTAL	COST PER TON
Foreman	106.25		106.25	.0162
GRINDING	205.55		205.55	.0313
Balls		556.68	556.68	.0847
Liners		35.22	35.22	.0054
Flotation	411.11		411.11	.0625
Reagents		385.74	385.74	.587
Power & Lights		1125.18	1125.18	.1711
Handling Concentrates	380.00	144.50	524.56	.0798
Water		657.50	657.50	.1000
Assaying		279.74	279.74	.0412
Miscellaneous	202.41	197.41	399.88	.0608
Repairs	175.14	44.58	219.72	.0334
Dam Maintenance	326.38		326.38	.0495
Overhead		789.43	789.43	.0201
Compensation				
Insurance		57.82	57.82	.0088
	\$1806.84	\$4264.92	\$6071.76	.9235

Tons Milled - 6575

RECAPITULATION OF COSTS PER TON

135,200 tons - Average \$ 4.22 per ton

Shovel Cost per ton	.654
Crushing " " "	.264
Milling " " "	.923
Metallurgical Loss 10%	.422
	\$2.262

136,200 Tons x 1.96 - \$266,952 profits	\$4.22	
	2.26	Profit
	\$1.96	per ton

(30)

In closing I will state that it is my opinion, that with sufficient capital provided to properly prepare the present ore bodies for stoping, and properly install the property with efficient machinery, that a highly payable mine will be the result.

Yours respectfully,

(signed)

Howard W. Squires,
Mining Engineer.

SUMMARY

Thus we have the following ore reserves and calculated Operating Profit.

<u>Tons.</u>	<u>Profit</u>
254,993 tons mine ore	\$ 925,624.59
136,200 " dump "	236,952.00
<u>391,193 Tons</u>	<u>\$1,192,576.59 Profit</u>

On the basis of milling 9,000 tons ore monthly the present ore reserves will last $3\frac{1}{2}$ years. With the contemplated program of operation followed out I am convinced other large reserves of payable ore will be encountered before the present reserves are exhausted.

The earnings out of present ore reserves well justifies a loan of \$450,000 which will not only take care of interest and principal, but leave a handsome balance in the treasury.

CONCLUSIONS:

I am very much pleased with the general outlook of these properties. They are mines that have attained great depth in the development and production of high grade ore at a period when only high grade ore would pay. The very nature of the Comstock Lode is such as to guarantee large tonnages of lower grade ore left by former operators, which under present day conditions, if intelligently applied, become highly payable ore. The great unexplored area in California and Ophir on the main Comstock ore channel offers an opportunity not only for large tonnages of payable ore to be encountered, but perhaps for some of the high grade, such as was discovered on this lode in the past.

EXHIBIT B-A

REPORT OF
THE EIGHT ORE-BODIES ON
THE CONVIRGINIA AND OPHIR PROPERTIES IN
VIRGINIA CITY, NEVADA.

BY

WILLIAM LIONEL OSBORNE

SEPT. 1st. 1934.

*****INTRODUCTION*****

DURING the first week in November, 1933, it was deemed advisable by Mr. Zeb Kendall, President of the CONSOLIDATED VIRGINIA and OPHIR MINING COMPANIES, for Mr. Harry Williams and the writer, to devote all time and energy to underground work, in the above named mines, in the manner of exploratory work, sampling likely sections by pilot method, and places where values showed, to prove ore-bodies of mill grade materials, or otherwise.

IT was our thought in mind, to survey all accessible workings in both properties, and draft same, in order that any interested individual could see on paper the exact place of each cut that we would make in our systematic program.

THIS has been done, and the data re- description of each sample cut made by us, are obtainable at the Companies' office, showing the sample number, which likewise corresponds with the sample cut number underground, regardless of which level, sub-level, section or claim.

WHEREVER pilot samples were taken, they show on the maps, but are not figured in the average of any ore-body, due to the fact that some were streak and spot cuts. In analysing the tonnage average of any block of ore, we did not include high assays, regardless of whether they checked or not, but always did include the low values.

Cont'd

THE systematic sampling, which we used to valuate any ore-body, consisted of regular cuts at five foot intervals, along the drifts, cross-cuts, raises and winzes in the zones. Back samples were taken as well to check wall samples.

IN saying the samples taken averaged forty to fifty pounds, would be conservative, and were taken for the sole purpose of finding out the value of the rock in place, for the Company officials' information only.

IT was the one thought in mind, by Mr. William and myself, that the sampling be systematically done, regardless of the appearance of the material in place.

I can conscientiously say therefore, that the results obtained give a very true and conservative valuation of the ore-bodies, designated on the maps of the Consolidated Virginia and Ophir Mines.

THE following is a brief analysis of the ore-bodies blocked out by the Company during the past two years.

*****BLOCK - A*****

Location BLOCK A is situated in the CALIFORNIA CLAIM of the Consolidated Virginia Mining Company, lying in the west ore zone, which passes through said claim, in a northerly direction, near to the syanite footwall.

THE ore-body has been proven through systematic sampling, to extend from the pits in the floor of the 123 foot Sub-level to Surface, giving a vertical depth of 129 feet.

THIS ore-body is the most irregular of the eight blocks, yet practically all the workings show in quartz material. Sampling showed innumerable deposits of sulphide, some of which did not contain over average value. No definite streaks were found, but the zone showed all sulphides in bunches, in many places, in each and every sub-level and level. In the sections where the quartz is decomposed and oxidized, the values were found to be good and very consistent.

THE numerous small stopes are mostly filled with broken ore, which sampling revealed an average mill grade value.

THE workings appear to be very old, as the method of mining shown in this section, would convey the thought of being done at least 50 years ago.

THE bottom of the BLOCK contains a large stope, which is filled with broken ore for a depth of 26 feet. The depth was proven by cross-cuts from both pits in the floor of the 123 foot sub-level, to the top of the muck in the stope

above, on the 104 foot sub-level. This material assayed over \$11.00 per ton after 20 samples taken across the stope, for a length of 50 feet. High assays show in the back of the stope. This ore is easily accessible, due to a chute being now in place. On the 123 foot sub-level, material in place contains small kidneys or pockets of sulphide, which would break to a splendid grade.

IN estimating the value per ton on BLOCK-A, the numerous high assays were discarded, with all low values included. 176 samples assayed, gave an average of \$8.71 which with a tonnage of 31,972 net, valuated the ore-body at \$278,476.00.

DUE to the fact that pilot samples showed high values in other parts of the 123 foot sub-level, which were taken after said block was revealed, there is a good possibility of increasing tonnage.

IN brief, the above section appears to go to depth, which at the present time is inaccessible, and maps would reveal this to be virgin ground.

*****BLOCK - B*****

Location BLOCK B is situated in the CALIFORNIA CLAIM of the CONSOLIDATED VIRGINIA MINING COMPANY, lying in the west ore zone, approximately 100 feet north of BLOCK-A.

THIS ore-body extends from the 237 foot level or lowest accessible workings of the California Claim up to the top of the ALUM STOPE or north extremity of the 123 foot sub-level, and has an approximate length of 60 feet and 65 feet in width.

THE lower part of the block, on the 207 foot level, contains a few irregular iron sulphide streaks, which in pilot sampling did not show values over \$17.00 at current metal prices. It appears that the mass, extending from the 237 foot level to the 163 foot level, consists of a white quartz, completely shattered with black sulphide. Sample cuts on the 207 foot and 187 foot levels were taken three feet apart, on each side of the drifts and cross-cuts, and with access to the ^{and} raises/ winzes in this section, we found no high values and very low assays.

ON the 163 foot level, the values were found to be slightly under the average of the BLOCK, but increased in the ALUM STOPE, which lies directly above, and which contains some alum with the sulphide ore.

NO workings were revealed to lie above this section, but an inaccessible vertical raise in the Alum Stope back, still showed in white quartz, which is characteristic of the ore in the lower section of this ore-body.

THE workings found in this zone were very adaptable in systematic sampling, as many were true drifts and cross-cuts through the block.

THERE were 130 samples, which average assay value gave \$5.82 per ton, and with a tonnage of 57,292 net, valuating BLOCK-B at \$217,039.00.

DUE to the distinctive characteristic of the quartz mass in this block, the method of mining would^{not} result in much timber being used, consequently a low mining cost would undoubtedly result. After viewing the above named section, a competent engineer thought a mining cost of \$1.00 per ton would be conservative.

BLOCK - C-D-E-
*****ORE-BODIES IN OPHIR CLAIM*****

Location THESE three blocks adjoin one another, and consist of one large ore-zone, which situated on the east extremity of the present workings of the OPHIR MINING COMPANY.

IT is well to mention that this whole section was greatly stoped during the original Comstock mining, and the zone consists of fine fill, and which lies to the north of the Ophir Incline shaft, which was the first to be put down on the Comstock Lode.

INASMUCH as high-grade ore was in large pockets in this section, no attention was given to present mill grade ore, due to easily found riches, and also that a high milling cost was most evident in that period. As a result, there is a tremendous tonnage of fine decomposed quartz, which carry exceptional consistent values.

THERE has been an Incline Shaft put down by the present Company, to a vertical depth of 146 feet, approximately in the center of this zone. The samples that were taken during this period were mostly muck samples from sinking, drifting and cross-cutting, and showed a consistent mill grade of ore for the full depth.

AT the 60 foot point, a northerly drift was driven, giving exceptional values from both muck and face samples. Cross-cutting to the west from the north drift, 87 feet in and from the shaft, revealed high grade sulphide in quartz material. Cross-cutting to the west from the shaft station at the 60

foot level, showed good values over a width of 25 feet.

FROM the 146 foot level, or bottom of the shaft, a north drift was driven, and all muck taken from said drift was sampled and the results obtained checked with the back and face cuts, which showed a consistent mill grade. This drift finally passed out of the quartz fill after a length of approximately 70 feet, and continues through waste material until it connects with the original Central Tunnel workings, some of which are accessible at the present time.

DRIFTING to the south from the shaft at the 146 foot point, values were average for approximately 135 feet. At this point high grade was found, which assayed upwards to \$5,000.00 per ton at current prices.

CROSS-CUTTING in two places to the west off the south drift of the 146 foot level still gave good indications for over 20 feet in width, but a cross-cut to the east showed values to disappear after driving in approximately 7 feet.

THIS zone, as a result of the work done during the past two years, would show values of mill grade material for a depth of approximately 200 feet and also 200 feet in length, with an average close to 25 feet.

THIS section has been sampled thoroughly, by taking innumerable face cuts, with the muck sampling to check same. As a result close to 500 samples were taken, and the high assays as usual were discarded in analysing any average value for the blocked ore-bodies.

AS a result therefore, the sub-division of this mass would reveal BLOCK-C, which lies in the south section, and passing through to SURFACE, to form a triangular section, to average \$6.26 per ton, which with a tonnage of 11,200 net would valuate said block at \$70,299.00.

BLOCK-D is situated to the north of BLOCK-C ore-body, and extends from a point approximately 35 feet south of the shaft station, on the 146 foot level, to the end of the west cross-cut off the 146 foot north drift level, approximately 70 feet north from the station, and extending upward past the 60 foot north sub-level to the surface. The muck and face samples, with the backs, excluding all highs gave an average assay value of \$7.80 per ton, and with a tonnage of 33,692 net, valuated the ore-body at \$262,797.00.

BLOCK-E is situated along the zone for approximately 210 feet, and with a width average of BLOCK-D and a vertical depth of 50 feet below the 146 foot level, gave a tonnage estimate of 19,230 net, which with an average value of \$6.58 realizes the sum of \$126,533.00 for the ore-body.

DUE to the character of the fill material being fine quartz throughout the above named three blocks, a minimum mining cost could be attained by glory-hole operations.

BLOCK - F

*****ORE-BODY IN OPHIR CLAIM*****

Location BLOCK-F is situated in the west zone, close to the syanite footwall, in the Ophir claim of the Ophir Mining Company, and extends from the 190 foot sub-level, off the vertical Mexican winze, to the back of the MATHEWS STOPE, which section has been explored and sampled up to 62 feet above the 146 foot level; This gives a vertical depth of 108 feet, and extends along the south drift of the 146 foot level from the Mexican Winze, for a distance of approximately 120 feet.

ON the 190 foot sub-level, numerous samples were taken, all of which carried splendid values, and with strong indications showing on the 160 foot sub-level, which is also off the winze, strengthened the fact that this section carried not only good values, but consistent values.

THE Mathews Stope which lies above the 146 foot level, is undoubtably one of the richest sections of either claim, From reliable information, it was learned that the last work done in this section was in the year 1900, by two sets of leasers. One set, namely Mathews and McBride, working in the north section, following the rich sulphide streaks, which assayed from \$4.00 to \$7.00 per pound, were said to have accumulated approximately \$52,000.00 before they were put out, for reasons unknown. At this time, two other men were working in the south section, recovering values around \$350.00 per ton.

AS a result, no work was done hereafter in this section, and over a period of years became inaccessible, until this company

gained its entrance a few months ago.

UPON entering this section, we found it consisted of a series of narrow stopes, mostly filled with muck. The appearance of the rock in place at first led us to believe that it was blocky granite, and apparently worthless. However, still adhering to the plan of sampling, regardless of the appearance, we took several back and wall cuts in the upper part of the stope and found this granite-like material to be extremely high grade. As a result, we took 12 back samples over a distance of 35 feet, which averaged \$82.22 per ton. Four wall cuts nearby revealed an average of \$299.91 per ton.

IT was deemed advisable, at this time, to gain more access to the ore-body, and which necessitated taking out a great deal of fill. For a period of approximately four weeks this was done, and the apparent high grade sorted from same. As a result of 55 large bucket muck samples being taken, an average of \$19.43 per ton was shown. The sortings from this muck assayed nearly \$100.00. It would be conservative in saying that without sorting, a grade of \$25.00 would be evident.

SINCE this sample work, the company men have been in this block of ground, taking out some of the high grade, which has averaged from \$75.00 to \$468.00 per ton, and as yet have not touched the section where the original high grade samples were taken, owing to the necessity of timber being used, but have been working southward, and find values still high.

IN reference to the BLOCK as a whole, that in as much as the high grade is found in the many pillars and supporting sections for the various small stopes, together with the fact

that the broken ore is apparently rich in itself, it would be safe to say that an average of approximately \$20.00 per ton could be attained.

IN BRIEF, this zone is undoubtedly exceptional, and with more exploratory work above the present findings, would perhaps increase the tonnage substantially.

IN analysing the value of the ore-body, the average value of the muck samples, which showed to be \$19.43 per ton, and with a tonnage of 21,769 net, gave the sum of \$422,796.00. This excludes all high grade assays that were found.

BLOCK - G
*****ORE-BODY IN THE OPHIR CLAIM*****

Location- BLOCK-G is situated in the north end of the Ophir Claim, and extends from the 146 foot level to the surface.

A northerly drift was driven from the Central Tunnel West cross-cut of the 146 foot level for a distance of 113 feet, at which point a west cross-cut, 87 feet in length was made.

THE workings revealed this section to be mostly of fine quartz fill, which appears very much like the material in BLOCK-C, and which assay indications showed value.

VALUES were found to be erratic for the first 18 feet of drifting from the Central Tunnel, but at this point high-grade was found, which assayed up to \$720.00 per ton. From this, for the full remaining length of the drift, and for 22 feet in the west cross-cut, values were very consistent.

IN the west cross-cut, a dyke was encountered approximately 25 feet in, and cross-cutting showed this to be 63 feet in width, then with values appearing again. The ore-body was naturally figured from the east wall of this dyke.

THERE were 19 wall samples taken, which average \$5.50. The 8 face samples averaged \$4.89, and practically checked with the 57 muck samples taken, which revealed an average of \$4.93 per ton. As a result of the 85 samples taken, an average of \$5.01 was realized for the BLOCK.

IN the upper workings, which are inaccessible at the present

Cont'd.- time, we know that a cross-cut tunnel has been driven in from surface, with lateral workings, and that ore was mined and shipped to the smelter, returns of which showed a profit. These returns are in the Company office files, and verifies the belief that there is ore in place towards surface in BLOCK-G.

IN valuating the ore-body, the average of \$5.01 per ton with a tonnage of 27,138 net, would give the sum of \$135,961.00.

BLOCK - H
*****ORE-BODY IN CALIFORNIA CLAIM*****

Location- BLOCK-H ore-body is situated in the California Claim of the CONSOLIDATED VIRGINIA MINING COMPANY and is lying approximately 80 feet east of BLOCK-A, in the east ore zone.

THIS section is undoubtedly the best of the eight blocked out ore-bodies, as systematic sampling showed a large tonnage at a splendid value.

BLOCK-H was found to extend along in the zone for approximately 170 feet, from the 197 foot sub-level to the surface, and includes four levels and two sub-levels in its block.

THIS whole mass appeared to consist of quartz material with sulphide, and all of which is in place. High-grade assays were found on most every level and sub-level, but were discarded in the analysis of the ore block average value.

ON the 197 foot sub-level, we were able to get into a stope, taking 14 systematic five foot sample cuts, which averaged \$15.80. The quartz material contained innumerable deposits of sulphide in each cut, and the back of the stope showed much sulphide, but we were unable to sample this.

ON the 163 foot level, directly above, sampling was done along the full length of the drift, and in cross-cuts and raises. Disregarding the high values, we still had an average of \$9.34 per ton for 47 samples. This whole section, likewise showed all quartz with sulphide.

Cont'd.- THE 138 foot level, which incidently showed drifting farthest along in the zone, was actually riddled with sample cuts, which show along the drifts, in cross-cuts, raises and winzes. In a stoped raise, a ledge was found, which apparently was missed during the early mining, and values assayed far too high in this material to figure in the tonnage valuation. Some low assays were found, which as usual were included in the 52 sample cuts to give this section an average of \$7.51 per ton.

ON the 111 foot level, which lies above the 138 foot level, systematic sampling, excluding the one high assay which was found, revealed an average of \$5.92 for 49 samples. The material in place consisted of mostly brown quartz, containing some sulphide. Sampling showed this section to have consistently average values.

THE 75 foot level workings, in relation to this ore-body, are very few. A stope in the north extremity of the BLOCK was sampled, and which showed an average of only \$2.66 for 10 cuts. It is quite evident that it is virgin ground to the east of this 75 foot level stope, which would lie in the ore-body.

OUR finding a 25 foot sub-level in relation to this section, which showed good values, convinced us that the values extend from the 111 foot level up, and that the 75 foot level section would undoubtedly reveal this, after drifting. Due to the fact that the 25 foot sub-level is close to the surface and barely accessible, we were only able to cut 15 samples, which gave an average of \$7.23 per ton.

After spending much time in the whole BLOCK, our conception of this mass was that it appeared to be a large quartz zone, carrying innumerable sulphide deposits; and all workings, although apparently made many years ago, are still in good condition.

THE analysis would show 187 assays to average \$7.89 and the tonnage estimate to be 72,700 net, to value BLOCK-H ore-body at \$573,603.00.

*****CONCLUSION*****

HAVING dealt on the conditions and facts found regarding the different ore-bodies, as designated on the maps of the Consolidated Virginia and Ophir Mines, this report is one's personal verious of the situation, after devoting approximately one year in the underground workings.

THE eight ore-bodies listed below, show the total tonnage-average per ton, together with the valuation total.

BLOCK-A	31,972 tons @	\$ 8.71	-	\$ 278,476.00
BLOCK-B	37,292 tons	5.82	-	217,039.00
BLOCK-C	11,200 "	6.26	-	70,299.00
BLOCK-D	33,692 "	7.89	-	262,797.00
BLOCK-E	19,230 "	6.58	-	126,533.00
BLOCK-F	21,769 "	19.43	-	422,789.00
BLOCK-G	27,138 "	5.01	-	135,961.00
BLOCK-H	72,700 "	7.89	"	573,603.00
	<u>254,993 "</u>	<u>\$ 8.18</u>	-	<u>\$2,087,477.00</u>

NOTE- IN figuring the values re- ore-bodies,
 Gold \$35.00 per ounce,
 Silver .64 $\frac{1}{2}$ " "

(signed) W. L. Osborne.

EXHIBIT B-A

DEVELOPMENT
WORK
IN THE NORTH SECTION
OF
THE OPHIR CLAIM

BY
G. Mc M. Ross, Sup't. & M. E.
OF
THE OPHIR MINING
COMPANY

1898 to 1901

COPIED FROM WEEKLY REPORT BOOK

BY
W. L. OSBORNE

VIRGINIA CITY, NEVADA

1934

DEVELOPMENT WORK IN OPHIR CLAIM

Page - 1

CENTRAL TUNNEL WORKINGS IN NORTH SECTION OF OPHIR CLAIM:

Mr. G. Mc. M. Ross, superintendent and mining engineer for the Ophir Mining Company, during the years of 1898 to 1901, had a great deal of development work done in the upper north portion of the Ophir Claim. From the extracts in the Ophir Mining Co. report book, from 1898 to 1901, a section of ground undoubtedly contains an ore body, which the present Company has not found, due to not having worked in the said section as yet.

The work during the past two years did not take us to the Mexican shaft station of the Central Tunnel level or 146 foot level as it is now called; consequently we did not get access to the workings done by Mc M. Ross.

As a result therefore, I take from the weekly report book, mentioned above, the actual results obtained in development during that period.

Dr. D. B. Lyman, superintendent in charge before Mc M. Ross, had a westerly cross-cut opened up from the Mexican shaft station, on the Central tunnel level, for a distance of 528 feet. At an approximate distance of 200 feet, it passed through the Mexican winze station on the north side, and thence continued on due west for the remaining distance, cutting the prominent diorite footwall, and penetrating it for 20 feet. At the present time, it is not accessible towards the Mexican shaft, for a distance of 90 feet, and only for 94 feet west of the Mexican winze station. It is well to mention that in the above west cross-cut, at a point 438 feet in from the Mexican shaft, a clay seam was cut having a regular easterly dip of 45 degrees. Twenty-seven feet west of this clay wall, another and stronger clay wall was

cut, having the same easterly dip. The space between the walls is filled with quartz, seams of clay, and occasional spots of ore. This is a fairly well defined vein. The regular Comstock footwall was found to the west of this vein. A drift was then run in on the vein for 75 feet south before the work was abandoned. It was in this south drift that the streaks of ore assaying from \$1.00 to \$20.00 per ton were found. There can but be little doubt that this vein is on the footwall of the Comstock Lode.

On December 1st., 1898, Mr. G. Mc M. Ross took charge of the Ophir Mining Company, and quotes the following regarding the work done for fiscal year, since the above date.

"The Central system of workings was opened and the most westerly vein referred to in last year's report was followed north, the drift being driven on the footwall of this vein for a distance of 63 feet, when a connection was made with an old cross-cut, that had been driven from the east. From this cross-cut a north drift had been driven in the vein, along the hanging-wall for 150 feet; the course of the vein having changed from a north and south to a north-east course, the wall continuing on this course for 160 feet. At this point the course of this vein changed to due north and so continued to the Mexican south boundary line, when the north drift was stopped. Before reaching the Mexican line, two cross-cuts were run into the footwall of this vein. These with the old workings made a very good exposure of the vein. The only point where ore was found, was just south of the point of connection with the second west cross-cut. The average of the face of the cross-cut assayed \$2.10 in gold and \$1.20 in silver (\$3.30 per ton), while selected samples assayed \$4.00 in gold and \$8.52 in silver (\$12.52 per ton). The ore was base, carry-

ing lead, zinc and copper. It is quite possible that there is a large body of this ore, as there is between 200 and 250 feet of ground between this point and the surface. An up-raise would determine the value of the vein. The joint west cross-cut started on the Ophir-Mexican line, driven west for 230 feet to date, is being driven west in search of the lower part of the Burning Moscow vein, in which there is reported to be a body of base ore or refractory ore, that can be treated successfully by concentration. The formation passed through has been porphyry; the cross-cut cutting seams of clay and quartz assaying from \$1.00 to \$4.00 per ton and ranging in thickness from an inch to two feet; none of the seams having any appearance of being ore-bearing veins. There is no history of the Burning Moscow workings available, so we cannot say how much further we may have to run west to intersect the vein. The joint Ophir and Mexican east cross-cut from the north drift was driven east for 74 feet. This cross-cut was first driven through the vein followed from the south. The formation to the east is a soft porphyry that continues for 46 feet. Beyond this porphyry, a heavy black clay wall 14 feet thick was found. In cutting through it we found the branches of ore, together with quartz and porphyry pebbles. Within a foot of the west side of the clay in the south side of the cross-cut, we found an irregular streak of ore. A south drift was run on the ore for 31 feet. The course of the ore was found to be north and south, with an easterly dip of 45 degrees. The vein has ranged from 6 inches to two feet. Seventeen feet south of the joint east cross-cut, in the south drift, an up-raise was started and put up 13½ feet. The assay value of the ore from the vein since the drift was started has ranged from \$14.00 to \$363.00 per ton. The south drift has been timbered, as a little water from

the footwall of the vein made the ground dangerous. Work will be continued in the raise and drift. No ore has been taken out of the mine. All that has been taken from the south drift and raise has been stored in a drift under-ground. As near as can be determined from a study of the old maps, it is possible for an ore-body of considerable length and depth to exist in this part of the mine, which was never reached by the old workings."

ORE BODIES SHOWING ON SURFACE AT OPHIR CROPPINGS:

As of November 30, 1898, Mr. G. Mc M. Ross further states distinct possibilities of two other ore bodies existing in Ophir ground. The first ore body is on the surface, in the Ophir Croppings, while the second, which is underground, takes us back to the Central Tunnel workings, where splendid values were found above and to the south of the Mexican winze station. (This is known on our maps as BLOCK - F). In reference to the above, he quotes the following, as found by two leasers.

"The company has gained some valuable information in exposing two ore-bodies, that will probably yield some revenue, when the ore can be worked advantageously. One of these bodies is on the surface, in the croppings, and is a well defined five foot vein, with a westerly dip, that averages \$17.77 per ton, gold value of the ore, the proportion of value being 70% gold and 30% silver. (This would be \$30.10 per ton, gold value at current gold price, namely \$35.00 per ounce.)"

The second development is a short distance above the winze station, of the main west cross-cut in the Central Tunnel, and consists of streaks of ore in hard porphyry. In a 3 foot face there are ten to twelve inches of ore in three irregular streaks. Some rich bunches of ore have been found in this neighborhood, and in the same formation. The ore is base, containing

copper, zinc and lead. The ore exposed ranges from \$30.00 to \$100.00 per ton and of value 55% in silver and 45% gold. (Values are calculated at 60 cents silver and the gold at par, (\$20.67).

CENTRAL TUNNEL WORKINGS IN OPHIR CLAIM:

The continuation of the Central Tunnel work in the year 1900 is quoted by Mc M. Ross as follows:

"The ore found in a clay wall in the joint Ophir and Mexican east cross-cut was followed by an upraise from 13 $\frac{1}{2}$ feet to 45 feet. The ore continued to the top of the raise in an irregular streak in the clay, and at that point was cut out. Cross-cuts were run from the top of the raise into the foot and hanging walls, but no values found. The cross-cut into the hanging wall struck a little water, which has not yet drained out. The south drift was followed and a connection made with the Central tunnel system of workings. While driving the south drift, a large vein formation was prospected, but no ore of value was found outside of the heavy black clay, in which the ore was first found. From the workings there were extracted 17 cars of ore at a value of \$39.24 per ton. It was found impossible to keep this ore clean while mining it, as it was badly mixed with clay."

"A winze was sunk just south of the line of the vein found by the joint east cross-cut, a depth of 72 feet on the slope or 50 feet vertically. North and south drifts and east and west cross-cuts were run. The formation was found which carried ore on the Central Tunnel level and above it, but nothing of value found in any part of the winze, nor in the workings from it."

The joint west cross-cut was driven 62 feet, a total of 292 feet, and stopped in hard porphyry. (This is the cross-cut driven west on the Mexican-Ophir line.) 18 feet back from the face, a small vein of clay and quartz was cut, and was followed

south for 203 feet. The vein has been continuous but irregular, ranging in width from a few inches to three and four feet, carrying values ranging from 50 cents to \$8.00 per ton. Work has been discontinued in this drift, but a little more work should be done before it is abandoned.

CENTRAL TUNNEL SYSTEM:

This system embraces all the workings on this level, which is the level of the collar of the Ophir shaft. Ore has been extracted from the stopes west of the Mexican shaft and south of and above the Mexican winze station. The ore is a heavy sulphide in quartz stringers that run into hard porphyry, without any separation. There were extracted from these stopes 19 tons of ore, by leasers that netted the Company \$61.91 per ton and 13 tons of ore that netted \$28.28 per ton. There is a considerable quantity of such ore left on the margin of the old stopes, which can be worked when a good, modern mill has been provided for the treatment of such ores. (Mr. Ross refers to the section of ground now known as BLOCK -F).

OPHIR CROPPINGS:

As of November 30th, 1900, Mr. G. Mc M. Ross reports on the Ophir Croppings, which lie on the surface of the north section of the Ophir Claim, and directly over the present workings made by him in the said section. He quotes the following:

During the past year no work has been done on the westerly dipping vein, referred to in last year's report. An examination has been made of the Ophir Croppings and work done to determine the position of the vein. The work shows that to the east of the slide, there is a great mass of brecciated quartz containing some ore and no sulphides, and beyond the slide to the west, a well defined vein

of massive or unbroken quartz, containing ore with partly decomposed sulphides of silver, lead, zinc and copper. In places on or near the surface, the sulphides are very much decomposed, while at other places, sometimes close to the decomposed sulphides, there are masses of unaltered sulphides. The decomposed and partly decomposed sulphide ore carries but little gold while assaying from 30 to 50 ounces of silver (\$18.00 to \$30.00), while the bunches of ore found in the brecciated quartz contains from 70% to 90% of the value in gold, with silver calculated at 60 cents per ounce. The brecciated quartz, where exposed has shown a width of 60 feet, and the solid quartz a width of 40 feet.

The OPHIR CROPPINGS are irregular in size and value but are very favorably located for open cut mining or quarrying. They could in this way be mined and roughly assorted at a very low cost per ton.

TUNNEL RUNNING INTO BLOCK - "G":

Twenty feet north and 120 feet west of the collar of the Mexican shaft, a tunnel has been opened in which there is a body of black manganese stained quartz, 50 feet thick, which assays from \$2.00 to \$6.00 per ton. It is for the purpose of reaching this body of quartz on the 56 foot level, off the Mexican Shaft, that the main west cross-cut is being cleaned out and repaired. (Note: Mc Ross later found this body of quartz, which assayed from \$5.00 to \$8.00 per ton. This 56 foot level is 100 feet below the surface Tunnel, where the same ore body was cut over a 50 foot width.)

BURNING MOSCOW WORKINGS IN OPHIR CROPPINGS:

The Burning Moscow Workings, which are now a part of the Ophir and included within the Ophir patent, have been partly reopened. There had been no work done in this part of the mine for probably 25 years (since 1875). So far we have been unable to

to find but one drift and that badly caved. As the old workings are to the east of the slide, and no great distance below, it is not likely that we will find any of them open. A tunnel was started near the north line of the Ophir and about 40 feet above the collar of the Mexican Shaft. This cross-cut tunnel was driven south-westerly a distance of 150 feet. Shortly after the cross-cut was started and when in 19 feet, ore was struck and found to be an irregular bunch of oxidized ore, 4 feet thick, in quartz of the same general character as the ore. Short drifts were run north and south, and a winze sunk 10 feet. From this there were extracted 15 tons of \$34.38 ore and 10 tons of \$9.46 ore. The quartz surrounding the ore body was not separated by clay walls, nor by any different kind of quartz or rock. It was a kernel of ore in a body of quartz.

Forty-four feet beyond the first ore, we have found a vein or body of ore 8 feet thick on the sill of the floor. Just west of this ore, we cut into one of the old Burning Moscow drifts, so badly caved that we could not examine but little of the ground opened by it. The south-west cross-cut tunnel was continued with a slight change in its course to the north and has been run 150 feet through an oxidized quartz body. Just back of the face we have cut into a blue clay wall containing bunches of white quartz. West of this clay is supposed to be a large body of solid quartz. From the second ore-body found in this tunnel there have been extracted since Oct. 1900, 100 tons of \$108.32 ore, 45 tons of \$33.60 and 44 tons of \$111.64 ore, as per mine assays, while drifting through this body going north one set, south two sets and in raising two sets.

The following data was secured from the original book of the Ophir and Con Virginia Mining Companies' reports. From the year 1898 to 1901, the superintendent and engineer in charge of the above named companies, compiled some very valuable information pertaining to the so-called "Cole Croppings, or section of ground lying to the west of the Ophir claim, near the top of the mountain. The two principal claims in this section were formerly owned by a Mr. Benner, but since have been taken over by the Mexican and Ophir Mining Companies. The above mentioned two claims, namely the "Summit" and the "Last Chance" are each 1500 feet by 400 feet, lying along the Croppings in a south-east to north-west direction. These two claims are owned jointly by the Mexican and Ophir Mines, and are patented. In addition to the above, the Mexican Mine owns two claims lying directly east of the Croppings, namely the Overton and the Clemmons. These are also patented.

Mr. Benner, while owner of the Cole Croppings divulged the following information to Mr. G. Mc M. Ross, Ophir and Con Virginia Superintendent at that time, and which the latter included in the Companies' report, which is as follows:

"No ore was found in the lower or middle tunnels, or below the upper tunnel, say twenty feet below. What I mean is ore that would pay to work at the time. From the croppings, to where the rick rock was lost twenty feet below the upper tunnel, it was worth or would assay from \$250.00 to \$4,000.00 per ton. When we found that rich ore, or as I called it float, because it was not ore in the upper tunnel, I took to the Reduction Works at Reno, an express wagon load, I guess 1500 pounds. After paying all expenses, I had \$1250.00. From 3800 pounds I took to San Francisco, after paying all expenses, I had \$3,300.00. It assayed over 90 cents per pound.

The balance we had worked at Hughes mill at Gold Hill. We took out with two men in two weeks in all over \$30,000.00, so you see there was some rich rock, but it seemed to give out. Since then others have worked the Croppings and made money; that was after we had sold to Fair and Company. The ledge in the upper tunnel is about 25 feet in width, commencing about where the shaft from the croppings goes down to the upper tunnel which runs into the hill, or I should say runs west, as the ledge runs north and south.

It is a dark red or gray and white quartz. The rich rock in the upper tunnel was found in this dark rock, and near the east side of the ledge, say three to five feet wide. It was four to six feet wide in place, about ten to fifteen feet west of the shaft. I sunk a shaft nearly forty feet and went through rock that looked as rich as Ophir did at that time, but it assayed only \$10.00 to \$30.00 per ton, and the rock was so hard that I stopped the work, and filled the shaft. If I were to do anything I would sample that 28 feet of dark rock. I had a number of assays made of it, and think they went from \$8.00 to \$12.00, ^{or \$20.00} I believe that there is a body of ore from the croppings to 40 feet below the upper tunnel, that at this time, would pay expenses with the chance of getting good ore.

This streak of good ore would average from 68 cents to \$2.00 per pound, and I don't believe it was all worked out. The float we found, was all east of the croppings, and some of the blocks of ore would weigh 1500 pounds, two or three feet thick, and some parts to be at least 75 cents per pound.

Mr. G. Mc M. Ross, quotes Mr. Benner still further in saying that the test runs were made within the last two years by Mr. Evan Williams at the Nevada mill. The ore was crushed and

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concentrated and the concentrates treated by the pan process at the Nevada mill. In all there were worked 137 tons. The first lot between 30 and 40 tons yielded \$4.37 per ton in coin, and was quarried from the croppings west of the blacksmith shop, shown on the plat. The second lot was taken from the tunnel between the blacksmith shop and the north apex of the croppings. About thirty tons yielded about the same as the first lot. The third lot was taken from a quarry opened just below the north apex of outcrop, some 60 tons. The returns were not reported, but were said to be like that of the first and second lots. Mr. Benner has no figures, as none were given him referring to these lists. Within the past few months, the Bowie Brothers, while doing their assessment work, from the upper tunnel, referred by one of the former owners, took out 18 tons of \$28.00 ore and about 50 tons of from \$10.00 to \$12.00 ore, while running out from 150 to 200 tons of old fill, that assayed \$6.00 per ton.

Mr. G. Mc M. Ross quotes:

The outcrop of the lode is by far the largest that can be seen in this neighborhood, including the Gould and Curry, Ophir and the Chollar Potosi. The great mass is nearly all mineralized quartz. The ore is decomposed at the apex and down to the upper tunnel, but below that point in the Spanish Ravine on the north and near the south end of the outcrop, a low-grade sulphide ore is exposed, and forming a small part of the outcrop, and nearly 600 feet long, cuts the vein and follows it to the north 300 feet, where the ore ranges from \$2.50 to \$6.00 per ton. The air was so poor in this tunnel that it was not possible to make an examination of the vein during my visit. A lower tunnel (Cole Tunnel in Ophir Ravine) has been run and it is said reached the vein at

a distance of approximately 2000 feet. This tunnel is 800 feet below the apex of the croppings, and about 100 feet above the collar of the Mexican Shaft. The mouth of the tunnel is within the Ophir patented ground.

A partial examination without a detailed survey, indicates that there are between 300,000 and 400,000 tons of this mineralized outcrop available by open cut or quarry. The value of the ore cannot be stated without further examination as the variation in the assays reported are so great, that an average would not be a safe basis for calculation. The data available surely justifies a careful examination of the property with the necessary work required to get accurate data of the valuation of the outcrop, as the chances are more than even of developing a first class mine out of the "Summit" and "Last Chance" ground.

Signed -

G. Mc M. Ross

In January and February of 1901, Mc Ross had some work done on the COLE CROPPINGS. He states the following:

At a point near the south end of the central mass of croppings, a winze, that had been sunk approximately 360 feet in the main tunnel, on a streak of ore, was cleaned out and found to be 26 ft. deep. This winze has been sunk four feet - total 30 feet. In the south end of the bottom there is a four foot vein or ore increasing in size with depth. The average value of the vein is now \$15.00 per ton.

The winze was sunk for 5 feet - total of 36 feet and the bottom is a four foot vein of \$8.00 to \$14.00 per ton.

In sinking the winze an additional four feet for a total depth of 40 feet, the bottom showed a four feet vein assaying from \$12.00 to \$13.00 per ton.

The winze was later sunk six feet - Total of 46 feet, and the bottom showed a $5\frac{1}{2}$ foot vein that assayed \$4.00 to \$6.00 ore.

The last five feet of sinking, giving a total depth of 51 feet vertically, showed a $2\frac{1}{2}$ foot vein in the bottom of \$3.00 to \$4.00 ore.

Throughout the Mc Ross report the value of the ores that were assayed, were figured with gold at \$20.67 and silver at 60 cents per ounce.

EXHIBIT B (Continued)

B. METAL OR METALS:

Metals to be produced are gold and silver.

C. GEOLOGY:

1. Topographic and geologic maps appear in the "U. S. Geologic Exploration of the Fortieth Parallel", Clarence King, Director, and in the Atlas "Geology of the Comstock Lode and the Washoe District", by George F. Becker, Washington 1882.

2. (a) The country consists of triassic and tertiary igneous rocks, ranging from diorite on the west, which forms Mount Davidson and the footwall of the lode, through a hanging wall, consisting mainly of hornblend andesite, to augite andesite on the east.

A discussion of the general geology of the lode and of the mining properties here in question will be found in the report of Howard W. Squires.

- (b) The ore minerals of the deposit are gold and silver. The gold occurs in the native state and associated with pyrite. Silver occurs mostly in the form of argentite, and with small quantities of native silver, horn silver and stephanite occasionally in evidence. See Howard W. Squires' report.

EXHIBIT B (Continued)

C-2

- (c) The gangue minerals of the deposit are mostly quartz, with some shattered andesite and calcite. See report of Howard W. Squires.
- (d) The lode is a series of parallel ore channels, each channel constituting what may be described as a large vein, with porphyry filling between these veins. In the ground of your applicant there are a number of such veins or channels making up the Comstock Lode. The report of Howard W. Squires describes the various blocks of ore constituting the present reserves.
- (e) Faulting on the Comstock Lode was pre-mineral. After the mineralization took place there was little or no faulting which affected the ore bodies. See Squires' report.

On the page following is a map "The Mount Davidson Fracture System", from the University of California publication "The Structure and Genesis of the Comstock Lode", written by Professor Reid in 1905.

- (f) The minerals are localized in shoots, and the shoots are generally wide and long. The rich ore shoots are separated by irregular stretches of low grade material and seem to have been determined by northwest and northeast pre-mineral fractures intersecting the main lode. Their size is determined by the strength of these fractures.

EXHIBIT B (Continued)

C-3

Not applicable.

EXHIBIT B (Continued)

D. ORE RESERVES:

1.

- (a) Following are submitted 8 level maps and one composite map, which show the location of each of the ore blocks which make up the computed ore reserves. The assays of all samples are shown on the individual maps. Due to the large number of samples it was felt that to show sample numbers in addition to assay values would make the map confusing through lack of space. A careful record has been kept of all samples shown on map, and the values and location of each sample are kept on file at the Mine Offices. These records are in first-class shape and would permit of easy check. A listing of all samples pertinent to the ore reserve calculations is submitted under E-1 of this application.

In addition to above ore reserves there have been demonstrated an additional 400,000 tons of surface ores in Block I, having an estimated value of between \$4.00 and \$6.00 per ton.

- (b) The plan maps above referred to show elevations or sections where pertinent.

EXHIBIT B (Continued)

D-1

- (d) This data is all contained in the Squires report heretofore referred to.
- (e) This data is all contained in the Squires report heretofore referred to.
- (f) From Block I, which is a part of the area indicated in the Squires report as being probable ore, there has been mined and milled 14,914 tons of an average value of \$5.24, which resulted in a net recovery value of \$23,131.87. The shovel mining and transportation costs were approximately 50¢ per ton, which would give a net value of \$15,674. This shovel ore body is not mentioned in the Squires report. There is an indicated tonnage of 400,000 tons, of values from \$4.00 to \$6.00. This is in addition to that shown in a previous consolidated application for loan made by Consolidated Virginia Mining Company and Ophir Mining Company in January, 1935. Since the last mentioned date the Consolidated Virginia Mining Company has acquired all of the mining property of the Ophir Mining Company, as well as that of the Mexican Gold & Silver Mining Company and the Consolidated Virginia and Andes Corporation.
- (g) The probable ore bodies of your applicant are located in areas not presently accessible. Ore bodies, in addition to the reserves shown under (c), are known to exist from past records, although the workings are now caved. A discussion of the potential ore bodies of your applicant will be found in the Squires report, and their existence



EXHIBIT B (Continued)

D-1

(g) is further substantiated by extracts from the report of G. Mc M. Ross, previously referred to, and found in the closing pages of the Squires report.

The attached map will give a partial picture of the situation with regard to potential ore reserves.

D-2

Not applicable.

E. ASSAYS—Continued:

2. Explain method of taking samples in detail, whether channel, drill hole, etc. If ore bodies contain rich and poor streaks, state whether each streak is sampled separately and whether sample or samples presented are from the rich streaks, a weighted sample of the rich streaks, or a weighted sample of all the streaks, rich and poor, of the deposit.
3. If samples are taken from drill holes, show location of drill holes on maps and give depth at which samples were taken. Samples should be numbered to correspond with the numbers on assayers' report.

F. TYPE OF MINE:

1. State type of mine, whether tunnel or adit, shaft, open cut, placer, drift, etc.
2. If shaft, adit or tunnel mine:
 - (a) State the number of openings (shafts or adits), size, length, or depth of each.
 - (b) State the number of working levels, size and length of each, elevation with respect to collar or top of shaft, or to main adit.
 - (c) State the condition of all openings, whether timbered or untimbered, caved, or otherwise out of repair. Estimated amount and cost of contemplated repair work.
 - (d) Submit surface maps showing locations of all openings, with comparative elevations of each, and all buildings, roads, etc.
3. If open cut mine:
 - (a) Describe in detail the operations.
 - (b) Submit maps showing location of ore bodies, cuts, track systems, buildings, etc.
4. If placer mine:
 - (a) Water supply (see paragraph K, page 7).
 - (b) State size and length of pipe lines, sluice boxes, size and number of hydraulic giants, elevators, or other excavating or washing equipment; if dredge or dragline, give details.
 - (c) State the amount of overburden to be handled.
 - (d) State size of any hydraulic pits, shafts, trenches, test pits, bedrock cuts, or any other workings.
 - (e) State condition of above equipment.
 - (f) Submit map showing layout of equipment on property.

G. PRODUCTION, MINING METHODS, PROPOSED DEVELOPMENT, ETC.:

1. State recent monthly and annual production of ore (if any) in tons per day and estimated production if loan is granted; if placer, in yards of gravel per day.
2. State whether workings are dry or wet; if latter, amount of water that has to be pumped, gallons per minute, to keep water down.
3. Describe mining method to be used, whether timbered, rill, shrinkage, or caving stopes, pillar and room, etc.
4. Describe haulage, whether electric motors, steam or compressed-air locomotives, etc.
5. State whether there is ample area for depositing overburden, waste material, etc., and whether applicant owns or controls such area.
6. List all equipment on the property (exclusive of mill or smelter equipment), such as hoists, pumps, cars, haulage motors, drills, compressors, steam or electric shovels, pipe lines, tracks, ventilating fans, etc. Give kind, size, make, capacity, age, and number of each item and state whether in good working condition.
7. Describe any buildings on the property and condition of same. If work or repair shops, list equipment such as lathes, punches, saws, etc., and state working condition of same.
8. Submit a table showing complete total ore shipments to mills or smelters, values, and name and location of mill or smelter, for the last year of operation.
9. If a placer mine, give total yardage handled, and mint or smelter returns for past year of operation.
10. Describe in detail the proposed mining operations to be financed from the loan.
11. State any known production of neighboring properties with dates and names, and references to source of information.

EXHIBIT B (Continued)

E. ASSAYS:

1. The following is a list of all assays which are pertinent to the ore reserve calculations. See Exhibit B. E-1.
2. Operations during the past three years had made several thousand feet of early day workings accessible, and in early November, 1933, Mr. Zeb Kendall, president of the applicant mining company, instructed Mr. Harry Williams and Mr. W. L. Osborne to devote all time and energy to the sampling of the mines. Likely sections were first to be sampled by the pilot method, in places where values showed, the pilot sample to be followed up by a detailed sampling program.

Wherever pilot samples were taken, they show on the attached maps, but owing to the fact that some of the pilot samples were streak and spot cuts, they are not used in the ore calculations. In analyzing the metal content of any block of ore, the high assays were rejected, whether they checked or not, and all low assays were included.

The systematic sampling which was used in order to value the ore bodies consisted of regular cuts at five foot intervals, along the drifts, cross-cuts, raises and winzes. Back samples were taken, in order to check wall samples.

EXHIBIT B (Continued)

E-2. (continued)

In order to insure accurate information as to the grade of the ore bodies, exceptionally large samples of from forty to fifty pounds were taken.

3. No samples were taken from drill holes.

EXHIBIT B-E-1

***** RECAPITULATION

RE- ORE BODY ASSAYS RECORDED ON THE MAPS OF CONVRGINIA
AND OPHIR MINES IN VIRGINIA CITY
N E V A D A

BLOCK - A - (In California Claim)

175 Assays

Gold Ounces	Silver Ounces
<u>.1711</u>	<u>4.214</u>
\$ 5.99	\$ 2.72 - \$8.71 Av.

BLOCK - B - (In California Claim)

130 Assays

Gold Ounces	Silver Ounces
<u>.117</u>	<u>2.69</u>
\$ 4.09	\$ 1.73 - \$5.82 Av.

BLOCK - C - (In Ophir Claim)

19 Assays

Gold Ounces	Silver Ounces
<u>.1394</u>	<u>2.16</u>
\$ 4.87	\$ 1.39 - \$6.26 Av.

BLOCK - D - (In Ophir Claim)

223 Assays

Gold Ounces	Silver Ounces
<u>.1829</u>	<u>2.17</u>
\$ 6.40	\$ 1.40 - \$7.80 Av.

BLOCK - E - (In Ophir Claim)

108 Assays

Gold Ounces	Silver Ounces
<u>.151</u>	<u>2.03</u>
\$ 5.28	\$ 1.30 - \$6.58 Av.

BLOCK - F - (In Ophir Claim)

55 Assays

Gold Ounces	Silver Ounces
<u>.40</u>	<u>8.43</u>
\$ 14.00	\$ 5.43-\$19.43 Av.

BLOCK - G - (In Ophir Claim)

85 Assays

Gold Ounces	Silver Ounces
<u>.1244</u>	<u>1.05</u>
\$ 4.35	\$0.66 - \$5.01 Av.

BLOCK - H - (In California Claim)

187 Assays

Gold Ounces	Silver Ounces
<u>.1565</u>	<u>3.753</u>
\$ 5.47	\$ 2.42 - \$7.89 Av.

 THE SAMPLES TAKEN IN BLOCKED ORE
 BODIES AND RECORDED ON THE MAPS OF CONVRGINIA AND OPHIR
 M I N E S

BLOCK - A - (In California Claim)

	Numbers	Gold Ounces	Silver Ounces	No's	Gold Oz.	Silver Oz.
20 Foot	1617	.12	.88	1833	.20	3.00
Sub-	1627	.26	10.24	1834	.16	8.24
Level	1675	2.60	49.50 (out)	1837	.08	3.82
	1698	1.60	14.20	1838	.04	1.68
	1716	.64	8.00	1839	.06	2.40
	1717	.22	5.90	1840	.07	2.93
	1736	.02	1.32	1841	.10	3.68
	1737	.03	1.57	1844	.08	2.92
	1761	.60	13.60	1850	.05	1.85
	1762	.72	33.78			
	1763	.64	27.36	60 Ft. Sub-		
	1764	.12	5.54	Level	1623	.10 .90
	1765	.08	3.32		1624	.08 .96
	1781	.24	11.20		1631	.30 8.80
	1782	.15	4.15		1641	.14 2.76
	1783	.19	4.91		1642	.09 1.95
	1784	.13	3.07		1643	.10 2.10
	1835	.10	4.12		1663	.12 3.12
	1836	.40	10.40		1664	.08 1.54
	1851	.20	5.25		1665	.11 2.89
					1666	.05 .91
40-32'						
Sub-	1616	.24	3.76	1678	.28	7.26
Levels	1625	.04	.92	1701	.28	2.80
	1626	.11	2.29	1723	.08	1.30
	1676	.90	15.80	1724	.15	4.75
	1699	.14	3.76	1725	.08	1.00
	1700	.15	2.74	1738	.40	9.24
	1718	.30	15.10	1739	.16	5.34
	1719	.04	2.86	1740	.08	3.50
	1720	.20	6.00	1741	.01	.39
	1721	.04	2.80	1742	Trace	
	1722	.02	.98	1743	Trace	
	1759	.04	2.26	1754	.18	5.62
	1760	.10	4.26	1755	.12	4.08
	1766	.11	5.89	1756	.30	12.56
	1767	.04	3.20	1757	.06	2.58
	1776	.16	1.84	1758	.22	5.02
	1777	.12	1.80	1798	.14	1.60
	1778	.18	7.24	1799	.30	4.70
	1779	.40	6.00	1800	.18	1.82
	1780	.08	2.46	1801	.22	3.20
	1785	5.00	45.00 (out)	1802	.40	2.84
	1806	.06	1.72	1803	.06	1.14
	1807	.34	4.46	1804	.16	2.02
	1823	.76	2.34	1805	.04	1.10
	1824	.28	4.72	1820	.20	3.00
	1825	.08	3.74	1821	.29	6.47
PAGE	1826	.16	3.88	1822	.42	7.38
1	1831	.09	2.03	1827	.08	.90
	1832	.04	2.50	1828	.10	2.32

 THE SAMPLES TAKEN IN BLOCKED ORE
 BODIES AND RECORDED ON THE MAPS OF CONVIRGINIA & OPHIR
 M I N E S

BLOCK - A - (In California Claim) Continued

	Numbers	Gold Ounces	Silver Ounces	No's	Gold Oz.	Silver Oz.
60 Ft.						
Sub-	1828	.08	2.00	1854	.15	4.57
Level	1830	.06	.82	1855	.08	3.34
	1842	.04	1.56			
	1843	.11	2.19	104 Foot & 123 Foot		
	1845	.06	2.28	Sub-Levels		
	1846	.24	2.90	857	.20	2.20
	1847	.02	.88	858	.26	9.10
	1848	.10	2.70	1551	.15	6.05
	1849	.12	1.50	1558	.16	4.10
	1852	.60	21.40	1559	.05	1.05
	1853	.08	1.80	1560	.80	33.40
				1561	.20	6.80
				1571	.06	1.58
75 Ft.	1599	.04	1.70	1572	.14	5.56
Level	1600	.03	1.77	1573	.18	1.24
	1605	.28	3.72	1574	.05	1.05
	1606	.10	2.00	1575	.08	1.92
	1607	.12	1.10	1576	.16	4.84
	1620	.05	1.67	1577	.06	1.22
	1621	.05	1.53	1578	.05	.75
	1622	.07	1.03	1579	.12	2.60
	1628	.12	1.88	1580	.20	5.20
	1629	.08	.94	1581	.60	23.00
	1630	.17	1.37	1583	.10	3.80
	1644	.06	1.26	1584	.04	1.80
	1645	.28	2.40	1585	.03	1.41
	1646	.13	2.23	1586	.10	4.00
	1647	.15	.95	1587	.16	6.22
	1648	.08	1.14	1588	.14	5.66
	1649	.05	1.13	1589	.30	11.60
	1658	.18	1.92	1590	.65	24.65
	1659	.06	.78	1591	.03	1.45
	1660	.08	.32			
	1661	.05	.95			
	1662	.02	.78			
	1681	.04	1.68			
	1682	.05	1.83			
	1683	.03	1.17			
	1684	.04	1.64			
	1685	.02	.98			
	1686	.50	2.54			
	1687	.20	2.60			
	1703	.18	4.14			
	1704	.05	1.67			
	1705	.02	.92			
	1706	.04	1.30			
	1707	.15	3.05			
	1744	.06	2.46			
	1745	.09	3.41			
	1817	.06	1.40			
	1818	.04	1.16			
	1819	.08	1.74			

THE SAMPLES TAKEN IN BLOCKED ORE
BODIES AND RECORDED ON THE MAPS OF CON VIRGINIA & OPHIR
M I N E S

BLOCK - B - (In California Claim)

	Numbers	Gold Ounces	Silver Ounces	No's	Gold Oz.	Silver Oz.
207 Foot Level	1501	.26	12.02	1747	.20	.76
	1502	.22	9.78	1748	.21	1.25
	1503	.28	12.52	1749	.06	.94
	1504	.25	12.11	1750	.02	.60
	1505	.18	9.54	1751	.02	.68
	1506	.20	10.80	1752	.08	.60
	1507	.26	11.04	1753	.15	.41
	1508	.06	3.08	1768	.06	2.72
	1509	.13	6.67	1769	.05	1.95
	1510	.07	3.33	1770	.01	.49
	1511	.08	4.12	1771	.07	.99
	1512	.10	5.06	1772	.10	1.90
	1513	.14	7.30	1773	.12	1.52
	1601	.15	6.65	1774	.06	1.76
	1602	.12	2.98	1775	.20	.70
	1603	.16	4.56	1808	Trace	
	1604	.18	1.82	1809	.02	.66
	1608	.15	.69	1810	.10	.32
	1609	.18	2.64	1811	.12	.38
	1610	.06	.70	1812	.04	.44
	1611	.05	.49	1813	.11	.66
	1612	.10	1.24	1814	.08	3.22
	1613	.13	.27	1815	.06	1.32
	1632	.18	1.92			
	1633	.22	2.20	187 Ft. Level-		
	1634	.11	1.15			
	1635	.17	1.71	1637	.15	1.27
	1636	.15	1.25	1638	.18	2.12
	1654	.18	1.12	1639	.12	1.70
	1655	.06	.98	1640	.13	1.07
	1656	.08	1.04	1650	.09	1.81
	1657	.10	1.65	1651	.12	1.50
	1671	.05	1.23	1652	.17	1.61
	1672	.03	.81	1653	.24	1.52
	1673	.12	.90	1667	.03	.97
	1674	.10	.34	1668	.08	1.62
	1688	.12	1.18	1669	.02	.70
	1689	.16	3.94	1670	.01	.47
	1690	.08	3.18	1692	.09	2.21
	1691	.07	2.33	1693	.02	.78
	1696	.14	3.20	1694	.05	.67
	1697	.60	3.50	1695	.07	.93
	1709	.10	.90	1712	.30	1.30
	1708	.04	1.06	1713	.08	.86
	1710	.01	.39	1714	.10	.94
	1711	.08	1.08	1715	.15	1.05
	1731	.02	.50	1726	.02	.56
	1732	.40	1.70	1727	.01	.20
	1733	.22	.86	1728	Trace	
	1734	.12	.50	1729	.12	2.50
	1735	.14	2.26			
	1746	.12	1.06			

 THE SAMPLES TAKEN IN BLOCKED ORE
 BODIES AND RECORDED ON THE MAPS OF THE CONVIRGINIA & OPHIR
 M I N E S

187 Foot Level Continued -

Numbers	Gold Ounces	Silver Ounces	No's.	Gold Oz.	Silver Oz.
1514	.06	3.26	676	.02	.60
1515	.02	.48	679	.03	.84
1516	.26	1.70	683	.10	2.22
1517	.09	5.03	688	.52	6.20
1518	.15	8.65	832	Trace	
1519	.07	4.11	846	Trace	
1520	.12	6.88	848	Trace	
1521	.18	12.12			
1522	.16	10.84	BLOCK - D - (In Ophir Claim)		
1523	.07	4.91			
1524	.02	2.12			
1525	.06	4.04	196	.28	2.72
1526	.08	6.28	197	.16	.94
1527	.03	1.17	198	.52	2.12
ALUM STOPE SECTION-			204	.20	2.80
			205	.30	5.90
			210	.20	3.20
			211	1.00	1.28
1540	.06	3.30	212	.04	.76
1541	.15	6.23	213	.16	1.28
1542	.16	6.28	214	.54	1.56
1543	.12	5.48	217	.18	1.00
1544	.14	4.44	218	.16	.84
1545	.16	7.18	222	.20	1.80
1546	.20	4.22	224	.22	1.30
1547	.04	3.26		Trace	
1548	.12	4.58	No	.12	1.65
1549	.10	4.10	Numbers	.19	1.80
1552	.06	3.84		.24	.67
1553	.15	6.30		.16	1.70
1554	.12	4.88	227	.28	1.40
1555	.20	9.00	228	.30	1.42
1556	.06	3.58	229	.15	1.25
1557	.05	3.17	230	.20	3.00
1567	.20	5.00	231	.42	2.58
*****			232	.10	1.10
*****			233	.28	.80
*****			234	.44	1.60
*****				.04	1.48
BLOCK - C - (In Ophir Claim)			No	.06	.52
			Numbers	Trace	
				.40	1.74
651	.44	1.90	239	.20	.88
656	.12	1.80	240	.30	.90
	.09	.31	243	.20	5.00
No	.06	.24	244	2.12	64.88 (out)
Numbers	.24	5.68	245	.44	12.36
	.18	4.32	246	.22	3.78
	.02	.50	247	.28	4.52
661	.11	.77	248	.54	7.46
663	.44	12.48	249	.10	.70
669	.18	1.30	251	6.20	10.20 (out)
673	.06	.68	266	.12	1.58
675	.04	1.26	280	.14	.76

 THE SAMPLES TAKEN IN BLOCKED ORE
 BODIES AND RECORDED ON THE MAPS OF CONVIRGINIA & OPHIR
 M I N E S

BLOCK - D - (In Ophir Claim) Continued -

Numbers	Gold Ounces	Silver Ounces	No's.	Gold Oz.	Silver Oz.
281	1.40	3.08 (out)	No #	.18	.24
291	.44	2.36	383	.04	.73
292	.10	1.55	384	.13	1.47
294	.26	.64	391	.12	1.88
295	.31	1.37	393	.14	1.28
296	.56	3.20	394	.15	.53
309	.19	2.41	395	.08	1.02
311	.10	1.68	396	.06	.94
312	.28	3.02	397	.22	3.58
313	.24	3.28	398	.38	1.62
314	.22	3.17	401	.14	.96
315	.16	1.54	404	.12	.78
316	.12	1.34	409	.10	.80
319	.08	.64	410	.12	1.36
	.12	2.24	413	.10	1.00
No	.20	.62	414	.04	.56
Numbers	Trace		415	.08	.54
	.04	4.90	416	.24	.90
	.14	.80	418	.12	1.28
326	.20	5.00	423	.08	.96
340	.20	1.24	425	.12	.20
341	.14	.86	432	.11	.48
342	.05	.88	433	.20	.45
346	.40	.86	434	.10	.62
348	.32	1.00	435	.24	1.06
349	.17	.80	436	.08	.34
350	.20	.62	438	.32	1.06
351	.60	7.80	439	.18	.78
352	.12	.32	442	.12	.58
353	.60	1.90	443	.14	.64
354	.24	.60	444	.26	.66
356	.26	.90	445	.10	.40
357	.20	.74	446	.14	.81
358	.70	9.30	448	.13	.65
359	.18	3.72	449	.18	.67
360	.10	.63	450	.12	.55
361	.12	.52	451	.08	.50
363	.20	1.70	453	.10	.90
362	.14	.70	456	.10	1.12
364	.16	1.26	457	.06	.64
365	.21	.55	465	.22	1.78
366	.28	.90	466	.16	.94
367	.40	1.64	467	.25	2.55
368	.18	1.78	473	.20	2.16
370	.30	1.20	474	.24	2.20
371	.34	1.90	477	.03	.15
372	.60	5.30	479	.06	.84
373	4.40	62.40 (out)	483	.16	1.06
375	.20	1.00	484	.06	.94
	.12	.58	485	.08	1.00
	.08	.63	486	.07	1.13
	.15	1.35	488	.06	1.08
	Trace		489	.06	1.06
	.06	.92	491	.24	2.26
	.15	1.28	492	.16	3.56
	.16	.18	494	.20	2.92

 THE SAMPLES TAKEN IN BLOCKED ORE
 BODIES AND RECORDED ON THE MAPS OF THE CON VIRGINIA & OPHIR
 M I N E S

BLOCK - D - (In Ophir Claim) Continued -

Numbers	Gold Ounces	Silver Ounces	No's.	Gold Oz.	Silver Oz.
495	.24	2.14	787	Trace	
497	.26	4.04	788	.06	
498	.22	2.98	789	.06	.94
499	.20	4.24	794	.12	2.32
500	.20	5.00	881	.14	1.10
	.04	1.16	882	.03	.77
No	.07	1.13	883	.02	.64
Numbers	.02	.92	884	Trace	
	.04	1.22	889	.16	3.16
	Trace		890	.06	1.80
531	.12	.64	891	.10	2.10
603	.12	3.58	892	.15	2.85
604	.08	1.12	893	.20	.96
605	.05	.85	895	.05	1.65
606	.02	.36	896	.53	1.33
607	.04	.44	*****		
618	Trace		*****		
619	.12	2.08	*****		
634	.14	.58	****		
635	.34	3.96	**		
636	.19	.47			
638	.15	.95			
642	.18	3.82			
643	.10	1.90			
	Trace				
No	Trace				
Numbers	.15	.57			
	.03	.81			
	Trace				
646	.24	4.66			
647	.48	11.53			
648	.38	.98			
649	.25	1.15			
650	.18	1.82			
651	.44	1.90			
652	.16	2.90			
	Trace				
	.08	2.89			
	.26	2.00			
	.21	1.65			
No	Trace				
Numbers	.04	.66			
	.20	3.04			
	Trace				
	.27	2.73			
	.24	1.84			
	.32	.88			
	.16	2.84			
	.64	10.20			
	.30	1.70			
	.15	.81			
	.22	1.30			
	.60	8.00			
	Trace				
	.04	.96			
	.15	1.66			
	.04	1.56			

 THE SAMPLES TAKEN IN BLOCKED ORE
 BODIES AND RECORDED ON THE MAPS OF CON VIRGINIA & OPHIR
 M I N E S

BLOCK - E - (In Ophir Claim)

Numbers	Gold Ounces	Silver Ounces	No's.	Gold Oz.	Silver Oz.
477	.03	.15	656	.12	1.80
479	.06	.84	657	.11	2.41
483	.16	1.06	659	.12	.80
484	.06	.94	661	.11	.77
485	.08	1.00	662	.30	8.10
486	.07	1.13	663	.44	12.48
488	.06	1.08	666	.12	2.78
489	.06	1.06	668	.06	.86
491	.24	2.26	669	.18	1.30
492	.16	3.56	670	.05	.83
No	.04	1.16	671	.18	1.54
Numbers	.06	.94	672	.16	1.04
494	.20	2.92	673	.06	.68
495	.24	2.14	674	.01	.39
497	.26	4.04	675	.04	1.26
498	.22	2.98	676	.02	.60
499	.20	4.24	678	.03	.87
No	1.10	3.40	679	.03	.84
Numbers	.02	.92	681	.02	.56
	.04	1.22	683	.10	2.22
603	.12	3.58	685	.42	1.38
604	.08	1.12	687	.10	1.84
605	.05	.85	688	.52	6.20
606	.02	.36	690	.15	1.85
607	.04	.44	693	.16	.74
	.08	2.89		.15	.63
No	.26	2.00		.10	.54
Numbers	.21	1.65	No	.22	6.58
	.04	.66	Numbers	.09	.31
	.20	3.04		.06	.24
618	Trace			.24	5.68
634	.14	.58		.18	4.32
635	.34	3.96		.30	8.10
636	.19	.47	785	Trace	
637	.04	.96	786	.04	1.56
638	.15	.95	787	Trace	
	.15	1.66	788	.06	.94
No	.60	8.00	789	.07	1.13
Numbers	.22	1.30	794	.12	2.32
	.15	.81	795	.20	5.00
	.30	1.70	797	.16	1.64
642	.18	3.82	799	.02	.50
643	.10	1.90	802	.20	2.06
646	.24	4.66	803	.41	6.79
647	.48	11.53	817	Trace	
648	.38	.98	822	.04	.46
649	.25	1.15	826	.08	5.56
650	.18	1.82	832	Trace	
651	.44	1.90	833	.12	1.60
652	.16	2.90	841	.16	.92
653	.12	.68	846	Trace	
No	.15	.57	848	Trace	
Numbers	.03	.81	881	.14	1.10
			882	.03	.77
			883	.02	.64

 THE SAMPLES TAKEN IN BLOCKED ORE
 BODIES AND RECORDED ON THE MAPS OF CON VIRGINIA & OPHIR
 M I N E S

BLOCK - F - (In Ophir Claim)

BLOCK - G - (In Ophir Claim)

Numbers	Gold Ounces	Silver Ounces	No's.	Gold Oz.	Silver Oz.
1920	.24	4.06	Muck	.04	1.08
1921	.40	14.00	"	.03	.51
1933	.50	10.80	"	Trace	
1934	.51	10.91	"	Trace	
1935	.48	9.74	"	.22	3.38
1936	.48	10.02	"	.03	.87
1937	.62	7.58	"	.18	1.04
1938	.64	7.68	"	.18	1.00
1939	.70	9.10	"	.14	.86
1940	.72	9.28	"	.08	1.14
1941	.34	5.84	"	.12	1.58
1942	.32	6.18	"	.10	.60
1943	.50	7.50	"	.16	1.40
1944	.44	7.16	" Grab	Trace	
1945	.18	4.82	"	.05	.91
1946	.10	2.70	"	.04	1.20
1947	.15	3.85	"	.20	.80
1948	.06	1.84	"	.24	1.52
1949	.26	5.04	" Grab	Trace	
1950	.34	10.26	"	.03	.74
1951	.80	20.30	"	.14	.80
1952	.83	20.07	"	.06	.90
1953	.84	20.56	"	.03	.86
1954	.83	19.67	"	.20	1.06
1959	.30	7.90	"	.20	.78
1960	.28	7.62	"	.12	.60
1961	.28	7.72	"	.13	.27
1962	.32	7.76	"	.13	.67
1967	.60	16.60	"	.46	1.40
1968	.63	17.11	"	.22	1.38
1969	.58	12.12	"	.17	1.55
1970	.56	12.54	"	.14	.46
1972	.15	4.80	"	.08	.46
1973	.56	13.54	"	.06	1.16
1974	.54	12.92	"	.01	.43
1982	.24	6.86	"	.01	.31
1983	.20	4.50	"	.05	.77
1986	.42	8.02	"	.10	.90
1987	.06	1.14	"	Trace	
1988	.05	1.51	"	.05	.71
1989	.08	2.26	"	.02	.42
1990	.12	2.48	"	.34	1.14
1990-A	.10	2.44	"	.32	1.06
1991	.76	11.64	"	.40	1.02
1991-A	.70	11.30	"	.32	1.06
1992	.06	1.94	"	.13	2.17
1992-A	.06	1.98	"	.12	.48
1994	.04	1.32	"	.16	.58
1994-A	.04	1.28	"	.08	.70
1996	.30	9.30	"	.21	3.79
1996-A	.32	9.78	"	.06	.90
1997	.52	10.18	"	.03	.85
1997-A	.50	10.00	"	.04	.48
No Number	.84	20.07	"	.36	1.00
1998	1.16	30.64	"	.28	.90

PAGE
 EIGHT

 THE SAMPLES TAKEN IN BLOCKED ORE
 BODIES AND RECORDED ON THE MAPS OF CON VIRGINIA & OPHIR
 M I N E S

BLOCK - H - (In California Claim) Continued-

111 Foot
 Level
 Continued-

Numbers Gold Ounces Silver Ounces No's. Gold Oz. Silver Oz.

1917	.03	1.57	2181	.06	1.00
2088	.04	1.68	2182	.02	.88
2089	.10	2.44	2183	.01	.41
2090	.03	1.15	2184	.40	4.20
2091	.02	.98	2185	.18	2.30
2092	.18	2.30	2186	.05	1.15
2093	.16	2.00	2187	.14	2.36
2094	.08	.92	2188	.04	.40
2109	.86	6.74	2189	.16	4.04
2110	.04	1.92	2190	Trace	
2111	.06	2.68	2191	.07	1.83
2112	.02	.98	2192	.04	1.16
2113	.04	1.86	2193	.60	5.00
2114	.02	.94	2194	.27	7.73
2115	Trace		2195	.62	20.38
2239	Trace		2196	.04	1.76
2240	.01	.30	2197	.01	.35
2241	.05	1.55	2198	.01	.27
2242	.22	2.08	2199	.02	.78
2243	.25	2.55	2200	.10	3.80
2244	.03	1.17	2201	.06	1.64
2253	.30	12.10	2202	Trace	
2254	.01	.37	2203	.03	.63
2255	.12	4.48	2204	.04	.72
2256	Trace		2205	.06	.56
2257	.14	3.14	2206	.02	.52
2258	.03	1.27	2207	.03	.77
2259	.03	1.41	2208	Trace	
2260	Trace		2209	.05	1.25
2261	.02	.68	2210	.01	.35
			2222	.16	4.64

138 Foot
 Level

2158	.28	12.40			
2159	.66	22.46	163 Foot		
2160	.12	2.60	Level -		
2161	.06	.74	2081	3.00	89.00(out)
2162	.16	3.18	2082	.46	9.84
2163	1.90	54.10 (out)	2083	.80	17.60
2164	1.20	24.20 (out)	2095	.02	.82
2165	.01	.45	2096	.04	1.36
2166	.01	.39	2097	.16	4.30
2167	.08	2.12	2098	.20	6.40
2168	.04	1.60	2099	.08	2.92
2169	.03	.97	2100	.04	1.66
2170	.20	4.20	2101	.34	12.06
2171	.24	5.76	2102	.26	7.74
2172	.08	1.74	2103	.25	9.03
2173	.60	10.30	2104	.09	3.61
2174	.04	.56	2105	.07	2.05
2175	1.00	12.42	2106	.04	1.60
2176	.30	7.00	2107	.10	3.30
2177	.32	6.02	2108	.06	2.36
2178	.14	3.26	2121	.10	3.22
2179	.08	2.74	2122	.18	5.22
2180	.04	1.70	2123	.26	8.74

THE SAMPLES TAKEN IN BLOCKED
ORE BODIES AND RECORDED ON THE MAPS OF CON VIRGINIA & OPHIR

163 Foot Level in BLOCK- H - (In California Claim) Continued-

Numbers	Gold Ounces	Silver Ounces	No's.	Gold Oz.	Silver Oz.
2124	.08	2.86			
2125	.40	4.20			
2126	.10	.90			
2129	.04	.90			
2130	.06	1.30			
2131	.04	.80			
2132	Trace				
2133	.02	.60			
2134	.04	.96			
2135	.16	7.54			
2136	.02	.86			
2137	.03	.93			
2139	Trace				
2140	.06	1.60			
2141	.02	.88			
2142	.14	2.24			
2143	.16	3.28			
2144	1.30	24.40			
2151	.12	2.68			
2152	.08	2.84			
2153	.08	2.60			
2154	.40	10.20			
2155	.16	3.84			
2156	.10	3.40			
2157	.08	1.92			
2245	.40	9.40			
2251	.46	15.34			
2252	.32	12.88			

197 Foot Sub-Level-

2127	.50	18.40
2128	.24	3.16
2144	.06	1.84
2.45	.08	2.00
2147	.05	1.55
2.48	.10	2.40
2149	1.00	15.45
2150	1.10	13.70
2238	.20	4.80
2246	.46	13.02
2247	.14	2.90
2248	.16	3.70
2249	.30	3.80
2250	.38	8.02

EXHIBIT B (Continued)

F-4 Not applicable

G. PRODUCTION, MINING METHODS, PROPOSED DEVELOPMENT, ETC.

1. During 1936, fourteen thousand nine hundred and fourteen tons of ore were milled from Block I. The estimated production, if the loan is granted, in the proposed 500 ton plant will be at the rate of 500 tons per day of treating ore, having a gross value of \$5.00 to \$7.00 per ton.

The past production of the mine is dealt with in detail in the Squires report.

2. The mine workings are dry.
3. From 90 to 100% will be power shovel mining from an open cut in the croppings.
4. Truck haulage from the open cut and electric haulage from underground.
5. There is ample area, owned by your applicant, available for depositing waste material.
6. The equipment on the property is listed as follows:

- 1 - double drum electric hoist, with 50 H. P. motor, valued at approximately \$2000.
- 1 - 250 H. P. double drum electric hoist, with an approximate value of \$5000.
- 1 - 1250 cubic foot Ingersoll-Rand Imperial Type X compressor, approximate value \$2500.
- 1 - complete and up-to-date assay office, valued at approximately \$5000.

Miscellaneous buildings and headframe at the C. & C. Shaft, valued at approximately \$5000.

With the exception of the assay office, none of the foregoing equipment is contemplated to be

EXHIBIT B (Continued)

F. TYPE OF MINE:

1. The mines are quarry, shaft and tunnel mines, and in addition it is proposed to beneficiate the ore from certain dumps on the properties.
2.
 - (a-b) There are many inaccessible workings on the properties and it is impossible to state at this time the size, length or depth of these workings. The maps which have been submitted under D-1 (a) show the presently accessible openings.
 - (c) As previously stated, certain of the workings have been re-opened and are now accessible. Reconditioning and re-opening of the caved areas is not contemplated under this program.
 - (d) The map is submitted herewith. (Exhibit F 2-d)
3. (a) It has been fully demonstrated from the mining and milling of the ores in the Con. Chollar custom mill last year that the applicant will win at least 90% of the ores by open cut methods from the croppings, and this is indicated in Block I, Exhibit B.D 1-a. The method of winning these ores will be by power shovel loading into trucks and hauling to the proposed milling plant. The broken up and shattered condition of the Comstock Lode in this area is such that no blasting will be required.
 - (b) The map is submitted herewith. (Exhibit F 2-d).

 THE SAMPLES TAKEN IN BLOCKED
 ORE BODIES AND RECORDED ON THE MAPS OF CONVRGINIA &
 OPHIR MINES

BLOCK - G - (In Ophir Claim) Continued -

Numbers	Gold Ounces	Silver Ounces	No's.	Gold Oz.	Silver Oz.	
Muck	.14	.90	BLOCK - H - (In California Claim)			
"	.06	.94				
"	.04	.20				
Face	.15	.65	25 Ft.	2262	.44	9.82
"	.16	1.34	Sub-	2263	.60	14.00
"	.03	.63	Level	2264	.46	7.54
"	.13	.27		2265	.40	6.00
"	.08	1.10		2266	.06	1.80
"	.03	.55		2285	.02	.88
"	.30	1.10		2286	.01	.41
"	.12	.68		2287	.04	1.80
Wall	.05	1.35		2288	.03	1.41
"	Trace			2289	.02	.78
"	.30	.90		2290	.03	.97
"	21.00	204.00 (out)		2291	.02	1.04
"	4.20	66.80 (out)		2292	.02	.86
"	.90	19.10 (out)		2293	.03	.91
"	.30	.90		2294	.02	.70
"	.02	.38				
"	.04	.30	75 Ft.	2396	.02	.52
"	.10	.16	Level	2397	.03	.71
"	.08	.40		2398	.30	4.18
"	.07	.93		2399	.02	.42
"	.06	2.60		2400	.02	.50
"	.02	.50		2401	.10	1.22
"	.01	.15		2402	.03	.43
"	Trace			2403	.02	.38
"	.16	.84		2404	.02	.42
"	.18	.54		2405	.03	.55
"	.10	.54				
"	.03	.45				
"	.04	.80	111 Ft.			
"	.26	1.00	Level	1597	.30	3.80
*****				1598	.54	12.46
*****				1614	.16	4.94
*****				1615	1.70	47.50
**				1618	.08	1.82
				1619	.03	.97
				1880	.03	.77
				1881	.01	.37
				1882	.18	4.32
				1883	.08	.64
				1889	1.00	29.68
				1908	.06	3.44
				1909	.15	7.05
				1910	.08	3.92
				1911	.09	3.53
				1912	.02	.92
				1913	.05	1.67
				1914	.06	1.74
				1915	.18	6.22
				1916	.10	4.14

EXHIBIT B (Continued)

G-6 (Continued)

used in the present program on account of its location from the open cut, which is approximately one-half mile distant.

7. The assay office, hoist and compressor building are frame buildings, and in fair condition.

G-8.

CONSOLIDATED VIRGINIA MINING COMPANY

ORE SHIPMENTS

Year 1936

<u>Date</u>	<u>To Whom Shipped</u>	<u>Tons</u>	<u>Average Value Per Ton</u>	<u>Gross Value</u>	<u>Net Return To Company</u>
<u>1936</u>					
July 8-13	Cons. Chollar, Gould & Savage Mining Co.	1,820.0000	\$ 6.06	\$11,037.36	
Nov. 4-15	Cons. Chollar, Gould & Savage Mining Co.	4,556.0000	5.55	25,262.36	
Nov. 16-30	Cons. Chollar, Gould & Savage Mining Co.	5,189.0000	4.53	23,493.54	
Dec. 1-9	Cons. Chollar, Gould & Savage Mining Co.	3,247.0000	4.54	14,725.42	
TOTALS, Con. Chollar, G & S Mining Co.....		<u>14,812.0000</u>	<u>\$ 5.03</u>	<u>\$74,518.68</u>	<u>\$20,849.03</u>
Sept. 1	American Smelting & Refining Co.	50.4080	\$45.60	\$ 2,298.60	\$ 1,445.10
Sept. 7	International Smelting & Ref. Co.	52.4015	25.96	1,360.34	837.74
TOTALS, Carload Shipments to Smelters		<u>102.8095</u>	<u>\$35.58</u>	<u>\$ 3,658.94</u>	<u>\$ 2,282.84</u>
TOTALS, All Shipments		<u>14,914.8095</u>	<u>\$ 5.24</u>	<u>\$78,177.62</u>	<u>\$23,131.87</u>

Note: The above settlement was made by the Consolidated Chollar, Gould & Savage Mining Company from the operations at its mill in Virginia City.

EXHIBIT B (Continued)

G-9.

Not applicable.

10. The proposed mining operations are to be by power shovel mining the oxidized croppings in this property and hauling same to the proposed milling plant; also, underground mining will be done by various methods which have proved economical on the Comstock Lode. In addition, the dumps will be transported to the proposed milling plant for treatment.

11. See Squires' report re Dayton Consolidated Mining Company's operation. In addition, Sutro Tunnel Coalition and Arizona Comstock are operating upon the Lode. The mining and milling operations of the Sutro Tunnel Coalition are known to the Corporation.

H. MILLING.

1. Not applicable.
2. Not applicable.
3. Not applicable.

4. (a) It is proposed to build a combination cyanide sand and slime plant; the sands to be still-leached, the sands and slimes to be floated, and the concentrates re-ground and cyanided, as set forth in Hamilton, Beauchamp & Woodworth's flow sheet attached hereto.

- (b) See Exhibit attached. B H 4(R)

H. MILLING:

1. State whether ore is milled or treated in applicant's mill, a leased mill or sold to a custom mill.
2. If ore is treated in applicant's mill or a leased mill:
 - (a) State capacity and percentage of extraction, and submit flow sheet of mill.
 - (b) Describe mill building, condition of same, etc.
 - (c) Describe equipment in mill building, such as crushers, jigs, ball mills, table, flotation units, stamps, etc. Give kind, make, size, capacity, age, and number of each and state whether in good working condition.
 - (d) State rental cost if leased mill.
 - (e) State whether there is ample room for disposing of tailings.
 - (f) State whether tailings will pollute any known streams, lakes, or other sources of water supply.
 - (g) Submit tables showing complete total tonnage of ore treated, tonnage of concentrates made, and assays of heads, concentrates and tailings, for the last year of operation.
3. If ore is sold to a custom mill:
 - (a) Submit table showing complete total tonnage of ore shipped, including settlement sheets for last year of operation. Give complete data as to name and location of mill purchasing ore, etc.
 - (b) Submit copy of any contract for purchase of ore.
4. If applicant proposes to build a mill:
 - (a) Describe proposed milling operation.
 - (b) Submit a flow sheet of the proposed mill, and state capacity.
 - (c) Submit copies of all tests which determined the design of mill.
 - (d) Describe mill site showing location of mill with respect to mine.
 - (e) State if there is ample room for disposing of the tailings.
 - (f) State whether tailings will pollute any known streams, lakes, or other sources of water supply.
 - (g) Submit detailed cost of proposed mill.
 - (h) Submit, if available, plans of proposed mill.

I. SMELTING:

1. State whether ore or concentrates are treated in the applicant's smelter or sold to a custom smelter.
2. If reduced in applicant's smelter:
 - (a) Describe smelting operations.
 - (b) Describe equipment of smelter, stating working condition of same.
 - (c) State whether necessary fuel and fluxes are available on property, and if not, state source and cost of same.
 - (d) State whether there is ample room for slag dumps on property, and if not, how disposed of.
 - (e) Submit tables showing tonnage and assays of concentrates smelted, tonnage and assays of metal or metals recovered and list and amount of any by-products made for last year of operation.
3. If concentrates or ore are sold to a custom smelter:
 - (a) Submit tables showing tonnage of ore or concentrates shipped to smelter, including settlement sheets, for last year of operation. Give complete data as to name and location of smelter purchasing same.
 - (b) Submit copy of any contract for purchase of ore, or concentrates.

EXHIBIT B (Continued)

H-4

- (c) We have no tests available in our files for the determination of the design of the mill. The design of the mill, however, is upon the recommendation of Hamilton, Beauchamp & Woodworth, who have previously conducted tests upon the Comstock Lode in the vicinity of the mines of the applicant, specifically referring to tests and recommendation made by them to Arizona Comstock. The representative of Hamilton, Beauchamp & Woodworth is now on the ground, checking the tests previously made, particularly with reference to the ores of the applicant. Their conclusions embody the practice proposed.
- (d) There is a suitable and adequate mill site close by the portal of the central tunnel and about 1500 feet from the proposed open cut from where the bulk of the ores will be mined - all on applicant's property. See Exhibit F-2(d), Composite Map.
- (e) There is ample room for disposing of tailings on Sutro Flat available for the applicant.
- (f) Tailings will not pollute any known streams, lakes or other sources of water supply.
- (g) See Exhibit B.H. 4-g.
- (h) See proposal by Hamilton, Beauchamp & Woodworth, with detailed plans.

C O P Y

HAMILTON, BEAUCHAMP & WOODWORTH

E. M. Hamilton
1915-1936

METALLURGICAL ENGINEERS

564 Market Street

F. A. Beauchamp
S. E. Woodworth

Cable Address
HAMBEAU
Phone Sutter 6600

SAN FRANCISCO, CAL.

May 4 1938

Consolidated Virginia Mining Co.,
Virginia City, Nevada

Subject: Preliminary Mill Estimate
500 tons capacity for
Con. Virginia Mining Co.

Gentlemen:

We beg to submit herewith our preliminary estimate of erecting a 500 ton crushing, grinding and floatation mill, including a 25 ton concentrate cyanidation plant and a 300 ton sand leaching plant.

The flow sheet follows standard practice now in use on the Comstock ores. We are enclosing herewith, three prints each of our drawings, (1) Plan and elevation of Mill, (2) Plan and elevation of Crushing Plant, (3) Flow Sheet).

The following cost covers the plant as shown installed. We estimate the plant can be constructed in approximately five months from the time authorization is given to proceed.

Crushing Plant	\$39,188
Mill and Cyanide Plant	167,262
Precipitation and Melting	4,314
Thickeners	17,247
Sand Vats	43,407
Total	<u>\$271,418</u>

We will be very pleased to design and erect this plant for your account.

Yours very truly,

HAMILTON, BEAUCHAMP & WOODWORTH

By S. E. Woodworth

EXHIBIT B. H 4-g

I. SMELTING—Continued:

4. If applicant proposes to build a smelter:
 - (a) Describe proposed smelter operation.
 - (b) Submit copies of all tests which determined the design of the smelter.
 - (c) Describe smelter site.
 - (d) Submit plans, if available, and detailed costs of proposed smelter.

J. REFINING:

1. State whether or not smelter product goes to a refinery.
2. If product goes to applicant's refinery:
 - (a) State method of refining.
 - (b) Describe buildings, equipment, and capacity of refinery and working condition of same.
 - (c) Present a table showing complete annual tonnage of metal treated, tonnage and assay of refinery product or products. List any by-products and give amounts.
3. If product is not refined by applicant submit data concerning the disposition of same.
4. If applicant proposes to build a refinery:
 - (a) Describe proposed refining operation.
 - (b) Submit copies of all tests which determined the design of refinery.
 - (c) Submit plans, if available, and detailed costs of proposed refinery.
 - (d) Describe site of proposed refinery.

K. WATER SUPPLY:

1. State whether water supply for all operations, mining, milling, smelting, and refining, is sufficient for all seasons of year. State amount in gallons per minute, miners' inches or second-feet. (Maximum and minimum.)
2. State source of supply, whether from well, flowing stream, mine, lake, reservoir, etc., and nature of water rights.
3. State amount of additional water that could be acquired or developed, and how developed and cost thereof. (Gallons per minute, miners' inches or second-feet.)

L. POWER:

1. State distance to nearest electric power line, if any in district.
2. State cost of electric power, if used on property or nearby properties.
3. State cost of electric power at nearest point available for purchase and cost of extending line (if any power line in district).
4. State whether any water power is used or available and cost of same.
5. State kind and cost of any other power used.

M. LABOR:

1. Make brief statement as to unemployment conditions in the district.
2. Are experienced workmen, such as miners, millmen, smeltermen, etc., available in district?
3. State number of additional men who will receive employment because of loan.
4. Make brief statement as to current wage scales.
5. What facilities does applicant have for housing workmen?

N. TRANSPORTATION:

1. State distance:
 - (a) From mine to nearest railroad station, giving condition of roads.
 - (b) From mine to mill or smelter, giving condition of roads.
 - (c) From mill to smelter, giving condition of roads.
 - (d) From smelter to railroad, giving condition of roads.
 - (e) State methods of transportation as trucks, teams, etc., and cost thereof.

O. COSTS:

1. State past (if mine has been in operation) and estimated future:
 - (a) Detailed cost per cubic yard of gravel handled.
 - (b) Detailed mining cost per ton of ore.
 - (c) Detailed milling cost per ton of ore treated.
 - (d) Detailed smelting cost per ton of ore or concentrates treated.
 - (e) Detailed refining cost per ton of metal refined.
 - (f) Cost of finished product or products per ounce, pound, or ton.

EXHIBIT B (Continued)

I. SMELTING:

1. Both the ore and concentrates will be reduced to bullion in the plant of your applicant.
2. Not applicable.
3. Not applicable.
4. Not applicable.

J. REFINING:

A precipitate will be made and melted in a melting furnace into base bullion and shipped direct to the United States Mint.

K. WATER SUPPLY:

1. This district is furnished with water by the Virginia City Water Company, which owns its own lake in the high Sierras, close to Lake Tahoe. There is an ample supply of water for all seasons of the year.
2. The source of supply is from a lake.
3. The only other water supply that could be developed is from the Deep Mines, but the cost would be prohibitive.

L. POWER:

1. The lines of the Sierra Pacific Power Company, a public utility company, cross the property.
- 2 and 3. The cost of power will average approximately 1.2¢ per kilowatt hour.

EXHIBIT B (Continued)

L-4 There is no water power available.

5. Electric power will be used exclusively.

M. LABOR:

1. Virginia City depends entirely upon its mines, and there is considerable unemployment here at the present time.

2. There are plenty of experienced miners and millmen available in the district.

3. It is estimated that the proposed loan will give employment to about one hundred and ten men, and these men will have continuous employment during the life of the mine.

4. The wage scale of the district is shown in the Squires report.

5. Virginia City has ample housing facilities for the proposed operations.

N. TRANSPORTATION:

1. The Virginia & Truckee broad guage railway traverses the property and connects with the Southern Pacific and Western Pacific at Reno, Nevada. Good highways connect Virginia City with Reno and Carson City.

O. COSTS:

1.
 - (a) Not applicable.
 - (b) Fifty cents.
 - (c) One Dollar and twenty-five cents.
 - (d) Not applicable.

EXHIBIT B (Continued)

O-1

(e) Approximately fifteen cents per ton of ore treated.

(f) The finished products will be gold and silver. Gold will be produced at approximately \$12.00 per ounce and silver at approximately twenty cents per ounce.

EXHIBIT C

Collateral Offered as Security for Loan

Ore reserves	Estimated tonnage	Assay value per ton of ore	Estimated cost of production per ton of ore	Estimated sales price per ton of production	Estimated profit per ton of ore	Total estimated profit per year
Developed ore:	391,193	\$ 6.80	\$ 3.50	\$	\$ 3.30	\$
Probable ore:	400,000	\$ 5.14	\$ 2.00	\$	\$ 3.14	\$

Brief description	Date acquired	Original cost	Depreciation	Present net book value	Insurance carried
Buildings, mills, smelters, etc.:		\$	\$	\$	\$
Machinery, equipment, furniture and fixtures, or other chattels:		\$	\$	\$	\$

Real property or rights under leases or options to purchase:

Royalty rights:

Receivables: State total face amount:

Inventories of ore above ground, in process of milling or smelting or finished product:

Other collateral itemized:

Evidence as to markets:

Applicant must present evidence of definite markets for all metals, other than gold and silver, which will be produced during the life of the loan, with location and capacity of each market and sales prices.

EXHIBIT D
Current Financial Statement

As of

APRIL 30, 1938

(It is desired that this should be not more than 30 days prior to date of application)

Assets		
CURRENT ASSETS:		
1. Cash		\$ 864.43
2. Notes receivable		None
3. Accounts receivable		94.43
4. Inventories, materials on hand, etc.		87.56
TOTAL CURRENT ASSETS		1,046.42
FIXED AND OTHER ASSETS:		
5. Plant used in business	Lands	500.00
	Buildings	2,906.05
	Other Mine Property	2,367,115.49
6. Machinery		11,536.95
7. Equipment, furniture, fixtures, etc.		845.76
Automobiles		1,286.01
TOTAL ASSETS		2,385,236.68
Liabilities		
CURRENT LIABILITIES:		
8. Notes payable		16,000.00
9. Accounts payable		558.47
10. Other current liabilities	Cash Advance	4,000.00
11. Liabilities accrued but not yet payable (interest, rent, taxes, wages, payments due on account of leases, options, or other contracts, etc.)		2,132.02
TOTAL CURRENT LIABILITIES		22,690.49
FIXED AND OTHER LIABILITIES:		
12. Mortgage debts, etc.		None
13. Contracts for lease, royalty, or purchase which constitute charges:		None
14. Other liabilities (describe)		None
TOTAL LIABILITIES		22,690.49
15. Contingent liabilities (describe)		None

INSTRUCTIONS.—In addition to the foregoing statement, attach a copy of latest balance sheet; also state terms of notes payable, mortgage debts, etc., giving maturity dates, rate of interest, etc.; and describe any other liens which would rank prior to the proposed loan.

EXHIBIT E

Fees, Commissions, Etc.

(No fee, bonus, or commission shall be paid by applicant for the purpose of procuring a loan, but reasonable compensation may be paid for proper services actually and necessarily rendered to applicant; all such compensation must be satisfactory to R. F. C.)

All fees, commissions, salaries, charges, compensation, and things of value paid or delivered, or agreed to be paid or delivered, or contemplated to be hereafter paid or delivered by or on behalf of applicant in connection with the application and/or any loan granted are as follows:

Name	Description of services	Amount paid	Amount agreed or contemplated to be paid
Thatcher & Woodburn	Assisting in the preparation of this application, examination and report on title	\$ None	\$ 2,500.00
If anything in addition should be charged, it will be with the consent and approval of the Corporation.			

CONSOLIDATED VIRGINIA MINING COMPANY
BALANCE SHEET
APRIL 30, 1938
- - -

ASSETS

CURRENT ASSETS:

Cash in Bank	\$ 864.43	
Accounts Receivable	94.43	
Stores Inventory	87.56	
TOTAL CURRENT ASSETS		\$ 1,046.42

FIXED ASSETS:

Mining Property, Plant and Equipment (Schedule I)	2,384,190.26
--	--------------

INVESTMENTS:

Common Stock of Mexican Gold and Silver Mining Co.	17,693.80
--	-----------

DEFERRED CHARGES:

Reorganization Expense	\$ 8,604.06	
Development Work	52,683.66	
TOTAL DEFERRED CHARGES		61,287.72

OTHER ASSETS:

Prepaid Insurance	\$ 147.57	
Nevada Industrial Commission	420.19	
TOTAL OTHER ASSETS		567.76
TOTAL ASSETS		<u>\$2,464,785.96</u>

LIABILITIES AND CAPITAL

CURRENT LIABILITIES:

Accounts Payable	\$ 558.47	
Accounts Payable - Albert E. Kern Jr., Cash Advance	4,000.00	
Notes Payable - Mrs. Zeb Kendall	16,000.00	
Accrued Salaries and Wages	462.87	
Accrued Taxes	1,353.55	
Accrued Interest	315.60	
TOTAL CURRENT LIABILITIES		\$ 22,690.49

CAPITAL STOCK AND SURPLUS:

Common Stock-Authorized	\$5,000,000.00	
Less: Unissued Stock	835,490.00	
CAPITAL STOCK ISSUED		\$4,164,510.00
Less: Treasury Stock	1,210,818.00	
Outstanding Common Stock	\$2,953,692.00	
Stock Discount and Expense	722,777.57	
NET CAPITAL STOCK		2,230,914.43

EXHIBIT D (Continued)

CONSOLIDATED VIRGINIA MINING COMPANY
BALANCE SHEET (CONTINUED)
APRIL 30, 1938
- - -

SURPLUS: (Schedule 2)
Capital Surplus
Operating Deficit

\$ 674,031.89
462,850.85

NET SURPLUS

\$ 211,181.04

TOTAL LIABILITIES AND CAPITAL

\$ 2,464,785.96

BALBOA
TERMINAL
BOND

CONSOLIDATED VIRGINIA MINING COMPANY
PROPERTY, PLANT AND EQUIPMENT
APRIL 30, 1938
- - -

Mining Rights and Property		\$ 2,367,115.49
Mine Buildings - Change House		906.05
Mine Tools and Equipment		4,420.22
Hoist		5,000.00
Automobile and Truck	\$ 2,836.17	
Less: Reserve for Depreciation	<u>1,550.16</u>	1,286.01
Office Building and Real Estate		2,500.00
Office Equipment and Furniture and Fixtures		816.41
New Mill		<u>2,146.08</u>
	TOTAL	<u>\$ 2,384,190.26</u>

CONSOLIDATED VIRGINIA MINING COMPANY
ANALYSIS OF SURPLUS
APRIL 30, 1938
- - -

CAPITAL SURPLUS:

BALANCE, DECEMBER 31, 1937

\$ 674,031.89

OPERATING DEFICIT:

BALANCE, DECEMBER 31, 1937

\$ 457,689.82

Net Loss, Jan. 1, 1938-April

30, 1938

5,161.03

Net Operating Deficit, April 30, 1938

462,850.85

BALANCE, APRIL 30, 1938

\$ 211,181.04

CONSOLIDATED VIRGINIA MINING COMPANY
DETAIL OF NOTES PAYABLE
APRIL 30, 1938
- - -

The following notes are all payable
to Mrs. Zeb Kendall:

April 14, 1937	-	\$ 5,000.00 @ 6%, Demand
July 14, 1937	-	5,000.00 @ 6%, Demand
Sept. 10, 1937	-	2,000.00 @ 6%, Demand
Nov. 8, 1937	-	2,000.00 @ 6%, Demand
Dec. 21, 1937	-	2,000.00 @ 6%, Demand
TOTAL		<u>\$ 16,000.00</u>

NOTE:

Copies of these notes are held personally
by Mr. Zeb Kendall and were not available
for verification at time of audit.

STATE OF NEVADA,)
) SS.:
COUNTY OF WASHOE.)

W. J. HENLEY, being first duly sworn, deposes and says: I am the duly elected, qualified and acting secretary of Consolidated Virginia Mining Company, a corporation under the laws of the State of Nevada. That the attached Articles of Incorporation and the amendments thereto, and the attached By-laws and amendments thereto, embodied within Exhibit F, are true and correct copies of the Articles of Incorporation and all amendments thereto and the By-laws and all amendments thereto of Consolidated Virginia Mining Company, a corporation under the laws of the State of Nevada, the applicant herein, and upon oath I certify thereto.

Affiant further swears and certifies that the Certificate of Authority of said corporation to do business in the State of Nevada, embodied within said Exhibit F, is one furnished to Consolidated Virginia Mining Company by the Secretary of State of the State of Nevada under the Great Seal of the State of Nevada, and affiant verifies the same.

EXHIBIT F

ARTICLES OF INCORPORATION

OF

CONSOLIDATED VIRGINIA MINING CO.

EXHIBIT F
ARTICLES OF INCORPORATION
-OF-
CONSOLIDATED VIRGINIA MINING CO.

KNOW ALL MEN BY THESE PRESENTS:-

That we, the undersigned, have this day solemnly associated ourselves together for the purpose of forming a corporation under the laws of the State of Nevada.

And we hereby certify:

ARTICLE I. That the name of said corporation shall be CONSOLIDATED VIRGINIA MINING CO.

ARTICLE II. The object and purposes for which this company is formed and incorporated and the business, enterprise, pursuit or occupation in which this company proposes to engage is:

First: To purchase, acquire, mortgage, bond, lease, rent, own, hold, open, develop, operate, sell, or otherwise dispose of mines and mining property, placer and quartz gold mines and mines of other precious metals and minerals, and to secure options upon the same in any or all of the States and territories of the United States of America; to buy, acquire, lease, rent, own, hold, operate, build, maintain, mortgage, sell, or otherwise dispose of water rights, water ways, sluice ways, and ditches, including pipe lines necessary for the development of mines that are purchased or are being worked by this corporation; to appropriate water for mining and other beneficial purposes, and to exercise the right of eminent domain in connection therewith, for the purpose of acquiring rights of way for ditches, flumes, sluices, pipe lines, and all of the purposes necessary to appropriate and beneficially enjoy water and water rights in connection with the handling of precious metals; to build, buy, sell,

mortgage, operate and maintain dredges, and all mining machinery and machinery and material for hydraulic mining, stamp mills, and other mills necessary for handling the ores, and for working placer mines, base ores, and for handling and developing mines of every character and nature whatsoever; to erect, maintain and construct buildings on its own or leased property, for use in connection with the mines owned and operated by the said corporation; to buy, sell, and use teams, wagons, saw mills, and all articles and things necessary for carrying out the purposes of this corporation, or otherwise; to do and perform every act necessary and convenient to carry on the purposes aforesaid, of said corporation, or any of them.

Second: To purchase, secure, own, sell, lease, mortgage or otherwise deal in and dispose of personal property, rights or privileges which this corporation may deem necessary for the advantage of its business.

Third: To pay cash, or issue stock in payment, for any and all property, of whatsoever nature or kind, authorized to be acquired, held and operated by this said corporation.

Fourth: To acquire, by purchase, pre-emption, location lease, license, grant, option, conveyance, assignment, agreement or otherwise, lode and placer claims, mill sites, oil, gas, gypsum, asphaltum, petroleum, asbestos, salt water, franchises, privileges, silver and gold mines, or any other mines of every kind, character and nature, including rights or property necessarily useful in the operation of said corporation, and to develop, and so work, utilize, and sell the same, and carry on a general business for the working and development of lode and placer claims, construction, purchase and operation of mines and plants, and the treatment and reduction of ores.

Fifth: To deal in mortgages, bonds or stock of other

corporations, to purchase or hold, acquire or hypothecate, or sell the same outright, and convey title thereto as fully and completely as though the said corporation as a copartnership. To do any and all things necessary or convenient to carry out any or all of the purposes for which this said corporation is organized.

ARTICLE III. That the place where the principal business is to be transacted shall be Virginia City, Storey County, State of Nevada, but an office may be maintained in the City and County of San Francisco, State of California, or elsewhere.

ARTICLE IV. That the term for which this corporation shall exist is perpetual and unlimited from and after the date of its incorporation.

ARTICLE V. That the members of the governing board of this corporation shall be styled directors; that the number of its directors shall be five (5) and that the names and residences of those who are appointed for the first year are:

<u>NAMES</u>	<u>RESIDENCES</u>
ZEB KENDALL	San Francisco, California
FREDERIC VINCENT	San Francisco, California
A. P. SWAIN	San Francisco, California
ALEX WISE	Virginia City, Nevada
H. G. HUMPHREY	Reno, Nevada.

CSU
HP
ARTICLE VI. That the amount of the capital stock of this corporation shall be Two Million One Hundred and Sixty Thousand (\$2,160,000.00) Dollars, divided into Two Million One Hundred and Sixty Thousand (2,160,000) shares of the par value of One Dollar each. *said stock shall be subject to assessment*

ARTICLE VII. That the amount of said capital stock which has been actually subscribed is One Thousand and Four (\$1004.00) Dollars and the following are the name of the persons

by whom the same has been subscribed, towit:

ZEB KENDALL	1000 shares	\$1000.00
FREDERIC VINCENT	1 share	1.00
ALEX WISE	1 share	1.00
A. P. SWAIN	1 share	1.00
H. G. HUMPHREY	1 share	1.00

ARTICLE VIII. This corporation shall have power to conduct business in all its branches and have one or more offices in the State of Nevada, as well as other offices in any or all of the states or territories of the United States and in all foreign countries.

In furtherance and not in limitation of the powers granted by statute, the Board of Directors are expressly authorized:

1.-To determine, from time to time, when and under what regulations and conditions the accounts and books of the corporation (except the stock books and stock and transfer books) or any of them, shall be open to the inspection of the stockholders and the stockholders' rights in this respect shall be limited accordingly.

2.-To make, alter and rescind the By-laws of the corporation and fix the amount to be reserved as the working capital; to fix the time of the declaration and payment of dividends; to authorize and cause to be executed mortgages and leases upon real and personal property of the corporation, provided always that a two-thirds ($2/3$) majority of the board concur therein.

3.-To designate by resolution passed by a majority of the whole board, under suitable provisions of the by-laws, two or more of their number directed to constitute an Executive Committee, which committee shall have and exercise all of the

powers of the Board of Directors which may be legally delegated in the management of the affairs of the company.

4.-To sell the capital stock or treasury stock of the corporation at whatever price per share the Board may deem proper, irrespective of the par value of such shares, and in the absence of fraud in any such case, the judgment of the Board of Directors as to the sufficiency of the price per share at which said stock is sold shall be conclusive. The Board of Directors and Executive Committee shall, unless otherwise directed by law, have power to act in the following manner:

A resolution in writing, signed by all of the members of the Board of Directors, or the Executive Committee, as the case may be, to the effect therein expressed, shall have the same force and effect from the date thereof as if the same had been duly passed by the same vote as a resolution adopted at a duly convened meeting and it shall be the duty of the Secretary of the Company to record such resolution in the Minute Book of the corporation under its proper date.

The company may use and apply its surplus earnings or accumulated profits not set apart for the purpose of paying dividends to the purchase or acquisition of property and to the purchase or acquisition of the capital stock or bonds or securities of any other corporation or company, from time to time, to such an extent and in such manner and upon such terms as the Board of Directors shall determine and neither the property nor the capital stock so purchased or acquired shall be regarded as profits for the purpose of paying dividends, unless otherwise determined by a majority of the Board of Directors. This corporation reserves the right to amend or change or repeal any provision contained in this certificate in the manner now or hereafter prescribed by the statute for the amendment of the

IN WITNESS WHEREOF, we have hereunto set our hands and
seals this 11th day of January, A. D. 1921.

A. P. SWAIN

STATE OF CALIFORNIA)
)
City and County of San Francisco) SS.

On this 11th day of January, in the year 1921,
before me CLARA S. WARD, a Notary Public in and for the said
City and County of San Francisco, personally appeared ZEB KENDALL,
FREDERIC VINCENT, ALEX WISE, A. P. SWAIN, AND H. G. HUMPHREY,
known to me to be the persons described in, whose names are sub-
scribed to and who executed the within instrument and who acknow-
ledged to me that they executed the same, freely and voluntarily,
for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed my official seal at my office in the City and County of
San Francisco, State of California, the day and year first above
written.

CLARA S. WARD
NOTARY PUBLIC

in and for the City and County of
San Francisco, State of California

My Commission expires August 29, 1922.

I, W. J. HENLEY, Secretary of the Consolidated Virginia Mining Company, do hereby certify that the foregoing is a full, true and correct copy of the Articles of Incorporation of Consolidated Virginia Mining Company on file in the office of the Secretary of State of the State of Nevada.

Secretary

EXHIBIT F

CERTIFICATE OF AMENDMENT OF ARTICLES
OF INCORPORATION

OF

CONSOLIDATED VIRGINIA MINING CO.

CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION
OF
CONSOLIDATED VIRGINIA MINING COMPANY

The Consolidated Virginia Mining Company, (a corporation organized and existing under the laws of the State of Nevada), by and through its duly authorized President and Secretary, hereby certified that Article VI. of the Articles of Incorporation of the Consolidated Virginia Mining Company has been and is amended to read as follows, to-wit:

"Article VI. That the amount of the capital stock of this corporation shall be Five Million Dollars (\$5,000,000), divided into Five Million (5,000,000) shares of the par value of One Dollar each, said shares of stock and said stock heretofore or hereafter issued shall be non-assessable and full paid."

The undersigned, Zeb Kendall, President of Consolidated Virginia Mining Company, and W. J. Henley, Secretary of said company, further certify, on behalf of said Consolidated Virginia Mining Company, and as said officers, and under the seal of the corporation;

(a) That the resolution hereinafter set out was unanimously adopted by the Board of Directors of Consolidated Virginia Mining Company at a meeting of the Board of Directors duly and legally held on June 20, 1935, at the hour of 2 o'clock p. m., at the office of the company in the Bank Building on C Street, Virginia City, Nevada, after due and legal call and notice of the holding of said meeting for the purpose of amending said Articles of Incorporation as set forth in said resolution; that said resolution is in words and figures as follows, to-wit:

"RESOLVED by the Board of Directors of Consolidated Virginia Mining Company that it is advisable to amend the articles of incorporation of the company in that the capital stock may be increased to five million shares of the par value of one dollar a share; that all of the stock of the company including the stock outstanding and the stock hereafter issued by, and it is hereby, declared to be full paid and non-assessable; that all stock hereafter issued, whether as a new issue or as a re-issue, be issued as full paid and non-assessable; that therefore and to such end Article VI. be, and the same is hereby amended to read as follows, to-wit:

"Article VI. That the amount of the capital stock of this corporation shall be Five Million Dollars, (\$5,000,000), divided into

Five Million (5,000,000) shares of the par value of One Dollar each, said shares of stock and said stock heretofore or hereafter issued shall be non-assessable and full paid.'

"That a meeting of the stockholders is hereby called to be held at the Company's office in the Bank Building on C Street, Virginia City, Nevada, on Saturday, the 6th day of July, 1935, at the hour of eleven o'clock a. m., for the purpose of considering, acting upon, approving, ratifying and confirming, or disapproving and rejecting this resolution.

"That the President and Secretary shall sign the notice of such call, and shall state in such notice the object and purpose of such stockholders meeting."

(b) That on June 20, 1935, in pursuance of said resolution adopted by the Board of Directors, the President and Secretary gave notice to each and all of the stockholders of Consolidated Virginia Mining Company, in accordance with the By-laws and the statutes of the State of Nevada, notifying said stockholders that a meeting was called and would be held at the company's office in the Bank Building on C Street, Virginia City, Nevada, on July 6, 1935, for the purpose of acting upon and ratifying and confirming or rejecting the adoption of said resolutions adopted by the Board of Directors. The notice to said stockholders contained a copy of Article VI. as amended by the Board of Directors at their meeting on the said 20th day of June, 1935.

(c) That said meeting of stockholders was duly convened on July 6, 1935 at the office of the company at Virginia City, Nevada, and at said stockholders' meeting the total number of the issued shares of the Consolidated Virginia Mining Company represented thereat was 1,492,298 shares present in person or by proxy out of a total issue of the shares of said company of 1,682,892 shares. That more than a majority of the issued shares of stock of said company being present, said meeting was recessed and continued until July 12, 1935 at the hour of 11:00 o'clock a. m. of said day at said office of the company at Virginia City, Nevada. That at said time and place said stockholders' meeting was duly convened for the transaction of business and there appeared at said stockholders' meeting, 1,492,298 shares of the stock of the Consolidated Virginia

Mining Company in person or represented by proxy; that the roll of stockholders present was called and each stockholder present in person or by proxy voted the number of shares he owned or represented for or against the approval of the amendment of the Articles of Incorporation and the adoption of said resolution amending said Articles of Incorporation; that the number of shares of stock voting in the affirmative and for the approval and adoption of said resolution and the amendment of the Articles of Incorporation, as stated in the resolution, was 1,492,298 shares; that the number of shares of stock voting in the negative and against the adoption of said resolution and such amendment to the Articles of Incorporation was no shares; that upon the canvassing of the vote of the stockholders holding stock in the corporation entitling them to exercise at least a majority of the voting power, as provided in the Articles of Incorporation and under the laws of the State of Nevada, we hereby certify that said Articles of Incorporation have been hereby amended as hereinbefore set forth in said resolution and in this certificate. And the said Zeb Kendall, as President of Consolidated Virginia Mining Company, and the said W. J. Henley, as Secretary of Consolidated Virginia Mining Company, on behalf of said corporation, and under its seal, hereby certify that said Articles of Incorporation are and have been so amended.

IN WITNESS WHEREOF, the said Consolidated Virginia Mining Company, by and through its President and Secretary, has this 13th day of July, 1935, caused its corporate signature to be hereto attached and its corporate seal to be affixed.

CORPORATE SEAL

CONSOLIDATED VIRGINIA MINING COMPANY

By ZEB KENDALL
President.

By W. J. HENLEY
Secretary.

STATE OF NEVADA }
COUNTY OF STOREY } SS.

Before me, the undersigned, a Notary Public, in and for the County of Storey, State of Nevada, on this 13th day of July, 1935, personally appeared before me the said Zeb Kendall, to me known to be the party who executed the foregoing certificate and to me known to be the President of Consolidated Virginia Mining Company, and also appeared before me personally at the same time W. J. Henley, to me known to be the individual who executed the foregoing certificate as Secretary of Consolidated Virginia Mining Company, and to me known to be the Secretary of Consolidated Virginia Mining Company, and each of said parties acknowledged to me that he had signed and executed said certificate as said officer of said company by authority of the Board of Directors and stockholders of said company for the uses and purposes therein mentioned, and that the facts stated in such certificate were true.

IN WITNESS WHEREOF, I have hereunto set my hand and my official seal this 13th day of July, 1935.

(SEAL)

P. H. CORYELL
Notary Public.

My Commission expires
December 21, 1937.

EXHIBIT F

CERTIFICATE OF AMENDMENT OF ARTICLES
OF INCORPORATION

OF

CONSOLIDATED VIRGINIA MINING CO.

CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION
OF
CONSOLIDATED VIRGINIA MINING COMPANY

The Consolidated Virginia Mining Company, (a corporation organized and existing under the laws of the State of Nevada), by and through its duly authorized President and Secretary, hereby certifies that a new Article has been annexed to the Articles of Incorporation to read as follows,
TO WIT:

"Article _____. The treasury stock and any new stock of this corporation may be sold by the Board of Directors of the Company at either public or private sale, or by offering same for subscription upon such terms, conditions, and at such price as the Board of Directors shall from time to time deem proper, and it shall not be necessary for the Board of Directors to offer stockholders of the corporation any treasury stock or new stock of the company, and the stockholders shall not have the right to purchase his pro-rata share of any new stock or of treasury of the Company unless the Board of Directors shall deem such action advisable, and so declare and authorize by resolution duly adopted."

The undersigned, Zeb Kendall, President of Consolidated Virginia Mining Company, and W. J. Henley, Secretary of said Company, further certify, on behalf of said Consolidated Virginia Mining Company, and as said officers, and under the seal of the corporation;

(a) That the resolution hereinafter set out was unanimously adopted by the Board of Directors of Consolidated Virginia Mining Company at a regular meeting held at the hour of 10:00 O'clock A. M. on Tuesday Aug. 18th, 1936, at the office of the Company "C" Street, Virginia City, Nevada. That said resolution is in words and figures as follows, TO WIT:

"RESOLVED, by the Board of Directors of the Consolidated Virginia Mining Company, that it is advisable to amend the Articles of Incorporation of the Company so as to add a new provision in said Articles, which shall read as follows:

"Article _____. The treasury stock and any new stock of this corporation may be sold by the Board of Directors of the Company at either public or private sale, or by offering same for subscription upon such terms, conditions, and at such price as the Board of Directors shall from time to time deem proper, and it shall not be necessary for the Board of Directors to offer stockholders of the corporation any

treasury stock or new stock of the Company, and the stockholders shall not have the right to purchase his pro-rata share of any new stock or of treasury stock of the Company unless the Board of Directors shall deem such action advisable, and so declare and authorize by resolution duly adopted."

"And, BE IT FURTHER RESOLVED, that a special meeting of the stockholders is hereby called to be held at the office of the Company in the Bank Building, "C" Street, Virginia City, Nevada, on Tuesday Sept. 22nd, 1936, at the hour of 11:00 o'clock A. M. for the purpose of considering, acting upon, approving, ratifying and confirming, or disapproving and rejecting, this resolution, and for further purpose, if said resolution is adopted and approved by the stockholders, of authorizing the President or Vice President, and the Secretary or Assistant Secretary, to make, execute, and file, as required by law, such certificate or certificates of amendment as may be authorized or approved by the stockholders of this corporation at said meeting.

"And, BE IT FURTHER RESOLVED, that the President and Secretary shall sign the notice of the call for a special meeting of the stockholders, setting forth in such notice the objects and purposes of such stockholders meeting and the business to be transacted thereat. A copy of said notice to stockholders shall be mailed to each stockholder of record, postage prepaid, on or before Sept. 1, 1936."

(b) That on or before Sept. 1, 1936, in pursuance of said resolution adopted by the Board of Directors, the President and the Secretary gave notice to each and all of the stockholders of Consolidated Virginia Mining Company, in accordance with the By-laws and the statutes of the State of Nevada, notifying said stockholders that a meeting was called and would be held at the Company's office in the Bank Building on "C" Street, Virginia City, Nevada, on Sept. 22nd, 1936, at the hour of 11:00 A. M. for the purpose of acting upon and ratifying and confirming or rejecting the adoption of said resolution adopted by the Board of Directors. The notice to said stockholders contained a copy of the new Article as adopted by the Board of Directors at their meeting on the said 18th day of August, 1936.

(c) That said meeting of stockholders was duly convened on Sept. 22nd, 1936, at the hour of 11:00 A. M., at the office of the Company in Virginia City, Nevada, and at said stockholders' meeting the total number of issued and outstanding shares of the Consolidated Virginia Mining

Company represented thereat was 1,625,952 shares present in person or by proxy out of a total issue of the outstanding stock of said Company of 2,955,817 shares. That more than a majority of the issued outstanding shares of stock of said Company being present the roll of stockholders present was called and each stockholder present in person or by proxy voted the number shares he owned or represented for or against the approval of the amendment of the Articles of Incorporation and the adoption of said resolution amending said Articles of Incorporation; that the number of shares of stock voting in the affirmative and for the approval and adoption of said resolution and the amendment of the Articles of Incorporation, as stated in the resolution, was 1,625,952 shares; that the number of shares of stock voting in the negative and against the adoption of said resolution and such amendment to the Articles of Incorporation was, no shares; that upon the canvassing of the vote of the stockholders holding stock in the corporation entitling them to exercise at least a majority of the voting power, as provided in the Articles of Incorporation and under the laws of the state of Nevada, we hereby certify that said Articles of Incorporation have been hereby amended as hereinbefore set forth in said resolution and in this certificate. And the said Zeb Kendall, as President of Consolidated Virginia Mining Company and the said W. J. Henley as Secretary of Consolidated Virginia Mining Company, on behalf of said corporation, and under its seal, hereby certify that said Articles of Incorporation are and have been so amended.

IN WITNESS WHEREOF, the said Consolidated Virginia Mining Company, by and through its President and Secretary, have this 24 th day of September, 1936, caused its corporate signature to be hereto attached and its corporate seal to be affixed.

CONSOLIDATED VIRGINIA MINING COMPANY

By ZEB KENDALL
(President)

By W. J. HENLEY
(Secretary)

CORPORATE SEAL

EXHIBIT F
BY-LAWS

of

CONSOLIDATED VIRGINIA MINING COMPANY

(A Nevada Corporation)

ARTICLE I.

OFFICES

The principal offices shall be at "C" Street

Virginia City, Nevada

and branch offices may be established at such other place or places as may be fixed by the Board of Directors.

ARTICLE II.

SEAL

The corporate seal of this Company is shown by the impress, as follows:

ARTICLE III.

MEETING OF STOCKHOLDERS

Where Held

Section 1. All meetings of stockholders shall be held at the office of the Company at "C" Street, Virginia City, Nevada unless the meeting be especially called at a branch office.

Quorum

Section 2. Stockholders may vote at all meetings, either in person, or by proxy in writing. A majority in amount of the stock issued and outstanding shall be requisite at every meeting to constitute a quorum. Proxies for meetings at which elections are held shall be filed with the Secretary five days before the meeting.

Annual Meeting

Section 3. The annual meeting of the stockholders of this Company in each year shall be held at Virginia City, Nevada on the second Monday of each year, if not a legal holiday, in the state in which such meeting is to be held, and if a legal holiday, on the next business day thereafter. At such annual meeting the stockholders present, in person or by proxy, shall elect by ballot a board of seven directors to serve for one year and until their successors shall be elected and qualified, each stockholder being entitled to one vote, in person or by proxy, at every annual or special meeting of the stockholders, for each share of stock standing registered in his or her name on the fifteenth day preceding the meeting, exclusive of the day of such meeting. **A Director need not be a stockholder.**

Order of Business

Section 4. At the annual meeting of stockholders the order of business shall be as follows:

- (1) Calling of Roll; (2) Proof of Notice of Meeting; (3) Reports of Officers; (4) Appointment of Inspectors of Election; (5) Election of Directors; (6) Miscellaneous.

Notice

Section 5. Written notice of the annual meeting shall be mailed to each stockholder of record entitled to vote thereat at his address, as the same appears on the stock books of the company, at least thirty days prior to the meeting.

List of Stockholders

Section 6. A full list of the stockholders entitled to vote at the ensuing election, arranged in alphabetical order, with the residence of each and the number of shares held by each, shall be prepared by the Secretary and filed in the principal office of the company in Virginia City, at least fourteen days before every election, and shall at all times during the usual hours for business be open to the examination of any stockholder, or other person entitled to vote at such meeting.

Special Meetings

Section 7. Special meetings of the stockholders may be called by the President, and shall be called at the request in writing or by a vote of a majority of the Board of Directors, or at the request in writing of stockholders of record owning a majority in amount of the entire capital stock of the company issued and outstanding. A written notice stating the day, and hour and place of meeting, and generally the nature of the business to be transacted, shall be sent by the Secretary, or Assistant Secretary, or other person designated by the President or Board of Directors or stockholders requesting the meeting, to each stockholder of record, entitled to vote at such meeting, at least five days, exclusive of the day of mailing, before the date of every special meeting of stockholders, at such address as appears on the stockbooks of the Company.

ARTICLE IV.

BOARD OF DIRECTORS

Number of Directors

Section 1. A board of Seven directors

shall have the management of the business of the company.

First Meeting

Section 2. The first meeting of each Board of Directors, for the purpose of electing officers and transacting any other business which may come before the meeting, shall be held without notice, immediately after the annual meeting of stockholders, at which said directors are elected.

Regular Meeting

Section 3. Regular meetings of the Board of Directors shall be held without notice at the hour of 10:00 o'clock A. M. at the office of the Company at Virginia City, Nevada on each Tuesday in each month.

if not a legal holiday, and if a legal holiday, on the next business day thereafter.

Quorum

Section 4. A majority of the whole Board of Directors shall be present at each meeting to constitute a quorum for the transaction of any business.

Special Meetings

Section 5. Special meetings of the Board of Directors may be called by the President or by any two Directors on 10 days' notice given by the Secretary or Assistant Secretary to each Director.

Action of Directors by Resolution

Section 6. A resolution in writing, signed by all the members of the Board of Directors, or Executive Committee, shall be deemed to be action by such Board, or Executive Committee, as the case may be, to the effect therein expressed, with the same force and effect as if the same had been duly passed by the same vote at a duly convened meeting, and it shall be the duty of the Secretary of the Company to record such resolution in the minute books of the Company under its proper date.

Executive Committees and Other Committees

Section 7. The Board of Directors may appoint 3 of their own number to act as an Executive Committee to serve during the life of the Board that appoints it, or until further action of the Board. The Executive Committee shall have entire control and supervision of all the property and business affairs of the corporation, and shall have and exercise all the powers and privileges which are possessed and exercised by the Board of Directors. All actions of the Executive Committee shall be reported to the Board at its meeting next succeeding, and such action shall be subject to revision or alteration. From time to time the Board may appoint any other Committee or Committees for any purpose or purposes, which shall have such powers as shall be specified in the resolution of appointment.

ARTICLE V.

OFFICERS

Election

Section 1. The Board of Directors shall annually elect, at its first meeting after the annual meeting of stockholders, a President, a Vice-President, a Secretary and Treasurer, and an Assistant Secretary and Treasurer, all of whom shall hold office for the term of one year, and until their successors are elected and qualified. The President shall be chosen from among the Directors.

President

Section 2. The President shall be the chief executive officer of the Company. He shall preside at all meetings of stockholders and directors, and shall have the general and active management of the business of the Company. He, or the Vice-President, together with the Secretary or Assistant Secretary, shall sign certificates of stock and script certificates.

Vice-President

Section 3. The corporation may have one or more Vice-Presi-

dents, as the Board of Directors may from time to time deem advisable, and they shall have such powers and shall perform such duties as the Board of Directors from time to time shall fix.

Secretary

Section 4. The Secretary shall attend all meetings of the Board of Directors and stockholders, and act as Secretary thereof. He shall perform such other duties as may be prescribed by the Board of Directors. In the absence of the Secretary from any meeting of stockholders or the Board of Directors, the records of the proceedings of such meeting shall be kept and authenticated by the Assistant Secretary, or by such other person as may be appointed for that purpose at said meeting. One person may hold the combined office of Secretary and Treasurer.

Assistant Secretary

Section 5. The Assistant Secretary may sign stock certificates with the President or Vice-President, and he shall perform such other duties as the Board of Directors may from time to time determine.

Treasurer

Section 6. The Treasurer shall have the custody of all funds and securities of the Company which may come into his hands. He may, when necessary or proper, endorse on behalf of the Company for collection, notes, checks or other obligations. He shall deposit all funds of the Company in such depositories as the Board of Directors may designate. When authorized by the Board of Directors, he shall sign checks of the Company and pay out and dispose of the funds in his custody.

His books and accounts shall be subject to inspection by any member of the Board at any time and he shall from time to time, as directed by the Board, render a statement of his cash account and of all other accounts for which he is responsible. He shall keep a full and accurate account of the moneys received and paid

out by him for the Company. He shall perform the acts incident to the position of Treasurer, subject to the control of the Board of Directors, and if so required, shall give bond for the faithful discharge of his duties in such sum as the Board shall require.

Checks and Depositary

Section 7. All funds of the Company on deposit with designated depositaries, shall be subject to the check of the corporation, signed by such officer or officers as the Board may designate. The Board may designate one or more persons, not officers or directors, to sign checks of the Company.

Vacancies and Resignations

Section 8. If the office of any Director or Officer becomes vacant by reason of death, resignation, disqualification, or otherwise, or if the vacancy in the office of Director arises by reason of an increase in the number of Directors, the Board of Directors, or the Directors then in office, although less than a quorum, by a majority vote may choose a successor to fill the vacancy, in which event the person so chosen shall hold office for the unexpired term. Each resignation by an officer or Director shall take effect at the time the same is presented to the Board of Directors, or at such later time as may be specified therein.

Other Officers

Section 9. The Board of Directors may appoint such other officers from time to time as they deem necessary, and may confer upon them such powers as they may see fit. The duties of one officer may at any time be delegated to any other officer by the Board of Directors. All officers and agents shall be subject to removal at any time by the affirmative vote of a majority of the whole Board of Directors.

ARTICLE VI.

SHARES AND THEIR TRANSFER

Certificates

Section 1. The Certificates for shares of the capital stock of

the Company shall be in such form not inconsistent with the charter or certificate of incorporation as shall be approved by the Board of Directors. Each certificate shall be signed by the President, or Vice-President, and also by the Secretary or Assistant Secretary, and shall not be valid unless so signed. All certificates shall be consecutively numbered. The name of the person owning the shares represented thereby, with the number of such shares and the date of issue, shall be entered on the Company's books. All certificates surrendered shall be cancelled and no new certificates issued until the former certificates for the same number of shares shall have been surrendered and cancelled, except for the shares provided for in Section 4 of this Article.

Transfers and Transfer Agents

Section 2. Transfers of stock shall be made upon the books of the Company by the holder in person or by his power of attorney upon surrender and cancellation of the certificate or certificates for such shares, but the Board of Directors may from time to time appoint Transfer Agents or Registrars to facilitate transfers by stockholders, under such regulations as the Board of Directors may from time to time prescribe. Any such appointment may be revoked at any time by the Board, but as long as the same shall remain in force no certificate of stock shall be binding upon the Company, or have any validity unless countersigned by one of such transfer agents, or unless the Board of Directors shall otherwise order. The transfer books shall be closed for such period (not less than that required by law) as the Board of Directors shall direct, previous to and on the day of the annual, or any special meeting of the stockholders. No transfer of stock shall be made within ten days next preceding the day appointed for the payment of dividends.

Addresses

Section 3. Every stockholder shall furnish the Secretary with

an address at which notice of meetings and all other notices may be served or mailed to him. In default thereof, notice may be addressed to him at his last known address, or residence, or at the office of the Company, "C" Street, Virginia City,
Nevada

Lost or Destroyed Certificates

Section 4. The Board of Directors may direct a new certificate or certificates of stock to be issued in place of any certificate or certificates theretofore issued by the Company alleged to have been destroyed or lost, and the Board of Directors, when authorizing such issue, of a new certificate or certificates, may, in their discretion, and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed stock certificate or certificates, or his legal representative, to give the Company a bond in such sum as they may direct as indemnity against any claim that may be made against the Company.

ARTICLE VII.

The fiscal year of the Company shall begin on the First
day of January and end on the 31st day of December.

ARTICLE VIII.

DIVIDENDS

Dividends, payable from net profits of the Company, may be declared and paid at such times and in such amounts as the Board of Directors may from time to time determine.

ARTICLE IX.

NOTICE

Whenever notice is required by statute or by these By-laws to be given to the stockholders or directors, or to any of them, or to any officer of the Company, personal notice is not meant unless expressly stated; and any notice so required shall be

deemed to be sufficient if given by depositing the same in the post office in a sealed postpaid wrapper, addressed to such stockholder, director or officer, at his usual residence or place of business, or at his address as given upon the stock books of the Company, or by sending same by telegram so addressed; and such notice shall be deemed to have been given at the time when the same is delivered to the telegraph office or deposited in the post office. Any stockholder, director or officer of the Company may waive notice of any annual or special meeting of the stockholders or of the Board of Directors. Meetings of the stockholders may be held at any time without notice, when all the stockholders are present in person or by proxy. Meetings of the Directors may be held without notice when all of the members are present. Directors present at any meeting of the Board shall be deemed to have waived notice of the time, place and objects of such meeting.

ARTICLE X.

No officers or agent of this Corporation shall make or enter into any agreement, contract or obligation binding this Corporation in any sum or amount in excess of Two Thousand Dollars, unless such officer or agent be duly authorized by the Board of Directors so to do.

ARTICLE XI.

VOTING UPON STOCKS

Unless otherwise ordered by the Board of Directors, the President of the Company, or in his absence, the Vice-President thereof, or in the absence of both, the Treasurer thereof, shall have full power and authority in behalf of the Company to attend to and act and to vote at any meeting of the stockholders of any corporation in which the Company may hold stock, and at such meeting shall possess and may exercise on behalf of the Company, any and all rights and powers incident to the ownership of said stock, and which, as the owner thereof, the Company might have

possessed and exercised if present in person. The Board of Directors by resolution from time to time may confer like powers upon any other person or persons.

ARTICLE XII.

Whenever all parties entitled to vote at any meeting, whether of directors, or stockholders, or of the executive committee, consent, either in writing on the records of the meeting, or by filing with the Secretary, or by presence at such meeting, and oral consent entered on the Minutes, or by taking part in the deliberations of the meeting without objection, the doings of such meeting shall be as valid as if had at a meeting regularly called and noticed, and at any such meeting any business may be transacted which is not excepted from the written consent or to the consideration of which no objection for want of notice is made at the time, and if any meeting be irregular for want of notice, or consent, provided a quorum is present at such meeting, the proceedings of such meeting may be ratified and approved and rendered likewise valid, and the irregularity or defect therein waived by writing signed by all parties having a right to vote at such meeting, and such consent or approval of stockholders may be by proxy or power of attorney in writing.

ARTICLE XIII.

The Directors shall have the power from time to time to alter, amend, or repeal these by-laws, or any part or portion thereof. In such case, the proposed alteration or amendment must be proposed at a regular meeting and adopted at a subsequent meeting by majority vote. All amendments shall be copied into the book of By-laws and shall not be valid until so copied. The stockholders by an affirmative vote of two-thirds of the issued and outstanding stock may at any annual or regular, or at any

special meeting of which notice is given, alter or amend the By-laws or any part or portion thereof.

CERTIFIED TO BE THE BY-LAWS OF

By ZEB KENDALL
President.

By W. J. HENLEY
Secretary.

I, W. J. HENLEY, Secretary of the Consolidated Virginia Mining Company, do hereby certify that the foregoing is a true and correct copy of the By-Laws of the Consolidated Virginia Mining Company.

W. J. HENLEY

(SEAL)

EXHIBIT F

AMENDMENT TO THE BY-LAWS OF
CONSOLIDATED VIRGINIA MINING CO.

EXHIBIT F

The following resolution was passed by the Board of Directors of Consolidated Virginia Mining Company, at a special meeting held at the office of the company at Virginia City, Nevada, on August 28, 1935.

"RESOLVED, That the By-laws of this company be amended so that the annual meeting will be held on the first Monday in June of each year and that Section Three of Article Three shall hereafter read as follows:

"The annual meeting of the stockholders of this Company in each year shall be held at Virginia City, Nevada, on the first Monday in June of each year, if not a legal holiday in the state in which such meeting is to be held, and if a legal holiday, on the next business day thereafter. At such annual meeting the stockholders present, in person or by proxy, shall elect by ballot a board of seven directors to serve for one year and until their successors shall be elected and qualified, each stockholder being entitled to one vote, in person or by proxy, at every annual or special meeting of the stockholders, for each share of stock standing registered in his or her name on the fifteenth day preceeding the meeting, exclusive of the day of such meeting. A director need not be a stockholder.

BE IT FURTHER RESOLVED that said amendment be copied into the Book of By-laws and certified by the Secretary under the seal of the corporation."

W. J. HENLEY
W. J. Henley,
Secretary.

(S E A L)

EXHIBIT F

CERTIFICATE OF QUALIFICATION

STATE OF NEVADA,)
) SS.
DEPARTMENT OF STATE.)

I, MALCOLM McEACHIN, Secretary of State of the State of Nevada, do hereby certify that I am, by the laws of said State, the custodian of the records relating to the forfeiture or suspension of corporate charters, or the right of corporations to transact business in said State, and am the proper officer to execute this certificate.

I further certify that the

CONSOLIDATED VIRGINIA MINING CO.

is a corporation duly organized and existing under and by virtue of the laws of said State of Nevada and that said corporation is at the date of this certificate duly organized to exercise therein all of the powers recited in its charter or articles of incorporation, and to transact business in said State.

IN WITNESS WHEREOF, I have hereunto set my
hand and affixed my official seal at
Carson City, Nevada, this 12th day of
MAY, A. D. 1938

(The Great Seal
of the State
of Nevada)

Malcolm McEachin

Secretary of State.

By _____

Deputy.

1200.0092

EDLER & SEMENZA
CERTIFIED PUBLIC ACCOUNTANTS
TITLE INSURANCE BUILDING
RENO, NEVADA

309
item 74

April 11, 1938

To the Board of Directors
Consolidated Virginia Mining Company
Virginia City, Nevada

Gentlemen:

Pursuant to your instructions, we have audited the accounts and records of your company for the year ended December 31, 1937. Submitted herewith and made a part of this report, are the following Statements:

Exhibit A - Profit and Loss Statement, Year
Ended December 31, 1937.
Exhibit B - Balance Sheet, December 31, 1937.
Schedule No. 1 - Property, Plant and Equipment.
Schedule No. 2 - Analysis of Surplus.

The cash on deposit in the First National Bank of Nevada was reconciled to your accounts and found to be in agreement therewith.

The Accounts Receivable consist of the following:

Sierra Consolidated Mines Co.	\$ 2.73
Mrs. Zeb Kendall	76.70
Due from Howard Squires, Sr. and Howard Squires, Jr. on the Olympia Lease	<u>15.00</u>
TOTAL	<u>\$94.43</u>

We have been advised by your officers that there has been no change in the inventory of stores since December 31, 1936, when the

inventory was last taken. Therefore, this item is the same as reported for the year ending December 31, 1936 and is priced at cost.

The item of Investments is represented by 49,741 shares of common stock of Mexican Gold and Silver Mining Company acquired at delinquent assessment sale, and the carrying value is the cost of acquisition, plus assessments paid. In the absence of information from which the market value could be determined, this investment is set up at cost.

Schedule No. 1 presents a list of Property, Plant and Equipment. There has been no acquisition or disposal of such assets during the year under review.

Depreciation has been taken on the automobile and truck owned by the company. As has been the custom in the past, no depreciation has been taken on Buildings, Equipment and Furniture and Fixtures.

There has been no additional charges to Development Work in the year under review.

Accounts Payable consist of amounts due for current operating expenses and miscellaneous amounts due other mining companies.

During the year the company borrowed \$16,000.00 from Mrs. Zeb Kendall. This debt is represented by promissory notes of the company bearing interest at 6% and payable on demand. Interest on these notes was paid in full up to December 31, 1937.

Accrued Taxes consist of the following:

Real and Personal Property Tax	\$ 702.26
1937 Capital Stock Tax	513.00
Old Age Benefits Tax	10.83
Unemployment Insurance	62.40
TOTAL	<u>\$1,288.49</u>

As there was no cash on hand, or paid vouchers representing the \$50.00 petty cash fund as carried on the books, this amount was charged directly to operating deficit in accordance with instructions from your officers.

Subject to the foregoing comments, the attached Statement of Profit and Loss and Balance Sheet in our opinion correctly set forth the results of your operations and the financial condition of your company as at December 31, 1937.

Respectfully submitted,

Edler & Semenza

Certified Public Accountants

1800 0092 309 Item 74

CONSOLIDATED VIRGINIA AND MEXICAN MINE ASSAY OFFICE REPORTS.

VIRGINIA CITY, NEVADA.

Date.	Feb.26,1927. (Ag.at 58¢)	Au.Oz.	\$	Ag.Oz.	\$	Value per ton
1481	Face 2/26/27.	.76	15.71	21.86	12.68	28.39
"	" at 17' 2/25/27.	1.22	25.22	46.34	26.88	52.10
"	C.S.	.11	2.27	2.97	1.72	3.99
1403	Face 2/26/27.					Trace
1403	C.S. Day					Trace
1403	C.S. Night					Blank

Date. Feb.28,1927. (Ag.at 58¢)

1481	Face L.side at 15'	1.38	28.52	11.08	6.43	34.95
"	Center " "	.68	14.05	26.92	15.61	29.66
"	Rt.Side " "	.30	6.20	13.00	7.54	13.74
"	No tag, probalby C.S.	.29	5.99	7.99	4.63	10.62
"	Face 2/28/27.	.23	4.75	7.77	4.51	9.26
1403	C.S. Day 2/26/27.					Trace
1403	C.S. Night "	.03	.62	.99	.59	1.21

Date March 11,1927. (Ag.@ 56¢)

1407	S. 1' at 57'	.18	3.72	.64	.36	4.08
1407	S. 4' at 57'	.09	1.86	.27	1.15	2.01
1481	Face at 72'					Blank
1481	C.S. Day					Trace
1481	C.S. Night					Blank
1407	C.S. Day					Blank
1407	C.S. Night					Trace
1481	Back 30" at phy. 5' s. 1480	.80	16.54	18.42	10.32	26.86
1481	" 3' " " 10' " "	.11	2.27	1.37	.77	3.04
1481	" 4' " " 15' " "	.16	3.31	5.54	3.10	6.41
1481	" 3' " " 20' " "	.14	2.89	4.38	2.45	5.34
1481	" 30' " " 25' " "	.13	2.69	2.81	1.57	4.26
1481	N.Wall Fill 25' " "	6.46	133.53	9.14	5.12	138.65

Date Apr.13,1927. (Ag.@56¢)

1401	Stp.Face 4/12/27.	.63	13.02	14.17	7.94	20.96
1401	C.S. 2/12/27.	.20	4.13	5.84	3.27	7.40
1401	C.S. 4/13/27.	.14	2.89	3.78	2.12	5.01
	Cole No.1					Blank
	Cole No.2					Trace
	Cole No.3	.03	.62	1.09	.61	1.23
1482	Stope back 3'	2.30	47.54	15.34	8.59	56.13
1482	" C.S.	2.88	59.53	21.32	6.34	65.87

Date Apr.22,1927. (Ag.@ 56¢)

Car Sample (53 cars) shipped	.27	5.66	6.63	3.71	9.37
------------------------------	-----	------	------	------	------

Date	Apr.22.1927. (con.)	Au.Oz.	\$	Ag.Oz.	\$	Value per ton
1400	level Taken by McCormack	.43	8.89	11.65	6.52	15.37
"	" " " "	.01	.20	.31	.17	.37
"	" " " "	.45	9.30	6.41	3.59	12.89
"	" " " "	.09	1.86	.89	.50	2.36
"	" " " "					Trace
"	" " " "	.40	8.27	2.94	1.65	9.92
"	" " " "	.30	6.20	7.08	3.96	10.16
"	" " " "	.01	.21	.67	.38	.59
"	" " " "					Blank

Date Apr.26,1927. (Ag.@56¢)

1403	Stope Special Cut	3.00	62.01	105.68	59.18	121.19
1403	No.1 across back (top)	.47	9.71	15.11	8.46	18.17
1403	Stope No.2 Bot.	.86	17.78	32.78	18.36	36.14
1403	" Vertical cut	.64	13.23	23.20	12.99	26.22
1403	" " "	.51	10.54	17.53	9.82	20.36
1403	" " "	.15	3.10	4.41	2.47	5.57
1403	Car Sample	.43	8.89	14.87	8.33	17.22

Date Apr.28,1927. (Ag.@56¢)

1403	Stope Across Bottom	.42	8.68	15.44	8.65	17.33
1403	" " "	.92	19.01	35.08	19.64	38.65
1403	Vertical cut	.88	18.19	33.36	18.68	36.87
1403	" "	.44	9.09	18.48	10.35	19.44
1403	" "	.05	1.03	1.91	1.07	2.10
1403	Rt.Side					Trace
1403	from chute 4 cars	.18	3.72	7.10	3.98	7.70
1403	Grab from Chute	.77	15.71	30.37	17.01	32.72
1403	4 cars from chute	.11	2.27	4.01	2.25	4.52
Ophir						Trace
1403	Stope Car Sample	.69	14.26	27.03	15.14	29.40
1403	" Special	.88	18.19	35.02	19.61	37.80

Date Apr.29,1927. (Ag.@56¢)

1403	Stope No.1 back	.02	.41	.72	.40	.81
1403	" 2 Bottom	.05	1.03	1.55	.87	1.90
1403	" 3 Vertical cut	.05	1.03	1.65	.91	1.94
1403	" 4 " "	.02	.41	.74	.41	.82
1403	" 5 " "					Trace
1403	" 6 Right side	.15	3.10	3.36	2.06	5.16
1403	" 7 L. side	.03	.62	.97	.54	1.16
1403	Car sample	.30	6.20	11.74	6.53	12.77
1403	4 cars from chute	.35	7.23	11.89	6.66	13.89
1403	4 " " "	.36	7.44	15.24	8.53	15.97
1403	3 " " "	.50	10.33	18.24	10.21	20.54

Date May 3rs.1927 (Ag.@56¢)

1403	Stope 4 cars	.85	17.57	34.01	19.05	36.61
1403	" 5 "	.55	11.37	21.77	12.19	23.56
1403	Fill No. 3	.35	11.37	21.77	12.19	Trace

Date May 8th.1927 (Ag.@56¢)

		Au.Oz.	\$	Ag.Oz.	\$	Value per ton
1400	Special					Trace
1403	4 cars	1.16	23.98	19.06	10.67	34.65
1403	5 "	1.30	26.87	14.62	8.19	35.06
1403	No. 1 end	.88	18.19	22.38	12.53	30.72
1403	" 2 "	.18	3.72	4.18	2.34	6.06
1403	" 3 back	.19	3.93	5.65	3.16	7.09
1403	" 4 "	.28	5.79	12.98	7.27	13.06
1403	" 5 "	.21	4.34	6.11	3.42	7.76
1403	" 6 end	.19	3.93	4.69	2.63	6.56
1403	" 7 "	.25	5.17	7.23	4.05	9.22
1403	" 8 H.W.	.10	2.07	2.66	1.49	3.56
1403	" 9 H.W.	.41	8.47	11.71	6.56	15.03
1403	D.S. No.2 Drillings					Trace
1403	D.S. No.1 "					Trace
1403	D No. 00	.18	3.72	6.26	3.51	7.23

Date May 9th.1927. (Ag.@ 56¢)

Car Sample Shipment Lot No.3	.47	9.71	14.21	7.96	17.67
1403 Raise 18 cars	1.20	24.80	18.40	10.30	35.10
1403 Raise Pile-grab	.19	3.93	5.61	3.14	7.07

Date May 14th.1927.(Ag.@56¢)

1403 Rz.Top	.46	9.51	15.10	8.46	17.97
1403 Rz.Bottom	.07	1.45	2.35	1.32	2.77
1403 Rz. Face	.43	8.89	15.97	8.94	17.83
Ophir Raise					Trace

Date May 15th.1927. (Ag. @56¢)

Lot No. 4 shipment	.44	9.09	12.36	6.82	15.91
1403 Rse. No.1 Bottom	.12	2.48	4.36	2.44	4.92
1403 Rse. No.2 Top	.39	8.06	14.31	8.01	16.07
1403 " No.3 Face	.60	12.40	19.53	10.93	23.33
1403 " No.4 L. side	.47	9.71	13.97	7.82	17.50
1403 " No. 10 cars	.25	5.17	6.47	3.62	8.79

Date May 17th.1927. (Ag.@56¢)

Ophir 6/16/27.					Blank
1407 N. 6/15/27.					Blank
1407 " "					Trace
1407 " " (coarse)	.84	17.36	11.88	6.65	24.01
1403 Raise	.50	10.33	10.86	6.08	16.41
1403 "	.67	13.85	20.73	11.61	25.46
1403 "	.86	17.78	24.04	13.46	31.24
1403 "	.07	1.45	2.17	1.22	2.67
1403 "					Trace

CONSOLIDATED VIRGINIA MINING COMPANY
 PROFIT AND LOSS STATEMENT
 FOR YEAR ENDED DECEMBER 31, 1937

INCOME FROM EXTRACTION:

Sales of Ore

\$ 9,166.38

OPERATING EXPENSES:

Mine Operating Expense	\$ 9,731.10
Repairs and Maintenance of Buildings	1,038.54
Office Salaries	9,855.00
Light, Heat & Power - Office	155.30
Office Supplies	148.49
Postage	103.00
Telephone and Telegraph	99.84
Taxes	2,847.32
Insurance	458.24
Donations	45.00
Director's Fees	60.00
Assay Office Expense	791.47
Engineering Expense - Material	100.00
Mill Experimental Expense	864.91
Auto and Truck Expense	1,156.08
Miscellaneous Expense	929.58
Depreciation	738.36

TOTAL OPERATING EXPENSE

29,122.23

OPERATING LOSS

\$ 19,955.85

OTHER INCOME:

Stock Transfer Fees	\$ 7.27
Assay Office	506.50
Rents	90.00
Royalties	107.84
Bank Dividend	191.45

TOTAL OTHER INCOME

\$ 903.06

OTHER EXPENSES:

Interest

417.48

NET OTHER INCOME

485.58

NET LOSS FOR PERIOD

\$ 19,470.27

CONSOLIDATED VIRGINIA MINING CO.

VIRGINIA CITY, NEVADA

August 18, 1936

Notice to Stockholders Of Consolidated Virginia Mining Co.

PLEASE TAKE NOTICE that at a regular meeting of the Board of Directors of Consolidated Virginia Mining Co., said Board of Directors adopted a resolution that it is advisable that the articles of Incorporation of this Company be amended so as to add a new provision to the article to read as follows:

"The treasury stock and any new stock of this Corporation may be sold by the Board of Directors of the company at either public or private sale, or by offering the same for subscription upon such terms, conditions, and at such price as the Board of Directors shall from time to time deem proper, and it shall not be necessary for the Board of Directors to offer stockholders of the corporation any treasury stock or new stock of the company, and the stockholders shall not have the right to purchase his pro-rata share of any new stock or of treasury stock of the company unless the Board of Directors shall deem such action advisable, and so declare and authorize by resolution duly adopted."

And said Board of Directors at said meeting, called a special meeting of stockholders of Consolidated Virginia Mining Company to be held for the purpose of considering, acting upon, approving, ratifying and confirming the action of the Board adopting said resolution, and authorizing, if said resolution be adopted, the filing of appropriate amendments to the Articles of Incorporation as required by law.

Pursuant thereto, you are therefore notified that a special meeting of stockholders of Consolidated Virginia Mining Company will be held at the office of the Company in the Bank Building, C street, Virginia City, Nevada, on Tuesday, the 22nd day of September, 1936, at the hour of 11 o'clock A. M., for the purpose of considering, acting upon, approving, ratifying and confirming, or disapproving and rejecting the proposition to amend the Articles of Incorporation as provided in the resolution adopted by the Board of Directors as hereinbefore described, and for the purpose, if said amendments be authorized by the stockholders, of authorizing the President or Vice President, and secretary or assistant secretary, to make, execute and file, as required by law, such certificate or certificates of amendment as may be necessary and proper to amend the Articles of Incorporation of this company as provided in said resolution heretofore referred to.

If you do not plan to personally attend the Special Meeting on Sept. 22, 1936, referred to above, please sign and mail the enclosed proxy form as soon as possible as the by-laws provide that all proxies entitled to vote must be filed at least two days before the date of said meeting.

(Signed) ZEB KENDALL, President.

(Signed) W. J. HENLEY, Secretary.

I, the undersigned, Clarence M. Porter, Assistant Secretary of Consolidated Virginia Mining Company, do hereby certify and despose that I served the foregoing notice of said stockholders meeting, to be held on September 22, 1936, at Virginia City, Nevada, by mailing a letter to each stockholder appearing of record on the books of the company, properly stamped and addressed, a copy of said notice to each stockholder at his address as shown on the books of the company or otherwise obtainable; that said notices were mailed out through the United States Postoffice at Virginia City, Nevada, on or before Aug. 30, 1936.

Clarence M. Porter

State of Nevada)
) SS.
County of Storey)

Before me, the undersigned, a Notary Public in and for the State of Nevada, duly commissioned and qualified, appeared in person on this 22nd. day of September 1936, Clarence M. Porter, to me known to be the person described in and who executed the foregoing proof of service upon stockholders, and the said Clarence M. Porter then and there, under oath, being first sworn by me, stated that the facts set forth in said proof of service were true to the best of his knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and my official seal this 22nd day of September, 1936.



P. R. Borgell
Notary Public

My Commission Expires, Dec 21, 1937.

1900-0012

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CON. VIRGINIA MINING COMPANY
REPORT OF AUDIT
MARCH 15, 1910.

LESTER HERRICK AND HERRICK
CERTIFIED PUBLIC ACCOUNTANTS
MERCHANTS EXCHANGE SAN FRANCISCO, CALA
CABLE ADDRESS "LESRIK"

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San Francisco, Cal. March 29, 1910.

BOARD OF DIRECTORS,

CON. VIRGINIA MINING COMPANY,

SAN FRANCISCO, CALIFORNIA.

Gentlemen:

In accordance with your instructions, we have audited the financial accounts of the Con. Virginia Mining Company from the date of February 24, 1909, following upon our last similar examination, to March 15, 1910, and upon the conclusion thereof we present hereinafter a Classified Trial Balance as of date March 15, 1910, and a Statement of the Cash Receipts and Disbursements for the period above stated, which we certify to be correctly prepared from the accounts as shown by the books, and, additionally, that in our opinion they are true and correct in all respects.

We beg to remain, Gentlemen,

Faithfully yours,


CERTIFIED PUBLIC ACCOUNTANTS.

CON. VIRGINIA MINING COMPANY

SAN FRANCISCO, CALIFORNIA,

CLASSIFIED TRIAL BALANCE

MARCH 15, 1910.

DEBITS

<u>CASH</u>	\$1,183.31
Wells Fargo Nevada Nat'l Bank	\$976.80
Superintendent	<u>206.51</u>
<u>MINING RIGHTS & PROPERTIES</u>	1,790,250.00
<u>PLANT EQUIPMENT</u>	<u>369,750.00</u>

\$2,161,183.31

CREDITS

<u>CAPITAL</u>	2,160,000.00
<u>SURPLUS</u>	<u>1,183.31</u>

\$2,161,183.31

CON. VIRGINIA MINING COMPANY

SAN FRANCISCO, CALIFORNIA.

CASH RECEIPTS & DISBURSEMENTS

<u>FEBRUARY 24, 1909</u>	<u>TO</u>	<u>MARCH 15, 1910.</u>
<u>BALANCE FEBRUARY 24, 1909</u>		\$1,219.08
As per Audit Report		
<u>RECEIPTS</u>		186,767.16
Assessment #11 216,000 Shares @ .25¢ per Share	\$54,000.00	
" 12 216,000 " " .25 " "	54,000.00	
" 13 216,000 " " .25 " "	54,000.00	
Bullion Ore Sales	23,900.97	
Gross Product	\$40,962.54	
Less Ore reductions, etc.	<u>17,061.57</u>	
Assay Office Profit	586.34	
Royalty on Kinhead Contract	229.85	
House Rent Virginia City	<u>50.00</u>	
		187,986.24
<u>DISBURSEMENTS</u>		186,802.93
Notes Payable	4,000.00	
Wells Fargo Nevada Nat'l Bank		
Expenses	182,802.93	
Pumping Expense	49,382.67	
Labor	45,409.53	
Electric Power	21,240.93	
Sutro Tunnel Repairs	20,109.58	
Mine Supplies	15,830.70	
General Mine Expense	8,401.36	
Joint East Cross Cut Expense	3,788.40	
Virginia City Salaries	3,133.02	
Taxes	2,952.69	
San Francisco Salaries	2,936.00	
Suction Fan Installation	1,400.72	
San Francisco General Expenses	1,361.60	
Repairing Air Ways	1,257.94	
Royalty	1,212.36	
Insurance	982.41	
Surveying	650.00	
Legal Expense	520.52	
Water	500.00	
Interest and Exchange	494.21	
Virginia City General Expense	353.70	
Advertising	218.50	
Demolishing Con. Virginia Hoist	167.00	
Books and Stationery	143.10	
Teaming	112.50	
Ore Sampling	110.50	
Registration Fee	85.00	
Location Expense	33.48	
Suction Fan Expense	<u>14.51</u>	
<u>BALANCE MARCH 15, 1910</u>		\$1,183.31
Wells Fargo Nevada Nat'l Bank	976.80	
With Superintendent	<u>206.51</u>	<u>\$1,183.31</u>

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REPORTS

CONSOLIDATED VIRGINIA AND MEXICAN MINE ASSAY OFFICE Virginia City, Nevada

* * * *

					Value
					per ton
Feb. 26, 1927 (Ag at 58¢)					
1481	Face	2/26/27	Ag. Oz. \$	Ag. Oz. \$	
1481	"	at 17'	.76 15.71	21.86 21.86	28.39
1481	"	2/25/27	1.22 25.22	46.34 26.88	52.10
1481	C. S.		.11 2.27	2.97 1.72	3.99
1403	Face	2/26/27			Trace
1403	C. S.	Day			Trace
1403	C. S.	Night			Blank
February 28, 1927 (Ag. at 58¢)					
1481	Face L. side	at 15'	1.38 28.52	11.08 6.43	34.95
1481	Center	at 15'	.68 14.05	26.92 15.61	29.66
1481	Rt. Side	at 15'	.30 6.20	13.00 7.54	13.74
1481	No tag - probably	C.S.	.29 5.99	7.99 4.63	10.62
1481	Face	2/28/27	.23 4.75	7.77 4.51	9.26
1403	C. S.	Day 2/26/27			Trace
1403	C. S.	Night 2/26/27	.03 .62	.99 .59	1.21
March 11, 1927 (Ag. at 56¢)					
1407	S. 1'	at 57'	.18 3.72	.64 .36	4.08
1407	S. 4'	at 57'	.09 1.86	.27 1.15	2.01
1481	Face	at 72'			Blank
1481	C. S.	Day			Trace
1481	C. S.	Night			Blank
1407	C. S.	Day			Blank
1407	C. S.	Night			Trace
1481	Back 30"	Qt. phy.5's 1480	.80 16.54	18.42 10.32	26.86
1481	Back 3'	Qt. phy10's 1480	.11 2.27	1.37 .77	3.04
1481	Back 4'	Qt. phy15's 1480	.16 3.31	3.54 3.10	6.41
1481	Back 3'	QT. phy20's 1480	.14 2.89	4.38 2.45	5.34
1481	Back 30"	Qt. phy25's 1480	.13 2.69	2.81 1.57	4.26
1481	N. Wall fill	25's 1480	6.46 133.53	9.14 5.12	138.65
April 13, 1927 (ag. at 56¢)					
1401	Stp. Face	4/12/27	.63 13.02	14.17 7.94	20.96
1401	C. S.	4/12/27	.20 4.13	5.84 3.27	7.40
1401	C. S.	4/13/27	.14 2.89	3.78 2.12	5.01
	Cole No. 1				Blank
	Cole No. 2				Trace
	Cole No. 3		.03 .62	1.09 .61	1.23
1482	Stope back 3'		2.30 47.54	15.34 8.59	56.13
1482	Stope C. S.		2.88 59.53	11.32 6.34	65.87
April 22, 1927 (Ag at 56¢)					
	Car sample (53 cars)	shipped	.27 5.66	6.63 3.71	9.37
1400	Level taken by	McCormack	.43 8.89	11.65 6.52	15.37
1400	"	"	.01 .20	.31 .17	.37
1400	"	"	.45 9.30	6.41 3.59	12.89
1400	"	"	.09 1.86	.89 .50	2.36
1400	"	"			Trace
1400	"	"	.40 8.27	2.94 1.65	9.92
1400	"	"	.30 6.20	7.08 3.96	10.16
1400	"	"	.01 .21	.67 .38	.59
1400	"	"			Blank
April 26, 1927 (Ag. at 56¢)					
1403	Stope Special Cut		3.00 62.01	105.68 59.18	121.19
1403	No. 1 across back (top)		.47 9.71	15.11 8.46	18.17

		Au.Oz. \$		Ag.Oz. \$		per ton Value
<u>April 26, 1927 (Ag. at 56¢)</u>						
1403	Stope No. 2 Bot.	.86	17.78	32.78	18.36	36.14
1403	Stope Vertical Cut	.64	13.23	23.20	12.99	26.22
1403	" " "	.51	10.54	17.53	9.82	20.36
1403	" " "	.15	3.10	4.41	2.47	5.57
1403	Car Sample	.43	8.89	14.87	8.33	17.22
<u>April 28, 1927 (Ag at 56¢)</u>						
1403	Stope Across Bottom	.42	8.68	15.44	8.65	17.33
1403	" " "	.92	19.01	35.08	19.64	38.65
1403	Vertical cut	.88	18.19	33.36	18.68	36.87
1403	" " "	.44	9.09	18.48	10.35	19.44
1403	" " "	.05	1.03	1.91	1.07	2.10
1403	Right Side					Trace
1403	From chute 4 cars	.18	3.72	7.10	3.98	7.70
1403	Grab from chute	.77	15.71	30.37	17.01	32.72
1403	4 cars from chute	.11	2.27	4.01	2.25	4.52
	Ophir					Trace
1403	Stope Car Sample	.69	14.26	27.03	15.14	29.40
1403	Stope Special	.88	18.19	35.02	19.61	37.80
<u>April 29, 1927 (Ag. at 56¢)</u>						
1403	Stope No. 1 back	.02	.41	.72	.40	.81
1403	Stope No. 2 Bottom	.05	1.03	1.55	.87	1.90
1403	Stope No. 3 Vertical cut	.05	1.03	1.65	.91	1.94
1403	Stope No. 4 " "	.02	.41	.74	.41	.82
1403	Stope No. 5 " "					Trace
1403	Stope No. 6 Right side	.15	3.10	3.36	2.06	5.16
1403	Stope No. 7 Left side	.03	.62	.97	.54	1.16
1403	Car Sample	.30	6.20	11.74	6.57	12.77
1403	4 cars from chute	.35	7.23	11.89	6.66	13.89
1403	4 cars from chute	.36	7.44	15.24	8.53	15.97
1403	3 cars from chute	.50	10.33	18.24	10.21	20.54
<u>May 3, 1927 (Ag. at 56¢)</u>						
1403	Stope 4 cars	.85	17.57	34.01	19.05	36.61
1403	" 5 cars	.55	11.37	21.77	12.19	23.56
1403	Fill No. 3					Trace
<u>May 4, 1927 (Ag. at 56¢)</u>						
	Hardy Vein Face 1' F.W.					Blank
	" " 4" Top clay					Blank
	" " 8" Vein					Blank
1403	Cole Special	13.38	282.56	104.54	58.54	341.10
1403	D. S. No. 1 8' from spad	.48	9.92	13.72	7.68	17.60
1403	D. S. No. 2 12' " "	8.90	183.96	95.66	53.57	237.53
1403	D. S. No. 3 16' " "	6.38	131.87	77.78	43.56	175.43
1403	D. S. No. 4 Bottom cut	.05	1.03	1.95	1.09	2.12
1403	D. S. No. 5 Right side					Trace
1403	D. S. No. 6 " " 12' F.S.	.03	.62	.93	.52	1.14
1403	D. S. No. 7 " " 16' "	.04	.83	2.26	1.27	2.10
1403	D. S. No. X cut Rt. Side	.66	13.64	20.98	13.75	27.39
1403	D. S. 14' N. of chute	.04	.83	1.32	.74	1.57
1403	x cut No. 1 across 5'	.03	.62	.63	.35	.97
1403	" " " 3'	.04	.83	1.40	.78	1.61
1403	White Quartz					Trace
1403	Stope 2 cars	.44	9.09	17.60	9.86	18.95
1403	Grab-pile	.23	4.75	10.49	5.87	10.62
1403	Face	.18	3.72	5.62	3.15	6.87
1403	No. 3 Stope					Trace
<u>May 5, 1927 (Ag. at 56¢)</u>						
1403	Stope Face	.31	6.41	11.45	6.41	12.82
1403	" 8 cars	.10	2.07	2.50	1.40	3.47

		Au. Oz	\$	Ag. Oz.	\$	per ton Value
1403	D. S. Pile Grab No. 1	.62	12.81	15.20	8.51	21.32 ✓
1403	D. S. " " " 2	1.42	29.35	17.26	9.67	39.02 ✓
1403	Cut No. 1 back	5.66	116.99	76.76	42.99	159.98 ✓
1403	" " 2 "	.64	13.23	5.56	3.11	16.34 ✓
1403	" " 2 C	3.60	74.51	57.76	32.35	106.86 ✓
1403	" " 3 C	1.04	21.50	24.50	13.72	35.22 ✓
1403	" " 3 bottom	.19	3.93	6.13	3.43	7.36 ✓
1403	" " 4	1.69	34.93	40.21	22.52	57.45 ✓
1403	" " 5	.13	2.69	3.79	2.12	4.81 ✓
1403	" " 6	.20	4.13	2.86	1.60	5.73 ✓

May 6, 1927 (Ag at 56¢)

1403	Shipment Lot #2	.32	6.61	11.62	6.51	13.12
	Ophir					Blank
1403	Rz. No. 1 back	1.68	34.72	41.60	23.30	58.02 ✓
1403	Raise No. 2 back	1.60	33.07	35.60	19.70	52.77 ✓
1403	Raise No. 3 "	.98	20.26	25.32	14.18	34.44 ✓
1403	10 cars	1.00	20.67	13.80	7.73	28.40 ✓
1403	Muck pile-grab Specimen	1.20	24.80	24.70	13.83	38.63 ✓
		700.40	14008.	915.80	512.85	14520.85

May 7, 1927 (Ag. at 56¢)

1403	Raise Much pile-grab ✓	.31	6.41	9.93	5.56	11.97 ✓
1403	" 7 cars	2.76	57.05	22.06	12.35	69.40 ✓
1403	Stope face 2' atz.	.10	2.07	2.24	1.25	3.32
1403	Pile-grab	.13	2.69	3.91	2.19	4.88
1403	3 cars	.09	1.86	1.99	1.11	2.97

May 8, 1927 (Ag. at 56¢)

1403	4 cars	1.16	23.98	19.06	10.67	34.65
1403	5 cars	1.30	26.87	14.62	8.19	35.06
1400	Special					Trace
1403	No. 1 end	.88	18.19	22.38	12.53	30.72
1403	No. 2 end	.18	3.72	4.18	2.34	6.06
1403	No. 3 back	.19	3.93	5.65	3.16	7.09
1403	No. 4 back	.28	5.79	12.98	7.27	13.06
1403	No. 5 back	.21	4.34	6.11	3.42	7.76
1403	No. 6 end	.19	3.93	4.69	2.63	6.56
1403	No. 7 end	.25	5.17	7.23	4.05	9.22
1403	No. 8 H.W.	.10	2.07	2.66	1.49	3.56
1403	No. 9 H.W.	.41	8.47	11.71	6.56	15.03
1403	D. S. No. 2 Drillings					Trace
1403	D. S. No. 1 "					Trace
1403	D No. 00 "	.18	3.72	6.26	3.51	7.23

May 9, 1927 (Ag. at 56¢)

	Car Sample shipment Lot #3	.47	9.71	14.21	7.96	17.67 ✓
1403	Raise 18 cars	1.20	24.80	18.40	10.30	35.10 ✓
1403	Raise Pile-grab	.19	3.93	5.61	3.14	7.07 ✓

May 14, 1927 (Ag. at 56¢)

1403	Rz. Top	.46	9.51	15.10	8.46	17.97 ✓
1403	Rz. Bottom	.07	1.45	2.35	1.32	2.77 ✓
1403	Rz. Face	.43	8.89	15.97	8.94	17.83 ✓
	Ophir Raise					Trace

May 15, 1927 (Ag. at 56¢)

	Lot No. 4 Shipment	.44	9.09	12.36	6.82	15.91 ✓
1403	Rse. No. 1 bottom	.12	2.48	4.36	2.44	4.92 ✓
1403	Rse. No. 2 top	.39	8.06	14.31	8.01	16.07 ✓
1403	" No. 3 face	.60	12.40	19.53	10.93	23.33 ✓
1403	" No. 4 Left side	.47	9.71	13.97	7.82	17.50 ✓
1403	" No. 10 cars	.25	5.17	6.47	3.62	8.79 ✓

May 17, 1927 (Ag at 56¢)

	Ophir	6/16/27				Blank
1407	N.	6/15/27				Blank
1407	N.	6/15/27				Trace

		Au. Oz.	\$	Ag. Oz	\$	Value Per ton
1407	N. 6/15/27 Coarse	.84	17.36	11.88	6.65	24.01 ✓
1403	Raise	.50	10.33	10.86	6.08	16.41 ✓
1403	Raise	.67	13.85	20.73	11.61	25.46 ✓
1403	Raise	.86	17.78	24.04	13.46	31.24 ✓
1403	Raise	.07	1.45	2.17	1.22	2.67 ✓
1403	Raise					Trace

ANDES SHAFT

October 24, 1931 - Gold \$20 - Silver .30					Au. Oz	Au per	Ag. oz	Ag. Val	Total Val.
					Ton	Ton	Ton	Ton	per Ton
#1	70 ft. level	w of ore shoot			trace	trace	1.45	.13	.13
#2	70 "	" " " "			.017	.34	1.72	.51	.85
#3	175 "	" west cross-cut			.275	5.50	14.68	4.40	9.90
#4	70 "	" 40 ft. w of shaft			.017	.34	1.74	.42	.76
#5	175 "	" west cross-cut			.027	.54	4.80	1.44	1.98
#6	70 "	" south fill			.010	.20	.98	.30	.50
#7	70 "	" " "			.030	.60	2.36	.71	1.30
#8	70 "	" cross-cut west			.017	.34	1.24	.37	.71
#9	175 "	" west x-cut f. stope			.260	5.20	13.42	4.03	9.23

The above represent "investigation assays", or assays made from cuts in cross-cuts at various distances west of the lode.

October 26, 1931 Gold \$20.00 Silver .30									
#1	175 ft. level	(dark)			2.50	50.00	48.90	14.67	64.67
#2	Sample by Lewis				.062	1.24	3.17	.95	2.19
#3	175 ft. level	(picked)			14.18	283.60	276.82	83.04	366.64
#4	N drift 175 ft. level				.605	12.10	32.75	9.82	21.92
#5	70 ft. level	S drift			.372	7.44	15.63	4.68	12.12
#6	70 ft. level	S drift (dark)			2.160	43.20	4.32	1.29	44.49

November 6, 1931 - Gold \$20.00 Silver .34									
#1	175 ft. level	foot raise			1.515	30.30	51.21	17.41	52.72
#2	93 ft. w drift	W. cross-cut							.76
#3	83 ft. w. drift	" " "							.74
#4	88 ft. w. drift	" " "							.72
#5	175 ft. level	N. Stope 4 cars			2.245	44.90	19.68	6.70	51.60
#6	Lower part raise down 175				2.062	41.24	38.46	13.07	54.31
#7	L.P. 40 ft. s. drift 175 level				.465	9.30	39.41	13.39	22.69
#8	Sample (lump) ft. raise 175				16.635	332.70	567.21	192.85	525.55
#9	Sample from Andes Mine				7.185	143.70	104.30	35.46	179.26

November 16, 1931 - Gold \$20.00 Silver .37									
3	#1	Sample dump foot raise			.150	3.00	4.38	1.62	4.62
1	#2	4 cars N.E. timber shed			1.155	23.10	18.62	6.90	30.00
4	#3	3 cars W. side track			.195	3.90	4.00	1.48	5.38
5	#4	3 cars N. W. cor. timber shed			.295	5.90	6.18	2.28	8.18
9	#5	8 cars on platform			.750	15.00	9.68	3.58	18.58
6	#6	23 cars (comp.)			.560	11.20	11.00	4.07	15.27

November 12, 1931 - Gold \$20.00 Silver .35									
#1	Lot No. 1 (ore on track)				1.105	21.10	26.28	9.20	30.30
#2	Lot No. 2 (ore on track)				1.255	25.10	25.12	7.79	32.89
#3	Lot No. 3 (ore on track)				1.365	27.35	15.89	5.59	33.94
#4	N. Stope 175 lot No. 1				.825	16.50	31.16	10.90	27.40
#5	"	"	175 level	Lot No. 2	1.355	27.10	20.72	7.25	34.35
#6	"	"	175 "	No. 3	1.03	20.60	31.01	10.85	31.45
#7	"	"	175 "	No. 4	1.235	24.70	34.73	12.15	36.85
#8	"	"	175 "	No. 5	.327	6.45	14.00	5.24	11.87
#9	Sample by Lewis				1.450	29.00	29.57	10.35	39.40
#10	"	"	"	"	.018	.36	1.46	.51	.87

ROUGH DRAFT.

(1)

for various repairs

During the month of January, 1927, 423 feet of development work was accomplished in the Con. Virginia and Ophir mines, at a total cost, including General Expense, of \$10,901.10, or \$25.77 per foot.

The working places where this work was done and the costs thereof is shown below:

CON. VIRGINIA MINE.

	<u>Advance for Month</u>	<u>Total Cost</u>	<u>Cost per Ft.</u>
Main Raise	38 Ft.	\$ 2,586.81	\$ 68.07
1403 South Drift	55	1,335.19	24.27
1401 South Raise	13	517.05	39.77
1438 Crosscut	55	265.11	4.82
1348 Drift	41	246.58	6.01
1401 South Drift	-	123.10	-
1430 Crosscut	61	564.49	9.25
1405 South Drift	10	176.18	17.62
1400 West Repairs	-	109.68	-
Total	273	5,924.19	21.70
Con. Virginia General Expense		1,499.30	5.49
TOTAL CON. VIRGINIA	273	\$ 7,423.49	27.19

OPHIR MINE

1400 North Drift	150	\$ 2,470.63	16.47
1400 West Repairs	-	116.06	-
Total	150	2,586.69	17.24
Ophir General Expense		890.92	5.94
TOTAL OPHIR	150	\$ 3,477.61	23.18

COMBINED TOTALS, BOTH MINES

Con. Virginia	273	\$ 7,423.49	27.19
Ophir	150	3,477.61	23.18
GRAND TOTAL	423	\$10,901.10	\$25.77 ^x

x Total cost per foot high amount heavy cost last few feet transfer raise without transfer raise cost per ft would be 12.58

The detailed costs incurred in the working places tabulated above will be found on pages 4 to 9 of this report.

(2)

CASH OUTLAY FOR JANUARY, 1927

The Cash Outlay for all companies during the month amounted to \$11,330.78, as evidenced below:

APPLICATION OF FUNDS STATEMENT.

	<u>U.C.P.A.</u>	<u>Con. Va.</u>	<u>Ophir</u>	<u>Intercompany Eliminations</u>	<u>Total</u>
Cash Balance, January 1, 1927	\$ 1,304.66	1,091.19	1,371.74		\$ 3,767.59
All receipts dur- ing month.....	<u>10,545.32</u>	<u>3,171.28</u>	<u>8,000.00</u>	<u>10,000.00*</u>	<u>11,716.60</u>
Totals.....	11,849.98	4,262.47	9,371.74	10,000.00	15,484.19
Cash Balance, January 31, 1927	<u>1,219.20</u>	<u>1,412.47</u>	<u>1,521.74</u>	<u>-</u>	<u>4,153.41</u>

TO BE ACCOUNTED FOR.....\$ 11,330.78

EXPENDED AS FOLLOWS:

Mine Development.....	\$ 9,751.72
Stores (Timber)	881.51
Accounts Receivable.....	258.00
Prepaid Fire Insurance.....	75.00
Liability Insurance Reserve.....	264.55
Prepaid Liability Insurance.....	<u>100.00</u>
Total Expenditures.....	\$11,330.78

*Represents \$10,000 which appears as a receipt in Pumping Association books as well as in Ophir and Con. Virginia books -- this amount having been advanced to the Pumping Association by these two companies.

It will be noted that the cash expenditure charged to Mine Development above amounts to \$9,751.72. The difference of \$1,149.38 between this figure and \$10,901.10, the total cost of operations for both companies as mentioned at the beginning of this report, is made up of the following:

Stores issued from stock.....	\$ 1,013.21
Accrued Taxes, Accrued Interest and Monthly Fire Insurance cost.....	<u>328.41</u>
	1,341.62
Less Misc. Credits to Mine Dev.....	<u>192.24</u>
Amount of Difference.....	\$ <u>1,149.38</u>

REMARKS.

Commencing with this month, the operation will not be charged with Liability Insurance premiums paid the Nevada Industrial Commission. The amount paid each month to the Commission will be charged to a Liability Insurance Reserve account, to which account has ~~already been credited~~ ^u already been credited a sum amounting to \$5,699.25, arising from the deposit of moneys collected as hospital deductions during some years past, which have heretofore been deposited in a "Hospital Account."

The following statements follow in the order named:

Con. Virginia Mining Co. Master Cost sheet.
Details of Con. Virginia Mining Costs, segregated
as to working places.
Statement of Con. Virginia General Expense.

Ophir Mining Co. Master Cost Sheet.
Details of Ophir mining Costs, segregated as
to working places.
Statement of Ophir General Expense.

Schedule of United Comstock Pumping Association charges
to Con. Virginia and Ophir.

Con. Va. M. Co. General Expense
Ophir M. Co. General Expense

CON. VIRGINIA MINING CO.

MASTER COST SHEET.

JANUARY, 1927

Total Footage Accomplished, 273.

	<u>Cost</u>	<u>Per Foot</u>	<u>Total</u> <u>Cost</u>	<u>Per Foot</u>
<u>MINE OPERATION</u>				
<u>Direct Costs</u>				
Labor - Driving	\$ 2,009.86	7.36		
Labor - M. & R	456.67	1.67		
Total Direct Labor.....			2,466.53	9.03
Timber	577.91	2.12		
Explosives.....	207.42	.76		
Total Direct Supplies.....			785.33	2.88
Total Direct Costs.....			3,251.86	11.91
<u>Indirect Costs</u>				
(See Page 17 for Details)				
Foremen & Shift Bosses.....	383.33	1.40		
Engineering & Drafting.....	133.33	.49		
Assaying & Sampling.....	100.90	.37		
Hoisting.....	869.49	3.18		
Compressed Air.....	379.81	1.39		
Lighting.....	164.73	.60		
Lubrication.....	39.45	.15		
Surface & Plant.....	172.25	.63		
Shaft Repairs.....	18.45	.07		
Electrical Work.....	66.03	.24		
Ventilation.....	89.16	.33		
Repairs to Elec. Tram. Equipment	18.88	.07		
Mine Maintenance.....	36.33	.13		
Steel Sharpening & Blks. Shop...	87.65	.32		
Timberframing.....	132.24	.48		
Air & Water Lines.....	35.00	.13		
Repairs to Machine Drills.....	9.48	.04		
Track & Ditches.....	20.77	.08		
Miscellaneous.....	17.13	.06		
Total.....	2,774.41	10.16		
Less Misc. Credits.....	102.08	.37		
Total Indirect Charges.....			2,672.33	9.79
Total Mine Operation.....			\$ 5,924.19	\$21.70

Con. Virginia Mining Company Costs.

MAIN RAISE Advance for Month, 38 Ft.

	Total Cost	Per Ft.	Total Cost	Per Ft.
<u>DIRECT COSTS</u>				
Labor: Driving.....	672.07	17.69		
Labor: M. & R.....	380.00	10.00		
Total Direct Labor.....			1,052.07	27.69
Timber.....	405.03	10.66		
Suppl i Explosives.....	50.08	1.31		
Total Direct Supplies..			455.11	11.97
TOTAL DIRECT COSTS.....			1,507.18	39.66 -
<u>INDIRECT COSTS</u>				
Proportion of Indirect Costs as shown on page 1✓.....			1,079.63	28.41 -
TOTAL COST.....			\$ 2,586.81	68.07

1403 SOUTH DRIFT Advance for Month, 55 Ft.

<u>DIRECT COSTS</u>				
Labor: Driving.....	557.80	10.14		
Labor: M. & R.....	23.63	.43		
Total Direct Labor.....			581.43	10.57
Timber.....	56.55	1.03		
Explosives.....	37.15	.67		
Total Direct Supplies.....			93.70	1.70
TOTAL DIRECT COSTS.....			675.13	12.27
<u>INDIRECT COSTS</u>				
Proportion of Indirect Costs as shown on page 1✓.....			660.06	12.00
TOTAL COST.....			\$ 1,335.19	24.27

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1401 SOUTH RAISE Advance for Month 13 Feet

<u>DIRECT COSTS</u>				
Labor: Driving.....	186.38	14.33		
Total Direct Labor.....			186.38	14.33
Explosives.....	29.26	.53		
Total Direct Supplies.....			29.26	.53
TOTAL DIRECT COSTS.....				

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1401 SOUTH RAISE Advance for Month 13 Ft.

<u>DIRECT COSTS.</u>				
Labor: Driving.....	186.38	14.33		
Total Direct Labor.....			186.38	14.33
Timber.....	100.56	7.73		
Explosives.....	19.00	1.47		
Total Direct Supplies.....			119.56	9.20
TOTAL DIRECT COSTS.....			305.94	23.53
<u>INDIRECT COSTS</u>				
Proportion of Indirect Costs as shown on Page 1✓.....			211.11	16.24
TOTAL COST.....			\$ 517.05	39.77

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(6)

1348 CROSSCUT Advance for Month 55 Ft.

	<u>Cost</u>	<u>Per Ft.</u>	<u>Total Cost</u>	<u>Per Ft.</u>
<u>DIRECT COSTS</u>				
Labor: Driving.....	\$ 110.25	2.01		
Total Direct Labor.....			110.25	2.01
Explosives.....	29.26	.53		
Total Direct Supplies.....			29.26	.53
TOTAL DIRECT COSTS.....			139.51	2.54
<u>INDIRECT COSTS</u>				
Proportion of Indirect Costs as shown on page 17.....			125.60	2.28
TOTAL COSTS.....			\$ 265.11	4.82

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1348 DRIFT Advance for Month 41 Feet.

<u>DIRECT COSTS</u>				
Labor: Driving.....	106.42	2.60		
Total Direct Labor.....			106.42	2.60
Explosives.....	19.91	.48		
Total Direct Supplies.....			19.91	.48
TOTAL DIRECT COSTS.....			126.33	3.08
<u>INDIRECT COSTS</u>				
Proportion of Indirect Costs as shown on page 17.....			120.25	2.93
TOTAL COSTS.....			\$ 246.58	6.01

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1401 SOUTH DRIFT Advance for Month - None.

<u>DIRECT COSTS</u>				
Labor.....	51.28			
Timber.....	11.10			
Explosives.....	1.93			
TOTAL DIRECT COSTS.....			64.31	
<u>INDIRECT COSTS</u>				
Proportion of Indirect Costs as shown on page 17.....			58.79	
TOTAL COSTS.....			\$ 123.10	

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1480 CROSSCUT Advance for Month 61 Ft.

<u>DIRECT COSTS</u>				
Labor: Driving.....	206.58	3.39		
Labor: M. & R.....	44.60	.73		
Total Direct Labor.....			251.18	4.12
Explosives.....	38.06	.62		
Total Direct Supplies.....			38.06	.62
TOTAL DIRECT COSTS.....			289.24	4.74
<u>INDIRECT COSTS</u>				
Proportion of Indirect Costs as shown on page 17.....			275.25	4.51
TOTAL COSTS.....			564.49	9.25

1405 SOUTH DRIFT

Advance for Period 10 Ft.

DIRECT COSTS

Labor: Driving.....	\$ 57.75	5.78	
Labor: M. & R.....	<u>21.00</u>	<u>2.10</u>	
Total Direct Labor.....			78.75 7.88
Explosives.....	<u>9.24</u>	<u>.92</u>	
Total Direct Supplies.....			<u>9.24</u> <u>.92</u>
TOTAL DIRECT COSTS.....			87.99 8.80

INDIRECT COSTS

Proportion of Indirect Charges			
as shown on page <u>1</u>		88.19	8.82
TOTAL COSTS.....	\$ <u>176.18</u>		<u>17.62</u>

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REPAIRING 1400 WEST CROSSCUT

DIRECT COSTS

Labor.....	48.77	
Timber.....	4.67	
Explosives.....	<u>2.79</u>	
TOTAL DIRECT COSTS.....		56.23

INDIRECT COSTS

Proportion of Indirect Costs		
as shown on page <u>1</u>		53.45
TOTAL COSTS.....	\$ <u>109.68</u>	

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OPHIR MINING COMPANY

MASTER COST SHEET

JANUARY, 1927

Total Footage Accomplished, 150 Ft.

	Cost	Per Ft.	Total Cost	Per Ft.
<u>MINE OPERATION</u>				
<u>Direct Costs</u>				
Labor: Driving.....	913.11	6.09		
Labor: M. & R.....	116.12	.77		
Total Direct Labor.....			1,029.23	6.86
Timber.....	70.36	.47		
Explosives.....	157.52	1.05		
Total Direct Supplies.....			227.88	1.52
TOTAL DIRECT COSTS.....			1,257.11	8.38
<u>Indirect Costs</u>				
(See Page 7 for Details)				
Foremen & Shift Bosses..	191.67	1.28		
Engineering & Drafting..	66.67	.44		
Assaying & Sampling....	50.45	.34		
Hoisting.....	434.75	2.90		
Compressed Air.....	189.90	1.27		
Lighting.....	82.37	.55		
Lubrication.....	19.73	.13		
Surface & Plant.....	86.12	.57		
Shaft Repairs.....	9.22	.06		
Electrical Work.....	33.01	.22		
Ventilation.....	44.58	.30		
Reprs to Elec. Trammig				
Equipment.....	9.43	.06		
Mine Maintenance.....	18.17	.12		
Steel Sharpening &				
Blacksmith Shop.....	43.83	.29		
Timberframing.....	66.12	.44		
Air & Water Lines.....	17.50	.12		
Reprs to Machine Drills.	4.74	.03		
Tracks & Ditches.....	10.39	.07		
Miscellaneous.....	8.56	.05		
Total.....	1,387.21	9.24		
Less Misc. Credits.....	57.63	.38		
TOTAL INDIRECT COSTS.....			1,329.58	8.86
TOTAL COSTS.....			\$ 2,586.69	17.24

Ophir Mining Company Costs.

	<u>Cost</u>	<u>Per Ft.</u>	<u>Total Cost</u>	<u>Per Ft.</u>
<u>1400 NORTH DRIFT</u> <u>Advance for Month 150 Ft.</u>				
<u>DIRECT COSTS</u>				
Labor: Driving.....	713.29	4.75		
Labor: M. & R.....	<u>267.16</u>	<u>1.78</u>		
Total Direct Labor....			980.45	6.53
Timber.....	65.70	.44		
Explosives.....	<u>154.73</u>	<u>1.03</u>		
Total Direct Supplies.....			<u>220.43</u>	<u>1.47</u>
TOTAL DIRECT COSTS.....			1,200.28	8.00
<u>INDIRECT COSTS</u>				
Proportion of Indirect Costs as shown on page <u>1</u>			<u>1,269.75</u>	<u>8.47</u>
TOTAL COSTS.....			\$ <u>2,470.63</u>	<u>16.47</u>

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REPAIRING 1400 WEST CROSSCUT

<u>DIRECT COSTS</u>		
Labor.....	48.68	
Timber.....	4.66	
Explosives.....	<u>2.79</u>	
TOTAL DIRECT COSTS.....		56.23
<u>INDIRECT COSTS</u>		
Proportion of Indirect Costs as shown on page <u>1</u>		<u>59.83</u>
TOTAL COSTS.....		\$ <u>116.06</u>

CON. VIRGINIA MINING COMPANY

General Expense.

Administration (ZK & RAH)	\$ 816.67
Telephones	12.27
Auto Expense	11.73
Miscellaneous	72.47
Company House	32.10
Office Expense	219.57
Watchmen	115.55
Interest	11.12
Taxes	118.09
Fire Insurance	<u>89.73</u>
Total	\$1,499.30
Cost Per Foot (273 Ft)	\$ 5.49

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OPHIR MINING COMPANY.

General Expense

Administration (ZK & RAH)	\$ 583.33
Telephones	6.13
Auto Expense	5.87
Miscellaneous	2.50
Company House	16.05
Office Expense	109.79
Watchman	57.78
Interest	15.56
Taxes	159.04
Fire Insurance	<u>44.87</u>
Total	\$ 890.92
Cost per Foot (150 Ft)	\$ 5.94

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SCHEDULE OF UNITED COMSTOCK PUMPING ASSOCIATION CHARGES

Allocated 2/3rds to Con. Virginia and 1/3rd to Ophir.

	Labor	Supplies	Power	Water	Total	ALLOCATION.	
						Con. Va.	Ophir
Hoisting.....\$	959.48	127.56	217.20		1304.24	869.49	434.75
Lubrication..		59.18			59.18	39.45	19.73
Surface and Plant.....	245.87			12.50	258.37	172.25	86.12
Shaft Repairs	27.67				27.67	18.45	9.22
Elec. Work...	90.00	9.04			99.04	66.03	33.01
Ventilation..	61.09		72.65		133.74	89.16	44.58
Reprs to Elec. Tram Equip...		28.31			28.31	18.88	9.43
Mine M. & R...	54.50				54.50	36.33	18.17
Steel Sharp. & Blks. Shop...	105.37	16.66	9.45		131.48	87.65	43.83
Timberframing.	139.50	49.40	9.46		198.36	132.24	66.12
Air & Water Lines.....	52.50				52.50	35.00	17.50
Repairs to Mac. Drills..		14.22			14.22	9.48	4.74
Track and Ditches.....	5.25	25.91			31.16	20.77	10.39
Assaying and Sampling.....	139.50	11.85			151.35	100.90	50.45
Misc.....		25.69			25.69	17.13	8.56
Foremen and Shiftbosses..	575.00				575.00	383.33	191.67
Engineering & Drafting.....	200.00				200.00	133.33	66.67
Compressed Air		2.71	417.00	150.00	569.71	379.81	189.90
Lighting.....		216.07	31.03		247.10	164.73	82.37
Totals.....	2655.73	586.60	765.79	162.50	4161.62	2774.41	1387.21
Less Miscellaneous Credits.....						102.08	57.63
TOTAL INDIRECT CHARGES.....					\$ 2672.33	1329.58	
<i>Distributed Among Working Places as follows.</i>							
Main Raise					1079.63		
1403 South Shaft					660.06		
1401 South Raise					211.11		
1348 Crosscut					125.60		
1348 Shaft					120.25		
1401 South Shaft					58.79		
1480 Kew					275.25		
1405 South Shaft					88.19		
Repairing 1405 West					53.45		
1400 North Shaft							1269.75
Repairing 1400 West							59.83
					2672.33		1329.58

1200 0092

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item 74

CONSOLIDATED VIRGINIA MINING COMPANY

DECEMBER 31, 1935

GEO. K. EDLER
CERTIFIED PUBLIC ACCOUNTANT
RENO NATIONAL BANK BUILDING
RENO, NEVADA

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item 74

GEO. K. EDLER
CERTIFIED PUBLIC ACCOUNTANT
RENO NATIONAL BANK BUILDING
RENO, NEVADA

February 18, 1936.

To The Board of Directors,
Consolidated Virginia Mining Company,
Virginia City, Nevada.

Gentlemen:

We have completed an audit of your accounts and records for the period from July 31, 1935 to December 31, 1935. During the period under review your Company carried on an intensive plan of development without regard to the mining and milling of ore. Consequently, all amounts expended whether directly applied to the mine properties or expended in operating the office are properly capitalized as Development work. Due to this fact there is no profit or loss for the period.

We reconciled the account in the First National Bank in Reno and found it to be in agreement with the records. In addition to the deposit in bank in amount of \$2,893.16 there is a petty cash fund in the office in the sum of \$25.00. We did not count this cash but were advised by your Treasurer that this fund was intact as represented by cash and paid vouchers.

There was due on open account to your Company as of the close of the year \$26.33 from the Sierra Consolidated Mines, Inc. This account was not paid due.

The inventory of stores was taken and priced by your employees. We were not provided with a statement of the stores on hand and for that reason we did not check extensions, additions or prices per unit.

We present in Schedule No. 1 a list of the various items constituting the Mine Property, Plant and Equipment, as shown on Exhibit A, at \$2,382,495.91. Except for the property acquired prior to 1927 all other items are stated at ledger value and cost to issuer. The records prior to 1927 were not available for our examination and it was not possible for us to determine whether the property acquired prior to 1927 was shown at cost to the Company. In re-organizing the Company, the carrying value of the Hoist was reduced from \$8,000.00 to \$5,000.00. We were advised by your president and secretary that the present carrying value of this Hoist is conservative, but that the former value was in excess of its real worth.

The property acquired from the Ophir Mining Company, Consolidated Virginia and Andes Corporation, and Mexican Gold and Silver Mining Company was set up in your accounts at 20% of the book value of the properties as shown on these companies' records. This was done in view of the fact that an agreement had been executed to sell stock of the Company at twenty cents per share and as stock of the Company was given in the purchase of the respective properties it was advisable to reduce the carrying value of these properties to a basis of twenty cents on the dollar.

Allowance for depreciation has been made on the automobile and truck owned by your Company. No consideration has been given to depreciation on Buildings, Furniture and Fixtures, and Mine Equipment for 1935 due to the acquisition of the greater portion of such items in the latter part of the year. In future periods allowance should be made for depreciation.

In increasing the capitalization of your Company, acquiring assets of other companies and registering with the Securities Exchange Commission certain expenses have been incurred. Such ex-

penses have been charged to Reorganization Expense and will be amortized over a period of years during operations. These expenses total \$6,673.11.

A summary of the various items comprising Development Work is presented in Schedule No. 2, attached hereto. The item of miscellaneous expenses includes office salaries, taxes, insurance, San Francisco office expense and other miscellaneous general expenses.

Some preliminary expenditures were made in connection with the plans and surveys of the proposed mill. These items are capitalized until such time as the mill is constructed at which time these costs will be transferred to the cost of the mill.

Your Company acquired 49,741 shares of common stock of the Mexican Gold and Silver Mining Company at delinquent assessment sale. Since acquisition all assessments called on such stock have been paid. These shares are being carried at \$17,693.80, the cost of acquisition plus assessments paid. No information was available from which we could determine the market value of these shares.

Your Company borrowed on unsecured notes during the month of December 1935 \$2,500.00 from Zeb Kendall and a like amount from John J. Baskob. These notes are payable on demand and bear interest at the rate of 6% per annum.

We accrued interest on these notes from their date to the close of the year. We also made proper accrual of 1935 real and personal property taxes that were still unpaid as of the close of the year.

We did not attempt to balance the stock ledgers as of December 31, 1935 due to the fact that your office was engaged in

issuing stock to subscribers and we thought it more advisable to delay this procedure until this work had been completed.

Your Company acquired 477,102 shares of its own stock through delinquent assessment sales. The cost of the acquisition was \$5,010.52, representing the assessment plus advertising costs on the shares acquired. In the purchase of the assets of the Ophir Mining Company 361,068 shares of your Company's stock were acquired. Upon the dissolution of the Ophir Mining Company and Consolidated Virginia and Andes Corporation in the month of October 1935 your Company acquired in exchange for 210,713 shares of Ophir Mining Company stock the same number of shares of its own stock, and for 863,400 shares of Consolidated Virginia and Andes Corporation it received 431,700 shares of its own stock. The shares of Treasury Stock were reduced in the sum of 269,785 shares that were sold to John J. Raskob during the month of August.

Stock discount and expense is made up of commissions in the sum of \$5,395.60 and stock discount in the amount of \$552,269.37. Mr. Aquin Feeney was paid a commission of 26,978 shares of the unissued stock of your Company. In view of the fact that stock was being sold at 20¢ per share, the commission paid was set up at \$5,395.60 and the difference between this amount and the par value of the stock, \$21,522.40, was charged to stock discount.

Our examination of the records of your Company disclosed the fact that from time to time the Consolidated Virginia Mining Company levied assessments on its stockholders. The records prior to 1926 were not available for examination, and for this reason it was not possible to determine the amounts received on assessments No. 1 and No. 2. We have set up the amount of assessments shown in

the available records as Capital Surplus, in the sum of \$417,763.41.

As Treasury Stock has been shown on the Balance Sheet at par value, the difference between Cost and par value, \$256,263.48, has been credited to Capital Surplus.

Subject to the foregoing comment, it is our opinion that the attached Balance Sheet, Exhibit A, correctly sets forth the Financial Condition of your Company as of December 31, 1936.

Respectfully submitted,



Geo. K. Edler

Certified Public Accountant.

CONSOLIDATED VIRGINIA MINING COMPANY

BALANCE SHEET

DECEMBER 31, 1935

- - - -

A S S E T SCURRENT:

Cash	\$	2,918.16	
Accounts Receivable		26.33	
Stores Inventory		599.71	
TOTAL CURRENT ASSETS	\$		3,544.20

FIXED:

Mine Property, Plant and Equipment (See Schedule No. 1)			2,382,495.91
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INTANGIBLES:

Reorganization Expense	\$	6,673.11	
Development Work (See Schedule No. 2)		32,843.14	
Preliminary Mill Costs		2,146.08	
TOTAL INTANGIBLES			41,662.33

INVESTMENTS:

Other Investment Securities			17,693.80
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OTHER ASSETS:

Prepaid Insurance	\$	221.29	
Deposit - Nevada Industrial Commission		697.38	
TOTAL OTHER ASSETS			918.67
TOTAL ASSETS	\$		2,446,114.91

L I A B I L I T I E SCURRENT:

Accounts Payable - Current	\$	2,904.85	
Notes Payable		5,000.00	
Accrued Interest		10.83	
Accrued Real and Personal Property Taxes		775.63	
TOTAL CURRENT LIABILITIES	\$		8,691.31

CAPITAL STOCK:

Common Stock - Authorized	\$	5,000,000.00	
Less, Unissued Stock		1,037,917.00	
Capital Stock Issued	\$	3,962,083.00	
Less, Treasury Stock		1,210,818.00	
Outstanding Common Stock	\$	2,751,265.00	
Stock Discount and Expense		557,664.97	
			2,193,600.03

SURPLUS:

Capital Surplus	\$	674,031.89	
Operating Deficit		430,208.32	
TOTAL LIABILITIES AND CAPITAL	\$		2,446,114.91

CONSOLIDATED VIRGINIA MINING COMPANY

PROPERTY, PLANT AND EQUIPMENT

MAJOR CLASSIFICATIONS

DECEMBER 31, 1935

- - - -

MINING RIGHTS AND PROPERTIES:

Acquired prior to 1927	\$ 2,082,775.00	
Lots on A Street	20.00	
Acquired from Ophir Mining Company	111,349.38	
Acquired from Mexican Gold & Silver Mining Company	40,320.00	
Acquired from Consolidated Virginia and Andes Corporation	132,652.11	

TOTAL MINING RIGHTS AND PROPERTIES

\$ 2,367,115.49

MINE BUILDINGS - Change House

906.05

MINE TOOLS AND EQUIPMENT

4,869.81

HOIST

5,000.00

AUTOMOBILES AND TRUCKS

\$ 1,566.17	
157.52	

1,408.65

Less, Reserve for Depreciation

OFFICE:

Real Estate
Building

\$ 500.00	
2,000.00	

2,500.00

OFFICE EQUIPMENT AND FURNITURE AND FIXTURES

675.91

TOTAL

\$ 2,362,495.91

CONSOLIDATED VIRGINIA MINING COMPANY

DEVELOPMENT

DECEMBER 31, 1935

CENTRAL TUNNEL:Materials and Supplies
Wages

\$ 5,656.81	
<u>14,778.05</u>	\$ 20,434.86

MINE:Labor
Materials and Supplies

\$ 2,915.30	
<u>328.65</u>	3,243.95

OPHIR SHAFT:Labor
Materials and Supplies

\$ 170.34	
<u>6.24</u>	176.58

MISCELLANEOUS EXPENSES - Including office
and miscellaneous expenses8,987.75

TOTAL

\$ 32,843.14

1200 0072

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item 74

CONSOLIDATED VIRGINIA MINING COMPANY

DECEMBER 31, 1936

EDLER & SEMENZA
CERTIFIED PUBLIC ACCOUNTANTS
TITLE INSURANCE BUILDING
RENO, NEVADA

EDLER & SEMENZA
CERTIFIED PUBLIC ACCOUNTANTS
TITLE INSURANCE BUILDING
RENO, NEVADA

309

Item 74

April 5, 1937

To The Board of Directors,
Consolidated Virginia Mining Company,
Virginia City, Nevada

Gentlemen:

Pursuant to your request, we have audited your accounts for the year ended December 31, 1936. Submitted herewith, and made a part of this report are the following:

Exhibit A - Profit and Loss Statement, Year Ended
December 31, 1936.

Exhibit B - Balance Sheet, December 31, 1936.

Schedule No. 1 - Property, Plant and Equipment

Schedule No. 2 - Analysis of Surplus

We have reconciled the accounts in the First National Bank in Reno and the Wells Fargo Bank and Union Trust Company, San Francisco, and found them to be in agreement with your records. The balances in these accounts as at December 31, 1936 have been verified by correspondence with the depositories and are:

First National Bank in Reno	\$ 3,300.63
Wells Fargo Bank and Union Trust Company	<u>787.24</u>
TOTAL	<u>\$ 4,087.87</u>

In addition to the foregoing bank balances, there is a petty cash fund of \$25.00 which we were unable to verify by count due to the fact that your Assistant Secretary did not have available the bills representing payments from this fund. He vouches for the support of

the amount of this fund in paid vouchers.

Accounts Receivable consist of \$15.00 rent and the amount of \$2.73 due your company from Sierra Consolidated Mines, Inc.

We did not check the inventory of stores on hand, but were advised by your officers that it was priced at cost.

There has been no change in the item of Investments. This is represented by 49,741 shares of common stock of Mexican Gold and Silver Mining Company acquired at delinquent assessment sales and the carrying value is the cost of acquisition plus assessments paid. In the absence of information from which the market value could be determined, this investment is set up at cost.

Schedule No. 1 presents a list of Property, Plant and Equipment. During the year an old hoist was disposed of as well as the Pierce Arrow automobile at profits of \$1,753.35 and \$132.00 respectively. The additions to Tools and Equipment consist of Ore cars and bucket; a new automobile and miscellaneous small items constitute the additions to Office Equipment and Furniture and Fixtures.

Depreciation has been taken on automobiles and truck. However, no depreciation has been taken on Buildings, Equipment and Furniture and Fixtures. This has been due to the fact that a great portion of the depreciable items had been acquired in the latter part of 1935 and no major operations were undertaken during the year under review. It is, however, recommended that depreciation be taken during future periods.

Expenditures for development work during the period January 1 to June 30, 1936, were capitalized.

These charges consist of the following:

General Charges		\$ 143.75
<u>Mine</u>		
Labor	\$ 14,342.98	
Supplies	<u>2,378.33</u>	16,721.31
<u>Open Cut</u>		
Labor		<u>2,975.46</u>
TOTAL		<u>\$19,840.52</u>

Upon the expiration of the option extension held by Mr. John J. Raskob, on July 1, 1936, expenditures for supplies and labor were charged to operations. On March 27, 1936, Mr. Raskob paid a bonus of \$5,000.00 for an extension of his option from April 1, 1936 to July 1, 1936. However, he did not exercise this option.

Mr. A. P. Feeney was paid a commission of 15,855 shares of stock of your company. This commission was set up on your books at \$3,171.00, or twenty cents per share, the current selling price of the stock. The difference between this amount and the par value of the stock was charged to stock discount. The item of Stock Discount and Expense on the Balance Sheet is made up of Stock Discount in the sum of \$714,210.97 and commissions paid for sale of stock in the amount of \$8,566.60.

Subject to the foregoing comments, the attached exhibits, in our opinion correctly set forth the results of your operations and the financial condition of your company as at December 31, 1936.

Respectfully submitted,

Edler & Semenza
Certified Public Accountants

CONSOLIDATED VIRGINIA MINING COMPANY
 PROFIT AND LOSS STATEMENT
 FOR YEAR ENDED DECEMBER 31, 1936

- - - -

INCOME FROM EXTRACTION:

Sales of Ore

\$ 13,965.59

OPERATING EXPENSES:

Mine Operating Expense	\$ 14,304.32
Office Salaries	6,848.12
Repairs and Maintenance of Buildings	296.79
Directors Fees	135.00
Office Supplies	411.58
Postage	211.91
Light, Heat and Power	219.86
Telephone and Telegraph	217.66
Taxes	1,917.08
Insurance	386.00
Assay Office Expense	1,350.77
Depreciation	595.16
Ore Transportation	78.00
Engineering Expense - Wages	494.75
Engineering Expense - Materials	63.63
Freight and Express	14.68
Truck and Auto Expense	881.66
Miscellaneous Expense	846.74

TOTAL OPERATING EXPENSE

29,273.71

OPERATING LOSS

\$ 15,308.12

OTHER INCOME:

Cash Discounts	\$ 3.52
Stock Transfer Fees	344.68
Assay Office	556.00
Bonus for Extension of Option	5,000.00
Profit on Sale of Assets	1,885.35
Bank Dividends	62.01
Rents	90.00

TOTAL OTHER INCOME

\$ 7,941.56

OTHER DEDUCTIONS:

Interest

54.65

NET OTHER INCOME

7,886.91

NET LOSS FOR PERIOD

\$ 7,421.21

CONSOLIDATED VIRGINIA MINING COMPANY
BALANCE SHEET
AS AT DECEMBER 31, 1936
- - -

A S S E T S

CURRENT:

Cash on Hand and Demand Deposits	\$ 4,112.87	
Accounts Receivable	17.73	
Stores Inventory	87.56	
TOTAL CURRENT ASSETS	<u>\$</u>	4,218.16

INVESTMENTS:

Common Stock of Mexican Gold and Silver Mining Co.	17,693.80
---	-----------

FIXED ASSETS:

Mine Property, Plant and Equipment (Schedule 1)	2,385,174.74
---	--------------

DEFERRED CHARGES:

Reorganization Expense	\$ 8,604.06	
Development Work	52,683.66	61,287.72

OTHER ASSETS:

Prepaid Insurance	\$ 448.12	
Deposit - Nevada Industrial Commission	653.98	1,102.10
TOTAL ASSETS		<u>\$2,469,476.52</u>

L I A B I L I T I E S

CURRENT:

Accounts Payable	\$ 1,018.16	
Accrued Taxes	1,641.59	
TOTAL CURRENT LIABILITIES	<u>\$</u>	2,659.75

CAPITAL STOCK AND SURPLUS:

Common Stock - Authorized	\$ 5,000,000.00	
Less: Unissued Stock	835,490.00	
CAPITAL STOCK ISSUED		\$4,164,510.00
Less: Treasury Stock		1,210,818.00
OUTSTANDING COMMON STOCK		2,953,692.00
Stock Discount and Expense		722,777.57
		2,230,914.43

SURPLUS: (Schedule 2)

Capital Surplus	\$ 674,031.89	
Operating Deficit	438,129.55	235,902.34
TOTAL LIABILITIES AND CAPITAL		<u>\$2,469,476.52</u>

CONSOLIDATED VIRGINIA MINING COMPANY
PROPERTY, PLANT AND EQUIPMENT
DECEMBER 31, 1936
- - -

Mining Rights and Property		\$ 2,367,115.49
Mine Buildings - Change House		906.05
Mine Tools and Equipment		4,420.22
Hoist		5,000.00
Automobiles and Trucks	\$ 2,836.17	
Less: Reserve for Depreciation	<u>565.68</u>	2,270.49
Office Building and Real Estate		2,500.00
Office Equipment and Furniture and Fixtures		816.41
New Mill		<u>2,146.08</u>
	TOTAL	<u>\$ 2,385,174.74</u>

CONSOLIDATED VIRGINIA MINING COMPANY
ANALYSIS OF SURPLUS
DECEMBER 31, 1936
- - -

CAPITAL SURPLUS:

Balance, December 31, 1935

\$ 674,031.89

OPERATING DEFICIT:

Balance, December 31, 1935

\$ 430,208.32

Net Loss from Profit and

Loss Statement

7,421.21437,629.53OTHER CHARGES:

1935 Capital Stock Tax

500.00

Real and Personal Property

Tax Adjustment

.02

NET OPERATING DEFICIT,

December 31, 1936

438,129.55

BALANCE, DECEMBER 31, 1936

\$ 235,902.34

1200 0092

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item 74

CONSOLIDATED VIRGINIA MINING COMPANY

DECEMBER 31, 1937

EDLER & SEMENZA
CERTIFIED PUBLIC ACCOUNTANTS
TITLE INSURANCE BUILDING
RENO, NEVADA

MINUTES OF A SPECIAL MEETING OF STOCKHOLDERS OF
THE CONSOLIDATED VIRGINIA MINING COMPANY

Minutes of a special stockholders meeting held on the 22nd. day of September 1936, at the hour of 11:00 A. M., at the Company's office "C" street, Virginia City, Nevada, in accordance with notice duly given.

Zeb kendall, President, acting as chairman, and W. J. Henley, Secretary, acting.

The President then directed the Secretary to read the call of the meeting as set out in the minutes of the Directors' meeting held at the company's office in Virginia City, Nevada, August 18th, 1936, at the hour of 11:00 O'clock A. M.

The call of the meeting was then read, in words and figures as follows, TO WIT:

"And, BE IT FURTHER RESOLVED, that a special meeting of the stockholders is hereby called to be held at the office of the Company in the Bank Building, "C" Street, Virginia City, Nevada, on Tuesday Sept. 22nd, 1936, at the hour of 11:00 O'clock A. M. for the purpose of considering, acting upon, approving, ratifying and confirming, or disapproving and rejecting, this resolution, and for further purpose, if said resolution is adopted and approved by the stockholders, of authorizing the President or Vice President, and the Secretary or Assistant Secretary, to make, execute, and file, as required by law, such certificate or certificates of amendment as may be authorized or approved by the stockholders of this corporation at said meeting.

"And, BE IT FURTHER RESOLVED, that the President and Secretary shall sign the notice of the call for a special meeting of the stockholders, setting forth in such notice the objects and purposes of such stockholders meeting and the business to be transacted thereat. A copy of said notice to stockholders shall be mailed to each stockholder of record, postage prepaid, on or before Sept. 1, 1936."

The President then directed the Secretary to read the notice to stockholders, which was then read in words and figures as follows, TO WIT:

"RESOLVED, by the Board of Directors of the Consolidated Virginia Mining Company, that it is advisable to amend the Articles of Incorporation of the Company so as to add a new provision in said Articles, which shall read as follows:

"Article_____. The treasury stock and any new stock of this corporation may be sold by the Board of Directors of the Company at either public or private sale, or by offering same for subscription upon such terms, conditions, and at such price as the Board of Directors shall from time to time deem proper, and it shall not be necessary for the Board of Directors to offer stockholders of the corporation any treasury stock or new stock of the company, and the stockholders shall not have the right to purchase his pro-rata share of any new stock or of treasury stock of the company unless the Board of Directors shall deem such action advisable, and so declare and authorize by resolution duly adopted."

The President then directed the Secretary to read the proof of the service of the notices, which was then read, in words and figures as follows, TO WIT:

"I, the undersigned, Clarence M. Porter, Assistant Secretary of Consolidated Virginia Mining Company, do hereby certify and despose that I served the foregoing notice of said stockholders meeting, to be held on September 22, 1936, at Virginia City, Nevada, by mailing a letter to each stockholder appearing of record on the books of the company, properly stamped and addressed, a copy of said notice to each stockholder at his address as shown on the books of the company or otherwise obtainable; that said notices were mailed out through the United States Postoffice at Virginia City, Nevada, on or before Aug. 30, 1936."

Signed "Clarence M. Porter.

State of Nevada)
)SS.
County of Storey)

Before me, the undersigned, a Notary Public in and for the State of Nevada, duly commissioned and qualified, appeared in person on this 22nd. day of September 1936, Clarence M. Porter, to me known to be the person described in and who executed the foregoing proof of service upon stockholders, and the said Clarence M. Porter, then and there, under oath, being first sworn by me, stated that the facts set forth in said proof of service were true to the best of his knowledge and belief.

"IN WITNESS WHEREOF, I have hereunto set my hand and my official seal this 22nd of September, 1936.

Signed " P. R. Corvell
Notary Public

(seal)

"My commission expires, Dec. 21, 1937"

The President then directed the Secretary to call the roll to ascertain if a quorum was present.

The Secretary then called the roll of stockholders and the following stock was found to be present, represented in person by the owners or by proxy:

Zeb Kendall.....	10 Shares
(proxy) Zeb Kendall.....	1,624,268 "
(proxy) W. J. Henley.....	1,668 "
W. J. Henley.....	6 "

Total stock present.....1,625,952 Shares

The President now said that it appearing that a majority of the issued and outstanding stock of the company was present and participating in the meeting that a quorum was present for the transaction of business in accordance with the call in the notice.

The President then directed the Secretary to read the resolution adopted by the Board of Directors at it's regular meeting held in the company's office in Virginia City, Nevada, on Aug. 18th, 1936, at 11:00 O'clock A. M. providing for an amendment of the Articles of Incorporation.

Said resolution was read, and is in words and figures as follows, TO WIT:

"Article _____. The treasury stock and any new stock of this corporation may be sold by the Board of Directors of the Company at either public or private sale, or by offering the same for subscription upon such terms, conditions, and at such price as the Board of Directors shall from time to time deem proper, and it shall not be necessary for the Board of Directors to offer stockholders of the corporation any treasury stock or new stock of the company, and the stockholders shall not have the right to purchase his pro-rata share of any new stock or of treasury stock of the Company unless the Board of Directors shall deem such action advisable, and so declare and authorize by resolution duly adopted."

The President then stated to the stockholders that in the opinion of the Board of Directors, as shown by said resolution adopted by said Board of Directors, and it was his personal opinion that it was not only advisable but necessary to the further development of the company that the Articles of Incorporation be amended as set out in said resolution.

The President stated further that said resolution of said Board of Directors having been read to the stockholders that a motion would be in order.

Motion was made by stockholder W. J. Henley, personally present, as follows:

"Moved that the foregoing resolution for the amendment of the Articles of Incorporation of the Company be, and the same is hereby, approved, ratified and confirmed."

The motion was seconded by stockholder Zeb Kendall, personally present.

The President directed the Secretary to call the roll of stockholders, stating that each stockholder in favor of such motion and the adoption of said resolution would vote "Aye" when his name was called the number of shares of stock of the company he represented in person or by proxy. The Secretary then called the roll and the following named persons voted "Aye" for the number of shares set opposite their respective names:

Zeb Kendall.....	10 Shares
Zeb Kendall (proxy).....	1,624,268 "
W. J. Henley.....	6 "
W. J. Henley (proxy).....	1,668 "

Total shares voting "Aye".....1,625,952 Shares

The roll call having been completed, the President announced that the roll would again be called and all stockholders opposed to the passage of the motion and the adoption of the resolution would vote "No" when their names were called.

The following stockholders, being present in person or by proxy, voted "No" and for the number shares set opposite their name:

There were no stockholders present in person or by proxy who voted "No".

Upon the compilation and tabulation of the vote it was found that there had been voted in affirmative and for the passage of the motion and the adoption of the resolution, 1,625,952 shares of the Capital stock of the Consolidated Virginia Mining Company, and that there had been no votes in the negative and against the passage of the motion and the adoption of the resolution.

It appearing that more than a majority of the issued and outstanding capital stock of the Consolidated Virginia Mining Company had voted in favor of the passage of the motion and the adoption of the resolution, the President declared that the motion had passed and the resolution had been adopted.

It was then moved and seconded that the President and Secretary do such acts as might be required by law to consummate the amendment of the Articles of Incorporation as provided in said resolution of said Board of Directors and as ratified and confirmed at this stockholders' meeting.

The motion was adopted by the same vote as upon the last vote, namely, by a vote of over a majority of the issued and outstanding capital stock of the Consolidated Virginia Mining Company.

There being no further business before the meeting, the meeting adjourned.

Approved:

Stockholders.

W. J. Henley, Secretary.

Zeb Kendall, President.

CONSOLIDATED VIRGINIA MINING COMPANY
BALANCE SHEET
DECEMBER 31, 1937
- - -

A S S E T S

CURRENT ASSETS:

Cash in Bank	\$ 1,103.30	
Accounts Receivable	94.43	
Stores Inventory	87.56	
TOTAL CURRENT ASSETS		\$ 1,285.29

FIXED ASSETS:

Mine Property, Plant and Equipment (Schedule 1)	2,384,436.38
--	--------------

INVESTMENTS:

Common Stock of Mexican Gold & Silver Mining Co.	17,693.80
--	-----------

DEFERRED CHARGES:

Reorganization Expense	\$ 8,604.06	
Development Work	52,683.66	
TOTAL DEFERRED CHARGES		61,287.72

OTHER ASSETS:

Prepaid Insurance	\$ 257.95	
Deposit - Nevada Industrial Commission	420.19	
TOTAL OTHER ASSETS		678.14
TOTAL ASSETS		<u>\$2,465,381.33</u>

LIABILITIES AND CAPITAL

CURRENT LIABILITIES:

Accounts Payable	\$ 368.47	
Notes Payable	16,000.00	
Accrued Salaries and Wages	467.87	
Accrued Taxes	1,288.49	
TOTAL CURRENT LIABILITIES		\$ 18,124.83

CAPITAL STOCK AND SURPLUS:

Common Stock- Authorized	\$5,000,000.00	
Less: Unissued Stock	835,490.00	
Capital Stock Issued	\$4,164,510.00	
Less: Treasury Stock	1,210,818.00	
Outstanding Common Stock	\$2,953,692.00	
Stock Discount and Expense	722,777.57	
NET CAPITAL STOCK		2,230,914.43
Surplus (Schedule 2)		
Capital Surplus	\$ 674,031.89	
Operating Deficit	457,639.82	
NET SURPLUS		216,392.07
TOTAL LIABILITIES AND CAPITAL		<u>\$2,465,381.33</u>

CONSOLIDATED VIRGINIA MINING COMPANY
PROPERTY, PLANT AND EQUIPMENT
DECEMBER 31, 1937
- - -

Mining Rights and Property		\$ 2,367,115.49
Mine Buildings - Change House		906.05
Mine Tools and Equipment		4,420.22
Hoist		5,000.00
Automobiles and Trucks	\$ 2,836.17	
Less: Reserve for Depreciation	<u>1,304.04</u>	1,532.13
Office Building and Real Estate		2,500.00
Office Equipment and Furniture & Fixtures		816.41
New Mill		<u>2,146.08</u>
	TOTAL	<u>\$2,384,436.38</u>

CONSOLIDATED VIRGINIA MINING COMPANY
ANALYSIS OF SURPLUS
DECEMBER 31, 1937
- - -

CAPITAL SURPLUS:

Balance, December 31, 1936

\$ 674,031.89

OPERATING DEFICIT:

Balance, December 31, 1936

\$ 438,129.55

Net Loss for Year 1937

19,470.27

\$ 457,599.82OTHER CHARGES:

Adjustment - Petty Cash Fund

50.00

Adjustment - 1936 Capital Stock Tax

40.00

NET OPERATING DEFICIT, DECEMBER 31, 1937

457,689.82

BALANCE, DECEMBER 31, 1937

\$ 216,342.07

1200 0092

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item 74

CONSOLIDATED VIRGINIA MINING COMPANY

DECEMBER 31, 1938

EDLER & SEMENZA
CERTIFIED PUBLIC ACCOUNTANTS
TITLE INSURANCE BUILDING
RENO, NEVADA

EDLER & SEMENZA
CERTIFIED PUBLIC ACCOUNTANTS
TITLE INSURANCE BUILDING
RENO, NEVADA

309
item 74

May 1, 1939

To the Board of Directors,
Consolidated Virginia Mining Company,
Virginia City, Nevada.

Gentlemen:

In accordance with your instructions we have audited the accounts and records of your company for the year ended December 31, 1938. Submitted herewith and made a part of this report, are the following exhibits with supporting schedules:

- Exhibit A - Statement of Profit and Loss,
For the Year Ended December 31, 1938.
Exhibit B - Balance Sheet, December 31, 1938.

EXHIBIT A - STATEMENT OF PROFIT AND LOSS

The operations of your company resulted in a net loss of \$17,290.57 for the year 1938. The major source of income was from the milling of dump ore resulting in a gross profit of \$2,798.57. During the year 1938 the following accounts receivable were charged off as being uncollectible as shown under "Other Expenses":

Sierra Consolidated Mines Co.	\$ 2.73
Olympia Lease	15.00
TOTAL	<u>\$17.73</u>

EXHIBIT B - BALANCE SHEET
CURRENT ASSETS

The cash on deposit in the First National Bank of Nevada

was reconciled and found to be in agreement with the records. All disbursements were supported by proper vouchers and all receipts appeared to be accounted for.

We were informed by your officers that there has been no change in the inventory of supplies since December 31, 1937. Therefore, this asset is shown on Exhibit A in the amount of \$87.56 which represents the cost price of supplies on hand.

FIXED ASSETS

Schedule No. 1 presents in detail the depreciable assets of your company together with the reserve for depreciation of each item and the book value as at December 31, 1938. Depreciation has been taken for the year 1938 at conservative rates.

INVESTMENTS

This item is represented by 49,741 shares of common stock of Mexican Gold and Silver Mining Company acquired at delinquent assessment sale, and the carrying value is the cost of acquisition, plus assessments paid. During the year 1938 two assessments were paid on this stock amounting to \$2,300.52 in total which has been capitalized as part of the cost of the stock to the company. There is no current information available as to the market value of this stock.

DEFERRED CHARGES

The item of Reorganization Expenses represents the capitalized costs of reorganizing your company several years ago. We recommend that some provision be made for amortizing this item.

There have been no additional charges to Development Work during the year under review.

The unexpired portion of the premiums on insurance policies carried by your company has been determined at December 31, 1938 and correctly recorded.

OTHER ASSETS

The item of Miscellaneous Account Receivable represents an amount due from Mrs. Zeb Kendall.

CURRENT LIABILITIES

Accounts payable consist of amounts due for current operating expenses and miscellaneous amounts due other mining companies.

Notes Payable are as follows:

	<u>PRINCIPAL</u>	<u>RATE</u>	<u>DUE DATE</u>
Mary B. Stark	\$2,000.00	6%	On or before 5/24/39
Mary B. Stark	1,250.00	6%	" " 7/21/39
Thomas A. Stark	1,000.00	6%	" " 5/24/39
Albert E. Kern, Jr.	4,667.13	6%	" " 4/15/39
TOTAL	<u>\$8,917.13</u>		

Interest on the above notes has been accrued to December 31, 1938.

Accrued taxes at December 31, 1938 were as follows:

Real and Personal Property	\$ 883.79
Federal Old Age Benefit	22.51
Unemployment Insurance	154.37
Stamp Taxes	<u>2,191.38</u>
TOTAL	<u>\$3,252.05</u>

CAPITAL STOCK AND SURPLUS

During the year 1938, 25,000 shares of the unissued stock of your company was issued to George B. Thatcher at $3\frac{1}{2}$ cents per share in payment of legal services amounting to \$875.00.

There was also an issue of 1,000,000 shares of treasury stock at $2\frac{1}{2}$ cents per share for the following consideration:

Cancellation of Consolidated Virginia Mining Company notes payable to Mrs. Zeb Kendall	\$ 18,000.00
Accrued interest to December 31, 1938 on the above notes	544.02
Cash payment	<u>6,455.98</u>
TOTAL	<u>\$ 25,000.00</u>

During the year 1938 the following options to purchase capital stock of the Consolidated Virginia Mining Company were granted by the board of directors:

	<u>NO. OF SHARES</u>	<u>PRICE PER SHARE</u>	<u>EXPIRATION DATE</u>
Mary B. Stark	60,000	10 cents	May 24, 1939
Mary B. Stark	25,000	10 cents	July 21, 1939
Thomas A. Stark	30,000	10 cents	May 24, 1939
Albert E. Kern, Jr.	93,342	10 cents	April 15, 1939
Ronald Tilton	15,000	10 cents	May 24, 1939

At December 31, 1938, none of the above options had been exercised.

Schedule No. 2 attached hereto presents an analysis of surplus for the year ended December 31, 1938.

Subject to the foregoing comment, it is our opinion that the attached Statement of Profit and Loss, Exhibit A, and Balance Sheet,

Exhibit B, correctly reflect the results of the operations of the Consolidated Virginia Mining Company for the year ended December 31, 1938 and its financial condition as at that date.

Respectfully submitted,

Edler & Semenza

Certified Public Accountants.

CONSOLIDATED VIRGINIA MINING COMPANY
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED DECEMBER 31, 1938
- - -

INCOME FROM EXTRACTION:

Sale of Concentrates		\$ 4,044.92
Less: Cost of Concentrates:		
Shovel and Truck Hire	\$ 548.00	
Milling Expenses	622.99	
Hauling Concentrates	75.36	1,246.35
GROSS PROFIT		\$ 2,798.57

OPERATING EXPENSES:

Mine Labor	\$ 2,860.00	
Industrial Insurance	58.81	
Office and Administrative Salaries	8,550.00	
Light, Heat and Water - Office	176.72	
Office Supplies and Postage	96.00	
Traveling Expenses	250.00	
Auditing	216.30	
Legal Expenses	1,542.13	
Miscellaneous Expenses	379.08	
Telephone and Telegraph	128.46	
Taxes	1,704.15	
Insurance	296.12	
Assay Office Expense	717.36	
Engineering Expenses	25.00	
Auto and Truck Expenses	1,015.63	
Depreciation	1,889.49	
TOTAL OPERATING EXPENSE		19,905.25
OPERATING LOSS		\$ 17,106.68

OTHER INCOME:

Stock Transfer Fees	\$ 30.20	
Assay Office	1,037.00	
Rents	15.00	
Royalties	16.07	
Miscellaneous	125.00	
TOTAL OTHER INCOME	\$ 1,223.27	

OTHER EXPENSES:

Interest	\$1,389.43	
Worthless Accounts Charged Off	17.73	
TOTAL OTHER EXPENSES	1,407.16	
NET OTHER EXPENSES		183.89
NET LOSS FOR PERIOD		\$17,290.57

CONSOLIDATED VIRGINIA MINING COMPANY
BALANCE SHEET
DECEMBER 31, 1938
- - -

ASSETS

CURRENT ASSETS:

Cash in Bank	\$	3,980.40	
Inventory - Supplies		87.56	
TOTAL CURRENT ASSETS			\$ 4,067.96

FIXED ASSETS:

Mining Rights and Property	\$2,367,115.49	
Real Estate - Office Building	500.00	
Plant and Equipment (see Schedule No. 1)	12,485.32	
TOTAL FIXED ASSETS		2,380,100.81

INVESTMENTS:

Common Stock of Mexican Gold and Silver Mining Company		19,994.32
--	--	-----------

DEFERRED CHARGES:

Reorganization Expenses	\$	8,604.06	
Development Work		52,683.66	
Prepaid Insurance		130.06	
TOTAL DEFERRED CHARGES			61,417.78

OTHER ASSETS:

Miscellaneous Account Receivable	\$	76.70	
Deposit - Nevada Industrial Commission		400.98	
TOTAL OTHER ASSETS			477.68
TOTAL ASSETS			<u>\$2,466,058.55</u>

LIABILITIES AND CAPITAL

CURRENT LIABILITIES:

Accounts Payable	\$	1,104.68	
Notes Payable		8,917.13	
Accrued Taxes		3,252.05	
Accrued Interest		343.22	
TOTAL CURRENT LIABILITIES			\$ 13,617.08

CAPITAL STOCK AND SURPLUS:

Common Stock-Authorized	\$5,000,000.00	
Less: Unissued Stock	<u>810,490.00</u>	
Capital Stock Issued		\$4,189,510.00
Less: Treasury Stock		<u>210,818.00</u>
Outstanding Common Stock		\$3,978,692.00
Less: Discount and Expense		<u>1,721,902.57</u>
NET CAPITAL STOCK		2,256,789.43
Surplus: (See Schedule No. 2)		
Capital Surplus	\$	674,031.89
Operating Deficit		<u>478,379.85</u>
NET SURPLUS		195,652.04
TOTAL LIABILITIES AND CAPITAL		<u>\$2,466,058.55</u>

CONSOLIDATED VIRGINIA MINING COMPANY
PLANT AND EQUIPMENT
DECEMBER 31, 1938
- - -

	<u>COST</u>	<u>RESERVE FOR DEPRECIATION</u>	<u>BOOK VALUE</u>
Brick Office Building	\$ 2,000.00	\$ 100.00	\$ 1,900.00
Mine Buildings	906.05	60.40	845.65
Hoist	5,000.00	500.00	4,500.00
Mine Tools and Equipment	4,090.87	409.09	3,681.78
Furniture and Fixtures - Office	516.50	51.65	464.85
Office Equipment	299.91	29.99	269.92
G. M. C. Truck	1,161.17	1,065.20	95.97
Buick Auto	1,675.00	977.20	697.80
Miscellaneous Small Tools	29.35	-	29.35
TOTALS	\$15,678.85	\$3,193.53	\$12,485.32

CONSOLIDATED VIRGINIA MINING COMPANY
ANALYSIS OF SURPLUS
DECEMBER 31, 1938
- - -

CAPITAL SURPLUS:

Balance, December 31, 1937	\$ 674,031.89
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OPERATING DEFICIT:

Balance, December 31, 1937	\$457,689.82
Net Loss For Year 1938 (See Exhibit A)	17,290.57
	\$474,980.39

OTHER CHARGES:

Stamp Tax Assessment -	
Year 1935	\$1,766.38
Charge-off - New Mill	2,146.08
	\$3,912.46

OTHER CREDITS:

Adjustment - 1938 Capital	
Stock Tax	513.00
NET OTHER CHARGES	3,399.46

Net Operating Deficit, December 31, 1938	478,379.85
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BALANCE, DECEMBER 31, 1938	\$195,652.04
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Item 74

CONSOLIDATED VIRGINIA MINING COMPANY

DECEMBER 31, 1939

LAWRENCE J. SEMENZA
CERTIFIED PUBLIC ACCOUNTANT
SUCCESSOR TO

EDLER & SEMENZA
CERTIFIED PUBLIC ACCOUNTANTS
TITLE INSURANCE BUILDING
RENO, NEVADA

(309)
item 74

LAWRENCE J. SEMENZA
CERTIFIED PUBLIC ACCOUNTANT
TITLE INSURANCE BUILDING
RENO, NEVADA

April 24, 1940.

Board of Directors,
Consolidated Virginia Mining Company,
Virginia City, Nevada

Gentlemen:

Pursuant to our engagement, we have audited the accounts and records of Consolidated Virginia Mining Company for the year ended December 31, 1939. In connection with our audit we submit herewith the following exhibits with supporting Schedules which reflect the results of the operations of the corporation for the year ended December 31, 1939 and its financial condition on that date:

Exhibit A - Statement of Profit and Loss, Year
Ended December 31, 1939.

Exhibit B - Balance Sheet, December 31, 1939.

The operations for the year resulted in a net loss of \$12,430.95. The proceeds from ores mined amounted to \$7,691.31 while operating expenses were \$16,827.35 resulting in an operating loss of \$9,136.04. Other income was \$1,412.21 and other deductions amounted to \$4,707.12. During the year the Hoist was lost by fire and the book value thereof was charged off in the sum of \$4,174.00.

All income has been accounted for and the expenses were supported by appropriate evidence of indebtedness.

Our comments relative to the Balance Sheet Exhibit B, follow:

CURRENT ASSETS

The amount on deposit in the First National Bank of Nevada at the

close of the year was \$701.52. This sum was reconciled and found to be in agreement with the records.

Mine Supplies valued at \$87.56 were on hand at the close of the period and we are informed by your officers that this valuation is conservative.

INVESTMENTS

This asset is represented by 49,741 shares of the Common Capital Stock of Mexican Gold and Silver Mining Company. This stock was acquired at a delinquent assessment sale and carried at cost of acquisition plus assessments paid on the stock. No assessments were levied on this stock during the year under review. This investment is carried at \$19,994.32.

FIXED ASSETS

The net value at which Property, Plant and Equipment is carried at December 31, 1939 is \$2,427,118.57 as set out in Schedule No. 1. There were no additions to fixed assets during the year. The deductions therefrom comprised the value of the Hoist which was a total loss by fire.

Depreciation has been taken on depreciable assets at conservative rates. No depletion was taken during the year.

DEFERRED CHARGES

The costs of reorganization of the Corporation were capitalized in the sum of \$8,604.06 and have been carried on the books for a number of years. We recommend that appropriate action be taken to provide for amortizing this item.

Prepaid insurance premiums on policies in force at the close of the year amounted to \$227.35 and will be charged against future operations.

OTHER ASSETS

There is due from Mrs. Zeb Kendall, \$76.70 which appears as "Miscellaneous Accounts Receivable." The deposit with the Nevada Industrial Commission amounted to \$168.15.

CURRENT LIABILITIES

Current Accounts Payable in the sum of \$2,914.91 include the charge for legal services rendered by Mr. Thatcher and which has heretofore been mentioned.

Notes Payable comprise the following:

Mary B. Stark	\$2,000.00	due May 24, 1939
Mary B. Stark	1,250.00	" July 21, 1939
Albert E. Kern, Jr.	4,667.13	" Apr. 15, 1939
Zeb Kendall	500.00	Payable on Demand
TOTAL	<u>\$8,417.13</u>	

With the exception of Mr. Kendall's note all others are past due. Mr. Kern has obtained judgment as a result of suit for recovery on his note.

All notes bear interest at the rate of 6% per annum and the liability for accrued interest has been set up to December 31, 1939.

Salaries and wages unpaid at the close of the year were \$5,430.80.

The liability for taxes comprises the following:

Real and Personal Property	\$ 1,066.75
Federal Old Age Benefits	27.94
Unemployment Insurance	79.35
Stamp Taxes	<u>425.00</u>
TOTAL	<u>\$ 1,599.04</u>

CAPITAL STOCK AND SURPLUS

None of the options granted to the several individuals in the year 1938 in consideration for their loans to the corporation were exercised.

These options have expired. There has been no change in the Capital Stock Outstanding as no sales were made during the year.

The analysis of Surplus is as follows:

CAPITAL SURPLUS:

BALANCE, DECEMBER 31, 1938	\$674,031.89
(No changes)	

OPERATING DEFICIT:

BALANCE, DECEMBER 31, 1938	\$478,379.85	
NET LOSS FOR YEAR 1939	<u>14,605.95</u>	
NET OPERATING DEFICIT, DE-		<u>492,985.80</u>
CEMBER 31, 1939		
BALANCE, DECEMBER 31, 1939		<u>\$181,046.09</u>

It is our opinion that the attached Statement of Profit and Loss and Balance Sheet, correctly reflect the results of operations of Consolidated Virginia Mining Company for the year ended December 31, 1939 and its financial condition at that date.

Respectfully submitted,

Lawrence J. Semenza
Certified Public Accountant.

CONSOLIDATED VIRGINIA MINING COMPANY
STATEMENT OF PROFIT AND LOSS
FOR YEAR ENDED DECEMBER 31, 1939
- - -

INCOME:

Proceeds of Ore Sales	\$ 7,691.31
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OPERATING EXPENSES:

Office and Administrative Salaries	\$ 7,980.00	
Mine Labor	3,446.50	
Industrial Insurance	196.25	
Mine Supplies	198.67	
Auto and Truck Expense	1,044.43	
Assay Office Expense	386.03	
Taxes and Licenses	1,042.65	
Legal and Auditing	204.30	
Light, Heat and Water	21.50	
Office Supplies and Postage	58.50	
Telephone and Telegraph	93.35	
Insurance	210.92	
Travel and Miscellaneous Expenses	452.35	
Depreciation	1,491.90	
	16,827.35	
TOTAL OPERATING EXPENSES		16,827.35
OPERATING LOSS		\$ 9,136.04

OTHER INCOME:

Stock Transfer Fees	\$ 30.45	
Assay Office Income	370.00	
Sales of Scrap Iron	256.76	
Sales of Assets not Capitalized	755.00	1,412.21
	755.00	\$ 7,723.83

OTHER DEDUCTIONS:

Interest	\$ 533.12	
Loss by Fire (Hoist)	4,174.00	4,707.12
	4,174.00	4,707.12

NET LOSS FOR PERIOD	\$12,430.95
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No allowance has been made for depletion since no profit was realized from operations in 1939. Depletion is to be taken on a percentage basis as outlined in Section 114 of the Federal Revenue Act.

CONSOLIDATED VIRGINIA MINING COMPANY
BALANCE SHEET
DECEMBER 31, 1939
- - -

A S S E T S

CURRENT ASSETS:

Cash and Cash Items:

Demand Deposits

\$ 701.52

Inventory - Supplies

87.56

TOTAL CURRENT ASSETS

\$ 789.08

INVESTMENTS:

Other Security Investments (Schedule I-A)

19,994.32

FIXED ASSETS:

Mine Property, Plant & Equipment (Schedule II)

\$2,430,978.00

Less- Reserve for Depreciation (Schedule III)

3,859.43

TOTAL FIXED ASSETS

2,427,118.57

DEFERRED CHARGES:

Organization Expense

\$ 8,604.06

Prepaid Insurance

227.35

TOTAL DEFERRED CHARGES

8,831.41

OTHER ASSETS:

Miscellaneous Accounts Receivable- non current

\$ 76.70

Deposit - Nevada Industrial Commission

168.15

TOTAL OTHER ASSETS

244.85

TOTAL ASSETS

\$2,456,978.23

LIABILITIES, CAPITAL STOCK AND SURPLUS

CURRENT LIABILITIES:

Accounts Payable - Current

\$ 739.21

Notes Payable - Current

7,917.13

Notes Payable - Officer & Director

500.00

Accrued Salaries & Wages

5,430.60

Accrued Taxes

1,599.04

Accrued Interest

781.03

TOTAL CURRENT LIABILITIES

\$ 16,967.71

CAPITAL STOCK AND SURPLUS:

Common Stock - (Schedule

VIII) (5,000,000 shares,
\$1.00 per share par value,
non-assessable)

\$5,000,000.00

Less-Unissued Stock,

810,940 shares

810,490.00

Common Stock Issued,

4,189,510 shares (Carried

Forward) \$4,189,510.00

CONSOLIDATED VIRGINIA MINING COMPANY
BALANCE SHEET
DECEMBER 31, 1939
- - -

Brought Forward	\$4,189,510.00	
Less-Treasury Stock- 210,818 shares	210,818.00	
Outstanding Common Stock 3,978,692	\$3,978,692.00	
Less-Stock Discount & Expense	1,721,902.57	\$2,256,789.43
Surplus: (Schedule IX)		
Capital Surplus	\$ 674,031.89	
Operating Deficit	490,810.80	183,221.09
TOTAL CAPITAL STOCK AND SURPLUS		\$2,440,010.52
TOTAL LIABILITIES AND CAPITAL		\$2,456,978.23

FOOTNOTES:

1. The Securities consisting of 49,741 shares of stock in Mexican Gold and Silver Mining Company, owned by the registrant, were acquired at delinquent assessment sale and are carried at cost plus assessments paid since date of acquisition. The last known sale of this stock was at the price of one cent per share.

2. In the year 1938, the registrant granted options to various individuals to acquire stock in consideration for loans and services to the corporation. A full description of the transaction was given in the report filed for that year. These options expired in the year 1939 and none were exercised.

Notes of the corporation were issued in 1938 to the following individuals for loans made to it, payable in one year or sooner, should a loan from the Reconstruction Finance Corporation or from any other source be obtained by the registrant.

Mary B. Stark	\$ 2,000.00	Due May 24, 1939
Mary B. Stark	1,250.00	Due July 21, 1939
Thomas A. Stark	1,000.00	Due May 24, 1939
Albert E. Kern, Jr.	4,667.13	Due April 15, 1939

A loan was not obtained by the registrant and it was unable to pay these obligations at maturity. In December, 1939, the note payable to Thomas A. Stark in the sum of \$1,000.00 was paid.

During the year 1939 Albert E. Kern, Jr. sued to collect on his note and obtained judgment against the corporation.

Subsequent to the period covered by this report (March 6, 1940) suit was brought by Mary B. Stark to recover on the notes due her.

CONSOLIDATED VIRGINIA MINING COMPANY
BALANCE SHEET
DECEMBER 31, 1939
- - -

FOOTNOTES (CONTINUED)

All options granted in the year 1938 to take stock in consideration for loans and for services to the registrant expired in the year 1939. None of these options were exercised.

3. A contingent liability may exist in the sum of \$10,142.95 for drainage royalties to Comstock Tunnel and Drainage Company. It is this company's contention that Comstock Tunnel and Drainage Company is indebted to it in the sum of approximately \$29,000.00 for advances for tunnel construction.

From our examination of the records and from inquiry of the Officers of the Corporation we could find no contingent liabilities other than specifically stated above.

CONSOLIDATED VIRGINIA MINING COMPANY
MINING PROPERTY, PLANT AND EQUIPMENT
DECEMBER 31, 1939
- - - -

	COST	RESERVES FOR DEPRECIATION OR DEPLETION	BOOK VALUE
Mining Rights and Property	\$2,367,115.49	\$ None	\$2,367,115.49
Mine Development	52,683.66	None	52,683.66
Mine Buildings	906.05	120.80	785.25
Office Building & Real Estate	2,500.00	200.00	2,300.00
Office Equipment & Furniture & Fixtures	816.41	163.28	653.13
Mine Tools and Equipment	4,120.22	818.18	3,302.04
Automobiles and Trucks	2,836.17	2,557.17	279.00
	<u>\$2,430,978.00</u>	<u>\$ 3,859.43</u>	<u>\$2,427,118.57</u>

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Item 74

CONSOLIDATED VIRGINIA MINING COMPANY
FOR THE YEAR ENDED DECEMBER 31, 1940

LAWRENCE J. SEMENZA
CERTIFIED PUBLIC ACCOUNTANT
TITLE INSURANCE BUILDING
RENO, NEVADA

(309)
item 74

LAWRENCE J. SEMENZA
CERTIFIED PUBLIC ACCOUNTANT
TITLE INSURANCE BUILDING
RENO, NEVADA

April 17, 1941

Board of Directors,
Consolidated Virginia Mining Company
Virginia City, Nevada

Gentlemen:

Pursuant to our engagement, I have audited the accounts and records of Consolidated Virginia Mining Company for the year ended December 31, 1940. The following exhibits are submitted in connection with my report which set forth the results of the operations of the corporation for the year ended December 31, 1940 and its financial condition at that date.

Exhibit A - Statement of Profit and Loss, for Year
Ended December 31, 1940.

Exhibit B - Balance Sheet, December 31, 1940

The operations for the year resulted in a net profit of \$1,304.93. The company's operations consisted of mining ores which were shipped to local mills for reduction. In October, 1940, the company completed its own milling plant and from that time on milled its own ores.

The total tonnage produced amounted to 17,479.27 tons which averaged approximately \$5.00 per ton gross. Mining expenses for the year were \$13,321.75 and milling costs including unrecovered values on ores shipped to local mills were \$57,215.52.

The total expenses of operating were \$71,379.29. Gross income from ores mined was \$84,876.01 after deducting marketing costs. Royalties

received from leasers amounted to \$888.16.

The gross profit from operations was \$14,384.88 and after charging General and Administrative expenses of \$13,275.60, a net operating profit of \$1,109.28 was realized.

All income for the period under review has been accounted for and all disbursements were evidenced by properly approved vouchers supported by evidence of indebtedness.

CURRENT ASSETS

Cash on hand and on deposit comprises the following:

Petty Cash	\$ 10.00
First National Bank of Nevada	<u>505.11</u>
TOTAL	<u>\$515.11</u>

The balance in the First National Bank of Nevada, First and Virginia Street Branch was reconciled and found to be in agreement with your records.

Accounts Receivable at the close of the period under review consisted of the following:

U. S. Mint	\$1,435.14
Dayton Consolidated Mines Co.	2,792.49
U. S. Government (Draft Board)	105.00
Mexican Gold & Silver Mining Co.	<u>175.00</u>
TOTAL	<u>\$4,507.63</u>

All of the foregoing receivables were collected in January, 1941 except the sum due from Mexican Gold & Silver Mining Company.

The inventory of supplies represents the cost price of this asset of \$1,715.31.

INVESTMENTS

Under this caption is carried the investment in the Mexican Gold and

Silver Mining Company which consists of 49,741 shares of its Capital Stock. This asset is stated at the cost of acquisition at a delinquent stock sale plus assessments paid on this stock. The carrying value is \$19,994.32.

FIXED ASSETS

All additions to fixed assets were examined and supporting evidence of purchase reviewed. These additions are reflected at cost. The major addition was the Mill Plant which was moved from the Adriatic Mining Claim in the Flowery Mining District. The total cost of this plant was \$14,447.46. A new Buick Sedan was purchased at a total cost of \$2,095.48 and the old Buick was disposed of at a profit of \$328.50. Appropriate adjustments were made to record all additions and retirements of these assets.

The book value of Property, Plant and Equipment at December 31, 1940 was \$2,442,357.54 as set forth in Schedule No. 1 attached to this report.

Depreciation at conservative rates has been provided on all depreciable assets. No depletion was taken during the current year.

DEFERRED CHARGES

All policies in force at the close of the year were examined and the unexpired premiums thereon were set up in the sum of \$181.81 as a deferred charge to operations. Organization expenses in the sum of \$8,604.06 and Commissions on Capital Stock in the sum of \$8,566.60, comprise the remaining items carried under this caption. It is recommended that appropriate action be taken to amortize these items.

OTHER ASSETS

The sum of \$76.70 is due from Mrs. Zeb Kendall. Since this account is of long standing it has been excluded from current assets. There is on deposit with the Nevada Industrial Commission, \$133.49 which is in agreement with the records of the Commission.

CURRENT LIABILITIES

Notes Payable in the sum of \$7,417.13 consist of the following:

<u>DATE</u>		<u>AMOUNT</u>
7/21/38	Mary B. Stark, 6%, Due 7/21/39	\$ 750.00
4/15/38	Albert E. Kern, Jr. 6%, Due 4/15/39	667.13
8/15/40	Elizabeth G. Wilde, 8% Due 8/15/41	2,500.00
8/15/40	George Wilson, 8% Due 8/15/41	3,500.00
	TOTAL	<u>\$ 7,417.13</u>

The Stark and Kern notes were paid in full on February 20, 1941. The Wilde and Wilson notes are secured by Chattel Mortgage dated August 15, 1940, on the Mill Plant and accessories.

The Equipment Contract represents the balance due General Motors Acceptance Corporation for the purchase of the Buick Sedan. The balance at December 31, 1940 was \$1,050.59. All payments on this obligation have been made as they became due.

Trade Accounts Payable in the sum of \$19,492.63 are current, except \$556.87 for tunnel royalties on leasers' operations. Most of these accounts were paid in the months of January to March, 1941.

Accrued payroll for salaries and wages of officers and employees amounted to \$3,588.40.

Accrued taxes consist of the following:

Real and Personal Property	\$ 1,630.79
Old Age Benefits Taxes	88.99
Nevada Unemployment Insurance	160.66
Federal Unemployment Insurance	55.08
Bullion Taxes	1.91
Stamp Taxes	425.00
TOTAL	<u>\$ 2,362.43</u>

The personal property taxes represent the balance of 1938, all of 1939 and 1940 assessments.

Interest has been accrued on all notes payable and the total liability therefor is \$1,359.34.

The Notes Payable to Directors comprises the following:

DATE		AMOUNT
12/7/39	Zeb Kendall, 6% Demand	\$ 500.00
8/15/40	P. R. Coryell, 8% Due 8/15/41	1,000.00
	TOTAL	<u>\$1,500.00</u>

The Kendall Note was paid on February 20, 1941. The Coryell note is secured by Chattel Mortgage on the Mill Plant as heretofore mentioned in connection with notes payable to others.

SURPLUS

The changes in Surplus during the year are presented in the following analysis:

<u>CAPITAL SURPLUS:</u>		
Balance December 31, 1940		\$674,031.89
(No Changes during year)		
<u>OPERATING DEFICIT:</u>		
Balance, December 31, 1939	\$490,810.80	
Net Profit for Year 1940	<u>1,304.93</u>	
OPERATING DEFICIT, DECEMBER 31, 1940		489,505.87
BALANCE, DECEMBER 31, 1940		<u>\$184,526.02</u>

It is my opinion that the attached Statement of Profit and Loss and

Balance Sheet, present fairly the results of operations of Consolidated Virginia Mining Company for the year ended December 31, 1940 and its financial position at that date.

Respectfully submitted,

Lawrence J. Semenza
Certified Public Accountant.

CONSOLIDATED VIRGINIA MINING COMPANY
STATEMENT OF PROFIT AND LOSS
FOR YEAR ENDED DECEMBER 31, 1940

- - -

INCOME:

Gross Income from Production	\$ 87,055.24	
Less - Cost of Marketing	<u>2,179.23</u>	\$ 84,876.01
Royalties - Lessees		888.16
TOTAL INCOME		<u>\$ 85,764.17</u>

EXTRACTION AND MILLING COSTS:

<u>Mining</u> - Labor	\$ 9,526.82	
Supplies	2,610.24	
Industrial Insurance	676.82	
Social Security Taxes	381.07	
Power	<u>126.80</u>	
TOTAL MINING EXPENSES		\$ 13,321.75

<u>Milling</u> - Labor	\$ 3,755.24	
Supplies	10,165.49	
Industrial Insurance	134.98	
Social Security Taxes	150.21	
Power	1,170.84	
Ore Transportation	<u>6,685.58</u>	

Cost of Ores Milled by Outside Mills	<u>35,153.18</u>	
TOTAL MILLING EXPENSE		57,215.52

Bullion Taxes		131.74
Depreciation of Plant and Equipment		<u>710.28</u>

TOTAL COST OF EXTRACTION AND

MILLING

GROSS PROFIT FROM OPERATIONS

71,379.29
\$14,384.88

GENERAL AND ADMINISTRATIVE EXPENSES:

Administrative and Office Salaries	\$ 7,980.00	
Auto and Truck Expenses	2,027.85	
Insurance	324.21	
Taxes	975.39	
Assay Office Expense	366.50	
Telephone and Telegraph	70.95	
Legal and Auditing Expense	182.20	
Office Supplies and Expense	100.51	
Repairs and Maintenance of Building	193.79	
Miscellaneous Expenses	380.11	
Depreciation - Office Building & Equipment	<u>674.09</u>	

TOTAL GENERAL AND ADMINISTRATIVE EXPENSES

NET OPERATING PROFIT

13,275.60
\$ 1,109.28

OTHER INCOME:

Rents	\$ 217.50	
Gain on Sale of Auto	328.50	
Stock Transfer Fees	7.80	
Sales of Junk and Miscellaneous	<u>220.16</u>	
		<u>773.96</u>
		<u>\$ 1,883.24</u>

INCOME DEDUCTIONS:

Interest		<u>578.31</u>
NET PROFIT FOR PERIOD		<u>\$ 1,304.93</u>

CONSOLIDATED VIRGINIA MINING COMPANY
BALANCE SHEET
DECEMBER 31, 1940
- - -

A S S E T S

CURRENT ASSETS:

Cash and Cash Items:

Cash on Hand	\$	10.00	
Demand Deposits		<u>505.11</u>	\$ 515.11
Accounts Receivable - Trade			4,507.63
Inventory - Supplies (at cost)			<u>1,715.31</u>
TOTAL CURRENT ASSETS			\$ 6,738.05

INVESTMENTS:

Other Security Investments			19,994.32
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FIXED ASSETS:

Mine Property, Plant and Equipment		\$2,446,030.84	
Less - Reserves for Depletion and Depreciation of Property, Plant and Equipment		<u>3,673.30</u>	
TOTAL FIXED ASSETS			\$2,442,357.54

DEFERRED CHARGES:

Prepaid Insurance	\$	181.81	
Organization Expense		8,604.06	
Commissions on Capital Shares (Footnote #2)		<u>8,566.60</u>	
TOTAL DEFERRED CHARGES			17,352.47

OTHER ASSETS:

Accounts Receivable - not current	\$	76.70	
Deposit - Nevada Industrial Commission		<u>133.49</u>	
TOTAL OTHER ASSETS			210.19
TOTAL ASSETS			<u>\$2,486,652.57</u>

LIABILITIES, CAPITAL SHARES AND SURPLUS

CURRENT LIABILITIES:

Notes Payable - Others (Footnote 3)	\$	7,417.13	
Contract Payable - Equipment		1,050.59	
Accounts Payable - Trade		19,492.63	
Accrued Payroll		3,588.40	
Accrued Taxes		2,362.43	
Accrued Interest		1,359.34	
Other Current Liabilities:			
Notes Payable to Directors		<u>1,500.00</u>	
TOTAL CURRENT LIABILITIES			\$ 36,770.52

CAPITAL SHARES AND SURPLUS:

Common Capital Shares Authorized:			
5,000,000 shares, par value \$1.00 per share, non-assessable		\$5,000,000.00	
Less - Unissued Capital Shares, 810,490 shares		<u>810,490.00</u>	
Capital Shares Issued, 4,189,510 shares			\$4,189,510.00

CONSOLIDATED VIRGINIA MINING COMPANY
BALANCE SHEET (CONTINUED)
DECEMBER 31, 1940
- - -

Less - Treasury Shares, 210,818 shares	<u>\$210,818.00</u>	
Capital Shares Outstanding	3,978,692.00	
3,978,692 shares		
Less - Discount on Capital Shares (Foot-note #2)	<u>1,713,335.97</u>	\$2,265,356.03
SURPLUS:		
Capital Surplus	\$674,031.89	
Operating Deficit	<u>489,505.87</u>	184,526.02
TOTAL CAPITAL SHARES AND SURPLUS		<u>\$2,449,882.05</u>
TOTAL LIABILITIES, CAPITAL SHARES AND SURPLUS		<u>\$2,486,652.57</u>

FOOTNOTES:

1. The securities consisting of 49,741 shares of Stock in Mexican Gold & Silver Mining Company, owned by the registrant were acquired at delinquent assessment sale and are carried at cost plus assessments paid since date of acquisition. The last known sale of this stock was at the price of one cent per share.
2. No provision has been made for writing off the commissions and discount on Capital Shares.
3. Of the total amount due on Notes Payable to Others, \$1,417.13 represents the remaining balance of notes upon which judgments have been obtained and which were reported in the previous years report. This balance was paid in full subsequent to the period covered by this report (February 20, 1941). The remaining notes in the sum of \$6,000.00 are secured by chattel mortgage on the mill plant.
4. A contingent liability exists in the sum of \$10,142.95 for drainage royalties to Comstock Tunnel & Drainage Company. It is the registrant's contention that Comstock Tunnel and Drainage Company is indebted to it in the sum of approximately \$29,000.00 for advances for tunnel construction.

From my examination and from inquiries of officers of the registrant there were no contingent liabilities other than specifically stated above.

CONSOLIDATED VIRGINIA MINING COMPANY
PROPERTY, PLANT AND EQUIPMENT
DECEMBER 31, 1940
- - -

	COST VALUE	RESERVES FOR DEPRECIATION	BOOK VALUE 12/31/40
Mining Rights and Properties	\$2,367,115.49	\$ -	\$2,367,115.49
Mine Development	52,683.66	-	52,683.66
Mine Buildings	906.05	181.20	724.85
New Mill	14,447.46	240.80	14,206.66
Mine Tools and Equipment	4,120.22	1,227.26	2,892.96
Office Building and Real Estate	2,500.00	300.00	2,200.00
Office Furniture, Fixtures and Equipment	1,001.31	257.25	744.06
Automobile and Truck	3,256.65	1,466.79	1,789.86
	<u>\$2,446,030.84</u>	<u>\$3,673.30</u>	<u>\$2,442,357.54</u>

1200 0092

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item 74

CONSOLIDATED VIRGINIA MINING COMPANY
DECEMBER 31, 1941

LAWRENCE J. SEMENZA
CERTIFIED PUBLIC ACCOUNTANT
TITLE INSURANCE BUILDING
RENO, NEVADA

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Item 74

LAWRENCE J. SEMENZA
CERTIFIED PUBLIC ACCOUNTANT
TITLE INSURANCE BUILDING
RENO, NEVADA

February 28, 1942

To the Board of Directors
Consolidated Virginia Mining Company
Virginia City, Nevada

Dear Sirs:

In accordance with your instructions, we have examined the accounts and records of the Consolidated Virginia Mining Company for the year ended December 31, 1941. The following attached statements have been prepared in connection with our examination and set forth the results of operations for the year ended December 31, 1941 and the condition of the company at December 31, 1941.

Statement of Profit and Loss for the
Year ended December 31, 1941

Exhibit A

Balance Sheet - December 31, 1941

Exhibit B

Property, Plant and Equipment -
December 31, 1941

Exhibit C.

We did not make a detailed examination of all the transactions for the year under review but did examine all disbursements and found them properly supported by vouchers and other supporting evidence on file. Sufficient test checks of the transactions were made to satisfy ourselves that the accounts have been consistently and properly maintained throughout the year.

PROFIT AND LOSS STATEMENT

The Company's operations for the year consisted of the mining

and milling of ores from its properties and resulted in a net profit of \$9,447.03 after provision for depletion in the amount of \$8,640.40. The net profit from operations of \$9,255.28, before taking into account rental income, interest expense, etc., may be briefly summarized as follows:

		<u>TONS MILLED</u> <u>47.762</u>
		<u>PER TON</u>
<u>GROSS INCOME</u> , less		
cost of marketing	<u>\$129,862.79</u>	\$ <u>2.72</u>
<u>LESS - MINING AND MILLING COSTS</u>		
Mining costs	33,042.49	1.28
Milling costs	60,922.15	.69
Bullion taxes	873.66	.02
Depreciation of Plant	1,917.15	.04
Depletion	<u>8,640.40</u>	<u>.18</u>
	<u>\$105,395.85</u>	<u>2.21</u>
<u>GROSS PROFIT FROM OPERATIONS</u>	24,466.94	.51
General and Administrative Expense	<u>15,211.66</u>	<u>.32</u>
<u>NET OPERATING PROFIT</u>	<u>\$ 9,255.28</u>	<u>\$.19</u>

BALANCE SHEET

CURRENT ASSETS

The cash in bank was confirmed direct with the depository, First National Bank of Nevada, First and Virginia Street Branch. All recorded income for the period under review was traced into the bank account and all disbursements were supported by properly approved vouchers and other evidence on file.

The amount of \$5,820.81 due from Dayton Consolidated Mines Company for concentrates was collected in January 1942.

The supply inventory consists of balls and liners for the mill and is priced at cost.

INVESTMENTS

The investment in Mexican Gold & Silver Mining Company which

consists of 49,741 shares of its capital stock, is stated at cost of acquisition at a delinquent stock sale plus subsequent assessments paid thereon.

FIXED ASSETS

Details of the Property, Plant and Equipment and related reserves are shown on Exhibit C. During the year a new automobile was purchased at a cost of \$2265.67 and an old car disposed of at a loss of \$711.76.

Depreciation has been provided at the same rates as in prior years and amounted to \$2,685.14. Depletion has not been provided in prior years, but has been provided this year, the first year of substantial profit on the basis of percentage depletion. Depletion has been claimed in the Company's Federal income tax return on this basis although it has not been ascertained yet if proper election of percentage depletion was made in the 1934 Federal income tax return.

DEFERRED CHARGES

The insurance policies in force at the end of the year were examined and the unearned premium thereon in the amount of \$254.70 is included as a deferred charge. The deferred charges also include organization expenses and Commissions on Capital Stock in the amounts of \$8,604.06 and \$8,566.60 respectively. These items should be amortized and it is recommended that appropriate action be taken in this regard.

OTHER ASSETS

The deposit of \$143.40 with the Nevada Industrial Commission is in agreement with their records.

CURRENT LIABILITIES

The Equipment Contract in the amount of \$1,322.28 represents the balance due the General Motors Acceptance Corporation on the purchase of the new Cadillac automobile and is payable in 18 monthly installments of \$73.46 each.

The Trade Accounts Payable include \$12,523.82 due Nevada Rock & Sand, Inc. for hauling and crushing ore; regular payments are being made on this account.

The accrued taxes are comprised of the following:

Real and Personal Property	\$ 595.20
Bullion Taxes	753.29
Old Age Benefits Contributions	106.93
Nevada Unemployment Insurance	201.07
Federal Unemployment Insurance	76.52
Federal Capital Stock Tax	250.00
	<u>\$ 1,983.01</u>

During the year the Company paid up all its delinquent property taxes, with interest and penalties, with the exception of the mill site of the old Mexican Mill, which ground is considered of little value to the Company.

SURPLUS

The changes in the Surplus accounts during the year under review are as follows:

CAPITAL SURPLUS

Balance - December 31, 1941	\$674,031.89
(no changes during the year)	

OPERATING DEFICIT

Balance December 31, 1940	\$489,505.87
Net Profit for year 1941	<u>9,447.03</u>
OPERATING DEFICIT, DECEMBER 31, 1941	<u>480,058.84</u>
BALANCE - DECEMBER 31, 1941	<u>\$193,973.05</u>

In our opinion the attached Statement of Profit and Loss and Balance Sheet, fairly present the results of operations of Consolidated

Virginia Mining Company for the year ended December 31, 1941 and its financial position at that date.

Respectfully Submitted,

Lawrence J. Semenza
Certified Public Accountant

CONSOLIDATED VIRGINIA MINING COMPANY
STATEMENT OF PROFIT AND LOSS
FOR YEAR ENDED DECEMBER 31, 1941
- - -

INCOME:

Gross Income from Production	\$132,435.33	
Less - Cost of Marketing	<u>2,639.21</u>	\$129,796.12
Royalties - Lessees		<u>66.67</u>
TOTAL INCOME		\$129,862.79

MINING AND MILLING COSTS:

<u>Mining</u> - Hauling Ore	\$ 15,834.60	
Removing Overburden	12,364.32	
Labor	4,121.09	
Industrial Insurance	296.73	
Supplies, etc.	<u>425.75</u>	
TOTAL MINING COST		33,042.49
<u>Milling</u> - Crushing Ore	18,663.75	
Labor	17,004.60	
Supplies	11,059.38	
Power	7,608.60	
Water	4,758.56	
Industrial Insurance	612.13	
Tailings Disposal	727.50	
Maintenance and Repairs	<u>487.63</u>	
TOTAL MILLING COST		60,922.15
Bullion Taxes		873.66
Depreciation of Plant and Equipment		1,917.15
Depletion		<u>8,640.40</u>
TOTAL COST OF MINING AND MILLING		105,395.85
GROSS PROFIT FROM OPERATIONS		\$ 24,466.94

GENERAL AND ADMINISTRATIVE EXPENSES:

Administrative and Office Salaries	7,800.00	
Auto and Truck Expense	2,393.46	
Taxes - Social Security	1,117.43	
Taxes - Other	1,384.98	
Insurance	325.93	
Legal and Auditing Fees	243.45	
Repairs and Maintenance of Building	211.50	
Office Supplies and Expense	143.45	
Telephone and Telegraph	64.21	
Miscellaneous Expense	759.26	
Depreciation - Office Building & Equipment	<u>767.99</u>	
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES		15,211.66
NET OPERATING PROFIT		\$ 9,255.28

OTHER INCOME:

Rents	495.00	
Sales of Junk, etc.	934.40	
Stock Transfer Fees	<u>19.00</u>	1,448.40
		\$ 10,703.68

OTHER DEDUCTIONS:

Interest	614.89	
Loss on disposal of capital assets	<u>641.76</u>	1,256.65
NET PROFIT FOR PERIOD		\$ 9,447.03

CONSOLIDATED VIRGINIA MINING COMPANY
BALANCE SHEET
DECEMBER 31, 1941
- - -

ASSETS

CURRENT ASSETS:

Cash and Cash Items

Cash on Hand	\$	2.41	
Demand Deposits		<u>2,801.14</u>	\$ 2,803.55
Accounts Receivable - Trade			5,820.81
Inventory - Supplies (at cost)			<u>3,492.44</u>
TOTAL CURRENT ASSETS			\$ 12,116.80

INVESTMENTS:

Other Security Investments			19,994.32
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FIXED ASSETS:

Mine Property, Plant and Equipment		2,446,262.73	
Less - Reserves for Depletion and Depreciation of Property, Plant and Equipment		<u>14,344.92</u>	
TOTAL FIXED ASSETS			2,431,917.81

DEFERRED CHARGES:

Prepaid Insurance		254.70	
Organization Expense		8,604.06	
Commissions on Capital Shares		<u>8,566.60</u>	
TOTAL DEFERRED CHARGES			17,425.36

OTHER ASSETS:

Accounts Receivable - Not Current		251.70	
Deposit - Nevada Industrial Commission		<u>143.49</u>	
TOTAL OTHER ASSETS			395.19
TOTAL ASSETS			<u>\$2,481,849.48</u>

LIABILITIES, CAPITAL SHARES AND SURPLUS

CURRENT LIABILITIES

Contract Payable - Equipment		1,322.28	
Accounts Payable - Trade		17,123.90	
Accrued Payroll		2,091.21	
Accrued Taxes		<u>1,983.01</u>	
TOTAL CURRENT LIABILITIES			22,520.40

CAPITAL SHARES AND SURPLUS:

<u>Common Capital Shares Authorized</u>			
5,000,000 shares, par value \$1.00 per share			
non-assessable		5,000,000.00	
Less - Unissued Capital Shares,			
810,490 shares		<u>810,490.00</u>	
		4,189,510.00	
Less - Treasury Shares,			
210,818 shares		<u>210,818.00</u>	
		3,978,692.00	
Less - Discount on Capital Shares		<u>1,713,335.97</u>	2,265,356.03

CONSOLIDATED VIRGINIA MINING COMPANY
BALANCE SHEET (Continued)
DECEMBER 31, 1941
- - -

Surplus

Capital Surplus	\$ 674,031.89		
Operating Deficit	480,058.84	193,973.05	
TOTAL CAPITAL SHARES AND SURPLUS			<u>\$2,459,329.08</u>
TOTAL LIABILITIES, CAPITAL SHARES AND SURPLUS			<u>\$2,481,849.48</u>

CONSOLIDATED VIRGINIA MINING COMPANY
PROPERTY, PLANT AND EQUIPMENT
DECEMBER 31, 1941
- - -

	<u>COST VALUE</u>	<u>RESERVE</u>	<u>NET BOOK VALUE</u>
<u>DEPLETABLE ASSETS:</u>			
Mining Rights and Properties	\$2,367,115.49		
Mine Development	52,683.66		
	<u>\$2,419,799.15</u>	<u>\$ 8,640.40</u>	<u>\$2,411,158.75</u>
<u>DEPRECIABLE ASSETS:</u>			
Mine Buildings	\$ 906.05	\$ 241.60	\$ 664.45
Mine Tools and Equipment	3,860.22	1,506.36	2,353.86
Mill Plant	14,482.46	1,682.45	12,794.01
Automobiles and Truck	3,426.84	1,491.57	1,935.27
Office Building	2,000.00	400.00	1,600.00
Office Equipment and Furniture	1,288.01	376.54	911.47
	<u>25,963.58</u>	<u>5,704.52</u>	<u>20,259.06</u>
Real Estate	500.00		500.00
	<u>\$2,446,262.73</u>	<u>14,344.92</u>	<u>2,431,917.81</u>

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item 74

CONSOLIDATED VIRGINIA MINING COMPANY

JUNE 30, 1955

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item 74

September 26, 1955

Consolidated Virginia Mining Company
139 North Virginia Street
Reno, Nevada

Gentlemen:

We have examined the records of your company for the six months ended June 30, 1955. The attached financial statements reflect the financial condition of the company at June 30, 1955 and the results of the operations for the six months then ended. We have incorporated the operations of the joint venture with Temple Mountain Uranium Co. in the attached statements, accepting the statements prepared by Mr. Clyde D. Moslander as the basis of our information of that operation. Depletion on the joint venture operations has not been provided for in the attached statements. We presume that percentage depletion for tax purposes will be adopted, which will provide for depletion of either 50% of the net income from the property, or 23% of the gross production from the property.

Yours very truly,

Samuel H. Kottlinger

CONSOLIDATED VIRGINIA MINING COMPANY

BALANCE SHEET

JUNE 30, 1956

ASSETS

CURRENT ASSETS

Cash in bank	\$ 6,809.11	
Accounts receivable - Temple Mountain Uranium Co.	500.00	
Due from Van Valkenburgh	<u>10,000.00</u>	\$ 17,309.11

INVESTMENTS

Mexican Gold and Silver Mining Company - 47,471 shares - at cost	19,994.32	
Four States Uranium Corporation - 118,750 shares - at cost	67,500.00	
Investment in joint venture with Temple Mountain Uranium Co. - (Schedule 1)	<u>16,812.94</u>	104,307.26

FIXED ASSETS

Mining rights and properties - Nevada (Less: Reserve for depletion)	2,921,519.61	
Tools and equipment	\$145.08	
Less: Reserve for depreciation	<u>48.77</u>	<u>96.31</u>
		2,921,615.92

OTHER ASSETS

Organization expense	8,604.06	
Commissions paid on sales of stock	8,989.23	
Prepaid management fees	5,000.00	
Funds on deposit in escrow - to pay joint venture obligations	<u>1,500.00</u>	24,093.29

\$3,067,325.58

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 2,936.22	
Accrued property taxes	966.10	
Production notes payable	1,000.00	
Accrued interest	90.45	
Portion of long-term indebtedness payable within one year	<u>9,900.00</u>	\$ 14,892.77

LONG-TERM LIABILITIES

Notes payable	39,723.08	
Accrued interest	14,850.08	
Accrued salaries and directors fees	<u>82,994.68</u>	
	137,567.84	
Less: Portion payable within one year	<u>9,900.00</u>	127,667.84

CAPITAL STOCK AND SURPLUS

Capital stock		
Common stock - non-assessable - authorized 7,500,000 shares - par value \$.10		750,000.00
Less: Unissued stock - 27,832 shares	\$ 2,783.20	
Treasury stock - 14,193 shares	<u>1,419.30</u>	<u>4,202.50</u>
		745,797.50
Surplus		
Capital surplus	4,976,315.07	
Less: Discount on capital stock	<u>2,017,292.35</u>	
	2,959,022.72	

Operating deficit

Balance, December 31, 1955	\$759,964.08		
Excess of expense over income, six months ended June 30, 1956	<u>20,091.17</u>	<u>780,055.25</u>	<u>2,178,967.47</u>

\$3,067,325.58

CONSOLIDATED VIRGINIA MINING COMPANY
STATEMENT OF INCOME AND EXPENSE
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 1955

INCOME

Rents	\$	60.00	
Joint venture with Temple Mountain Uranium Co. (Schedule No. 1)		<u>3,434.98</u>	<u>\$ 3,494.98</u>

GENERAL AND ADMINISTRATIVE EXPENSE

Depreciation	163.44
Office supplies and expense	1,599.65
Miscellaneous expense	2,169.68
Interest	1,203.24
Taxes and licenses	652.80
Industrial insurance	119.18
Directors' fees and services	26,000.00
Legal and auditing	2,000.00
Telephone and telegraph	297.06
Loan costs	17,888.89
Transfer and registrar fees	1,945.39
Travel expense	4,176.43
Rent	240.00
Royalties	450.00
	<u>\$58,905.76</u>

Excess of expense over income for the six months period ended June 30, 1955	<u>\$55,410.78</u>
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CONSOLIDATED VIRGINIA MINING COMPANY
STATEMENT OF INCOME AND EXPENSE
OF JOINT VENTURE WITH TEMPLE MOUNTAIN URANIUM CO.
FOR THE PERIOD MAY 23, 1955 THROUGH JUNE 30, 1955

INCOME

Ore sales	\$50,492.31
Equipment rental	600.00
	<u>\$51,092.31</u>

OPERATING EXPENSE

Hauling expense	\$ 8,886.38	
Contract mining	9,906.49	
Labor	500.00	
Licenses and taxes	321.00	
Insurance	19.65	
Depreciation	826.00	
Equipment repairs	572.61	
Professional fees	1,512.00	
Auto and travel	72.40	
Freight	84.00	
Leases and rentals	833.00	
Deadwork	807.12	
Royalty payments	19,812.98	
Telephone and telegraph	8.72	<u>44,222.35</u>

Net income for period

\$ 6,869.96INCOME ALLOCATED AS FOLLOWS

Temple Mountain Uranium Co.	\$ 3,434.98	
Consolidated Virginia Mining Co.	<u>3,434.98</u>	<u>\$ 6,869.96</u>

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item 74

CONSOLIDATED VIRGINIA MINING COMPANY

JUNE 30, 1956

SEMENZA & KOTTINGER
CERTIFIED PUBLIC ACCOUNTANTS
TITLE INSURANCE BUILDING
RENO, NEVADA

SEMENZA & KOTTINGER
CERTIFIED PUBLIC ACCOUNTANTS
TITLE INSURANCE BUILDING
RENO, NEVADA

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item 74

July 27, 1956

To the Board of Directors
Consolidated Virginia Mining Company
139 North Virginia Street
Reno, Nevada

Gentlemen:

We have prepared the attached statements which reflect the financial position of Consolidated Virginia Mining Company at June 30, 1956 and the result of operations for the six months then ended. It is our understanding that the joint venture operations terminated during this period, however, pending the settlement of various suits in connection with this venture, it is not possible to determine what may be realized from the equipment and buildings. We have reflected your investment in the joint venture as shown by the records.

Yours very truly,

Semenza & Kottinger

CONSOLIDATED VIRGINIA MINING COMPANY
BALANCE SHEET
JUNE 30, 1955

ASSETS

<u>CURRENT ASSETS</u>			
Cash on deposit in First National Bank	\$ 16,112.26		
Accounts receivable	<u>2,737.04</u>	\$ 18,849.30	
<u>INVESTMENTS</u>			
Mexican Gold and Silver Mining Company - 49,471 shares - at cost	19,994.32		
Four States Uranium Corporation - 118,750 shares - at cost	67,500.00		
Interest in joint venture with Temple Mountain Uranium Co.	<u>30,764.98</u>	118,259.30	
<u>FIXED ASSETS</u>			
Mining rights and properties - Nevada (Less: Reserve for depletion)	2,921,519.61		
Tools and equipment \$ 3,268.83			
Less: Reserve for depreci- ation	<u>168.68</u>	<u>3,100.15</u>	2,924,619.76
<u>OTHER ASSETS</u>			
Prepaid rent	40.00		
Organization expense	8,604.06		
Commission paid on sale of capital stock	8,989.23		
Loan costs	<u>1,111.11</u>	<u>18,744.40</u>	

\$3,080,472.76

LIABILITIES, CAPITAL STOCK AND SURPLUS

CURRENT LIABILITIES

Accounts payable	\$ 3,204.21		
Accrued taxes	1,561.25		
Production notes payable	6,250.00		
Portion of long-term indebtedness - payable within one year	<u>7,500.00</u>	\$ 18,515.46	

LONG-TERM LIABILITIES

Notes payable	43,435.23		
Accrued interest	17,136.60		
Accrued salaries and directors' fees	<u>83,749.98</u>		
	144,321.81		
Less: Portion payable within one year	<u>7,500.00</u>	136,821.81	

CAPITAL STOCK AND SURPLUS

CAPITAL STOCK

Common stock - non-assessable			
Authorized 7,500,000 shares, \$10.00 per share par value		750,000.00	
Less: Unissued stock - 746,159 shares	\$ 74,615.90		
Treasury stock - 14,193 shares	<u>1,419.30</u>	<u>76,035.20</u>	
		673,964.80	

CAPITAL SURPLUS

Less: Discount on capital stock	4,976,315.07		
	<u>2,016,709.65</u>		
	2,959,605.42		
Operating deficit	\$653,023.95		
Loss for six months ended June 30, 1955	<u>55,410.78</u>	<u>708,434.73</u>	<u>2,251,170.69</u>

\$3,080,472.76

CONSOLIDATED VIRGINIA MINING COMPANY
STATEMENT OF INCOME AND EXPENSE
FOR THE SIX MONTHS ENDED JUNE 30, 1956

INCOME

Royalties from Virginia City property	\$ 331.25	
Loss from joint venture	(299.77)	\$ 31.48

GENERAL AND ADMINISTRATIVE EXPENSE

Management fees	5,800.00	
Engineering fees	3,432.58	
Legal and accounting expense	3,848.91	
Transfer and registrar fees	1,692.15	
Travel expense	1,190.00	
Telephone and telegraph	327.12	
Office supplies and expense	175.88	
Taxes and licenses	506.36	
Office rent	240.00	
Annual meeting expense	1,317.64	
Miscellaneous expenses	171.33	
Interest	1,420.68	
Excess of expense over income for period		<u>20,122.65</u>
		<u>\$20,091.17</u>

CONSOLIDATED VIRGINIA MINING COMPANY
INTEREST IN JOINT VENTURE WITH
TEMPLE MOUNTAIN URANIUM CO.
JUNE 30, 1956

Values shown represent Consolidated Virginia Mining Company's interest:

Mining rights and properties	\$14,949.47	
Less: Reserve for depletion	<u>5,624.31</u>	\$ 9,325.16
Buildings	1,229.77	
Equipment	13,508.96	
Truck	<u>550.48</u>	
	15,289.21	
Less: Reserve for depreciation	<u>5,112.08</u>	10,177.13
Accounts receivable		1,370.00
Robert L. Parent, Trustee		661.62
Due from Temple Mountain Uranium Co.		<u>46.84</u>
		21,580.75
Less: Liabilities		
Accounts payable	117.81	
Due Swenson	<u>4,650.00</u>	<u>4,767.81</u>
		<u>\$16,812.94</u>

ASSAY REPORT

GOLD @ \$ 35⁰⁰

SILVER @ \$ 9

Con-Virginia Mining Co

VIRGINIA CITY, NEVADA, October 24

MARK	DESCRIPTION	GOLD OUNCES PER TON	GOLD VALUE PER TON	SILVER OUNCES PER TON	SILVER VALUE PER TON	TOT VAL PER
4						
	Brewery Dump 8.520 mg. (262 oz)	11	3.85	1.41	1.28	2
	Saildigs Pond	03	1.05	1.17	1.06	2
	Conc (1/2) 8.85 1/2 g. Gold.					
	Conc - Brewery Dump - 6.60 mg. gold.					

Feb. 4. 1856

ASSAYER

CONSOLIDATED VIRGINIA MINING COMPANY
Tax Return 1941
Depletion Allowance

Gross Income

Bullion Sales	24,860.41
Ore Sales (Concentrates	107,574.92
Royalties from Leases	66.67
	132,502.00

Less: Marketing Charges	
Bullion	313.65
Marketing Charges	
Concentrates	2,325.56
	2,639.21

Gross Income From Property	129,862.79
----------------------------	------------

Deductions

Cost of Operations	96,603.85
Less: Marketing Charges	2,639.21
Compensation of Officers	93,964.64
Repairs	7,800.00
Interest	211.50
Taxes	614.89
Depreciation	3,376.07
Other Deductions	2,685.14
	3,929.76

Net Income From Property	112,582.00
	17,280.79

DEPLETION

15% of Gross Income from Property - 15% of \$129,862.79	19,479.42
50% of Net Income from Property - 50% of \$ 17,280.79	8,640.40

NET OPERATING LOSS DEDUCTION

1939 Net Operating Loss	12,430.95
1940 Normal Tax Net Income before Operating	
Loss Deduction	1,231.82
	11,199.13
Less: 1940 Additional Income	103.11
	11,096.02

Line No.		Column 1	Col. 2 Rate	Column 3 Amount of Tax
1.	Net income for declared value excess-profits tax computation (item 31, page 1) Loss	\$ 2,840 19		
2.	Value of capital stock as declared in your capital stock tax return for the year ended June 30, 1942 (or for year ended June 30, 1943, if your income tax fiscal year began in 1942 and ended on or after July 31, 1943)	\$ 999.00		
3.	10 percent of line 2	\$ 99 90		
4.	Dividends received credit (85 percent of column 2, Schedule E, but not in excess of 85 percent of item 37 minus item 38, page 1)			
5.	Balance subject to declared value excess-profits tax (line 1 minus total of lines 3 and 4)	\$ None		
6.	Amount taxable at 6.6 percent (5 percent of line 2, but not more than line 5); and tax		6.6%	\$ None
7.	Balance taxable at 13.2 percent (line 5 minus line 6, column 1); and tax		13.2%	\$ None
8.	Total declared value excess-profits tax (total of line 6, column 3, and line 7, column 3)			\$ None

INCOME TAX COMPUTATION. (See Computation Instructions)

NORMAL TAX COMPUTATION				
DOMESTIC CORPORATIONS WITH NORMAL-TAX NET INCOMES NOT OVER \$50,000				
9.	Normal-tax net income (item 40, page 1) Loss	\$ 2,840 19		
10.	Portion of line 9 (not in excess of \$5,000); and tax at 15 percent	\$ None	15%	\$ None
11.	Portion of line 9 (in excess of \$5,000 and not in excess of \$20,000); and tax at 17 percent		17%	
12.	Portion of line 9 (in excess of \$20,000 and not in excess of \$25,000); and tax at 19 percent		19%	
13.	Portion of line 9 (in excess of \$25,000); and tax at 31 percent		31%	
14.	Total normal tax (total tax in column 3 of lines 10, 11, 12, and 13)			\$
DOMESTIC CORPORATIONS WITH NORMAL-TAX NET INCOMES OF OVER \$50,000 AND FOREIGN CORPORATIONS ENGAGED IN BUSINESS WITHIN THE UNITED STATES IRRESPECTIVE OF AMOUNT OF NORMAL-TAX NET INCOME				
15.	Normal-tax net income (item 40, page 1)	\$		
16.	Normal tax (24 percent of line 15)		24%	\$
SURTAX COMPUTATION				
17.	Net income (item 35, page 1) Loss	\$ 2,840 19		
18.	Less: Income subject to excess profits tax	\$		
19.	Dividends received credit (85 percent of column 2, Schedule E (excluding certain dividends received on preferred stock of a public utility), but not in excess of 85 percent of line 17 minus 18)			
20.	Dividends paid on certain preferred stock if taxpayer is a public utility	\$ None		
21.	Surtax net income	\$		
CORPORATIONS WITH SURTAX NET INCOMES NOT OVER \$50,000				
22.	Portion of line 21 (not in excess of \$25,000); and tax at 10 percent (or 12 percent in the case of a consolidated return)	\$	10%	\$
23.	Portion of line 21 (in excess of \$25,000 and not in excess of \$50,000); and tax at 22 percent (or 24 percent in the case of a consolidated return)		22%	
24.	Total surtax in column 3 of lines 22 and 23			\$
CORPORATIONS WITH SURTAX NET INCOMES OF OVER \$50,000				
25.	Surtax net income (line 21 above)	\$		
26.	Surtax (16 percent of line 25) (or in the case of a consolidated return, 18 percent of the consolidated surtax net income)		16%	\$ None
27.	Total normal and surtax (line 14 or 16, plus line 24 or 26, whichever is applicable)			\$ None
28.	Total tax (line 27 or line 33, Schedule C)			\$

TAX COMPUTATION FOR REGULATED INVESTMENT COMPANIES				
29.	Adjusted net income (item 37, page 1, but computed without regard to section 47 (c))	\$		
30.	Add: Net operating loss deduction (item 27, page 1)	\$		
31.	Total of lines 29 and 30	\$		
32.	Less: Excess of net long-term capital gain over short-term capital loss. (From Schedule C)	\$		
33.	Adjusted net income (after applying section 362 (b) (1))	\$		
34.	Less: Basic surtax credit (excluding capital gain dividends) computed without regard to paragraphs (2) and (3) of section 27 (b). (Submit schedule)	\$		
35.	Supplement Q net income	\$		
36.	Normal tax (24 percent of line 35)		24%	\$
37.	Net income (item 35, page 1, but computed without regard to section 47 (c))	\$		
38.	Add: Net operating loss deduction (item 27, page 1)	\$		
39.	Total of lines 37 and 38	\$		
40.	Less: Excess of net long-term capital gain over short-term capital loss. (From Schedule C)	\$		
41.	Net income (after applying section 362 (b) (2))	\$		
42.	Less: Dividends (other than capital gain dividends) paid including consent dividends credit. (Submit schedule)	\$		
43.	Supplement Q surtax net income	\$		
44.	Surtax (16 percent of line 43)		16%	
45.	Net long-term capital gain. (From Schedule C)	\$		
46.	Less: Net short-term capital loss. (From Schedule C)	\$		
47.	Capital gain dividends paid. (Submit schedule)	\$		
48.	Excess subject to tax	\$		
49.	Tax (25 percent of line 48)		25%	
50.	Total tax in lines 36, 44, and 49			\$

Schedule A.—COST OF GOODS SOLD. (See Instruction 2)
(Where inventories are an income-determining factor)

Inventory at beginning of year	\$	
Material or merchandise bought for manufacture or sale		
Salaries and wages		
Other costs per books. (Attach itemized schedule)		
Total	\$	
Less: Inventory at end of year		
Cost of goods sold (enter as item 2, page 1)	\$	

Schedule B.—COST OF OPERATIONS
(Where inventories are not an income-determining factor)

Salaries and wages	\$ 18,719 91
Other costs (to be detailed):	
(a) Supplies & Materials	17,654 94
(b) Hauling Ore	7,856 25
(c) Industrial Insurance	946 68
(d) Water & Power	8,896 42
(e) Marketing Charges	2,186 92
Total (enter as item 5, page 1)	\$ 56,261 12

Schedule C.—Separate Schedule C (Form 1120) should be secured and used in reporting sales and exchanges of capital assets and filed with and as a part of this return.

Schedule D.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS. (See Instruction 12)

1. Description of Property	2. Date Acquired	3. Gross Sales Price (Contract price)	4. Cost or Other Basis	5. Expense of Sale and Cost of Improvements Subsequent to Acquisition or March 1, 1913	6. Depreciation Allowed (or allowable) Since Acquisition or March 1, 1913 (Furnish details)	7. Gain or Loss (column 3 plus column 6 minus the sum of columns 4 and 5)
Flotation Unit	1940	\$ 600 00	\$ 1,104 00	\$	\$ 220 80	\$ L 283 20
Total net gain (or loss). (Enter as item 12 (b), page 1)						\$ L 283 20

Supplemental information required for Schedule D

State with respect to each item of property reported in Schedule D: (1) how property was acquired (2) whether at time of sale or exchange (a) purchaser owned directly or indirectly more than 50 percent in value of your outstanding stock, (b) where purchaser was a corporation, more than 50 percent in value of its capital stock and 50 percent in value of your capital stock was owned directly or indirectly by or for the same individual or his family, and (c) where purchaser was a corporation, whether more than 50 percent in value of its capital stock was owned directly or indirectly by you. If so, state name and address of purchaser

Page 3

*Except dividends received from corporations organized under the China Trade Act, 1922, and corporations entitled to the benefits of section 251 of the Internal Revenue Code, which dividends should be entered in column 4.

Dividends on share accounts in Federal savings and loan associations in case of share accounts issued prior to March 28, 1942, should not be listed, but the amount should be included in items 32 and 36, page 1; dividends on share accounts issued on or after March 28, 1942, should be reported in column 4.

NOTE.—Schedule F-1 (IN DUPLICATE) also must be filed with this return if compensation in excess of \$75,000 was paid to any officer or employee.

1. Check whether deduction claimed represents worthless debts charged off ☐, or is an addition to a reserve ☐.
2. Not including securities which are capital assets and which became worthless within the taxable year. Such securities which became worthless within the year should be reported in Schedule C.

Schedule J.—DEPRECIATION. (See Instruction 25)**Schedule K.—OTHER DEDUCTIONS.** (See Instruction 29)

QUESTIONS

stock was acquired; and (4) the collector's office in which the income tax return of such corporation, individual, partnership, trust, or association for the last taxable year was filed.)

10. Is this return made on the basis of cash receipts and disbursements? No If not, describe fully in separate statement. Accrual

11. Did the corporation at any time after October 3, 1942, and before the end of its taxable year have in its employ more than eight individuals? (Answer "yes" or "no") Yes If answer is "yes," has the corporation in this return taken a deduction for any amount of wages or salaries representing an increase or decrease in rate after October 3, 1942? (Answer "yes" or "no") No If answer to second question is "yes," attach statement explaining all such increases or decreases. If any of such increases or decreases required the prior approval of the National War Labor Board or the Commissioner of Internal Revenue as stated in Instruction 16, attach also a copy of the authorization for each of such increases or decreases.

12. State whether the inventories at the beginning and end of the taxable year were valued at cost, or cost or market, whichever is lower Cost If other basis is used, explain fully in separate statement, giving date inventory was last reconciled with stock. 1943

13. Did the corporation make a return of information on Forms 1096 and 1099 for the calendar year 1942 (see Instruction G-(1))? Yes

14. Did the corporation at any time during the taxable year own directly or indirectly any stock of a foreign corporation? (Answer "yes" or "no") No (If answer is "yes," attach statement as required by Instruction K-(3).)

Schedule L.—BALANCE SHEETS. (See Instruction L)

ASSETS	Beginning of Taxable Year		End of Taxable Year	
	Amount	Total	Amount	Total
1. Cash		\$ 2,803 55		\$ 290 28
2. Notes and accounts receivable	\$ 5,820 81		\$ 303 04	
Less: Reserve for bad debts		5,820 81		303 04
3. Inventories (itemize in separate schedule)		3,492 44		2,016 76
4. Investments in governmental obligations:				
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions				
(b) Obligations of the United States:				
(1) Obligations issued on or before September 1, 1917; all postal savings bonds; Treasury notes issued prior to December 1, 1940; and Treasury bills issued prior to March 1, 1941				
(2) United States savings bonds and Treasury bonds issued prior to March 1, 1941				
(3) Treasury notes issued on or after December 1, 1940; and all other obligations of the United States issued on or after March 1, 1941				
(c) Obligations of instrumentalities of the United States:				
(1) Obligations of Federal land banks, joint stock land banks, and Federal intermediate credit banks issued prior to March 1, 1941				
(2) Obligations issued by other instrumentalities of the United States prior to March 1, 1941				
(3) Obligations of all instrumentalities of the United States issued on or after March 1, 1941				
5. Other investments (itemize)		230,812 32		230,812 32
6. Capital assets:				
(a) Depreciable assets (itemize in separate schedule)	\$ 25,963 58		\$ 25,352 82	
Less: Reserve for depreciation	5,704 52	20,259 06	8,191 21	17,161 61
(b) Depletable assets	2,419,799 15		2,419,799 15	
Less: Reserve for depletion	8,640 40	2,411,158 75	8,640 40	2,411,158 75
(c) Land		500 00		550 00
7. Other assets (itemize)				
Discount of Stock	\$ 1,713,335 97		\$ 1,713,335 97	
Commission on Stock Sales & Miscellaneous	17,820 55	1,731,156 52	17,612 95	1,730,948 92
8. TOTAL ASSETS		\$ 4,06,003 45		\$ 3,93,241 68
LIABILITIES				
9. Accounts payable		\$ 20,537 39		\$ 10,467 62
10. Bonds, notes, and mortgages payable:				
(a) With original maturity of less than 1 year				
(b) With original maturity of 1 year or more			440 76	440 76
11. Accrued expenses (itemize)				
Taxes	\$ 1,983 01		\$ 1,001 46	
Payroll & Directors Fees		1,983 01	438 98	1,440 44
12. Other liabilities (itemize)				
13. Surplus reserves (itemize in separate schedule)				
14. Capital stock:				
(a) Preferred stock				
(b) Common stock	\$ 4,189,510 00	4,189,510 00	\$ 4,189,510 00	4,189,510 00
15. Paid-in or capital surplus				
16. Earned surplus and undivided profits		193,973 05		191,382 86
17. TOTAL LIABILITIES		\$ 4,06,003 45		\$ 3,93,241 68

Schedule M.—RECONCILIATION OF NET INCOME AND ANALYSIS OF EARNED SURPLUS AND UNDIVIDED PROFITS

1. Total distributions to stockholders charged to earned surplus during the taxable year:		13. Earned surplus and undivided profits at close of preceding taxable year (Schedule L)	\$ 193,973 05
(a) Cash	\$	14. Adjusted net income (item 37, page 1)	(2,840 19)
(b) Stock of the corporation		15. Nontaxable and partially exempt income:	
(c) Other property		(a) Interest on:	
2. Contributions (excess over 5 percent limitation)		(1) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	
3. Federal income and excess-profits taxes		(2) Obligations of the United States:	
4. Income taxes claimed as a credit in whole or in part in item 42, page 1		(i) Obligations issued on or before September 1, 1917; all postal savings bonds; Treasury notes issued prior to December 1, 1940; and Treasury bills issued prior to March 1, 1941	
5. Federal taxes paid on tax-free covenant bonds		(ii) United States savings bonds and Treasury bonds owned in the principal amount of \$5,000 or less, issued prior to March 1, 1941	
6. Excess of capital losses over capital gains		(iii) United States savings bonds and Treasury bonds owned in excess of the principal amount of \$5,000 issued prior to March 1, 1941	
7. Additions to surplus reserves (list separately):		(3) Obligations of instrumentalities of the United States:	
(a)		(i) Obligations of Federal land banks, joint stock land banks, and Federal intermediate credit banks issued prior to March 1, 1941	
(b)		(ii) Obligations issued by other instrumentalities of the United States prior to March 1, 1941	
8. Other unallowable deductions:		(b) Other nontaxable income (itemize):	
(a)		(1)	
(b)		(2)	
9. Adjustments not recorded on books (itemize):		16. Charges against surplus reserves (itemize):	
(a)		17. Adjustments not recorded on books (itemize):	
(b)		18. Sundry credits to earned surplus (itemize):	
10. Sundry debits to earned surplus (itemize):		Overaccrued Capital Stock Tax	250 00
(a)		19. Total of lines 13 to 18	\$ 191,382 86
(b)			
11. Earned surplus and undivided profits at close of the taxable year (Schedule L)	\$ 191,382 86		
12. Total of lines 1 to 11	\$ 191,382 86		

EXCESS PROFITS TAX. (See Instructions for Form 1121)

- (a) Is an excess profits tax return on Form 1121 being filed for the taxable period covered by this return? **No**
- (b) If a personal service corporation (other than a member of an affiliated group of corporations filing a consolidated return) signifies below its desire not to be subject to the excess profits tax, it shall be exempt from such tax and the provisions of Supplement S, Chapter 1, shall apply to the shareholders in such corporation who were such shareholders on the last day of the taxable year of the corporation. (Attach Form 1121PS)
- (c) If corporation claims exemption under section 727 of the Internal Revenue Code, state basis of claim
- (d) If an excess profits tax return is not being filed for the reason that it is claimed that the excess profits net income computed under the invested capital method is not greater than \$5,000, the following Schedule N should be filled in. The completion of Schedule N does not constitute the filing of an excess profits tax return.

Schedule N.—EXCESS PROFITS NET INCOME COMPUTATION

1. Normal-tax net income (computed without credit for income subject to excess profits tax) (item 40 plus item 38, page 1)	\$	6. Dividends received credit adjustment (item 13, page 1, excluding the sum of (a) dividends received (actual or constructive) from foreign personal holding companies, and (b) dividends received on stock held primarily for sale to customers by a dealer in securities; minus item 39, page 1)	\$
2. Net short-term capital gain (do not enter net short-term capital loss)		7. Net gain from sale or exchange of capital assets (item 12 (a), page 1)	
3. 50 percent of interest on borrowed capital		8. Income from retirement or discharge of bonds, etc.	
4. Adjustment to net operating loss deduction under section 711 (a) (2) (L)		9. Refunds and interest on Agricultural Adjustment Act taxes	
5. Total of lines 1 to 4	\$	10. Recoveries of bad debts	
		11. Total of lines 6 to 10	\$
12. Excess profits net income (for purpose of determining necessity for filing return) (line 5 minus line 11)	\$		

CONSOLIDATED VIRGINIA MINING CO.
VIRGINIA CITY, NEV.
NET OPERATING LOSS DEDUCTION
- - -

<u>DEDUCTIONS FOR 1939</u>	\$17,693.05	
No adjustments required by Section 122 D		
<u>GROSS INCOME FOR 1939</u>	5,262.10	
No adjustments required by Section 122 D		
NET OPERATING LOSS		<u>\$ 12,430.95</u>
<u>GROSS INCOME FOR 1940 - PER RETURN</u>	\$16,427.12	
<u>DEDUCTIONS FOR 1940 - " "</u>	<u>15,195.30</u>	
NORMAL TAX NET INCOME BEFORE OPERATING LOSS DEDUCTION		<u>\$ 1,231.82</u>
Net Operating Loss for 1939	\$12,430.95	
Less - Net Income for 1940	<u>1,231.82</u>	
NET OPERATING LOSS CARRY-OVER TO 1941		<u>\$ 11,199.13</u>

CONSOLIDATED VIRGINIA MINING CO.
VIRGINIA CITY, NEVADA
OTHER DEDUCTIONS
- - - -

Light, Heat and Water	\$ 23.50	
Office Supplies and Postage	47.01	
Telephone and Telegraph	70.95	
Insurance	324.21	
Assay Office Expense	366.50	
Auto and Truck Expense	2,027.85	
Legal and Audit Expense	182.20	
Miscellaneous Expenses	380.11	
TOTAL		<u>\$ 3,422.33</u>

UNITED STATES
CORPORATION INCOME, DECLARED VALUE EXCESS-PROFITS, AND DEFENSE
TAX RETURN

309

item 74

1940

(Auditor's stamp)

For Calendar Year 1940

or fiscal year beginning _____, 1940, and ended _____, 1941

PRINT PLAINLY CORPORATION'S NAME AND ADDRESS

Consolidated Virginia Mining Co.

(Name)

C. Street

(Street and number)

Virginia City

(Post office)

Storey

(County)

Nevada

(State)

Kind of business: Mining - Metal

Business group serial number (from Instruction 15) #4

File
Code

Serial
No.

District

(Cashier's stamp)

Cash Check M. O.
First Payment

NORMAL-TAX NET INCOME COMPUTATION

Item No.	GROSS INCOME		
1. Gross sales (where inventories are an income-determining factor)	\$	Less: Returns and allowances	\$
2. Less: Cost of goods sold. (From Schedule A)			
3. Gross profit from sales			
4. Gross receipts (where inventories are not an income-determining factor)	\$ 87,055 24		
5. Less: Cost of operations. (From Schedule B)	72,185 24		
6. Gross profit where inventories are not an income-determining factor		14,870 00	
7. Interest on loans, notes, mortgages, bonds, bank deposits, etc. (See Instruction 17-(1))			
8. Interest on obligations of the United States. (From Schedule M, line 15 (a) (4).) (See Instruction 17-(2))			
9. Rents. (See Instruction 18)		112 50	
10. Royalties. (See Instruction 19)		888 16	
11. (a) Net short-term capital gain. (From Schedule C)			
(b) Net long-term capital gain (or loss). (From Schedule C)			
(c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule D)		328 50	
12. Dividends. (From Schedule E)			
13. Other income. (State nature) Junk Sales \$215.00 Transfer Fees & Misc. \$12.96		227 96	
14. Total income in items 3, and 6 to 13, inclusive			\$ 16,427 12
DEDUCTIONS			
15. Compensation of officers. (From Schedule F)	\$ 7,800 00		
16. Salaries and wages (not deducted elsewhere)	180 00		
17. Rent. (See Instruction 21)			
18. Repairs. (See Instruction 22)	193 79		
19. Bad debts. (From Schedule G)			
20. Interest. (See Instruction 24)	578 31		
21. Taxes. (From Schedule H.) (Report declared value excess-profits tax as item 31)	1,636 50		
22. Contributions or gifts paid. (From Schedule I)			
23. Losses by fire, storm, shipwreck, or other casualty, or theft. (Submit schedule; see Instruction 27)			
24. Depreciation. (From Schedule J)	1,384 37		
25. Depletion of mines, oil and gas wells, timber, etc. (Submit schedule; see Instruction 29)			
26. Net operating loss deduction. (Submit statement; see Instruction 30) Statement attached	1,231 82		
27. Amortization. (Submit schedule; see Instruction 31)			
28. Other deductions authorized by law. (From Schedule K)	3,422 33		
29. Total deductions in items 15 to 28, inclusive			16,427 12
30. Net income for declared value excess-profits tax computation (item 14 minus item 29)			\$ none
31. Less: Declared value excess-profits tax. (See Instruction 33)			\$ none
32. Net income			\$ none
33. Less: Interest on obligations of the United States (item 8, above)			\$
34. Adjusted net income			\$
35. Less: Dividends received credit (85 percent of column 2, Schedule E, but not in excess of 85 percent of item 34, above)			\$
36. Normal-tax net income			\$ none
TOTAL INCOME, DECLARED VALUE EXCESS-PROFITS, AND DEFENSE TAXES			
37. Total income and income defense taxes (line 35, page 2)	\$	No Tax	
38. Less: Credit for income taxes paid to a foreign country or United States possession allowed a domestic corporation. (See Instruction 37)			
39. Balance of income and income defense taxes			\$
40. Total declared value excess-profits and declared value excess-profits defense taxes (line 10, page 2)			\$
41. Total income, declared value excess-profits, and defense taxes due		No Tax	\$

AFFIDAVIT. (See Instruction 5)

We, the undersigned, president (or vice president, or other principal officer) and treasurer (or assistant treasurer, or chief accounting officer) of the corporation for which this return is made, being severally duly sworn, each for himself deposes and says that this return (including any accompanying schedules and statements) has been examined by him and is, to the best of his knowledge and belief, a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Internal Revenue Code and the regulations issued thereunder.

Subscribed and sworn to before me this _____ day of _____, 194____

(President or other principal officer) (State title)

NOTARIAL
SEAL

(Signature of officer administering oath)

(Title)

CORPORATE
SEAL

(Treasurer, Assistant Treasurer, or Chief Accounting Officer)
(State title)

AFFIDAVIT. (See Instruction 5)

I/we swear (or affirm) that I/we prepared this return for the person named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the tax liability of the person for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this _____ day of _____, 194____

(Signature of person preparing the return)

(Signature of person preparing the return)

NOTARIAL
SEAL

(Signature of officer administering oath)

(Title)

(Name of firm or employer, if any)

NOTE.—In order that this return may be accepted as meeting the requirements of the Internal Revenue Code, the data called for herein must be set forth FULLY and CLEARLY.

DECLARED VALUE EXCESS-PROFITS AND DECLARED VALUE EXCESS-PROFITS DEFENSE TAX COMPUTATION. (See Instruction 34)

	Column 1	Col. 2 Rate	Column 3 Amount of Tax
1. Net income for declared value excess-profits tax computation (item 30, page 1)	\$ <u>None</u>		
2. Value of capital stock as declared in your capital stock tax return for the year ended June 30, 1940 (or for year ended June 30, 1941, if your income tax fiscal year began in 1940 and ended on or after July 31, 1941)	\$ <u>100,000.00</u>		
3. 10 percent of line 2	\$ <u>10,000.00</u>		
4. Dividends received credit (85 percent of column 2, Schedule E, but not in excess of 85 percent of item 34, page 1)	<u>10,000.00</u>		
5. Balance subject to declared value excess-profits tax (line 1 minus total of lines 3 and 4)	\$ <u>none</u>		
6. Amount taxable at 6 percent (5 percent of line 2, but not more than line 5); and tax		6%	\$
7. Balance taxable at 12 percent (line 5 minus line 6, column 1); and tax		12%	\$
8. Total declared value excess-profits tax (total of line 6, column 3, and line 7, column 3)			\$
9. Declared value excess-profits defense tax (10 percent of line 8)			\$
10. Total declared value excess-profits and declared value excess-profits defense taxes			\$ <u>No Tax</u>

INCOME AND INCOME DEFENSE TAX COMPUTATION. (See Instructions 35 and 36)

CORPORATIONS WITH NORMAL-TAX NET INCOMES OF NOT MORE THAN \$25,000. (See Instruction 36-(1))			
11. Normal-tax net income (item 36, page 1)	\$ <u>None</u>		
12. Portion of line 11 (not in excess of \$5,000); and tax at 13.5 percent		13.5%	\$
13. Portion of line 11 (in excess of \$5,000 and not in excess of \$20,000); and tax at 15 percent		15%	
14. Portion of line 11 (in excess of \$20,000); and tax at 17 percent		17%	
15. Total income tax (total tax in column 3 of lines 12, 13, and 14)			\$

16. Income defense tax (10 percent of line 15) \$ No Tax

CORPORATIONS WITH NORMAL-TAX NET INCOMES OF MORE THAN \$25,000 AND LESS THAN \$38,565.89. (See Instruction 35-(5))

17. Normal-tax net income (item 36, page 1)	\$		
18. Portion of line 17 in the amount of \$25,000; and tax	\$ <u>25,000.00</u>		\$ <u>3,775.00</u>
19. Portion of line 17 (in excess of \$25,000); and tax at 35 percent		35%	
20. Total income tax (total tax in column 3 of lines 18 and 19)			\$

21. Income defense tax:			\$
(a) If line 17 is less than \$31,964.30 (\$377.50 plus 3.3 percent of line 19, column 1)			\$
(b) If line 17 is \$31,964.30 or more (1.9 percent of line 17)			\$

CORPORATIONS WITH NORMAL-TAX NET INCOMES OF \$38,565.89 OR MORE. (See Instruction 35-(1))			
22. Normal-tax net income (item 36, page 1)	\$		
23. Income tax (22.1 percent of line 22)		22.1%	\$
24. Income defense tax (1.9 percent of line 22)			\$

SPECIAL CLASSES OF CORPORATIONS NOT SUBJECT TO GRADUATED INCOME TAX RATES. (See Instruction 36)

(I) FOREIGN CORPORATIONS ENGAGED IN BUSINESS WITHIN UNITED STATES. (See Instruction 36-(2))			
25. Normal-tax net income (item 36, page 1)	\$		
26. Income tax (22.1 percent of line 25)		22.1%	\$
27. Income defense tax (1.9 percent of line 25)			\$

(II) MUTUAL INVESTMENT COMPANIES. (See Instruction 36-(4))			
28. Adjusted net income (not including net operating loss deduction) (item 34, page 1, plus item 26, page 1)	\$		
29. Less: Basic surtax credit. (Submit schedule)	\$		
30. Balance subject to income tax	\$		
31. Income tax (22.1 percent of line 30)		22.1%	\$
32. Income defense tax (1.9 percent of line 30)			\$
33. Total income tax (line 15, 20, 23, 26, or 31, above, whichever is applicable)			\$
34. Total income defense tax (line 16, 21(a), 21(b), 24, 27, or 32, above, whichever is applicable)			\$
35. Total income and income defense taxes			\$ <u>No Tax</u>

Schedule A.—COST OF GOODS SOLD. (See Instruction 16)
(Where inventories are an income-determining factor)

Inventory at beginning of year	\$	
Material or merchandise bought for manufacture or sale		
Salaries and wages		
Other costs per books. (Attach itemized schedule)		
Total	\$	
Less: Inventory at end of year		
Cost of goods sold (enter as item 2, page 1)	\$	

Schedule B.—COST OF OPERATIONS
(Where inventories are not an income-determining factor)

Salaries and wages	\$ <u>13,282.06</u>
Other costs (to be detailed):	
(a) <u>Cost of Milling Ores</u>	<u>31,055.86</u>
(b) <u>Supplies</u>	<u>12,775.73</u>
(c) <u>Ore Transportation</u>	<u>6,685.58</u>
(d) <u>Power</u>	<u>1,297.64</u>
(e) <u>Marketing & Indust. Insur.</u>	<u>7,088.37</u>
Total (enter as item 5, page 1)	\$ <u>72,185.24</u>

Schedule C.—CAPITAL GAINS AND LOSSES. (See Instruction 20)

1. Description of Property	2. Date Acquired	3. Gross Sales Price (Contract price)	4. Cost or Other Basis	5. Expense of Sale and Cost of Improvements Subsequent to Acquisition or March 1, 1913	6. Depreciation Allowed (or allowable) Since Acquisition or March 1, 1913 (Furnish details)	7. Gain or Loss (column 3 plus column 6 minus the sum of columns 4 and 5)
SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR NOT MORE THAN 18 MONTHS						
		\$	\$	\$	\$	\$
Total net short-term capital gain (or loss). (Enter as item 11 (a), page 1, amount of gain. No net loss allowable)						\$

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 18 MONTHS

		\$	\$	\$	\$	\$
Total net long-term capital gain (or loss). (Enter as item 11(b), page 1)						\$

Schedule D.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS. (See Instruction 20)

1. Description of Property	2. Date Acquired	3. Gross Sales Price (Contract price)	4. Cost or Other Basis	5. Expense of Sale and Cost of Improvements Subsequent to Acquisition or March 1, 1913	6. Depreciation Allowed (or allowable) Since Acquisition or March 1, 1913 (Furnish details)	7. Gain or Loss (column 3 plus column 6 minus the sum of columns 4 and 5)
<u>Buick Sedan</u>	<u>1936</u>	\$ <u>433.00</u>	\$ <u>1,675.00</u>	\$	\$ <u>1,570.50</u>	\$ <u>328.50</u>
Total net gain (or loss). (Enter as item 11 (c), page 1)						\$ <u>328.50</u>

Supplemental information required for Schedules C and D

State with respect to each item of property reported in Schedules C and D: (1) how property was acquired For cash
 (2) whether at time of sale or exchange (a) purchaser owned directly or indirectly more than 50 percent in value of your outstanding stock, (b) where purchaser was a corporation, more than 50 percent in value of its capital stock and 50 percent in value of your capital stock was owned directly or indirectly by or for the same individual or his family, and (c) where purchaser was a corporation, whether more than 50 percent in value of its capital stock was owned directly or indirectly by you No If so, state name and address of purchaser _____

Page 3

*Except dividends received from corporations organized under the China Trade Act, 1922, and corporations entitled to the benefits of section 251 of the Internal Revenue Code, which dividends should be entered in column 4.

Schedule F.—COMPENSATION OF OFFICERS

NOTE.—Schedule F-1 (IN DUPLICATE) also must be filed with this return if compensation in excess of \$75,000 was paid to any officer or employee.

Schedule G.—BAD DEBTS. (See Instruction 23) (See note 1)

1. Check whether deduction claimed represents worthless debts charged off ☐, or is an addition to a reserve ☐.

2. Not including securities which are capital assets ascertained to be worthless and charged off within the taxable year. Such securities charged off within the year covered by this return should be reported in Schedule C.

Schedule H.—TAXES. (See Instruction 25)

Name and Address of Organization	Amount
	\$.....
Total. (Enter as item 22, page 1, subject to 5 percent limitation). (See Instruction 26).	\$.....

Schedule J.—DEPRECIATION. (See Instruction 28)

Total. (Enter as item 24, page 1) \$1,384 37

Schedule K.—OTHER DEDUCTIONS. (See Instruction 32)

See Schedule attached

QUESTIONS

1. Date of incorporation January 12, 1921
2. State or country Nevada
3. State collector's office where the corporation's return for the preceding year was filed Reno, Nevada
4. The corporation's books are in care of Corporation
Virginia City, Nevada
Located at _____
5. Number of places of business _____
6. Was the corporation during the taxable year engaged in the production of facilities for national defense through Government contracts or subcontracts? _____
7. Is the corporation a personal holding company within the meaning of section 501 of the Internal Revenue Code? No (If so, an additional return on Form 1120 H must be filed.)
8. Is this a consolidated return of railroad corporations or Pan-American trade corporations? No (If so, procure from the collector of internal revenue for your district Form 851, Affiliations Schedule, which shall be filled in, sworn to, and filed as a part of this return.)
9. If this is not a consolidated return of railroad corporations or Pan-American trade corporations, (a) did you own at any time during the taxable year 50 percent or more of the voting stock of another corporation either domestic or foreign? No; or (b) did any corporation, individual, partnership, trust, or association own at any time during the taxable year 50 percent or more of your voting stock? No (If either answer is "yes," attach separate schedule showing: (1) Name and address; (2) percentage of stock owned; (3) date stock was acquired; and (4) the collector's office in which the income tax return of such corporation, individual, partnership, trust, or association for the last taxable year was filed.)
10. Is this return made on the basis of cash receipts and disbursements? No If not, describe fully what other basis or method was used in computing net income accrual
11. State whether the inventories at the beginning and end of the taxable year were valued at cost, or cost or market, whichever is lower Cost If other basis is used, describe fully, state why used, and the date inventory was last reconciled with stock _____
12. Did the corporation make a return of information on Forms 1096 and 1099 for the calendar year 1940 (see Instruction 8-(1))? Yes
13. Did the corporation at any time during the taxable year own directly or indirectly any stock of a foreign corporation? (Answer "yes" or "no") No (If answer is "yes," attach statement as required by Instruction 12-(2).)

ASSETS	Beginning of Taxable Year		End of Taxable Year	
	Amount	Total	Amount	Total
1. Cash		\$ 701 52		\$ 515 11
2. Notes and accounts receivable	\$ 76 70		\$ 4,479 33	
Less: Reserve for bad debts		76 70		4,479 33
3. Inventories (itemize)				
Supplies	\$ 87 56	87 56	\$ 1,715 31	1,715 31
4. Investments (Government obligations):				
(a) State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	\$		\$	
(b) United States				
(c) Instrumentalities of the United States				
5. Other investments (itemize) Treasury Stock	\$ 210,818 00		\$ 210,818 00	
Bank of Domestic Corporation	19,994 32	230,812 32	19,994 32	230,812 32
6. Capital assets:				
(a) Depreciable assets (itemize) Autos & Trucks	\$ 2,836 17		\$ 3,256 65	
Buildings & Equipment	7,842 68		22,475 04	
Total depreciable assets	\$ 10,678 85		\$ 25,731 69	
Less: Reserve for depreciation	3,859 43	6,819 42	3,673 30	22,058 39
(b) Depletable assets	2,419,799 15		2,419,799 15	
Less: Reserve for depletion		2,419,799 15		2,419,799 15
(c) Land		500 00		500 00
7. Other assets (itemize) Discount on Stock	\$ 1,713,335 97		\$ 1,713,335 97	
Commissions on Stock Sales & Misc.	17,566 16	1,730,902 13	17,485 96	1,730,821 93
8. TOTAL ASSETS		\$ 4,389,698 80		\$ 4,410,701 54
LIABILITIES				
9. Accounts payable		\$ 6,595 51		\$ 23,081 05
10. Bonds, notes, and mortgages payable:				
(a) With original maturity of less than 1 year	\$ 8,417 13		\$ 8,917 13	
(b) With original maturity of 1 year or more		8,417 13	1,050 59	9,967 72
11. Accrued expenses (itemize) Taxes	\$ 1,174 04		\$ 2,360 52	
Interest	781 03	1,955 07	1,359 34	3,719 86
12. Other liabilities (itemize)	\$		\$	
13. Surplus reserves (itemize)	\$		\$	
14. Capital stock:				
(a) Preferred stock	\$		\$	
(b) Common stock	\$ 4,189,510 00	4,189,510 00	\$ 4,189,510 00	4,189,510 00
15. Paid-in or capital surplus				
16. Earned surplus and undivided profits		183,221 09		184,422 91
17. TOTAL LIABILITIES		\$ 4,389,698 80		\$ 4,410,701 54

Schedule M.—RECONCILIATION OF NET INCOME AND ANALYSIS OF EARNED SURPLUS AND UNDIVIDED PROFITS

1. Total distributions to stockholders charged to earned surplus during the taxable year:			13. Earned surplus and undivided profits at close of preceding taxable year (Schedule L)	\$ 183,221 09
(a) Cash	\$		14. Adjusted net income (item 34, page 1)	none
(b) Stock of the corporation			15. Nontaxable and partially exempt income:	
(c) Other property			(a) Interest on:	
2. Contributions (excess over 5 percent limitation)	30 00		(1) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	
3. Federal income taxes			(2) Obligations of the United States issued on or before Sept. 1, 1917, Treasury notes, Treasury bills, and Treasury certificates of indebtedness	
4. Income taxes claimed as a credit in whole or in part in item 38, page 1			(3) United States savings bonds and Treasury bonds owned in the principal amount of \$5,000 or less	
5. Federal taxes paid on tax-free covenant bonds			(4) United States savings bonds and Treasury bonds owned in the principal amount of over \$5,000	
6. Excess of short-term capital losses over short-term capital gains			(5) Obligations of instrumentalities of the United States	
7. Additions to surplus reserves (list separately):			(b) Other nontaxable income (itemize):	
(a)			(1)	
(b)			(2)	
8. Other unallowable deductions:			16. Charges against surplus reserves (itemize):	
(a)			(a)	
(b)			(b)	
9. Adjustments not recorded on books (itemize):			17. Adjustments not recorded on books (itemize):	
(a)			(a) Net Operating Loss De-	1,231 82
(b)			(b) duction	
10. Sundry debits to earned surplus (itemize):			18. Sundry credits to earned surplus (itemize):	
(a)			(a)	
(b)			(b)	
11. Earned surplus and undivided profits at close of the taxable year (Schedule L)	184,422 91		19. Total of lines 13 to 18	\$ 184,452 91
12. Total of lines 1 to 11	\$ 184,452 91			

EXCESS PROFITS TAX (Second Revenue Act of 1940). (See Instructions for Form 1121)

- (a) Is an excess profits tax return on Form 1121 being filed for the taxable period covered by this return? **No**
- (b) A corporation joining in the making of a consolidated excess profits tax return should indicate below the name and address of the corporation which filed the consolidated excess profits tax return for the entire affiliated group, and the internal revenue district in which the consolidated return is filed
- (c) If a personal service corporation signifies below its desire not to be subject to the excess profits tax, it shall be exempt from such tax and the provisions of Supplement S, Chapter 1, shall apply to the shareholders in such corporation who were such shareholders on the last day of the taxable year of the corporation. (Attach Form 1121PS.)
- (d) If corporation claims exemption under section 727 of the Internal Revenue Code, state basis of claim
- (e) If an excess profits tax return is not being filed for the reason that it is claimed that the excess profits net income computed under the invested capital method is not greater than \$5,000, the following Schedule N should be filled in. The completion of Schedule N does not constitute the filing of an excess profits tax return.

Schedule N.—EXCESS PROFITS NET INCOME COMPUTATION

1. Normal-tax net income (item 36, page 1)	\$ None	5. Dividends received credit adjustment (item 12, page 1, excluding dividends received from foreign personal holding companies, minus item 35, page 1)	\$
2. 50 percent of interest on borrowed capital	289 16	6. Income and income defense taxes (item 39, page 1)	
3. Net long-term capital loss (item 11 (b), page 1)		7. Net long-term capital gain (item 11 (b), page 1)	
4. Total of lines 1 to 3	\$ 289 16	8. Net gain from sale or exchange of depreciable property held more than 18 months	
		9. Income from retirement of bonds, etc.	
		10. Refunds and interest on Agricultural Adjustment Act taxes	
		11. Recoveries of bad debts	
		12. Total of lines 5 to 11	\$
13. Excess profits net income (for purpose of determining necessity for filing return) (line 4 minus line 12)	\$		

1200 0092

UNITED STATES

309
item 74 Page 1Form 1120
Treasury Department
Internal Revenue Service

CORPORATION INCOME AND DECLARED VALUE EXCESS-PROFITS TAX RETURN

1941

For Calendar Year 1941

or fiscal year beginning _____, 1941, and ending _____, 1942

PRINT PLAINLY CORPORATION'S NAME AND ADDRESS

CONSOLIDATED VIRGINIA MINING COMPANY

(Name)

C street

(Street and number)

Virginia City

(Post office)

Storey

(County)

Nevada

(State)

Kind of business: Mining - Gold and silver

Business group serial number (from Instruction N) 4

File
CodeSerial
No.

District

(Cashier's stamp)

Cash Check M. O.
First Payment

NORMAL-TAX NET INCOME COMPUTATION

Item and Instruction No.	GROSS INCOME			
1. Gross sales (where inventories are an income-determining factor)	\$	Less: Returns and allowances	\$	\$
2. Less: Cost of goods sold. (From Schedule A)				
3. Gross profit from sales				\$
4. Gross receipts (where inventories are not an income-determining factor)	\$	132,502 00		
5. Less: Cost of operations. (From Schedule B)		96,603 85		
6. Gross profit where inventories are not an income-determining factor			35,898 15	
7. Interest on loans, notes, mortgages, bonds, bank deposits, etc.				
8. (a) Interest on certain obligations of the United States issued prior to March 1, 1941. (From Schedule M, line 15 (a) (5))				
(b) Interest on Treasury Notes of the National Defense Series and obligations issued on or after March 1, 1941, by the United States or any agency or instrumentality thereof. (Submit schedule)			495 00	
9. Rents				
10. Royalties				
11. (a) Net short-term capital gain. (From Schedule C)				
(b) Net long-term capital gain (or loss). (From Schedule C)				
(c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule D)			Loss 641 76	
12. Dividends. (From Schedule E)				
13. Other income. (State nature) Transfer Fees \$19.00 - Sale of Junk \$934.40			953 40	
14. Total income in items 3, and 6 to 13, inclusive				\$ 36,704 79
DEDUCTIONS				
15. Compensation of officers. (From Schedule F)			7,800 00	
16. Salaries and wages (not deducted elsewhere)				
17. Rent			211 50	
18. Repairs				
19. Bad debts. (From Schedule G)			614 89	
20. Interest				
21. Taxes. (From Schedule H) (Deduct declared value excess-profits and excess profits taxes as items 33 and 35)			3,376 07	
22. Contributions or gifts paid. (From Schedule I)				
23. Losses by fire, storm, shipwreck, or other casualty, or theft. (Submit schedule)			2,685 14	
24. Depreciation. (From Schedule J)			8,640 40	
25. Depletion of mines, oil and gas wells, timber, etc. (Submit schedule)			11,096 02	
26. Net operating loss deduction. (Submit statement)				
27. Amortization. (Submit schedule)			3,929 76	
28. Other deductions authorized by law. (From Schedule K)				
29. Total deductions in items 15 to 28, inclusive			Loss 38,353 78	
30. Net income for declared value excess-profits tax computation (item 14 minus item 29)			Loss 1,648 99	
31. Add: Interest on obligations of certain instrumentalities of the United States issued prior to March 1, 1941. (From Schedule M, line 15 (a) (6))			Loss 1,648 99	
32. Total of lines 30 and 31				
33. Less: Declared value excess-profits tax			Loss 1,648 99	
34. Net income for capital stock tax purposes				
35. Less: Excess profits tax			Loss 1,648 99	
36. Net income				
37. Less: Interest on certain obligations of the United States and its instrumentalities issued prior to March 1, 1941. (Enter total of lines 8 (a) and 31)			Loss 1,648 99	
38. Adjusted net income				
39. Less: Dividends received credit (85 percent of column 2, Schedule E, but not in excess of 85 percent of item 38, above)			Loss 1,648 99	
40. Normal-tax net income				
TOTAL INCOME AND DECLARED VALUE EXCESS-PROFITS TAXES				
41. Total income tax (line 33, page 2)				
42. Less: Credit for income taxes paid to a foreign country or United States possession allowed a domestic corporation				
43. Balance of income tax				
44. Total declared value excess-profits tax (line 8, page 2)				
45. Total income and declared value excess-profits taxes due				

AFFIDAVIT. (See Instruction E)

We, the undersigned, president (or vice president, or other principal officer) and treasurer (or assistant treasurer, or chief accounting officer) of the corporation for which this return is made, being severally duly sworn, each for himself deposes and says that this return (including any accompanying schedules and statements) has been examined by him and is, to the best of his knowledge and belief, a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Internal Revenue Code and the regulations issued thereunder.

Subscribed and sworn to before me this _____ day of _____, 194____

(Signature of officer administering oath) (Title)

NOTARIAL
SEALCORPORATE
SEAL(Treasurer, Assistant Treasurer, or Chief Accounting Officer)
(State title)

AFFIDAVIT. (See Instruction E)

I/we swear (or affirm) that I/we prepared this return for the person named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the tax liability of the person for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this _____ day of _____, 194____

(Signature of person preparing the return)

(Signature of person preparing the return)

(Name of firm or employer, if any)



Line No.	Column 1	Col. 2 Rate	Column 3 Amount of Tax
1. Net income for declared value excess-profits tax computation (item 30, page 1) Loss	\$ 1,648 99		
2. Value of capital stock as declared in your capital stock tax return for the year ended June 30, 1941 (or for year ended June 30, 1942, if your income tax fiscal year began in 1941 and ended on or after July 31, 1942) \$ 200,000.00			
3. 10 percent of line 2	\$ 20,000 00		
4. Dividends received credit (85 percent of column 2, Schedule E, but not in excess of 85 percent of item 38, page 1)			
5. Balance subject to declared value excess-profits tax (line 1 minus total of lines 3 and 4)	\$ Nil		
6. Amount taxable at 6.6 percent (5 percent of line 2, but not more than line 5); and tax		6.6%	\$
7. Balance taxable at 13.2 percent (line 5 minus line 6, column 1); and tax		13.2%	\$
8. Total declared value excess-profits tax (total of line 6, column 3, and line 7, column 3)			\$ Nil

INCOME TAX COMPUTATION. (See Computation Instructions)

NORMAL TAX COMPUTATION			
Domestic corporations with normal-tax net incomes of less than \$38,461.54			
9. Normal-tax net income (item 40, page 1) Loss	\$ 1,648 99		
10. Portion of line 9 (not in excess of \$5,000); and tax at 15 percent		15%	\$ Nil
11. Portion of line 9 (in excess of \$5,000 and not in excess of \$20,000); and tax at 17 percent		17%	
12. Portion of line 9 (in excess of \$20,000 and not in excess of \$25,000); and tax at 19 percent		19%	
13. Portion of line 9 (in excess of \$25,000); and tax at 37 percent		37%	
14. Total normal tax (total tax in column 3 of lines 10, 11, 12, and 13)			\$

Domestic corporations with normal-tax net incomes of \$38,461.54 or more and foreign corporations engaged in business within the United States irrespective of amount of normal-tax net income			
15. Normal-tax net income (item 40, page 1)	\$		
16. Normal tax (24 percent of line 15)		24%	\$

SURTAX COMPUTATION			
17. Net income (item 36, page 1)	\$		
18. Less: Dividends received credit (85 percent of column 2, Schedule E, but not in excess of 85 percent of line 17)			
19. Surtax net income	\$		
20. Portion of line 19 (not in excess of \$25,000); and tax at 6 percent		6%	\$
21. Portion of line 19 (in excess of \$25,000); and tax at 7 percent		7%	
22. Total surtax (total tax in column 3 of lines 20 and 21)			\$

NORMAL TAX AND SURTAX COMPUTATION FOR MUTUAL INVESTMENT COMPANIES			
23. Adjusted net income (computed without net operating loss deduction) (item 38, page 1, plus item 26, page 1)	\$		
24. Less: Basic surtax credit. (Submit schedule)			
25. Supplement Q net income	\$		
26. Normal tax (24 percent of line 25)		24%	\$
27. Net income (computed without net operating loss deduction) (item 36, page 1, plus item 26, page 1)	\$		
28. Less: Dividends paid (including consent dividends credit)			
29. Supplement Q surtax net income	\$		
30. Portion of line 29 (not in excess of \$25,000); and tax at 6 percent		6%	\$
31. Portion of line 29 (in excess of \$25,000); and tax at 7 percent		7%	
32. Total surtax (total tax in column 3 of lines 30 and 31)			\$ Nil
33. Total normal tax and surtax (line 14, 16, or 26 plus line 22 or 32, whichever is applicable)			\$

Schedule A.—COST OF GOODS SOLD. (See Instruction 2) (Where inventories are an income-determining factor)		Schedule B.—COST OF OPERATIONS (Where inventories are not an income-determining factor)	
Inventory at beginning of year	\$	Salaries and wages	\$ 21,125 69
Material or merchandise bought for manufacture or sale		Other costs (to be detailed):	
Salaries and wages		(a) Supplies and Materials	36,122 57
Other costs per books. (Attach itemized schedule)		(b) Hauling & Moving Overburden	23,198 92
Total	\$	(c) Industrial Insurance	908 86
Less: Inventory at end of year		(d) Marketing Charges	2,639 21
Cost of goods sold (enter as item 2 page 1)	\$	(e) Power	7,608 60
		Total (enter as item 5, page 1)	\$ 96,603 85

Schedule C.—CAPITAL GAINS AND LOSSES. (See Instruction 11)						
1. Description of Property	2. Date Acquired	3. Gross Sales Price (Contract price)	4. Cost or Other Basis	5. Expense of Sale and Cost of Improvements Subsequent to Acquisition or March 1, 1913	6. Depreciation Allowed (or allowable) Since Acquisition or March 1, 1913 (Furnish details)	7. Gain or Loss (column 3 plus column 6 minus the sum of columns 4 and 5)
SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR NOT MORE THAN 18 MONTHS						
		\$	\$	\$	\$	\$
Total net short-term capital gain (or loss) for the taxable year (no net loss allowable)						\$
Net short-term capital loss of preceding taxable year (not in excess of the net income for such year). (Deduct from total net short-term capital gain in column 7)						\$
Total net short-term capital gain (or loss). (Enter as item 11 (a), page 1, amount of gain. No net loss allowable)						\$

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 18 MONTHS						
1. Description of Property	2. Date Acquired	3. Gross Sales Price (Contract price)	4. Cost or Other Basis	5. Expense of Sale and Cost of Improvements Subsequent to Acquisition or March 1, 1913	6. Depreciation Allowed (or allowable) Since Acquisition or March 1, 1913 (Furnish details)	7. Gain or Loss (column 3 plus column 6 minus the sum of columns 4 and 5)
		\$	\$	\$	\$	\$
Total net long-term capital gain (or loss). (Enter as item 11 (b), page 1)						\$

Schedule D.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS. (See Instruction 11)						
1. Description of Property	2. Date Acquired	3. Gross Sales Price (Contract price)	4. Cost or Other Basis	5. Expense of Sale and Cost of Improvements Subsequent to Acquisition or March 1, 1913	6. Depreciation Allowed (or allowable) Since Acquisition or March 1, 1913 (Furnish details)	7. Gain or Loss (column 3 plus column 6 minus the sum of columns 4 and 5)
Auto	1940	\$ 859 80	\$ 2,095 48		\$ 523 92	\$ L 711 76
ore cars	1935	200 00	260 00		130 00	70 00
Total net gain (or loss). (Enter as item 11 (c), page 1)						\$ L 641 76

Supplemental information required for Schedules C and D

State with respect to each item of property reported in Schedules C and D: (1) how property was acquired **Purchase** (2) whether at time of sale or exchange (a) purchaser owned directly or indirectly more than 50 percent in value of your outstanding stock, (b) where purchaser was a corporation, more than 50 percent in value of its capital stock and 50 percent in value of your capital stock was owned directly or indirectly by or for the same individual or his family, and (c) where purchaser was a corporation, whether more than 50 percent in value of its capital stock was owned directly or indirectly by you **No** If so, state name and address of purchaser

*Except dividends received from corporations organized under the China Trade Act, 1922, and corporations entitled to the benefits of section 251 of the Internal Revenue Code, which dividends should be entered in column 4.
Dividends on share accounts in Federal savings and loan associations should not be listed, but the amount should be included in items 31 and 37, page 1.

1. Name and Address of Officer	2. Official Title	3. Time Devoted to Business	Percentage of Corporation's Stock Owned		6. Amount of Compensation	
			4. Common	5. Preferred		
Zeb Kendall	President	All			\$ 6,000	00
W. J. Henley	Secretary	Part			1,800	00
Total compensation of officers. (Enter as item 15, page 1)					\$ 7,800	00

NOTE.—Schedule F-1 (IN DUPLICATE) also must be filed with this return if compensation in excess of \$75,000 was paid to any officer or employee.

[illegible]

- Schedule H.—TAXES.**
- (See Instruction 21)

Nature	Amount
Social Security Taxes	\$ 1,117 43
Real Estate & Personal Property	854 38
Billion Tax	873 66
Capital Stock Tax	500 00
Transfer Tax	30 60
Total. (Enter as item 21, page 1)	\$ 3,376 07

Name and Address of Organization	Amount
	\$ _____
Total. (Enter as item 22, page 1, subject to 5 percent limitation). (See Instruction 22).	\$ _____

[illegible]

Light, Heat and Power	20.50	Telephone and Telegraph	64.21
Office Supplies	46.86	Auto and Truck Expense	2,393.46
Office Postage	76.09	Legal and Audit Expense	243.45
Office and General Expense	759.26	Insurance	325.93
			3,929.76

1. Date of incorporation January 12, 1921
2. State or country Nevada
3. State collector's office where the corporation's return for the preceding year was filed Reno Nevada
4. The corporation's books are in care of Company
Located at Virginia City, Nevada
5. Number of places of business One
6. Was the corporation during the taxable year engaged in the production of facilities for national defense through Government contracts or subcontracts? No
7. Is the corporation a personal holding company within the meaning of section 501 of the Internal Revenue Code? No (If so, an additional return on Form 1120 H must be filed.)
8. Is this a consolidated return of railroad corporations or Pan-American trade corporations? No (If so, procure from the collector of internal revenue for your district Form 851, Affiliations Schedule, which shall be filled in, sworn to, and filed as a part of this return.)
9. If this is not a consolidated return of railroad corporations or Pan-American trade corporations, (a) did you own at any time during the taxable year 50 percent or more of the voting stock of another corporation either domestic or foreign? No; or (b) did any corporation, individual, partnership, trust, or association own at any time during the taxable year 50 percent or more of your voting stock? No (If either answer is "yes," attach separate schedule showing

- ing: (1) Name and address; (2) percentage of stock owned; (3) date stock was acquired; and (4) the collector's office in which the income tax return of such corporation, individual, partnership, trust, or association for the last taxable year was filed.)
10. Is this return made on the basis of cash receipts and disbursements? No If not, describe fully what other basis or method was used in computing net income Accrual
11. If answer to Question 10 is "yes," do you elect under section 42 to include as income received in the current year the increase for the current and prior years in redemption price of noninterest-bearing obligations issued at a discount? _____ If so, attach statement listing obligations owned and computation of accrued income. Report such income as interest in item 7 or 8, whichever is applicable.
12. State whether the inventories at the beginning and end of the taxable year were valued at cost, or cost or market, whichever is lower Cost If other basis is used, describe fully, state why used, and the date inventory was last reconciled with stock _____
13. Did the corporation make a return of information on Forms 1096 and 1099 for the calendar year 1941 (see Instruction G-(1))? Yes
14. Did the corporation at any time during the taxable year own directly or indirectly any stock of a foreign corporation? (Answer "yes" or "no") No (If answer is "yes," attach statement as required by Instruction K-(3).)

CONSOLIDATED VIRGINIA MINING COMPANY
Tax Return 1941
Depletion Allowance

Gross Income

Bullion Sales		24,860.41
Ore Sales (Concentrates)		107,574.92
Royalties from Leases		66.67
		<u>132,502.00</u>
Less: Marketing Charges		
Bullion	313.65	
Marketing Charges		
Concentrates	<u>2,325.56</u>	<u>2,639.21</u>

Gross Income From Property 129,862.79

Deductions

Cost of Operations	96,603.85	
Less: Marketing Charges	<u>2,639.21</u>	93,964.64
Compensation of Officers		7,800.00
Repairs		211.50
Interest		614.89
Taxes		3,376.07
Depreciation		2,685.14
Other Deductions		<u>3,929.76</u>

Net Income From Property 112,582.00
17,280.79

DEPLETION

15% of Gross Income from Property - 15% of \$129,862.79 19,479.42

50% of Net Income from Property - 50% of \$ 17,280.79 8,640.40

NET OPERATING LOSS DEDUCTION

1939 Net Operating Loss	12,430.95
1940 Normal Tax Net Income before Operating	
Loss Deduction	<u>1,231.82</u>
	<u>11,199.13</u>
Less: 1940 Additional Income	<u>103.11</u>
Net Operating Loss Deduction Allowable	<u>11,096.02</u>

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C.

FORM 10-K

For Corporations

ANNUAL REPORT

For Fiscal Year Ended December 31, 1936

Consolidated Virginia Mining Company

(Name of Registrant)

"C" Street, Virginia City, Nevada

(Address of Principal Executive Offices)

State of Nevada

January 12, 1921

(The State or Other Sovereign Power under which Incorporated and Date of Incorporation)

Perpetual

(Date of Termination of Charter)

First Monday in June of each year at the office of the company
on "C" Street, Virginia City, Nevada

(Date and Place of Annual Meetings)

TABLE OF SECURITIES REGISTERED

Securities Registered			Names of Exchanges on which Registered
Title of Issue	Amount as of close of Fiscal Year		
	Amount as to which regis- tration is effective	Amount to be registered upon notice of issuance	
Consolidated Virginia Mining Company Common Stock (non- assessable) (Par Value \$1.00 per share)	<i>Outstanding 2,953,692</i> <i>Treasury 620,818</i> 2,953,692	<i>835,490</i> 1,901,196	San Francisco Mining Exchange

Name and address of person authorized to receive notices and

communications from the Securities and Exchange Commission:
Zeb Kendall, President, Virginia City, Nevada
W. J. Henley, Secretary, Virginia City, Nevada

MANAGEMENT AND CONTROL

2. List the names and addresses of all directors and officers of the registrant. Indicate the office or offices held. If any person is both an officer and director, so state.

Name	Address	Office
Zeb Kendall Clarence M. Porter	Virginia City, Nevada Virginia City, Nevada	President and Director Vice President & Ass't. Sec. & Treas.
A. L. Kendall W. J. Henley	Virginia City, Nevada Virginia City, Nevada	Second Vice Pres. & Director Secretary, Treasurer and Director
Geo. B. Thatcher P. R. Coryell C. R. Adams Key Pittman	Reno, Nevada Virginia City, Nevada 62 Faragut Ave., Piedmont, Calif. Washington, D. C.	Director Director Director Director

3. Give the information required below for all persons owning of record more than 10 per cent of any class of equity securities of the registrant.

As of January 31, 1937 (Insert date within 93 days)

Name and address	Title of issue	Amount owned	Per cent of the class
William Kendall Alexander Building San Francisco, Calif.	Capital Stock - Consolidated Virginia Mining Company non-assessable per value \$1.00 per share	977,292	33.10

The information required to be given under the items herein set forth is more specifically defined in the "Instruction Book for Form 10-K for Corporations".

The Instruction Book also sets forth requirements as to exhibits which are to accompany the annual report.

AFFILIATIONS

1. List the following and indicate the respective percentages of voting power, or other basis of control, as required by the Instructions:

(a) All subsidiaries of the registrant.

(b) All parents of the registrant.

(a) None

(b) None

4. Give the following information as to the registrant's securities, other than equity securities, owned by each director and each officer of the registrant. The statements are to be made both as to the securities owned of record and those owned beneficially.

As of December 31, 1936

Name	Office	Securities Owned		
		Title of Issue	Amount of Record	Amount Beneficially
Zeb Kendall	President & Director		10 shares	577,500 shares
Clarence M. Porter	Vice Pres. & Ass't. Sec. & Treas.		500 shares	none
A. L. Kendall	2nd V.P. & Director		none	none
W. J. Henley	Sect., Treas. & Director		6 shares	6 shares
Geo. B. Thatcher	Director		2,000 shares	10,832 shares
P. R. Coryell	Director		none	none
G. R. Adams	Director		62,250 shares	62,250 shares
Key Pittman	Director		none	33,490 shares

5. State briefly the general effect of:

(a) material changes, made within the fiscal year and not previously reported, in contracts and arrangements of the categories enumerated below which have been previously reported; (b) such contracts and arrangements, made or in effect within the fiscal year and not previously reported, including the dates thereof and names of parties thereto.

(i) material management or general supervisory contracts providing for management of, or services to, the registrant or any of its subsidiaries;

(ii) material advisory, construction or service contracts with affiliates providing for management of, or services to, the registrant or any of its subsidiaries;

(iii) material contracts, except as provided by the instructions, between the registrant or any affiliate of the registrant on the one hand, and, on the other hand, any director or officer of the registrant, any principal underwriter of any securities of the registrant sold by the registrant within the past three fiscal years, or any security holder named in answer to Item 3;

(iv) material bonus and profit-sharing arrangements.

(a) and (b)

- (I) none
- (II) none
- (III) none
- (IV) none

6. As to any options outstanding at the close of the fiscal year to purchase securities of the registrant from the registrant: (a) state the amount, with the title of the issue, called for by such options; (b) outline briefly the prices, expiration dates, and other material conditions on which such options may be exercised; (c) give the name and address of each person holding such options calling for more than five per cent of the total amount subject to option, and give the amount called for by the options of each such person; and (d) for each class of such options not previously reported state the consideration for the granting thereof.

none

BUSINESS

7. Describe briefly the material changes which may have occurred within the fiscal year in the general character of the business done by the registrant and its subsidiaries.

no change

FINANCIAL STATEMENTS

8. Submit financial statements in accordance with the Instructions and the Rules and Regulations of the Commission supplementary thereto.

(The financial statements and schedules are to be inserted at this point in the annual report.)

Balance Sheet Pages 5-a to 5-h inclusive

Profit and Loss Statement - Pages 5-i to 5-j inclusive

REMUNERATION OF DIRECTORS OFFICERS AND OTHERS

9. Give the information required below in tabular form concerning the aggregate remuneration paid by the registrant and its subsidiaries, directly or indirectly, to the following persons in all of their capacities:

(a) The name and aggregate remuneration of each person among the officers, directors and employees of the registrant receiving one of the three highest aggregate amounts of remuneration.

(b) The aggregate remuneration of all directors of the registrant; indicate the number of such directors without naming them.

(c) The aggregate remuneration of all officers, other than those who are directors, of the registrant; indicate the number of such officers without naming them.

(d) The aggregate remuneration of all employees of the registrant who, respectively, received remuneration from the registrant in excess of \$20,000 within the fiscal year; indicate the number of such employees without naming them.

Name, or number of persons not named	Capacities in which remuneration was received	Aggregate remuneration within registrant's fiscal year
(a) Zeb Kendall W.J. Henley Clarence M. Porter A. L. Kendall	President Secretary and Treasurer V. Pres., Ass't. Sec. & Treas. 2nd V. Pres. & Superintendent	\$ 6,000.00 1,800.00 1,783.75 1,471.50
(b) Seven Directors	Directors	135.00
(c) One		1,783.75
(d) None		

10. State the name of, and amount received by, each person who received as bonuses or shares in profits \$30,000, or more, from the registrant or its wholly-owned subsidiaries, during the fiscal year.

none

11. Give the information required below in tabular form concerning the aggregate remuneration paid by the registrant, directly or indirectly, to any person, other than a director, officer, or employee, whose aggregate remuneration from the registrant, in all capacities, exceeded \$20,000 during the fiscal year.

Name	Capacities in which remuneration was received from the registrant	Aggregate remuneration during registrant's fiscal year
none		

SALES OF SECURITIES BY REGISTRANT

12. Furnish the following information as to all securities of the registrant sold by the registrant within the fiscal year:

(a) Title of issue; and, if stock, the par value, or, if no par, stated value, if any.

(b) Amount sold.

(c) Date of sale.

(d) Aggregate net cash proceeds, or the nature and aggregate amount of any consideration other than cash, received by the registrant.

(e) Names of principal underwriters, if any, indicating any such underwriters as were affiliates of the registrant.

(f) A statement that such securities were registered under the Securities Act of 1933, or a brief statement of the facts necessary to establish that such registration was not required.

(a) Common Stock, Consolidated Virginia Mining Company.
non-assessable - par value \$1.00 per share.

(b) 202,427 shares

(c) 158,497	January 1936
18,555	February 1936
25,275	March 1936
100	April 1, 1936

(d) The aggregate net cash proceeds received by the applicant were \$40,485.40 or 20¢ per share.

(e) None

(f) The securities issued during 1936 have been registered under the Securities Act of 1933.

13. As to any securities for which application for registration under the Securities Exchange Act of 1934 had been filed and which remained unissued at the close of the fiscal year, furnish the following information:

- (a) Title of issue.
- (b) The total amount unissued at the close of the fiscal year.
- (c) A brief description of the proposed transactions for the issuance of such securities.

(a) Consolidated Virginia Mining Company, Common Stock, non-assessable
(par value \$1.00 per share)

(b) 1,901,196 shares

(c) These securities will be sold at public or private sale or by offering same for subscription as and when the Board of Directors of said corporation may deem it necessary and proper.

DESCRIPTION OF SECURITIES

14. (a) If any material modifications, not previously reported, have been made in any security a description of which has previously been reported, or in the indenture, charter or other constituent instrument defining rights of the holders of such security, give the title of the issue and state briefly the general effect of such modifications.

(b) For each class of capital stock of the registrant a description of which has not previously been reported, and which, either as to dividends or on liquidation, ranks equal or prior to any stock registered on a national securities exchange, outline briefly: (1) dividend rights; (2) limitations in any indentures or other agreements on the payment of dividends; (3) voting rights; (4) liquidation rights; (5) preemptive rights; (6) subscription rights; (7) conversion rights; (8) redemption provisions applicable thereto; and (9) liability to further calls.

(a) At a special meeting of the stockholders of the corporation held on September 22, 1936, the following amendment to the Articles of Incorporation was adopted and added as a new provision to said articles:

"The treasury stock and any new stock of this corporation may be sold by the Board of Directors of the company at either public or private sale, or by offering same for subscription upon such terms, conditions, and at such price as the Board of Directors shall from time to time deem proper, and it shall not be necessary for the Board of Directors to offer stockholders of the corporation any treasury stock or new stock of the company, and the stockholders shall not have the right to purchase his pro-rata share of any new stock or of treasury stock of the company unless the Board of Directors shall deem such action advisable, and so declare and authorize by resolution duly adopted."

(b) None

15. State briefly the general effect of:

(a) Any material modifications, made within the fiscal year and not previously reported, in contracts of guarantee by the registrant of the securities of other issuers, which have been previously reported.

(b) Any such contracts made within the fiscal year and not previously reported.

(a) none

(b) none

CONSOLIDATED VIRGINIA MINING COMPANY
BALANCE SHEET
AS AT DECEMBER 31, 1936

- - -

A S S E T S

CURRENT:

Cash and Cash Items

Cash on Hand and

Demand Deposits

\$ 4,112.87

Accounts Receivable

(Current)

17.73

Inventory - Supplies

87.56

TOTAL CURRENT ASSETS

\$ 4,218.16

INVESTMENTS:

Other Security Investments (Schedule I-A)

17,693.80

FIXED ASSETS:

Mine Property, Plant and Equipment

2,437,858.40

(See Schedule II)

DEFERRED CHARGES:

Reorganization Expense

8,604.06

OTHER ASSETS:

Prepaid Insurance

\$ 448.12

Deposit - Nevada Industrial Commission

653.98

1,102.10

TOTAL ASSETS

\$2,469,476.52

LIABILITIES, CAPITAL STOCK AND SURPLUS

CURRENT:

Accounts Payable (Current)

\$ 1,018.16

Accrued Taxes

1,641.59

TOTAL CURRENT LIABILITIES

\$ 2,659.75

CAPITAL STOCK AND SURPLUS:

Capital Stock (Schedule VIII)

Common - Authorized

(5,000,000 shares, \$1.00

per share, par value non-

assessable)

\$5,000,000.00

Less, Unissued Stock

835,490.00

\$4,164,510.00

Less: Treasury Stock

1,210,818 shares

1,210,818.00

Outstanding common Stock

\$2,953,692.00

Stock Discount & Expense

722,777.57

2,230,914.43

SURPLUS (See Schedule IX)

Capital Surplus

\$ 674,031.89

Operating Deficit

438,129.55

235,902.34

TOTAL CAPITAL STOCK & SURPLUS

2,466,816.77

TOTAL LIABILITIES & CAPITAL

\$2,469,476.52

From the records and accounts, and from information furnished us by the officers of the company, we could find no contingent liabilities.

CONSOLIDATED VIRGINIA MINING COMPANY
SCHEDULE 1-a
OTHER SECURITY INVESTMENTS

The common stock of the Mexican Gold and Silver Mining Company in the amount of 49,741 shares is carried at a value of \$17,693.80 as at December 31, 1936, which is the same value reported December 31, 1935. None of the shares owned have been pledged to secure any indebtedness.

CONSOLIDATED VIRGINIA MINING COMPANY
SCHEDULE II
MINING PROPERTY, PLANT AND EQUIPMENT

CLASSIFICATIONS OF PROPERTY	BALANCE AT BEGINNING OF YEAR AS PER ACCOUNTS	ADDITIONS DURING PERIOD AT COST	OTHER DEDUCTIONS	BALANCE AT CLOSE OF THE PERIOD
(a) Mining Rights & Properties	\$2,367,115.49	-	-	\$2,367,115.49
(b) Mine Buildings	906.05	-	-	906.05
(c) Mine Tools & Equipment	4,889.81	\$ 714.79	\$1,184.38	4,420.22
(d) Hoist	5,000.00	-	-	5,000.00
(e) Mine Develop- ment	32,843.14	19,840.52	-	52,683.66
(f) Automobiles & Trucks	1,408.65	1,850.00	988.16	2,270.49
(g) Office Building & Real Estate	2,500.00	-	-	2,500.00
(h) Office Equipment & Furniture & Fixtures	675.91	140.50	-	816.41
(i) New Mill	2,146.08	-	-	2,146.08
TOTALS	\$2,417,485.13	\$22,545.81	\$2,172.54	\$2,437,858.40

CONSOLIDATED VIRGINIA MINING COMPANY

The development of ore bodies continued to July 1, 1936 at an expenditure of \$19,840.52 for labor, supplies and materials. This expenditure was applied as follows:

General Charges		\$ 143.75
<u>Mine</u>		
Labor	\$ 14,342.98	
Supplies	<u>2,378.33</u>	16,721.31
<u>Open Cut</u>		
Labor		<u>2,975.46</u>
TOTAL		<u>\$ 19,840.52</u>

Depreciation has only been taken on the automobile and truck owned by the company. The amount of depreciation taken was \$595.16.

The other assets of the company which are subject to depreciation have suffered slight depreciation due to the limited operations carried on in 1936 and no allowance was made therefor.

There were no expenses such as bond discount, commissions or stock discount included in the value of the assets.

Item 8, Page 5

Consolidated Virginia Mining Company
Schedule VIII
Capital Stock

<u>COLUMN A</u>	<u>COLUMN B</u>	<u>COLUMN C</u>	<u>COLUMN D</u>	<u>COLUMN E</u>	<u>COLUMN F</u>	<u>COLUMN G</u>	<u>COLUMN H</u>	<u>COLUMN I</u>
Consolidated Virginia Mining Company Common Stock - Non- assessable Par Value \$1.00 per share	5,000,000	2,953,692	\$2,953,692.00	1,210,818	none	none	none	none

CONSOLIDATED VIRGINIA MINING COMPANY
SCHEDULE IX
SURPLUS

CAPITAL SURPLUS:

Balance, December 31, 1935 \$ 674,031.89

OPERATING DEFICIT:

Balance, December 31, 1935 \$ 450,208.32

Net Loss from Profit and

Loss Statement

7,421.21

\$ 457,629.53

OTHER CHARGES:

1935 Capital Stock Tax

500.00

Real and Personal Property

Tax Adjustment

.02

NET OPERATING DEFICIT,
DECEMBER 31, 1936

438,129.55

BALANCE, DECEMBER 31, 1936

\$ 235,902.34

AUDITOR'S CERTIFICATE

March 27, 1937

We have examined the accounts and records of the Consolidated Virginia Mining Company as at December 31, 1936. From the facts developed by our examination of the records available to us, and from information verbally stated to us, upon our inquiry, by officers of the Corporation, it is our opinion that the Balance Sheet appended hereto with supporting schedules (Nos. Ia, II, VIII and IX) correctly reflects the financial condition of the Corporation as at that date, subject to the qualifications hereinafter set forth:

1. It was not possible to determine from the records, whether the property acquired prior to 1927 was carried at cost price or whether there had been an unrealized appreciation or write down in the value of such assets. It was not possible to determine what consideration had been given for such properties when they were acquired by the Corporation.

2. That it was not possible to analyze the Surplus Account prior to 1926 to determine what part of it was actually Earned Surplus or Operating Deficit and what was Capital Surplus.

During the period of development prior to July 1935, this Company did not capitalize its development costs, but considered them costs of operation for the years in which they were incurred. After the adoption of a definite program of development in July 1935, all expenses incurred subsequent thereto and to July 1, 1936, have been capitalized as Development Work. All other accounting procedure followed by the registrant appears to be proper.

We certify that, after reasonable investigation, we have reasonable grounds to believe, and do believe, that as at December 31, 1936, the statements herein are true and that there is no omission to state

a material fact required to be stated therein, or necessary to make the statements herein not misleading, except as specifically noted and herein qualified.

Respectfully submitted,

Edler & Semenza

Certified Public Accountants

CONSOLIDATED VIRGINIA MINING COMPANY
PROFIT AND LOSS STATEMENT
FOR YEAR ENDED DECEMBER 31, 1936

INCOME FROM EXTRACTION:

Sales of Ore

\$ 13,965.59

OPERATING EXPENSES:

Mine Operation Expense	\$ 14,304.32
Office Salaries	6,848.12
Repairs and Maintenance of Buildings	296.79
Directors Fees	135.00
Office Supplies	411.53
Postage	211.91
Light, Heat and Power	219.86
Telephone and Telegraph	217.66
Taxes	1,917.08
Insurance	386.00
Assay Office Expense	1,350.77
Depreciation	595.16
Ore Transportation	78.00
Engineering Expense - Wages	494.75
Engineering Expense - Materials	63.63
Freight and Express	14.68
Truck and Auto Expense	881.66
Miscellaneous Expense	846.74

TOTAL OPERATING EXPENSES

29,273.71

LOSS FROM EXTRACTION

\$ 15,308.12

OTHER INCOME:

Cash Discounts	\$ 3.52
Stock Transfer Fees	344.63
Assay Office	556.00
Bonus for Extension of Option	5,000.00
Profit on Sales of Assets	1,885.35
Miscellaneous	152.01

TOTAL OTHER INCOME

\$ 7,941.56

OTHER DEDUCTIONS:

Interest

54.65

NET OTHER INCOME

7,886.91

NET LOSS FOR PERIOD

\$ 7,421.21

AUDITOR'S CERTIFICATE

In our examination we found that the operations carried on by this Company during the period January 1, 1936 to December 31, 1936, consisted of development work chiefly. Some shipments of ore were made after July 1, 1936 as a result of development operations.

All expenses incurred during the period are accounted for and income from sources other than extraction is shown as "Other Incomes."

The expenses for supplies and labor incurred between January 1, 1936 and July 1, 1936 have been considered Development Costs and are capitalized. From July 1, 1936 to December 31, 1936, such items of expense have been charged to Mine Operations Expense.

We certify that after reasonable investigation, we have grounds to believe, and do believe, that the statement of Profit and Loss herein for the year ended December 31, 1936 is true, and that there is no omission to state a material fact required to be stated herein, or necessary to make the statement not misleading, except as specifically noted and herein qualified.

Respectfully submitted,

Edler & Semenza

Certified Public Accountants

This annual report comprises:

(1) Pages numbered 1 to 11 consecutively, and insert pages numbered 5-a to 5-j including the following financial statements and schedules:

Balance Sheet, December 31, 1936, Pages 5-a to 5-h inclusive

**Profit and Loss Statement for year
Ended December 31, 1936**

Pages 5-i to 5-j inclusive

(2) The following exhibits:

none

This annual report is filed subject to the instructions contained in the Instruction Book for Form 10-K for Corporations, and amendments numbered:

SIGNATURE

In pursuance of the requirements of the Securities Exchange Act of 1934, the registrant Consolidated Virginia Mining Company, a corporation organized and existing under the laws of Nevada, has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized, and its seal to be hereunto affixed and attested, all in the City of Virginia and State of Nevada on the 8th day of April, 1937



Attest:

Consolidated Virginia Mining Co.
(Signature of Registrant)
By Robert E. Indall, President
(Name and title)

W. J. Henley, Secretary
(Name and title)

CON. VIRGINIA MINING CO.

SUMMARY OF OPERATIONS

January, 1941

Tons Milled, 4,238.

PRODUCTION

Value in Heads	\$19,901.00	
Value in Tails	<u>6,082.00</u>	
Value in Heads Minus Tails		\$13,819.00
Value in Concentrates Sold	\$12,359.53	
Value in Bullion Sold	<u>2,499.90</u>	
Total Value in Product Sold,		<u>14,859.43</u>
EXCESS, Value in Product sold over Heads Minus Tails Value		\$ 1,040.43
Percent Extraction, by Heads Minus Tails		69.44
Percent Extraction, by Bullion & Concentrates		74.67

COSTS

		<u>Per Ton</u>
Mill Expense	\$ 4,373.04	\$ 1.031
Mine Expense	1,804.90	.426
General Expense	1,282.83	.303
Milling Concentrates	207.32	.049
Metallurgical Loss on Concentrates	1,389.53	.328
Market Bullion	<u>22.24</u>	<u>.005</u>
Total Costs,	<u>\$ 9,079.86</u>	<u>\$ 2.142</u>

PROFIT & LOSS

Total Value of Product Sold	\$14,859.43	\$ 3.506
Expense	<u>9,079.86</u>	<u>2.142</u>
OPERATING PROFIT,	\$ 5,779.57	\$ <u>1.364</u>
Misc. Income	<u>28.94</u>	
PROFIT, per Profit & Loss Statement,	<u>\$ 5,808.51</u>	

CON. VIRGINIA MINING CO.

STATEMENT OF PROFIT & LOSSJanuary, 1941INCOME

Sale of Concentrates	\$12,359.53	
Sale of Bullion	<u>2,499.90</u>	
Gross Sales,		\$14,859.43
Less:		
Milling Concentrates	\$ 207.32	
Metallurgical Loss on Concentrates	1,389.53	
Marketing Bullion	<u>22.24</u>	
Total Marketing Charge		<u>1,619.09</u>
GROSS INCOME,		\$13,240.34

EXPENSEMill Expense:

Supplies	\$ 2,311.28	
Labor	1,354.28	
Industrial Insurance	48.75	
Power	<u>658.73</u>	
Total Mill Expense,		4,373.04

Mine Expense:

Labor	\$ 300.00	
Industrial Insurance	21.60	
Supplies	<u>1,483.30</u>	
Total Mine Expense,		1,804.90

General Expense:

Repairs & Maintenance Buildings	\$ 15.00	
Office Salaries	650.00	
Light, Heat, Power & Water, Office	9.50	
Office Postage	10.00	
Interest	53.55	
Telephone & Telegraph	5.10	
Tax Expense	166.41	
Insurance Expense	40.01	
Social Security Taxes	92.77	
Truck & Auto Expense	<u>240.49</u>	
Total General Expense,		<u>1,282.93</u>
TOTAL EXPENSE,		<u>7,460.77</u>

OPERATING PROFIT

\$ 5,779.57

MISC. INCOME:

Stock Transfer Account	\$.50	
Royalty from Leasers	<u>28.44</u>	
Total Other Income,		<u>28.94</u>

PROFIT FOR MONTH \$ 5,808.51

CON. VIRGINIA MINING CO.

SUMMARY OF OPERATIONSFebruary, 1941THIS MONTH

Tons Milled, 3,571

THIS YEAR TO DATE

Tons Milled, 7,809

	<u>This Month</u>	<u>This Year to Date</u>
<u>PRODUCTION</u>		
Value in Heads	\$12,454.00	\$32,355.00
Value in Tails	<u>3,853.00</u>	<u>9,935.00</u>
Value in Heads Minus Tails	\$ 8,601.00	\$22,420.00
Value in Concentrates Sold	\$ 8,244.68	\$20,604.21
Value in Bullion Sold	<u>933.73</u>	<u>3,433.63</u>
Total Value in Product Sold,	<u>9,178.41</u>	<u>24,037.84</u>
EXCESS, Value in Product Sold over Heads Minus Tails Value	\$ 577.41	\$ 1,617.84
Percent Extraction by Heads Minus Tails	69.06	69.29
Percent Extraction by Bullion & Concentrates.	73.69	74.29

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	<u>This Month</u>		<u>This Year to Date</u>	
<u>COSTS</u>	<u>Amount</u>	<u>Per Ton</u>	<u>Amount</u>	<u>Per Ton</u>
Mill Expense	\$ 5,715.48	\$ 1.600	\$10,088.52	\$ 1.292
Mine Expense	1,571.45	.440	3,376.35	.432
General Expense	1,019.09	.286	2,301.92	.295
Milling Concentrates	185.74	.052	393.06	.050
Met. Loss, Concentrates	897.57	.251	2,287.10	.293
Marketing Bullion	10.37	.003	32.61	.004
Total Costs,	\$ 9,399.70	\$ 2.632	\$18,479.56	\$ 2.366

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PROFIT & LOSS

Value Product Sold	\$ 9,178.41	\$ 2.570	\$24,037.84	\$ 3.078
Expense	<u>9,399.70</u>	<u>2.632</u>	<u>18,479.56</u>	<u>2.366</u>
OPERATING PROFIT,	\$ 221.29	<u>.062</u>	\$ 5,558.28	\$.712
Misc. Income	<u>74.65</u>		<u>103.59</u>	
PROFIT, Per Profit & Loss Statement	<u>\$ 146.64</u>		<u>\$ 5,661.87</u>	

CON. VIRGINIA MINING CO.

STATEMENT OF PROFIT & LOSSFebruary, 1941

	<u>This Month</u>	<u>This Year to Date</u>
<u>INCOME</u>		
Sale of Concentrates	\$ 8,244.68	\$20,604.21
Sale of Bullion	<u>933.73</u>	<u>3,433.63</u>
Gross Sales,	\$ 9,178.41	\$24,037.84
Less:		
Milling Concentrates	\$ 185.74	\$ 393.06
Met. Loss on Concentrates	897.57	2,287.10
Marketing Bullion	<u>10.37</u>	<u>32.61</u>
Total Marketing Charge,	<u>1,093.68</u>	<u>2,712.77</u>
GROSS INCOME,	\$ 8,084.73	\$21,325.07
<u>EXPENSE</u>		
<u>Mill Expense:</u>		
Supplies	\$ 3,737.18	\$ 6,048.46
Labor	1,277.16	2,631.44
Industrial Insurance	45.97	94.72
Power	<u>656.17</u>	<u>1,313.90</u>
Total Mill Expense,	5,715.48	10,088.52
<u>Mine Expense:</u>		
Labor	\$ 300.00	\$ 600.00
Industrial Insurance	21.60	43.20
Supplies	<u>1,249.85</u>	<u>2,733.15</u>
Total Mine Expense	1,571.45	3,376.35
<u>General Expense:</u>		
Repairs & Maintenance Bldgs.	\$ 15.00	\$ 30.00
Officers Salaries	650.00	1,300.00
Light, Heat, etc., Office	-	9.50
Office Postage	-	10.00
Interest	48.89	102.44
Telephone & Telegraph	4.10	9.20
Tax Expense	70.60	237.01
Insurance Expense	18.03	58.04
Social Security Taxes	89.69	182.46
Truck & Auto Expense	<u>122.78</u>	<u>363.27</u>
Total General Expense,	<u>1,019.09</u>	<u>2,301.92</u>
TOTAL EXPENSE,	\$ 8,306.02	\$15,766.79
OPERATING PROFIT,	\$ 221.29	
<u>MISC. INCOME:</u>		
Stock Transfer Account	\$.25	\$.75
Misc. Income	74.40	74.40
Royalty from Leasers	-	28.41
Total Misc. Income,	<u>74.65</u>	<u>103.59</u>
PROFIT FOR PERIOD	\$ 146.64	\$ 5,661.87

CON. VIRGINIA MINING CO.

SUMMARY OF OPERATIONSMarch, 1941THIS MONTH

Tons Milled, 4,056

THIS YEAR TO DATE

Tons Milled, 11,865

<u>PRODUCTION</u>	<u>This Month</u>		<u>This Year to Date</u>	
Value in Heads	\$14,065.00		\$46,420.00	
Value in Tails	<u>4,818.00</u>		<u>14,753.00</u>	
Value in Heads Minus Tails		\$ 9,247.00		\$31,667.00
Value in Concentrates Sold	\$ 8,709.79		\$29,314.00	
Value in Bullion Sold	<u>2,144.00</u>		<u>5,577.63</u>	
Total Value in Products Sold,		<u>10,853.79</u>		<u>34,891.63</u>
EXCESS, Value in Product Sold over Heads Minus Tails Value		\$ 1,606.79		\$ 3,224.63
Percent Extraction by Heads Minus Tails		65.74		68.77
Percent Extraction by Bullion & Concentrates		77.16		75.16

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<u>COSTS</u>	<u>This Month</u>		<u>This Year to Date</u>	
	<u>Amount</u>	<u>Per Ton</u>	<u>Amount</u>	<u>Per Ton</u>
Mill Expense	\$ 5,264.42	\$ 1.298	\$15,352.94	\$ 1.294
Mine Expense	1,741.20	.429	5,117.55	.431
General Expense	1,043.23	.257	3,345.15	.282
Milling Concentrates	225.46	.056	618.52	.052
Met. Loss, Concentrates	997.55	.246	3,284.65	.277
Marketing Bullion	20.48	.005	53.09	.004
Total Costs	<u>\$ 9,292.34</u>	<u>\$ 2.291</u>	<u>\$27,771.90</u>	<u>\$ 2.340</u>

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PROFIT & LOSS:

Value Product Sold,	\$10,853.79	\$ 2.676	\$34,891.63	\$ 2.941
Expense	<u>9,292.34</u>	<u>2.291</u>	<u>27,771.90</u>	<u>2.341</u>
OPERATING PROFIT,	\$ 1,561.45	\$.385	\$ 7,719.73	\$.600
Misc. Income	<u>157.99</u>		<u>261.58</u>	
PROFIT, Per Profit & Loss Statement,	<u>\$ 1,719.44</u>		<u>\$ 7,381.31</u>	

CON. VIRGINIA MINING CO.

STATEMENT OF PROFIT & LOSSMarch, 1941

	<u>This Month</u>	<u>This Year to Date</u>
<u>INCOME</u>		
Sale of Concentrates	\$ 8,709.79	\$29,314.00
Sale of Bullion	<u>2,144.00</u>	<u>5,577.63</u>
Gross Sales,	\$10,853.79	\$34,891.63
Less:		
Milling Concentrates	\$ 225.46	\$ 618.52
Met. Loss on Concentrates	997.55	3,284.65
Marketing Bullion	<u>20.48</u>	<u>53.02</u>
Total Marketing Charge,	<u>1,243.49</u>	<u>3,956.26</u>
GROSS INCOME,	<u>\$ 9,610.30</u>	<u>\$30,935.37</u>
<u>EXPENSE</u>		
<u>Mill Expense:</u>		
Supplies	\$ 3,207.38	\$ 9,255.84
Labor	1,369.45	4,020.87
Industrial Insurance	50.02	144.74
Power	<u>617.59</u>	<u>1,931.49</u>
Total Mill Expense,	5,264.42	15,352.94
<u>Mine Expense:</u>		
Labor	\$ 300.00	\$ 900.00
Industrial Insurance	21.60	64.80
Supplies	<u>1,419.60</u>	<u>4,152.75</u>
Total Mine Expense,	1,741.20	5,117.55
<u>General Expense:</u>		
Repairs & Maintenance Bldgs.	\$ 15.00	\$ 45.00
Officers Salaries	650.00	1,950.00
Light, Heat, etc., Office	2.00	11.50
Office Supplies	5.75	5.75
Office Postage	-	10.00
Interest	46.67	149.11
Telephones & Telegraph	5.15	14.35
Tax Expense	70.60	307.61
Insurance Expense	18.03	76.07
Social Security Taxes	94.18	276.64
Truck & Auto Expense	<u>135.85</u>	<u>499.12</u>
Total General Expense,	<u>1,043.23</u>	<u>3,345.15</u>
TOTAL EXPENSE,	<u>\$ 8,048.85</u>	<u>\$23,815.64</u>
OPERATING PROFIT,	\$ 1,561.45	\$ 7,119.73
<u>MISC. INCOME:</u>		
Stock Transfer Account	\$	\$.75
Misc. Income	150.00	224.40
Royalty From Leasers	<u>7.99</u>	<u>36.43</u>
Total Misc. Income,	<u>157.99</u>	<u>261.58</u>
PROFIT FOR PERIOD	<u>\$ 1,719.44</u>	<u>\$ 7,381.31</u>

CON. VIRGINIA MINING CO.

SUMMARY OF OPERATIONSTHIS MONTH

Tons Milled, 4,507

April, 1941THIS YEAR TO DATE

Tons Milled, 16,372

	<u>This Month</u>	<u>This Year to Date</u>
<u>PRODUCTION:</u>		
Value in Heads	\$14,455.88	\$60,875.88
Value in Tails	<u>4,385.47</u>	<u>19,138.47</u>
Value in Heads Minus Tails,	\$10,070.41	\$41,737.41
Value in Concentrates Sold	\$ 6,369.11	\$35,683.11
Value in Bullion Sold	<u>2,562.97</u>	<u>8,114.60</u>
Value in Products Sold,	<u>8,932.08</u>	<u>43,823.71</u>
EXCESS, Value in Products Sold over Heads Minus Tails Value	\$ 1,138.33	\$ 2,086.30
Percent Extraction by Heads Minus Tails	69.66	68.56
Percent Extraction by Bullion & Concentrates	61.72	71.98

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	<u>This Month</u>		<u>This Year to Date</u>	
<u>COSTS</u>	<u>Amount</u>	<u>Per Ton</u>	<u>Amount</u>	<u>Per Ton</u>
Mill Expense	\$ 5,128.79	\$ 1.138	\$20,481.73	\$ 1.252
Mine Expense	1,946.65	.432	7,064.20	.431
General Charges	1,192.41	.264	4,537.56	.277
Milling Concentrates	241.95	.054	860.47	.052
Met. Loss Concentrates	723.27	.160	4,007.72	.245
Marketing Bullion	19.00	.004	72.09	.004
Total Costs,	\$ 7,252.07	\$ 2.052	\$37,023.97	\$ 2.261

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PROFIT & LOSS

Value of Product Sold	\$ 8,932.08	\$ 1.992	\$43,823.71	\$ 2.677
Expense	<u>9,252.07</u>	<u>2.053</u>	<u>37,023.97</u>	<u>2.262</u>
OPERATING PROFIT,	\$ 319.99	<u>.071</u>	\$ 6,799.74	\$.415
Misc. Income	<u>50.00</u>		<u>311.58</u>	
PROFIT, per Profit & Loss Statement	<u>\$ 269.99</u>		<u>\$ 7,111.32</u>	

CON. VIRGINIA MINING CO.

STATEMENT OF PROFIT & LOSSApril, 1941

	<u>This Month</u>	<u>This Year to Date</u>
<u>INCOME</u>		
Sale of Concentrates	\$ 6,369.11	\$35,683.11
Sale of Bullion	<u>2,562.97</u>	<u>8,140.60</u>
Gross Sales,	\$ 8,932.08	\$43,823.71
Less:		
Milling Concentrates	\$ 241.95	\$ 860.47
Met. Loss on Concentrates	723.27	4,007.92
Marketing Bullion	<u>19.00</u>	<u>72.09</u>
Total Marketing Charges,	<u>984.22</u>	<u>4,940.48</u>
GROSS INCOME,	\$ 7,947.86	\$38,883.23
<u>EXPENSE</u>		
<u>Mill Expense:</u>		
Supplies	\$ 2,983.59	\$12,239.43
Labor	1,423.68	5,444.55
Industrial Insurance	51.25	195.99
Power	<u>670.27</u>	<u>2,601.76</u>
Total Mill Expense,	\$ 5,128.79	\$20,481.73
<u>Mine Expense:</u>		
Labor	\$ 300.00	\$ 1,200.00
Industrial Insurance	21.20	86.00
Supplies	<u>1,625.45</u>	<u>5,778.20</u>
Total Mine Expense,	1,946.65	7,064.20
<u>General Expense:</u>		
Repair & Maintenance Bldgs.	\$ 15.00	\$ 60.00
Officers Salaries	650.00	2,600.00
Light, Heat, etc., Office	1.00	12.50
Office Supplies	-	5.75
Office Postage	-	10.00
Misc. Expense	25.00	25.00
Interest	46.29	195.40
Telephone & Telegraph	4.05	18.40
Tax Expense	70.60	378.21
Insurance Expense	18.03	94.10
Social Security Taxes	95.55	372.19
Truck & Auto Expense	<u>266.89</u>	<u>766.01</u>
Total General Expense,	<u>1,192.41</u>	<u>4,537.56</u>
TOTAL EXPENSE,	\$ 8,267.85	\$32,083.49
OPERATING PROFIT,	\$ 319.99	\$ 6,799.74
<u>MISC. INCOME:</u>		
Stock Transfer Account	\$	\$.75
Misc. Income	50.00	274.40
Royalty from Leasers	-	36.43
Total Misc. Income,	<u>50.00</u>	<u>311.58</u>
PROFIT FOR PERIOD	\$ 269.99	\$ 7,111.32

CON. VIRGINIA MINING CO.

SUMMARY OF OPERATIONSTHIS MONTH

Tons Milled, 4,292 Tons

MAY, 1941THIS YEAR TO DATE

Tons Milled, 20,664 Tons

	<u>This Month</u>	<u>This Year to Date</u>
<u>PRODUCTION</u>		
Value in Heads	\$17,276.70	\$78,152.58
Value in Tails	<u>4,727.50</u>	<u>23,865.97</u>
Value in Heads Minus Tails,	\$12,547.20	\$54,286.61
Value in Concentrates Sold	\$11,036.67	\$46,719.78
Value in Bullion Sold	<u>3,673.82</u>	<u>11,814.42</u>
Value in Products Sold,	<u>14,710.49</u>	<u>58,534.20</u>
EXCESS, Value in Products Sold over Heads Minus Tails Value	<u>\$ 2,161.29</u>	<u>\$ 4,247.59</u>
Percent Extraction by Heads Minus Tails	72.64	69.46
Percent Extraction by Bullion and Concentrates	85.14	74.88

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	<u>This Month</u>		<u>This Year to Date</u>	
	<u>Amount</u>	<u>Per Ton</u>	<u>Amount</u>	<u>Per Ton</u>
<u>COSTS</u>				
Mill Expense	\$ 4,923.89	\$ 1.147	\$25,405.62	\$ 1.229
Mine Expense	1,823.80	.425	8,888.00	.430
General Charges	1,075.52	.251	5,613.08	.272
Milling Concentrates	281.04	.065	1,141.51	.055
Met. Loss on Concentrates	1,236.42	.288	5,244.34	.254
Marketing Bullion	<u>24.99</u>	<u>.006</u>	<u>97.08</u>	<u>.005</u>
Total Costs,	<u>\$ 9,365.66</u>	<u>\$ 2.183</u>	<u>\$46,389.63</u>	<u>\$ 2.245</u>

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PROFIT & LOSS

Value of Product Sold	\$14,710.49	\$ 3.427	\$58,534.20	\$ 2.833
Expense	<u>9,365.66</u>	<u>2.182</u>	<u>46,390.03</u>	<u>2.245</u>
OPERATING PROFIT,	\$ 5,344.83	\$ 1.245	\$12,144.17	\$.588
Misc. Income	<u>77.14</u>		<u>388.72</u>	
PROFIT, per Profit & Loss Statement	<u>\$ 5,421.97</u>		<u>\$12,532.89</u>	

CON. VIRGINIA MINING CO.

STATEMENT OF PROFIT & LOSSMay, 1941

	<u>This Month</u>	<u>This Year to Date</u>
<u>INCOME</u>		
Sale of Concentrates	\$11,036.67	\$46,719.78
Sale of Bullion	<u>3,673.82</u>	<u>11,814.42</u>
Gross Sales,	\$14,710.49	\$58,534.20
Less:		
Milling Concentrates	\$ 281.04	\$ 1,141.51
Met. Loss on Concentrates	1,236.42	5,244.34
Marketing Bullion	<u>24.99</u>	<u>97.08</u>
Total Marketing Charges,	<u>1,542.45</u>	<u>6,482.93</u>
GROSS INCOME,	<u>\$13,168.04</u>	<u>\$52,051.27</u>
<u>EXPENSE</u>		
<u>Mill Expense:</u>		
Supplies	\$ 2,722.53	\$14,961.96
Labor	1,475.27	6,919.82
Industrial Insurance	63.11	259.10
Power	<u>662.98</u>	<u>3,264.74</u>
Total Mill Expense,	\$ 4,923.89	\$25,405.62
<u>Mine Expense</u>		
Labor	\$ 300.00	\$ 1,500.00
Industrial Insurance	21.60	108.00
Supplies	<u>1,502.20</u>	<u>7,280.40</u>
Total Mine Expense,	1,823.80	8,888.40
<u>General Expense</u>		
Repairs & Maintenance Bldgs.	\$ 37.00	\$ 97.00
Office Salaries	650.00	3,250.00
Light, Heat, etc., Office	1.00	13.50
Office Supplies	9.68	15.43
Office Postage	24.00	34.00
Misc. Expense		25.00
Interest	44.66	240.06
Telephone & Telegraph	3.65	22.05
Tax Expense	70.60	448.81
Insurance Expense	18.03	112.13
Social Security Taxes	97.60	469.79
Truck & Auto Expense	<u>119.30</u>	<u>885.31</u>
Total General Expense,	<u>1,075.52</u>	<u>5,613.08</u>
TOTAL EXPENSE,	<u>\$ 7,823.21</u>	<u>\$39,907.10</u>
OPERATING PROFIT,	\$ 5,344.83	\$12,144.17
<u>MISC. INCOME:</u>		
Stock Transfer Account	\$.50	\$ 1.25
Misc. Income	50.00	324.40
Royalty from Leasers	<u>26.64</u>	<u>63.07</u>
Total Misc. Income,	<u>77.14</u>	<u>388.72</u>
PROFIT FOR PERIOD,	<u>\$ 5,421.97</u>	<u>\$12,532.89</u>

CON. VIRGINIA MINING CO.

SUMMARY OF OPERATIONS

THIS MONTH

Tons Milled, 2,935

June 1941

THIS YEAR TO DATE

Tons Milled, 25,599

PRODUCTION

	<u>This Month</u>		<u>This year to Date</u>	
Value in Heads	\$ 9,458.86		\$37,611.44	
Value in Tails	<u>2,692.39</u>		<u>26,558.36</u>	
Value in Heads Minus Tails,		\$ 6,766.47		\$61,053.08
Value in Concentrates Sold	\$ 6,874.37		\$53,594.15	
Value in Bullion Sold	<u>2,068.73</u>		<u>13,883.15</u>	
Value in Products Sold,		<u>8,943.10</u>		<u>67,477.30</u>
EXCESS, Value in Products Sold over Heads Minus Tails Value		\$ 2,176.63		\$ 6,424.22
Percent Extraction by Heads Minus Tails		71.53		69.68
Percent Extraction by Bullion and Concentrates		94.54		77.01

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COSTS

	<u>This Month</u>		<u>This Year to Date</u>	
	<u>Amount</u>	<u>Per Ton</u>	<u>Amount</u>	<u>Per Ton</u>
Mill Expense	\$ 3,871.99	\$ 1.319	\$29,277.61	\$ 1.240
Mine Expense	11,528.56	3.927	20,416.96	.865
General Charges	1,460.49	.498	7,073.57	.300
Milling Concentrates	219.32	.075	1,360.83	.058
Met. Loss on Concentrates	760.39	.259	6,004.73	.254
Marketing Bullion	14.76	.005	111.84	.005
Total Costs,	<u>\$17,855.51</u>	<u>\$ 6.083</u>	<u>\$64,245.54</u>	<u>\$ 2.722</u>

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PROFIT & LOSS

Total Value of Product Sold	\$ 8,943.10	\$ 3.047	\$67,477.30	\$ 2.859
Expense	<u>17,855.51</u>	<u>6.083</u>	<u>64,245.54</u>	<u>2.722</u>
OPERATING PROFIT,	<u>\$ 8,918.41</u>	<u>\$ 3.036</u>	<u>\$ 3,231.76</u>	<u>\$.137</u>
Misc. Income	50.00		438.72	
PROFIT, per Profit & Loss Statement	<u>\$ 8,862.41</u>		<u>\$ 3,670.48</u>	

CON. VIRGINIA MINING CO.

STATEMENT OF PROFIT & LOSSJune, 1941

	<u>This Month</u>	<u>This Year to Date</u>
<u>INCOME</u>		
Sale of Concentrates	\$ 6,874.37	\$53,594.15
Sale of Bullion	<u>2,068.73</u>	<u>13,883.15</u>
Gross Sales,	\$ 8,943.10	\$67,477.30
Less:		
Milling Concentrates	\$ 219.32	\$ 1,369.83
Met. Loss on Concentrates	760.39	6,004.73
Marketing Bullion	<u>14.76</u>	<u>111.84</u>
Total Marketing Charges,	994.47	7,477.40
GROSS INCOME,	\$ 7,948.63	\$59,999.90
<u>EXPENSE</u>		
<u>Mill Expense:</u>		
Supplies	\$ 1,810.78	\$16,772.74
Labor	1,411.10	8,330.92
Industrial Insurance	40.80	299.90
Power	<u>609.31</u>	<u>3,874.05</u>
Total Mill Expense,	3,871.99	29,277.61
<u>Mine Expense:</u>		
Labor	\$ 322.00	\$ 1,822.00
Industrial Insurance	23.18	131.18
Supplies (Incl. Stripping)	<u>11,183.38</u>	<u>18,463.78</u>
Total Mine Expense,	11,528.56	20,416.96
<u>General Expense:</u>		
Repairs & Maintenance Bldgs.	\$ 15.00	\$ 112.00
Officers' Salaries	650.00	3,900.00
Light, Heat, Etc., Office	1.00	14.50
Office Supplies		15.43
Office Postage	3.84	37.84
Misc. Expense		25.00
Interest	158.02	398.08
Telephone & Telegraph	4.35	26.40
Tax Expense	70.60	519.41
Insurance Expense	20.36	132.49
Social Security Taxes	95.95	565.74
Truck & Auto Expense	197.92	1,083.23
Legal & Audit Fees	<u>243.45</u>	<u>243.45</u>
Total General Expense,	1,460.49	7,073.57
TOTAL EXPENSE,	\$16,861.04	\$56,768.14
OPERATING PROFIT,	\$ 8,912.41	\$ 3,231.76
<u>MISC. INCOME:</u>		
Stock Transfer Account		\$ 1.25
Misc. Income	\$ 50.00	374.40
Royalty from Leasers		63.07
Total Misc. Income,	50.00	438.72
PROFIT FOR PERIOD,	\$ 8,862.41	\$ 3,670.48

Con. Virginia Mining Co.

SUMMARY OF OPERATIONS

THIS MONTH

Tons Milled, 3,438

July 1941

THIS YEAR TO DATE

Tons Milled, 27,037

6

	<u>This Month</u>	<u>This year to Date</u>
<u>PRODUCTION</u>		
Value in heads	\$ 12,041.29	\$ 99,652.73
Value in Tails	<u>3,750.33</u>	<u>30,308.69</u>
Value in heads Minus Tails,	\$ 8,290.96	\$ 69,344.04
Value in Concentrates Sold	\$ 9,587.65	\$ 63,181.80
Value in Bullion Sold	<u>1,627.74</u>	<u>15,510.89</u>
Value in Products sold,	<u>11,215.39</u>	<u>78,692.69</u>
EXCESS, Value in Products Sold over Heads Minus Tails Value	\$ 2,924.43	\$ 9,348.65
Percent Extraction by Heads Minus tails	68.85	69.58
Percent Extraction by Bullion and Concentrates	93.14	78.96

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	<u>This Month</u>		<u>This Year to Date</u>	
	<u>Amount</u>	<u>Per Ton</u>	<u>Amount</u>	<u>Per Ton</u>
<u>COSTS</u>				
Mill Expense	\$ 4,411.07	\$ 1.283	\$ 33,688.68	\$ 1.246
Mine Expense	1,739.93	.506	22,156.89	.820
General Charges	1,194.46	.348	8,268.03	.305
Milling Concentrates	289.70	.084	1,650.53	.061
Met. Loss on Concentrates	1,068.94	.311	7,073.67	.262
Marketing Bullion	<u>21.82</u>	<u>.006</u>	<u>133.66</u>	<u>.005</u>
Total Costs	\$ 8,725.92	\$ 2.538	\$ 72,971.46	\$ 2.699

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<u>PROFIT & LOSS</u>				
Total Value of Products Sold	\$ 11,215.39	\$ 3.262	\$ 78,692.69	\$ 2.910
Expense	<u>8,725.92</u>	<u>2.538</u>	<u>72,971.46</u>	<u>2.699</u>
OPERATING PROFIT	\$ 2,489.47	\$.724	\$ 5,721.23	.211
Misc. Income	<u>52.00</u>		<u>490.72</u>	
PROFIT, per Profit & Loss Statement	\$ 2,541.47		\$ 6,211.95	

CON. VIRGINIA MINING CO.

STATEMENT OF PROFIT & LOSSJULY, 1941

	<u>This Month</u>	<u>This Year to Date</u>
<u>INCOME</u>		
Sale of Concentrates	\$ 9,587.65	\$ 63,181.80
Sale of Bullion	<u>1,627.74</u>	<u>15,510.87</u>
Gross Sales,	\$ 11,215.39	\$ 78,692.69
Less:		
Milling Concentrates	\$ 289.70	\$ 1,650.53
Met. Loss on Concentrates	1,068.94	7,073.67
Marketing Bullion	<u>21.82</u>	<u>133.66</u>
Total Marketing Charges	<u>1,380.46</u>	<u>8,857.86</u>
GROSS INCOME,	\$ 9,834.93	\$ 69,834.83
<u>EXPENSE</u>		
<u>Mill Expense</u>		
Supplies	\$ 2,430.77	\$ 19,203.51
Labor	1,372.53	9,703.45
Industrial Insurance	49.41	349.31
Power	<u>558.36</u>	<u>4,432.41</u>
Total Mill Expense	\$ 4,411.07	\$ 33,688.68
<u>Mine Expense</u>		
Labor	\$ 492.75	\$ 2,314.75
Industrial Insurance	35.48	166.66
Supplies	<u>1,211.70</u>	<u>19,675.48</u>
Total Mine Expense	\$ 1,739.93	\$ 22,156.89
<u>General Expense</u>		
Repairs & Maintenance Bldg.	\$ 15.00	\$ 127.00
Officers' Salaries	650.00	4,550.00
Light, Heat, Etc. Office	1.00	15.50
Office Supplies		15.43
Office Postage	30.00	67.34
Misc. Expense	12.50	37.50
Interest	30.00	428.08
Telephone & Telegraph	4.45	30.85
Tax Expense	70.60	590.01
Insurance Expense	32.24	164.73
Social Security Taxes	96.20	661.94
Truck & Auto Expense	252.47	1,335.70
Legal & Audit Fees		<u>243.45</u>
Total General Expense	\$ 1,124.44 1,194.46	\$ 8,268.03
Total Expense	\$ 7,345.46	\$ 64,113.60
OPERATING PROFIT	\$ 2,489.47	\$ 5,721.23
<u>MISC. INCOME</u>		
Stock Transfer Account	\$ 2.00	\$ 3.25
Misc. Income	50.00	424.40
Royalty from Leasers		<u>63.07</u>
Total Misc Income	<u>52.00</u>	<u>490.72</u>
PROFIT FOR PERIOD	\$ 2,541.47	\$ 6,211.95

Con. Virginia Mining Co.
STATEMENT OF PROFIT & LOSS

August, 1941

	<u>This Month</u>	<u>This Year to Date</u>
<u>INCOME</u>		
Sale of Concentrates	\$ 12,913.36	\$ 76,095.16
Sale of Bulliona	3,224.05	18,734.94
Gross Sales	\$16,137.41	\$94,830.10
Less:		
Milling Concentrates	\$ 145.21	\$ 1,795.74
Met. Loss on Concentrates	1,397.70	8,471.37
Marketing Bullion	41.85	175.51
Total Marketing Charge,	1,584.76	10,442.62
GROSS INCOME	\$14,552.65	\$84,387.48
<u>EXPENSE</u>		
<u>Mill Expense:</u>		
Supplies	\$ 2,975.56	\$ 22,179.07
Labor	1,430.65	11,134.80
Industrial Insurance	51.50	400.61
Power	630.94	5,063.35
Total Mill Expense	\$5,088.65	\$38,777.33
<u>Mine Expense</u>		
Labor	\$ 456.75	\$ 2,771.50
Industrial Insurance	32.89	199.55
Supplies	3,637.99	23,313.47
Total Mine Expense	4,127.63	26,284.52
<u>General Expense</u>		
Repairs & Maintenance Bldgs.	\$ 15.00	\$ 142.60
Officers Salaries	650.00	5,200.00
Light, Heat, etc., Office	1.00	16.50
Office Supplies	22.23	37.66
Office Postage		67.84
Misc. Expense	62.54	100.04
Interest	15.04	443.84
Telephone & Telegraph	9.00	39.85
Tax Expense	70.60	660.61
Insurance Expense	32.24	196.97
Social Security Tax	97.09	759.03
Truck & Auto Expense	293.88	1,629.58
Legal & Audit Fees		243.45
Total General Expense	1,268.62	9,537.37
TOTAL EXPENSE	\$10,484.90	\$74,599.22
OPERATING PROFIT	\$ 4,067.75	\$ 9,788.26
<u>MISC. INCOME</u>		
Stock Transfer Account	\$ 4.00	\$ 7.25
Misc. Income	50.00	474.40
Royalty From Leasers		63.07
Total Misc. Income	54.00	544.72
PROFIT FOR PERIOD	\$ 4,121.75	\$10,332.98.

CON. VIRGINIA MINING CO.

SUMMARY OF OPERATIONS

THIS MONTH
Tons Milled, 3,887

AUGUST, 1941

THIS YEAR TO DATE
Tons Milled, 30,924

	6	<u>This Month</u>	<u>This Year to Date</u>
<u>PRODUCTION:</u>			
Value in Heads	\$	17,057.16	\$116,709.89
Value in Tails		4,046.67	34,355.36
Value in Heads Minus Tails,		\$13,010.49	\$82,354.53
Value in Concentrates Sold	\$	12,913.36	\$ 76,095.16
Value in Bullion Sold		3,224.05	18,734.94
Value in Products Sold,		16,137.41	94,830.10
EXCESS: Value in Products sold over Heads minus Tails Value		\$ 3,126.92	\$12,475.57
Percent Extraction by Heads Minus Tails		76.27	70.56
Percent Extraction by Bullion & Concentrates		94.61	81.25
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	<u>This Month</u>		<u>This Year to Date</u>	
<u>COSTS</u>	<u>AMOUNT</u>	<u>PER TON</u>	<u>AMOUNT</u>	<u>PER TON</u>
Mill Expense	\$ 5,088.65	\$ 1.309	\$ 38,777.33	\$ 1.254
Mine Expense	4,127.63	1.062	26,284.52	.851
General Charges	1,268.62	.326	9,537.37	.308
Milling Concentrates	145.21	.037	1,795.74	.058
Met. Loss on Concentrates	1,397.70	.360	8,471.37	.274
Marketing Bullion	41.85	.011	175.51	.005
TOTAL COSTS,	\$12,069.66	\$3.105	\$ 85,041.84	\$ 2.750
	-oOo-	-oOo-		

<u>PROFIT & LOSS</u>				
Value of Products Sold	\$16,137.41	\$4.151	\$ 94,830.12	\$ 3.066
Expense	12,069.66	3.105	85,041.84	2.750
OPERATING PROFIT	\$ 4,067.75	1.046	\$ 9,788.26	\$.316
Misc. Income	54.00		544.72	
PROFIT, per Profit & Loss Statement	\$ 4,121.75		\$ 10,332.98	
	-oOo-	-oOo-		

	<u>This Month</u>		<u>This year to Date</u>	
	<u>AMOUNT</u>	<u>PER TON</u>	<u>AMOUNT</u>	<u>PER TON</u>
Heads	\$17,057.16	\$4.388	\$116,709.89	\$3.774
Tails	4,046.67	1.041	34,355.36	1.111
Heads Minus Tails	13,010.49	3.347	82,354.53	2.663
Products Sold	16,137.41	4.151	94,830.10	3.066
EXCESS: Products Sold over Heads Minus Tails	3,126.92	.804	12,475.57	.403
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CON. VIRGINIA MINING CO.

STATEMENT OF PROFIT & LOSSSeptember, 1941

	<u>This Month</u>	<u>This Year to Date</u>
<u>INCOME</u>		
Sale of Concentrates	\$10,489.75	\$ 86,584.91
Sale of Bullion	—	18,734.94
Gross Sales,	\$10,489.75	\$105,319.85
Less:		
Milling Concentrates	\$ 116.77	\$ 1,912.51
Met. Loss on Concentrates	1,118.99	9,590.36
Marketing Bullion	—	175.51
Total Marketing Charges,	1,235.76	11,678.38
GROSS INCOME,	\$ 9,253.99	\$ 93,641.47
<u>EXPENSE:</u>		
<u>Mill Expense:</u>		
Supplies	\$ 3,411.30	\$ 25,590.37
Labor	1,388.34	12,522.44
Industrial Insurance	49.98	450.79
Power	632.28	5,695.63
Total Mill Expense,	5,481.90	44,259.23
<u>Mine Expense:</u>		
Labor	\$ 379.75	\$ 3,151.25
Industrial Insurance	27.34	226.89
Supplies	1,544.75	24,858.22
Total Mine Expense,	1,951.84	28,236.36
<u>General Expense:</u>		
Repairs & Maintenance Bldgs.	\$ 15.00	\$ 157.00
Office Salaries	650.00	5,850.00
Light, Heat, Etc., Office	1.00	17.50
Office Supplies	.50	38.16
Office Postage		67.84
Misc. Expense	188.07	288.11
Interest	167.48	611.32
Telephone & Telegraph	4.55	44.40
Tax Expense	190.97	851.58
Insurance Expense	32.24	229.21
Social Security Taxes	92.32	851.35
Truck & Auto Expense	173.71	1,803.29
Legal & Audit Fees		243.45
Total General Expense,	1,515.84	11,053.21
TOTAL EXPENSE,	\$ 8,949.58	\$ 83,548.80
OPERATING PROFIT,	\$ 304.41	\$ 10,092.67
<u>MISC. INCOME:</u>		
Stock Transfer Account	\$.25	\$ 7.50
Misc. Income	50.00	524.40
Royalty from Leasers		63.07
Total Misc. Income,	50.25	594.97
PROFIT FOR PERIOD,	\$ 354.66	\$ 10,687.64

CON. VIRGINIA MINING CO.

SUMMARY OF OPERATIONS

THIS MONTH

Tons Milled, 3,985.

SEPTEMBER, 1941.

THIS YEAR TO DATE

Tons Milled, 34,909.

	<u>This Month</u>		<u>This Year to Date</u>
<u>PRODUCTION:</u>			
Value in Heads	\$13,450.65		\$130,160.54
Value in Tails	4,023.08		38,378.44
Value in Heads Minus Tails,	\$ 9,427.57		\$ 91,782.10
Value in Concentrates Sold	\$10,489.75		\$ 86,584.91
Value in Bullion Sold	-		18,734.94
Value in Products Sold,	10,489.75		105,319.85
EXCESS, Value in Products Sold			
over Heads Minus Tails Value,	\$ 1,062.18		\$ 13,537.75
Percent Extraction by Heads			
Minus Tails	70.09		70.51
Percent Extraction by Bullion			
and Concentrates	77.99		80.91

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	<u>This Month</u>		<u>This Year to Date</u>
<u>COSTS</u>			
	<u>Amount</u>	<u>Per Ton</u>	<u>Amount</u> <u>Per Ton</u>
Mill Expense	\$ 5,481.90	\$ 1.376	\$ 44,259.23 \$ 1.268
Mine Expense	1,951.84	.490	28,236.36 .809
General Charges	1,515.84	.380	11,053.21 .317
Milling Concentrates	116.77	.029	1,912.51 .054
Met. Loss on Concentrates	1,118.99	.281	9,590.36 .275
Marketing Bullion			175.51 .005
<u>Total Costs,</u>	<u>\$10,185.34</u>	<u>\$ 2.556</u>	<u>\$ 95,227.18</u> <u>\$ 2.728</u>

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<u>PROFIT & LOSS</u>			
Total Value of Products Sold	\$10,489.75	\$ 2.632	\$105,319.85 \$ 3.017
Expense	10,185.34	2.556	95,227.18 2.728
OPERATING PROFIT,	\$ 304.41	\$.076	\$ 10,092.67 \$.289
Other Income	50.25		594.97
PROFIT, per Profit & Loss			
Statement	\$ 354.66		\$ 10,687.64

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	<u>This Month</u>		<u>This Year to Date</u>
	<u>Amount</u>	<u>Per Ton</u>	<u>Amount</u> <u>Per Ton</u>
Heads	\$13,450.65	\$ 3.375	\$130,160.54 \$ 3.728
Tails	4,023.08	1.009	38,378.44 1.099
Heads Minus Tails	\$ 9,427.57	\$ 2.366	\$ 91,782.10 \$ 2.629
Products Sold	10,489.75	2.632	105,319.85 3.017
EXCESS, Products Sold over			
Heads Minus Tails	\$ 1,062.18	\$.266	\$ 13,537.75 \$.388

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Consolidated Virginia Mining Co.

STATEMENT OF PROFIT AND LOSSOCTOBER, 1941

	<u>This Month</u>	<u>This Year to Date</u>
<u>INCOME</u>		
Sale of Concentrates	\$12,114.74	\$98,699.65
Sale of Bullion	<u>1,381.02</u>	<u>20,115.96</u>
Gross Sales,	\$13,495.76	\$118,815.61
Less:		
Milling Concentrates	\$ 132.96	\$ 2,045.47
Met. Loss on Concentrates	1,316.04	10,906.40
Marketing Bullion	<u>20.93</u>	<u>196.44</u>
Total Marketing Charges,	<u>1,469.93</u>	<u>13,148.31</u>
GROSS INCOME	<u>\$12,025.83</u>	<u>\$105,667.30</u>
<u>EXPENSE:</u>		
<u>Mill Expense:</u>		
Supplies	\$ 3,335.95	\$28,925.32
Labor	1,485.89	14,008.33
Industrial Insurance	53.48	504.27
Power	<u>607.00</u>	<u>6,302.63</u>
Total Mill Expense	5,482.32	49,741.55
<u>Mine Expense:</u>		
Labor	\$ 300.00	\$ 3,451.25
Industrial Insurance	21.60	248.49
Supplies	<u>1,411.20</u>	<u>26,269.42</u>
Total Mine Expense	1,732.80	29,969.16
<u>General Expense</u>		
Repairs & Maintenance Bldgs.	\$ 24.50	181.50
Officer's Salaries	650.00	6,500.00
Light, Heat, Etc. Office	1.00	18.50
Office Supplies	4.58	42.74
Office Postage		67.84
Misc. Expense	238.66	526.77
Interest		611.32
Telephone & Telegraph	4.13	48.53
Tax Expense	447.01	1,298.59
Insurance Expense	32.24	261.45
Social Security Taxes	93.02	944.37
Truck & Auto Expense	148.31	1,951.60
Legal & Audit Fees		<u>243.45</u>
Total General Expense	<u>1,643.45</u>	<u>12,696.66</u>
TOTAL EXPENSE	\$ 8,858.57	\$ 92,407.37
OPERATING PROFIT,	\$ 3,167.26	\$ 13,259.93
<u>MISC. INCOME:</u>		
Stock Transfer Account	\$.75	\$ 8.25
Misc. Income	50.00	574.40
Royalty from Leasers		<u>63.07</u>
Total Misc. Income	<u>50.75</u>	<u>645.72</u>
PROFIT FOR PERIOD	<u>\$ 3,218.01</u>	<u>\$13,905.65</u>

CON. VIRGINIA MINING CO.

SUMMARY OF OPERATIONS

THIS MONTH

Tons Milled, 4,032

OCTOBER, 1941.

THIS YEAR TO DATE

Tons Milled, 38,941

PRODUCTION

	<u>This Month</u>	<u>This Year to Date</u>
Value in Heads	\$15,078.66	\$145,239.20
Value in Tails	4,817.21	43,195.65
Value in Heads minus Tails	\$10,261.45	\$102,043.55
Value in Concentrates Sold	\$12,114.74	\$ 98,699.65
Value in Bullion Sold	1,381.02	20,115.96
Value in Products Sold,	13,495.76	118,815.61
EXCESS, Value in Products Sold		
over Heads Minus Tails Value,	\$ 3,234.31	\$ 16,772.06
Percent Extraction by Heads		
Minus Tails	68.05	70.25
Percent Extraction by Bullion		
and Concentrates	89.50	81.80

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COSTS

	<u>This Month</u>	<u>This Year to Date</u>
	<u>Amount</u> <u>Per Ton</u>	<u>Amount</u> <u>Per Ton</u>
Mill Expense	\$ 5,492.32 \$ 1.360	\$ 49,741.55 \$ 1.277
Mine Expense	1,732.80 .430	29,969.16 .770
General Expense	1,643.45 .407	12,696.66 .326
Milling Concentrates	132.96 .033	2,045.47 .052
Met. Loss on Concentrates	1,316.04 .326	10,906.40 .280
Marketing Bullion	20.93 .005	196.44 .005
Total Costs,	\$10,328.50 \$ 2.561	\$105,555.68 \$ 2.710

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PROFIT & LOSS

Total Value in Products Sold	\$13,495.76 \$ 3.347	\$118,815.61 \$ 3.051
Expense	10,328.50 2.561	105,555.68 2.710
OPERATING PROFIT,	\$ 3,167.26 \$.786	\$ 13,259.93 \$.341
Other Income	50.75	645.72
PROFIT, per Profit & Loss		
Statement	\$ 3,218.01	\$ 13,905.65

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	<u>This Month</u>	<u>This Year to Date</u>
	<u>Amount</u> <u>Per Ton</u>	<u>Amount</u> <u>Per Ton</u>
Heads	\$15,078.66 \$ 3.740	\$145,239.20 \$ 3.730
Tails	4,817.21 1.195	43,195.65 1.109
Heads Minus Tails	\$10,261.45 \$ 2.545	\$102,043.55 \$ 2.621
Products Sold	13,495.76 3.347	118,815.61 3.051
EXCESS, Products Sold over		
Heads Minus Tails	\$ 3,234.31 \$.802	\$ 16,772.06 \$.430

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CONSOLIDATED VIRGINIA MINING COMPANY

STATEMENT OF PROFIT & LOSS.

November, 1941

	<u>This Month</u>	<u>This Year to Date</u>
<u>INCOME</u>		
Sale of Concentrates	\$ 9,592.75	\$108,292.40
Sale of Bullion	<u>2,872.61</u>	<u>22,938.57</u>
Gross Sales,	\$12,465.36	\$131,280.97
Less:		
Milling Concentrates	\$ 120.83	\$ 2,166.30
Met. Loss on Concentrates	1,055.20	11,961.60
Marketing Bullion	<u>42.01</u>	<u>238.45</u>
Total Marketing Charges,	<u>1,218.04</u>	<u>14,366.35</u>
GROSS INCOME,	<u>\$11,247.32</u>	<u>\$116,914.62</u>
<u>EXPENSE</u>		
<u>Mill Expense</u>		
Supplies	\$ 3,829.91	\$ 32,756.23
Labor	1,463.74	15,472.07
Industrial Insurance	52.69	556.96
Power	<u>642.40</u>	<u>6,945.03</u>
Total Mill Expense,	5,988.74	55,730.29
<u>Mine Expense</u>		
Labor	\$ 334.92	\$ 3,786.17
Industrial Insurance	24.12	272.61
Supplies	<u>1,249.75</u>	<u>27,519.17</u>
Total Mine Expense,	1,608.79	31,577.95
<u>General Expense</u>		
Repairs & Maintenance Bldgs.	\$ 15.00	\$ 196.50
Office Salaries	650.00	7,150.00
Light, Heat, Etc., Office	1.00	19.50
Office Supplies		42.74
Office Postage		67.84
Misc. Expense	138.37	665.14
Interest	3.57	614.89
Telephone & Telegraph	3.23	51.76
Tax Expense	8.76	1,211.54
Insurance Expense	32.24	293.69
Social Security Taxes	90.54	1,034.91
Truck & Auto Expense	98.82	2,050.42
Legal & Audit Fees		<u>243.45</u>
Total General Expense	<u>1,041.53</u>	<u>13,642.38</u>
TOTAL EXPENSE,	<u>\$8,639.06</u>	<u>\$100,950.62</u>
OPERATING PROFIT,	<u>\$2,608.26</u>	<u>\$ 15,964.00</u>
<u>MISC. INCOME:</u>		
Stock Transfer Account	\$ 2.75	\$ 11.00
Misc. Income	1,000.00	1,574.40
Royalty from Leasers		<u>63.07</u>
Total Misc. Income,	<u>1,002.75</u>	<u>1,648.47</u>
PROFIT FOR PERIOD,	<u>\$3,611.01</u>	<u>\$ 17,612.47</u>

CONSOLIDATED VIRGINIA MINING COMPANY

SUMMARY OF OPERATIONS

THIS MONTH

Tons Milled, 4,399

November, 1941

THIS YEAR TO DATE

Tons Milled, 43,340

	<u>This Month</u>		<u>This Year to Date</u>
<u>PRODUCTION</u>			
Value in Heads	\$16,210.27		\$161,449.47
Value in Tails	5,260.89		48,456.54
Value in Heads Minus Tails,		\$10,949.38	\$112,992.93
Value in Concentrates Sold	\$ 9,592.75		\$108,292.40
Value in Bullion Sold	2,872.61		22,988.57
Value in Products Sold,		12,465.36	131,280.97
EXCESS, Value in Products Sold over Heads Minus Tails Value,		\$ 1,515.98	\$ 18,288.04
Percent Extraction by Heads Minus Tails		67.54	69.99
Percent Extraction by Bullion and Concentrates,		76.89	81.31

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	<u>This Month</u>		<u>This Year to Date</u>
<u>COSTS</u>			
	<u>Amount</u>	<u>Per Ton</u>	<u>Amount</u> <u>Per Ton</u>
Mill Expense	\$ 5,988.74	\$ 1.361	\$ 55,730.29 \$ 1.286
Mine Expense	1,608.79	.366	31,577.95 .729
General Expense	1,041.53	.237	13,642.38 .315
Milling Concentrates	120.83	.027	2,166.30 .050
Met. Loss on Concentrates	1,055.20	.240	11,961.60 .276
Marketing Bullion	42.01	.010	238.45 .005
Total Costs,	\$ 9,857.10	\$ 2.241	\$115,316.97 \$ 2.661

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<u>PROFIT & LOSS</u>			
Total Value in Products Sold,	\$12,465.36	\$ 2.834	\$131,280.97 \$ 3.029
Expense	9,857.10	2.241	115,316.97 2.661
OPERATING PROFIT,	\$ 2,608.26	\$.593	\$ 15,964.00 \$.368
Other Income	1,002.75		1,648.47
PROFIT, Per Profit & Loss Statement,	\$ 3,611.01		\$ 17,612.47

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Heads,	\$16,210.27	\$ 3.684	\$161,449.47 \$ 3.725
Tails	5,260.89	1.196	48,456.54 1.118
Heads Minus Tails,	\$10,949.38	\$ 2.488	\$112,992.93 \$ 2.607
Products Sold	12,465.36	2.834	131,280.97 3.029
EXCESS, Products Sold over Heads Minus Tails,	\$ 1,515.98	\$.354	\$ 18,288.04 \$.422

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CONSOLIDATED VIRGINIA MINING COMPANY

STATEMENT OF PROFIT & LOSS.

December, 1941

	<u>This Month</u>	<u>This Year to Date</u>
<u>INCOME</u>		
Sale of Concentrates	\$ 12,622.25	\$120,914.65
Sale of Bullion	<u>1,871.84</u>	<u>24,860.41</u>
Gross Sales,	\$14,494.09	\$145,775.06
Less:		
Milling Concentrates	\$ 159.26	\$ 2,325.56
Met. Loss on Concentrates	1,378.13	13,339.73
Marketing Bullion	<u>75.20</u>	<u>313.65</u>
Total Marketing Charges,	<u>1,612.59</u>	<u>15,978.94</u>
GROSS INCOME,	<u>\$12,881.50</u>	<u>\$129,796.12</u>
<u>EXPENSE</u>		
<u>Mill Expense</u>		
Supplies	\$ 2,940.59	\$ 35,696.82
Labor	1,532.53	17,004.60
Industrial Insurance	55.17	612.13
Power	<u>663.57</u>	<u>7,608.60</u>
Total Mill Expense,	\$ 5,191.86	\$ 60,922.15
<u>Mine Expense</u>		
Labor	\$ 334.92	\$ 4,121.09
Industrial Insurance	24.12	296.73
Supplies	<u>1,105.50</u>	<u>28,624.67</u>
Total Mine Expense,	\$ 1,464.54	\$ 33,042.49
<u>General Expense</u>		
Repairs & Maintenance Blds.	\$ 15.00	\$ 211.50
Officer's Salaries	650.00	7,800.00
Light, Heat, Etc., Office	1.00	20.50
Office Supplies	1.12	46.86
Office Postage	8.25	76.09
Misc. Expense	94.12	759.26
Interest		614.89
Telephone & Telegraph	12.45	64.21
Tax Expense	43.81	1,255.35
Insurance Expense	32.24	325.93
Social Security Tax	82.52	1,117.43
Truck & Auto Expense	343.04	2,393.46
Legal & Audit Fees		243.45
Bullion Tax	<u>753.29</u>	<u>753.29</u>
Total General Expense	<u>\$ 2,036.84</u>	<u>\$ 15,682.22</u>
OPERATING EXPENSE TOTAL EXPENSE	<u>\$ 8,693.24</u>	<u>\$ 109,646.86</u>
OPERATING PROFIT,	<u>\$ 4,188.26</u>	<u>\$ 20,149.26</u>
<u>MISC. INCOME:</u>		
Stock Transfer Account	\$ 8.00	\$ 19.00
Misc. Income	55.00	1,629.40
Royalty from Leasers	<u>4.60</u>	<u>67.67</u>
Total Misc. Income	<u>\$ 67.60</u>	<u>\$ 1,716.07</u>
PROFIT FOR PERIOD,	<u>\$ 4,255.86</u>	<u>\$ 21,865.33</u>

CON. VIRGINIA MINING CO.

SUMMARY OF OPERATIONS

THIS MONTH

Tons Milled, 4,422

December, 1941

THIS YEAR TO DATE

Tons Milled, 47,762

	<u>This Month</u>		<u>This Year to Date</u>	
<u>PRODUCTION</u>				
Value in Heads	\$18,126.99		\$179,576.46	
Value in Tails	<u>5,575.34</u>		<u>54,031.88</u>	
Value in Heads Minus Tails	\$12,551.65		\$125,544.58	
Value in Concentrates Sold	\$12,622.25		\$121,914.65	
Value in Bullion Sold	<u>1,871.84</u>		<u>24,860.41</u>	
Value in Products Sold	\$14,494.09		\$145,775.06	
EXCESS, Values in Products Sold over Heads minus Tails Value,	\$ 1,942.44		\$ 20,230.48	
Percent Extraction by Heads Minus Tails,	69.24		69.91	
Percent Extraction by Bullion and Concentrates	79.96		81.17	
-----oOo-----				
	<u>This Month</u>		<u>This Year to Date</u>	
<u>COSTS</u>	<u>Amount</u>	<u>Per Ton</u>	<u>Amount</u>	<u>Per Ton</u>
Mill Expense	\$ 5,191.86	\$ 1.175	\$60,922.15	\$ 1.275
Mine Expense	1,464.54	.331	33,042.49	.692
General Expense	2,036.84	.461	15,682.22	.329
Milling Concentrates	159.26	.036	2,325.56	.049
Met. Loss on Concentrates	1,378.13	.311	13,339.73	.279
Marketing Bullion	75.20	.017	313.65	.006
Total Costs,	<u>\$10,305.83</u>	<u>\$ 2.331</u>	<u>\$125,625.80</u>	<u>\$ 2.630</u>
-----oOo-----				
<u>PROFIT & LOSS</u>				
Total Value in Products Sold,	\$14,494.09	\$ 3.277	\$145,775.06	\$ 3.052
Expense	<u>10,305.83</u>	<u>2.331</u>	<u>125,625.80</u>	<u>2.630</u>
OPERATING PROFIT,	\$ 4,188.26	\$.996	\$ 20,149.26	\$.422
Other Income	<u>67.60</u>		<u>1,716.07</u>	
PROFIT, Per Profit & Loss Statement	\$ 4,255.86		\$ 21,865.33	
-----oOo-----				
Heads	\$18,126.99	\$ 4.099	\$ 179,576.46	\$ 3.756
Tails	<u>5,575.34</u>	<u>1.260</u>	<u>54,031.88</u>	<u>1.131</u>
Heads Minus Tails,	\$12,551.65	\$ 2.839	\$ 125,544.58	\$ 2.625
Products Sold	<u>14,494.09</u>	<u>3.277</u>	<u>145,775.06</u>	<u>3.052</u>
EXCESS, Products Sold over Heads Minus Tails	\$ 1,942.44	\$.438	\$ 20,230.48	\$.427
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CON. VIRGINIA MINING CO.

DECEMBER 31, 1941

CURRENT ASSETS.

Cash, First National Bank of Nevada		\$ 2,801.14
Petty Cash		2.41
Storehouse Supplies		
Balls	\$ 1,966.27	
Ball Mill Liners & Bolts	<u>2,377.06</u>	3,492.44
Prepaid Insurance		254.70
Nevada Industrial Deposit		143.49
Accounts Receivable:-		
Dayton Cons. Mines Co. Lot #105	3,697.36	
Dayton Cons. Mines Co. Lot #106	489.74	
Dayton Cons. Mines Co. Lot #107	1,633.71	
Mrs. Zeb Kendall	76.70	
Mexican Gold & Silver Mng. Co.	<u>175.00</u>	<u>6,072.51</u>

TOTAL CURRENT ASSETS

\$ 12,766.09.

CURRENT LIABILITIES

Accounts Payable, Con. Virginia & Andes		\$ 264.28
Contracts Payable, Cadillac Automobile		1,322.28
Accounts Payable,		
Nevada Rock & Sand, Inc.	\$12,523.82	
Mineral Separation North		
American Corp.	477.62	
Tunnel Royalty, Leasers.	556.87	
Con. Chollar G. & S. Mng. Co.	890.89	
Dayton Cons. Mines Co. (Oct.)	85.11	
Braun-Knecht-Heimann-Co. (Nov.)	216.10	
December Account Payable	<u>2,029.82</u>	16,780.33
Accrued Taxes		595.20
Accrued Employees S.S. Tax		53.46
Accrued Employers S. S. Tax		53.47
Accrued Nevada Unemployment Tax		201.07
Accrued Federal Unemployment Tax		76.52
Accrued Salaries & Wages:		
Claus Martens	87.99	
W. J. Henley	1,188.00	
December 15 payroll (Mooney)	7.42	
December 31, payroll	<u>807.80</u>	<u>2,091.21</u>
Accrued Industrial Insurance		79.29

TOTAL CURRENT LIABILITIES

\$ 20,194.83.

Con. Virginia Mining Co.

Summary of Costs.

Year 1941

Tons Milled for Year 47,762.

	<u>Amount</u>	<u>Cost per ton</u>
<u>MILL OPERATION</u>		
Fuel	\$ 736.03	\$.015
Lumber	137.23	.003
Misc.	375.23	.008
Assaying	649.00	.014
Repairs	487.63	.010
Reagents	2,710.25	.057
Balls	3,142.51	.066
Ball Mill Liners	2,668.67	.056
Lubricants	28.59	---
Mercury	134.25	.003
License to use Zanthates	477.62	.010
Tailings Disposal	727.50	.015
Labor	17,004.60	.356
Industrial Insurance	612.13	.012
Power	7,608.60	.159
Crushing Ore	18,663.75	.391
Water	4,758.56	.100
TOTAL MILL OPERATION	\$ 60,922.15	\$ 1.275
<u>MINE OPERATION</u>		
Explosives	\$ 122.75	\$.003
Misc.	3.00	---
Colletti House	300.00	.006
Labor	4,121.09	.086
Industrial Insurance	296.73	.006
Hauling Ore	15,834.60	.332
Moving Overburden	12,364.32	.259
TOTAL MINE OPERATION	\$ 33,042.49	\$.692
<u>GENERAL EXPENSE:</u>		
Repairs & Maintenance Bld.	211.50	\$.004
Officer's Salaries	7,800.00	.163
Light, Etc., Office	20.50	---
Office Supplies	46.86	.001
Office Postage	76.09	.002
Misc.	759.26	.016
Interest	614.89	.013
Telephone & Telegraph	64.21	.001
Tax Expense	1,255.35	.026
Industrial Insurance	325.93	.010
Social Security Tax	1,117.43	.023
Truck & Auto Expense	2,393.46	.050
Legal & Audir Fee	243.45	.005
Bullion Tax	753.29	.015
TOTAL GENERAL EXPENSE	\$ 15,682.22	\$.329
MILLING CONCENTRATES	2,325.56	.049
MET. LOSS ON CONCENTRATES	13,339.73	.279
MARKETING BULLION	313.65	.006
TOTAL COSTS FOR YEAR 1941	\$125,625.80	\$ 2.630.

CON. VIRGINIA MINING CO.

SUMMARY OF OPERATIONS

January, 1942

Tons Milled, 4,009.

PRODUCTION

Value in Heads	\$ 17,679.69	
Value in Tails	<u>5,893.23</u>	
Value in Heads Minus Tails		\$ 11,786.46
Value in Concentrates Sold	\$ 11,655.83	
Total Value in Products Sold		<u>11,655.83</u>
Value in Heads minus tails over Concentrates sold		\$ 130.63
Percent Extraction, by Heads minus Tails		66.67
Percent Extraction, by Concentrates		65.92

COSTS

		<u>PER TON</u>
Mill Expense	\$ 5,339.34	\$ 1.332
Mine Expense	1,323.85	.330
General Expense	1,080.62	.269
Milling Concentrates	145.58	.036
Metallurgical Loss on Concentrates	<u>1,278.26</u>	<u>.319</u>
Total Costs,	\$ 9,167.65	\$ 2.286

PROFIT & LOSS

Total Value in Products sold	\$ 11,655.83	\$ 2.907
Expense	<u>9,167.65</u>	<u>2.286</u>
OPERATING PROFIT	\$ 2,488.18	\$.621

	<u>AMOUNT</u>	<u>PER TON</u>
Heads	\$ 17,679.69	\$ 4.41
Tails	5,893.23	1.47
Heads Minus Tails	\$ 11,786.46	2.94
Heads minus tails over Concentrates	130.63	.03
Products sold	<u>11,655.83</u>	<u>2.91</u>

CON. VIRGINIA MINING CO.
STATEMENT OF PROFIT & LOSS

January 1942

INCOME

Sale of Concentrates	\$ 11,655.83	
Gross Sales		\$ 11,655.83
Less:		
Milling Concentrates	\$ 145.58	
Metallurgical Loss ON Concentrates	<u>1,278.86</u>	
Total Marketing Charge		<u>\$ 1,423.84</u>
GROSS INCOME		\$ 10,231.99

EXPENSE

Mill Expense

Supplies	\$ 2,904.03	
Labor	1,687.89	
Industrial Insurance	60.76	
Power	<u>686.66</u>	
Total Mill Expense		\$5,339.34

Mine Expense:

Labor	\$ 300.00	
Industrial Insurance	21.60	
Supplies (hauling Ore)	<u>1,002.25</u>	
Total Mine Expense		\$1,323.85

General Expense:

Repairs & Maintenance Buildings	\$ 15.00	
Officer's Salaries	650.00	
Light, Heat, Power, Water, Office	1.00	
Office Supplies	3.60	
Misc. Expense	18.60	
Telephone & Telegraph	3.71	
Tax Expense	66.13	
Insurance Expense	32.32	
Social Security Tax	106.11	
Truck & Auto Expense	<u>184.15</u>	
Total General Expense		<u>\$1,080.62</u>
TOTAL EXPENSE		\$ 7,743.81.

OPERATING PROFIT

\$ 2,488.18

PROFIT & LOSS

Total Value in Products Sold 6,744.69 \$ 2.326
Expense 7,631.66 2.631

OPERATING PROFIT,
THIS MONTH

Tons Milled 6,909
PROFIT, Per Profit & Loss

Statement 2900 tons

SUMMARY OF OPERATIONS

FEBRUARY 1942

\$18,400.52 \$ 2.663
16,799.31 2.431
\$ 1,601.21 .232
69.37

THIS YEAR TO DATE

Tons Milled, 6,909

	This Month	Year This Month to Date
PRODUCTION		
Value in Heads	\$ 9,773.00	\$ 27,452.69
Value in Tails	2,697.00	8,590.23
Value in Heads Minus Tails	\$ 7,076.00	\$ 18,862.46
Value in Concentrates Sold	6,744.69	18,400.52
Value in Heads Minus Tails over Concentrates Sold	\$ 331.31	\$ 461.94
Percent Extraction by Heads Minus Tails,	72.40	68.71
Percent Extraction by Concentrates	69.01	67.03

	This Month	This Year to Date
COSTS	AMOUNT PER TON	AMOUNT PER TON
Mill Expense	\$ 4,611.41 \$ 1.590	\$ 9,950.75 \$ 1.440
Mine Expense	1,046.60 .361	2,370.45 .343
General Expense	1,069.03 .369	2,149.65 .311
Milling Concentrates	186.25 .064	331.83 .048
Met. Loss on Concentrates	718.37 .247	1,996.63 .289
Total Costs,	\$ 7,631.66 \$ 2.631	\$16,799.31 \$ 2.431

PROFIT & LOSS

Total Value in Products Sold 6,744.69 \$ 2.326 \$18,400.52 \$ 2.663
Expense 7,631.66 2.631 16,799.31 2.431
OPERATING PROFIT, 886.97 .305 \$ 1,601.21 .232
Other Income 69.37 69.37
PROFIT, Per Profit & Loss \$ 837.00 \$ 1,670.56
Statement

Heads	\$ 8,773.00	\$ 3.370	\$ 27,452.69	\$ 3.973
Tails	2,697.00	.930	8,590.23	1.243
Heads Minus Tails	\$ 7,076.00	\$ 2.440	\$ 18,862.46	\$ 2.730
Concentrates Sold	6,744.69	2.326	18,400.52	2.663
Heads Minus Tails Over Products Sold	\$ 331.31	\$.114	\$ 461.94	\$.067

CON. VIRGINIA MINING CO.
STATEMENT OF PROFIT AND LOSS
FEBRUARY 1942.

	<u>This Month</u>	<u>This Year to Date</u>
<u>INCOME</u>		
Sale of Concentrates	\$ 6,744.69	\$ 18,400.52
Gross Sales,	\$ 6,744.69	\$ 18,400.52
Less:		
Milling Concentrates	186.25	331.83
Met. Loss on Concentrates	718.37	1,996.63
Total Marketing Charges,	904.62	2,328.46
GROSS INCOME	<u>\$ 5,840.07</u>	<u>\$ 16,072.06</u>
<u>EXPENSES</u>		
<u>Mill Expense</u>		
Supplies	\$ 2,445.94	\$ 5,349.97
Labor	1,437.10	3,124.99
Industrial Insurance	51.73	112.49
Power	576.64	1,363.30
Total Mill Expense,	\$ 4,611.41	\$ 9,950.75
<u>Mine Expense</u>		
Labor	\$ 300.00	\$ 600.00
Industrial Insurance	21.60	43.20
Supplies (hauling Ore)	725.00	1,727.25
Total Mine Expense	\$ 1,046.60	\$ 2,370.45
<u>General Expense</u>		
Repairs & Maintenance Bldg.	15.00	\$ 30.00
Officer's Salaries	650.00	1,300.00
Light, Heat, Etc. Office	1.00	2.00
Office Supplies		3.60
Misc. Expense	13.76	32.36
Telephone & Telegraph	3.92	7.63
Tax Expense	66.13	132.26
Insurance Expense	32.24	64.56
Social Security Expense	96.09	202.20
Truck & Auto Expense	190.89	375.04
Total General Expense	\$ 1,069.03	\$ 2,149.65
TOTAL EXPENSE	<u>\$ 6,727.04</u>	<u>\$ 14,470.85</u>
OPERATING PROFIT	<u>\$ 886.97</u>	<u>\$ 1,601.21</u>
<u>MISC. INCOME</u>		
Stock Transfer Account	\$ 19.25	\$ 19.25
Royalty from Leasers	50.12	50.12
Total Misc. Income	\$ 69.37	\$ 69.37
PROFIT FOR PERIOD	<u><u>\$ 917.80</u></u>	<u><u>\$ 1,670.58</u></u>

CONSOLIDATED VIRGINIA MINING CO.

SUMMARY OF OPERATIONS

THIS MONTH

Tons Milled, 3,404

MARCH 1942

THIS YEAR TO DATE

Tons Milled, 10,313

	<u>This Month</u>	<u>This Year to Date</u>
<u>PRODUCTION</u>		
Value in Heads	\$ 13,071.86	\$ 40,524.55
Value in Tails	4,220.96	12,811.19
Value in Heads Minus Tails	\$ 8,850.90	\$ 27,713.36
Value in Concentrates sold	\$ 6,770.69	\$ 25,171.21
Value in Bullion Sold	1,133.32	1,133.32
Value in Products Sold,	\$ 7,904.01	\$ 26,304.53
Value in Heads Minus Tails		
Over Product Sold,	\$ 946.89	\$ 1,408.83
Percent Extraction by Heads		
Minus Tails	67.71	68.38
Percent Extraction by Bullion		
and Concentrates sold	60.46	64.91

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	<u>This Month</u>	<u>This year to Date</u>
<u>COSTS</u>		
	<u>Amount</u>	<u>Per Ton</u>
Mill Expense	\$ 5,080.81	\$1.493
Mine Expense	1,172.60	.344
General Charges	958.56	.280
Milling Concentrates	144.79	.043
Met. Loss on Concentrates	748.01	.220
Marketing Bullion	11.93	.003
Total Costs,	\$ 8,110.70	\$ 2.383

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<u>PROFIT & LOSS</u>				
Total Value in Products sold,	\$ 7,904.01	\$ 2.322	\$ 26,304.53	\$ 2.551
Expense	8,110.70	2.383	24,910.01	2.415
OPERATING PROFIT	\$ 203.69	\$.061	\$ 1,394.52	\$.136
Other Income	38.52		107.89	
Profit as per P. & L. Statement	\$ 165.17		\$ 1,502.51	

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Heads	\$13,071.86	\$ 3.840	\$ 40,524.55	\$ 3.930
Tails	4,220.96	1.240	12,811.19	1.242
Heads Minus Tails	\$ 8,850.90	\$ 2.600	\$ 27,713.36	\$ 2.688
Products Sold	7,904.01	2.322	26,304.53	2.551
Value in Heads Minus Tails				
over Products sold	\$ 946.89	\$.278	\$ 1,408.83	\$.137

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CONSOLIDATED VIRGINIA MINING COMPANY

STATEMENT OF PROFIT & LOSS

MARCH 1942

	<u>This Month</u>	<u>This Year to Date.</u>
<u>INCOME</u>		
Sale of Concentrates	\$ 6,770.69	\$ 25,171.21
Sale of Bullion	<u>1,133.32</u>	<u>1,133.32</u>
Gross Sales,	\$ 7,904.01	\$ 26,304.53
Less:		
Milling Concentrates	\$ 144.79	\$ 476.62
Met. Loss on Concentrates	748.01	2,744.64
Marketing Bullion	<u>11.93</u>	<u>11.93</u>
Total Marketing Charges	\$ 904.73	\$ 3,233.19
GROSS INCOME	<u>\$ 6,999.28</u>	<u>\$ 23,071.34</u>
<u>EXPENSES</u>		
<u>Mill Expense</u>		
Supplies	\$ 2,987.63	\$ 8,337.60
Labor	1,519.02	4,644.01
Industrial Insurance	54.68	167.17
Power	<u>519.48</u>	<u>1,882.78</u>
Total Mill Expense	\$ 5,080.81	\$ 15,031.56
<u>Mine Expense</u>		
Labor	\$ 300.00	\$ 900.00
Industrial Insurance	21.60	64.80
Supplies (hauling Ore)	<u>851.00</u>	<u>2,578.25</u>
Total Mine Expense	\$ 1,172.60	\$ 3,543.05
<u>General Expense</u>		
Repairs & Maintenance Bldg.	\$ 15.00	\$ 45.00
Officer's Salaries	650.00	1,950.00
Light, Heat Etc., office	1.00	3.00
Office Supplies	1.25	4.85
Misc. Expense	14.85	47.21
Telephone & Telegraph	3.82	11.45
Tax Expense	66.13	198.39
Insurance Expense	32.24	96.80
Social Security Tax	99.37	301.57
Truck & Auto Expense	<u>68.90</u>	<u>443.94</u>
Total General Expense	\$ 952.56	\$ 3,102.21
TOTAL EXPENSE	<u>\$ 7,205.97</u>	<u>\$ 21,676.82</u>
OPERATING PROFIT	\$ 203.69	\$ 1,394.52
<u>MISC. INCOME</u>		
Stock Transfer Account		\$ 19.25
Royalty from Leasers	<u>\$ 38.52</u>	<u>88.64</u>
Total Misc. Income	\$ 38.52	\$ 107.89
PROFIT FOR PERIOD	<u>\$ 165.17</u>	<u>\$ 1,502.41</u>

CONSOLIDATED VIRGINIA MINING CO

SUMMARY OF OPERATIONS

THIS MONTH

Tons Milled 3,627

APRIL 1942

THIS YEAR TO DATE

Tons Milled 13,940

	<u>This Month</u>	<u>This Year to Date</u>
<u>PRODUCTION</u>		
Value in Heads	\$ 19,990.81	\$ 60,515.36
Value in Tails	6,038.24	18,849.43
Value in Heads Minus Tails	\$ 13,952.57	\$ 41,665.93
Value in Concentrates sold	\$ 11,997.27	\$ 37,168.48
Value in Bullion sold	2,086.91	3,220.23
Value in Products sold	\$ 14,084.18	\$ 40,388.71
Value in Heads Minus Tails over Products sold	\$ 131.61	\$ 1,277.22
Percent Extraction by Heads Minus Tails	69.79	68.85
Percent Extraction by Bullion and Concentrates sold	70.45	66.74

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	<u>This Month</u>		<u>This Year to Date</u>	
<u>COSTS</u>	<u>Amount</u>	<u>Per Ton</u>	<u>Amount</u>	<u>Per Ton</u>
Mill Expense	\$ 5,103.15	\$ 1.407	\$ 20,134.71	\$ 1.444
Mine Expense	1,328.35	.366	4,871.40	.349
General Charges	1,329.62	.366	4,431.83	.318
Milling Concentrates	146.95	.041	623.57	.045
Met. Loss on Concentrates	1,362.70	.376	4,107.34	.295
Marketing Bullion	37.02	.010	48.95	.003
Total Costs,	<u>\$ 9,307.79</u>	<u>\$ 2.566</u>	<u>\$ 34,217.80</u>	<u>\$ 2.454</u>

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PROFIT & LOSS

Total Value in Products Sold	\$14,084.18	\$ 3.883	\$ 40,388.71	\$ 2.897
Expense	9,307.79	2.566	34,217.80	2.454
OPERATING PROFIT	\$ 4,776.39	\$ 1.317	\$ 6,170.91	\$.443
Other Income	51.45		159.34	
Profit as per Profit & Loss Statement	\$ 4,827.84		\$ 6,330.25	

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Heads	\$ 19,990.81	\$ 5.512	\$ 60,515.36	\$ 4.341
Tails	6,038.24	1.664	18,849.43	1.352
Heads minus Tails	\$ 13,952.57	\$ 3.848	\$ 41,665.93	\$ 2.989
Products Sold	14,084.18	3.883	40,388.71	2.897
Value in Heads Minus Tails Over Products Sold	\$ 131.61	\$.035	\$ 1,277.22	\$.092

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CONSOLIDATED VIRGINIA MINING CO.

STATEMENT OF PROFIT & LOSS

APRIL 1942

	<u>This Month</u>	<u>This year to Date</u>
<u>INCOME</u>		
Sale of Concentrates	\$ 11,997.27	\$ 37,168.48
Sale of Bullion	2,086.91	3,220.23
Gross Sales,	\$ 14,084.18	\$ 40,388.71
Less:		
Milling Concentrates	\$ 146.95	\$ 623.57
Met. Loss on Concentrates	1,362.70	4,107.34
Marketing Bullion	37.02	48.95
Total Marketing Charges	\$ 1,546.67	\$ 4,779.86
Gross Income	\$ 12,537.51	\$ 35,608.85
<u>EXPENSES</u>		
<u>Mill Expense</u>		
Supplies	\$ 2,974.07	\$ 11,311.67
Labor	1,464.88	6,108.89
Industrial Insurance	52.74	219.91
Power	611.46	2,494.24
Total Mill Expense	\$ 5,103.15	\$ 20,134.71
<u>Mine Expense</u>		
Labor	\$ 400.00	\$ 1,300.00
Industrial Insurance	21.60	86.40
Supplies (hauling Ore)	906.75	3,485.00
Total Mine Expense	\$ 1,328.35	\$ 4,871.40
<u>General Expense</u>		
Repairs & Maintenance Bldg.	\$ 127.57	\$ 172.57
Officer's Salaries	650.00	2,600.00
Light, Heat, etc. Office	1.00	4.00
Office Supplies	--	4.85
Misc. Expense	15.80	63.01
Telephone & Telegraph	3.60	15.05
Tax Expense	66.13	264.52
Insurance Expense	32.25	129.05
Social Security Tax	101.20	402.77
Auto & Truck Expense	72.07	516.01
Legal & Audit Fees	260.00	260.00
Total General Expense	\$ 1,329.62	\$ 4,431.83
TOTAL EXPENSE	\$ 7,761.12	\$ 29,437.94
OPERATING PROFIT	\$ 4,776.39	\$ 6,170.91
<u>MISC. INCOME</u>		
Stock Transfer Account	\$ 1.00	\$ 20.25
Royalty from Leasers	50.45	139.09
Total Misc. Income	\$ 51.45	\$ 159.34
PROFIT FOR PERIOD	\$ 4,827.84	\$ 6,330.25

CONSOLIDATED VIRGINIA MINING CO.

THIS MONTH

Tons Milled, 3,922 Tons

SUMMARY OF OPERATIONS

THIS YEAR TO DATE

Tons Milled, 21,929

June, 1942

	<u>This Month</u>	<u>This Year to Date</u>
PRODUCTION		
Value in Heads	\$15,437.79	\$91,211.46
Value in Tails	<u>4,809.93</u>	<u>28,107.18</u>
Value in Heads Minus Tails	\$10,627.86	\$63,104.28
Value in Concentrates Sold	\$11,032.14	\$56,344.80
Value in Bullion Sold	<u>1,715.12</u>	<u>6,911.89</u>
Value in Products Sold	<u>12,747.26</u>	\$63,256.69
Value in Heads Minus Tails over Products Sold,	<u>\$ 2,119.40</u>	<u>\$ 152.31</u>
Percent Extraction by Heads Minus Tails	68.84	69.18
Percent Extraction by Bullion and Concentrates Sold	82.57	69.35

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	<u>This Month</u>		<u>This Year to Date</u>	
	<u>Amount</u>	<u>Per Ton</u>	<u>Amount</u>	<u>Per Ton</u>
COSTS				
Mill Expense	\$ 4,805.77	\$ 1.225	\$30,182.91	\$ 1.376
Mine Expense	1,576.79	.402	7,989.48	.365
General Charges	1,405.24	.359	7,682.68	.350
Milling Concentrates	420.16	.107	1,195.52	.054
Met. Loss on Concentrates	1,271.72	.324	6,295.83	.287
Marketing Bullion	35.61	.009	149.55	.007
Total Costs,	<u>\$ 9,515.29</u>	<u>\$ 2.426</u>	<u>\$53,495.97</u>	<u>\$ 2.439</u>
PROFIT & LOSS				
Total Value in Products Sold	\$12,747.26	\$ 3.250	\$63,256.69	\$ 2.884
Expense	<u>9,515.29</u>	<u>2.426</u>	<u>53,495.97</u>	<u>2.439</u>
OPERATING PROFIT,	<u>\$ 3,231.97</u>	<u>\$.824</u>	<u>\$ 9,760.72</u>	<u>\$.445</u>
Other Income	<u>111.22</u>		<u>421.11</u>	
PROFIT, as per				
Profit & Loss Statement	<u>\$ 3,343.19</u>		<u>\$10,181.83</u>	

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Heads	\$15,437.79	\$ 3.936	\$91,211.46	\$ 4.159
Tails	4,809.93	1.226	28,107.18	1.282
Heads Minus Tails	\$10,627.86	\$ 2.710	\$63,104.28	\$ 2.877
Products Sold	<u>12,747.26</u>	<u>3.250</u>	<u>63,256.69</u>	<u>2.884</u>
Value in Heads Minus Tails Over Products Sold,	<u>\$ 2,119.40</u>	<u>\$.560</u>	<u>\$ 152.31</u>	<u>\$.007</u>

CONSOLIDATED VIRGINIA MINING CO.

STATEMENT OF PROFIT & LOSS

June, 1942

	<u>This Month</u>	<u>This Year to Date</u>
INCOME:		
Sale of Concentrates	\$11,032.14	\$56,344.80
Sale of Bullion	<u>1,715.12</u>	<u>6,911.89</u>
Gross Sales,	\$12,747.26	\$63,256.69
Less:		
Milling Concentrates	\$ 420.16	\$ 1,195.52
Met. Loss on Concentrates	1,271.72	6,295.83
Marketing Bullion	<u>35.61</u>	<u>149.55</u>
Total Marketing Charges,	<u>1,727.49</u>	<u>7,540.90</u>
Gross Income,	<u>\$11,019.77</u>	<u>\$55,615.79</u>
EXPENSE:		
<u>Mill Expense</u>		
Supplies	\$ 2,496.08	\$16,692.12
Labor	1,636.19	9,418.13
Industrial Insurance	58.90	339.04
Power	<u>614.60</u>	<u>3,733.62</u>
Total Mill Expense,	\$ 4,805.77	\$30,182.91
<u>Mine Expense</u>		
Labor	\$ 562.96	\$ 2,358.99
Industrial Insurance	33.33	148.24
Supplies (Hauling Ore)	<u>980.50</u>	<u>5,482.25</u>
Total Mine Expense,	1,576.79	7,989.48
<u>General Expense</u>		
Repairs & Maintenance Bldgs.	\$ 25.20	\$ 1,038.79
Officers Salaries	922.28	4,194.56
Light, Heat, Etc., Office	1.00	6.00
Office Supplies	1.25	6.10
Office Postage		22.00
Miscellaneous Expense	80.90	161.83
Telephone & Telegraph	3.66	22.47
Tax Expense	66.13	396.78
Insurance Expense	28.01	189.37
Social Security Taxes	122.06	638.19
Truck & Auto Expense	154.75	746.69
Legal & Audit Fees		<u>260.00</u>
Total General Expense,	<u>1,405.24</u>	<u>7,682.68</u>
TOTAL EXPENSE,	<u>\$ 7,787.80</u>	<u>\$45,855.07</u>
OPERATING PROFIT,	\$ 3,231.97	\$ 9,760.72
MISC. INCOME		
Stock Transfer Account		\$ 20.50
Royalty from Leasers	<u>\$ 111.22</u>	<u>400.61</u>
Total Misc. Income,	<u>111.22</u>	<u>421.11</u>
PROFIT FOR PERIOD,	<u>\$ 3,343.19</u>	<u>\$10,181.83</u>

CONSOLIDATED VIRGINIA MINING CO.

THIS MONTH
Tons Milled, 1,200

SUMMARY OF OPERATIONS

THIS YEAR TO DATE
Tons Milled, 23,129

July, 1942

	<u>This Month</u>		<u>This Year to Date</u>	
PRODUCTION				
Value in Heads	\$ 4,715.08		\$95,927.26	
Value in Tails	<u>1,471.12</u>		<u>29,578.30</u>	
Value in Heads Minus Tails		\$ 3,244.68		\$66,348.96
Value in Concentrates Sold	\$ 2,799.37		\$56,694.81	
Value in Bullion Sold	445.31		7,357.20	
Value in Slimes & Cleanup Sold	<u>1,298.30</u>		<u>3,747.66</u>	
Value in Products Sold		<u>4,542.98</u>		<u>67,799.67</u>
Value in Heads Minus Tails over Products Sold		<u>\$ 1,298.30</u>		<u>\$ 1,450.71</u>
Percent Extraction by				
Heads Minus Tails		68.80		69.16
Percent Extraction by				
Bullion & Concentrates, Etc. Sold		96.33		70.68
---o0o---				
	<u>This Month</u>		<u>This Year to Date</u>	
	<u>Amount</u>	<u>Per Ton</u>	<u>Amount</u>	<u>Per Ton</u>
COSTS				
Mill Expense	\$ 3,792.53	\$ 3.160	\$33,975.44	\$ 1.469
Mine Expense	1,382.00	1.152	9,371.48	.405
General Charges	1,764.14	1.470	9,446.82	.408
Milling Concentrates	156.61	.130	1,352.13	.059
Met. Loss on Concentrates	470.67	.392	6,766.50	.293
Marketing Bullion	24.95	.021	174.50	.007
Total Costs,	<u>\$ 7,590.90</u>	<u>\$ 6.325</u>	<u>\$61,086.87</u>	<u>\$ 2.641</u>
PROFIT & LOSS				
Total Value in Products Sold	\$ 4,542.98	\$ 3.786	\$67,799.67	\$ 2.931
Expense	<u>7,590.90</u>	<u>6.325</u>	<u>61,086.87</u>	<u>2.641</u>
OPERATING PROFIT	<u>\$ 3,047.92</u>	<u>\$ 2.539</u>	<u>\$ 6,712.80</u>	<u>\$.290</u>
Other Income	156.92		578.03	
PROFIT, per				
Profit & Loss Statement	<u>\$ 2,891.00</u>		<u>\$ 7,290.83</u>	
---o0o---				
Heads	\$ 4,715.80	\$ 3.930	\$95,927.26	\$ 4.147
Tails	<u>1,471.12</u>	<u>1.226</u>	<u>29,578.30</u>	<u>1.279</u>
Heads Minus Tails	\$ 3,244.68	\$ 2.704	\$66,348.96	\$ 2.868
Products Sold	<u>4,542.98</u>	<u>3.786</u>	<u>67,799.67</u>	<u>2.931</u>
Value in Heads minus Tails over Products Sold,	<u>\$ 1,298.30</u>	<u>\$.108</u>	<u>\$ 1,450.71</u>	<u>\$.063</u>

CONSOLIDATED VIRGINIA MINING CO.

STATEMENT OF PROFIT & LOSS

July, 1942

	<u>This Month</u>	<u>This Year to Date</u>
INCOME		
Sale of Concentrates	\$ 4,097.67	\$60,442.47
Sale of Bullion	<u>445.31</u>	<u>7,357.20</u>
Gross Sales,	\$ 4,542.98	\$67,799.67
Less:		
Milling Concentrates	\$ 156.61	\$ 1,352.13
Met. Loss on Concentrates	470.67	6,766.50
Marketing Bullion	<u>24.95</u>	<u>174.50</u>
Total Marketing Charges,	652.23	8,293.13
Gross Income,	<u>\$ 3,890.75</u>	<u>\$59,506.54</u>
EXPENSE		
<u>Mill Expense</u>		
Supplies	\$ 1,273.26	\$17,965.38
Labor	1,964.46	11,382.59
Industrial Insurance	70.72	409.76
Power	<u>484.09</u>	<u>4,217.71</u>
Total Mill Expense,	3,792.53	33,975.44
<u>Mine Expense</u>		
Labor	\$ 571.60	\$ 2,930.59
Industrial Insurance	33.96	182.20
Supplies	<u>776.44</u>	<u>6,258.69</u>
Total Mine Expense,	1,382.00	9,371.48
<u>General Expense</u>		
Repairs & Maintenance Bldgs.	\$ 15.20	\$ 1,053.99
Officers Salaries	922.28	5,116.84
Light, Heat, Etc., Office	1.00	7.00
Office Supplies		6.10
Office Postage		22.00
Misc. Expense	96.69	258.52
Telephone & Telegraph	4.72	27.19
Tax Expense	449.41	846.19
Insurance Expense	34.41	223.68
Social Security Taxes	130.53	768.72
Truck & Auto Expense	109.90	856.59
Legal & Audit Fees		<u>260.00</u>
Total General Expense	<u>1,764.14</u>	<u>9,446.82</u>
TOTAL EXPENSE,	<u>\$ 6,938.67</u>	<u>\$52,793.74</u>
OPERATING PROFIT,	<u>\$ 3,047.92</u>	<u>\$ 6,712.80</u>
MISC. INCOME		
Stock Transfer Account		\$ 20.50
Royalty from Leasers	<u>\$ 156.92</u>	<u>557.53</u>
Total Misc. Income	156.92	578.03
PROFIT FOR PERIOD,	<u>\$ 2,891.00</u>	<u>\$ 7,290.83</u>

THIS MONTH

CONSOLIDATED VIRGINIA MINING CO.

THIS YEAR TO DATE

Tons Milled, 2,168

SUMMARY OF OPERATIONS

Tons Milled, 25,297

August, 1942

	<u>This Month</u>		<u>This Year to Date</u>	
PRODUCTION				
Value in Heads	\$ 7,742.74		\$103,670.00	
Value in Tails	<u>2,122.81</u>		<u>31,701.11</u>	
Value in Heads Minus Tails,		\$ 5,619.93		\$71,968.89
Value in Concentrates Sold	\$ 2,000.16		\$ 58,694.97	
Value in Bullion Sold	389.11		7,746.31	
Value in Slimes & Cleamup Sold	<u>2,117.68</u>		<u>5,865.34</u>	
Value in Products Sold,		4,506.95		72,306.62
Value in Heads Minus Tails over Products Sold,		\$ 1,112.98		\$ 337.73
Percent Extraction by Heads Minus Tails		72.58		69.42
Percent Extraction by Products Sold		58.21		69.75
	---oOo---			
	<u>This Month</u>		<u>This Year to Date</u>	
	<u>Amount</u>	<u>Per Ton</u>	<u>Amount</u>	<u>Per Ton</u>
COSTS				
Mill Expense	\$ 3,317.62	\$ 1.530	\$ 37,293.06	\$ 1.474
Mine Expense	2,038.59	.940	11,410.07	.451
General Charges	1,405.20	.649	10,852.02	.429
Milling Concentrates	303.82	.140	1,655.95	.066
Met. Loss on Concentrates	498.41	.230	7,264.91	.287
Marketing Bullion	13.80	.006	188.30	.007
Total Costs,	<u>\$ 7,577.44</u>	<u>\$ 3.495</u>	<u>\$ 68,664.31</u>	<u>\$ 2.714</u>
PROFIT & LOSS				
Total Value in Products Sold	\$ 4,506.95	\$ 2.079	\$ 72,306.62	\$ 2.858
Expenses	<u>7,577.44</u>	<u>3.495</u>	<u>68,664.31</u>	<u>2.714</u>
OPERATING PROFIT	\$ 3,070.49	\$ 1.416	\$ 3,642.31	\$.144
Other Income			578.03	
PROFIT, per				
Profit & Loss Statement	<u>\$ 3,070.49</u>		<u>\$ 4,220.34</u>	
	---oOo---			
Heads	\$ 7,742.74	\$ 3.571	\$103,670.00	\$ 4.098
Tails	<u>2,122.81</u>	<u>.979</u>	<u>31,701.11</u>	<u>1.253</u>
Heads Minus Tails,	\$ 5,619.93	\$ 2.592	\$ 71,968.89	\$ 2.845
Products Sold	<u>4,506.95</u>	<u>2.079</u>	<u>72,306.62</u>	<u>2.858</u>
Value in Heads minus Tails over Products Sold,	<u>\$ 1,112.98</u>	<u>\$.413</u>	<u>\$ 337.73</u>	<u>\$.013</u>

CONSOLIDATED VIRGINIA MINING CO.

STATEMENT OF PROFIT & LOSS

August, 1942

	<u>This Month</u>	<u>This Year to Date</u>
INCOME		
Sale of Concentrates	\$ 4,117.84	\$64,560.31
Sale of Bullion	<u>389.11</u>	<u>7,746.31</u>
Gross Sales,	\$ 4,506.95	\$72,306.62
Less:		
Milling Concentrates	\$ 303.82	\$ 1,655.95
Met. Loss on Concentrates	498.41	7,264.91
Marketing Bullion	<u>13.80</u>	<u>188.30</u>
Total Marketing Charges	816.03	9,109.16
Gross Income,	<u>\$ 3,690.92</u>	<u>\$63,197.46</u>
EXPENSE		
<u>Mill Expense</u>		
Supplies	\$ 691.07	\$18,656.45
Labor	2,137.06	13,519.65
Industrial Insurance	76.93	486.69
Power	<u>412.56</u>	<u>4,630.27</u>
Total Mill Expense,	\$ 3,317.62	\$37,293.06
<u>Mine Expense</u>		
Labor	\$ 821.26	\$ 3,751.85
Industrial Insurance	48.35	230.55
Supplies	<u>1,168.98</u>	<u>7,427.67</u>
Total Mine Expense	2,038.59	11,410.07
<u>General Expense</u>		
Repairs & Maintenance Bldgs.	\$ 15.20	\$ 1,069.19
Officers' Salaries	922.28	6,039.12
Light, Heat, Etc., Office	1.00	8.00
Office Supplies		6.10
Office Postage		22.00
Misc. Expense	42.92	301.44
Telephone & Telegraph	5.84	33.03
Tax Expense	66.13	912.32
Insurance Expense	31.23	254.91
Social Security Taxes	147.43	916.15
Truck & Auto Expense	173.17	1,029.76
Legal & Audit Fees		<u>260.00</u>
Total General Expense,	1,405.20	10,852.02
TOTAL EXPENSE,	<u>\$ 6,761.41</u>	<u>\$59,555.15</u>
OPERATING PROFIT	\$ 3,070.49	\$ 3,642.31
MISC. INCOME		
Stock Transfer Account		\$ 20.50
Royalty from Leasers		<u>557.53</u>
Total Misc. Income		578.03
PROFIT FOR PERIOD,	<u>\$ 3,070.49</u>	<u>\$ 4,220.34</u>

THIS MONTH
Tons Milled, 3,182

CON. VIRGINIA MINING CO.

THIS YEAR TO DATE
Tons Milled, 28,479

SUMMARY OF OPERATIONS

September, 1942

	<u>This Month</u>		<u>This Year To Date</u>	
PRODUCTION				
Value in Heads	\$ 9,799.00		\$113,469.00	
Value in Tails	<u>2,893.27</u>		<u>34,594.38</u>	
Value in Heads Minus Tails,		\$ 6,905.73		\$78,874.62
Value in Concentrates Sold	\$ 4,398.05		\$ 63,093.02	
Value in Bullion Sold	<u>1,026.41</u>		<u>8,772.72</u>	
Value in Slimes & Cleanup Sold			<u>5,865.34</u>	
Value in Products Sold,		<u>5,424.46</u>		<u>77,731.08</u>
Value in Heads Minus Tails over Product Sold,		\$ <u>1,481.27</u>		\$ <u>1,143.54</u>
Percent Extraction by Heads Minus Tails	70.47		69.51	
Percent Extraction by Products Sold,	55.36		68.50	
	<u>This Month</u>		<u>This Year To Date</u>	
	<u>Amount</u>	<u>Per Ton</u>	<u>Amount</u>	<u>Per Ton</u>
COSTS				
Mill Expense	\$ 3,494.38	\$ 1.098	\$ 46,787.44	\$ 1.432
Mine Expense	1,962.15	.617	13,372.22	.469
General Charges	1,272.22	.400	12,124.24	.426
Milling Concentrates	129.84	.041	1,785.79	.063
Met. Loss on Concentrates	486.58	.153	7,751.49	.272
Marketing Bullion	<u>15.88</u>	<u>.005</u>	<u>204.18</u>	<u>.007</u>
Total Costs,	\$ <u>7,361.05</u>	\$ <u>2.314</u>	\$ <u>76,025.36</u>	\$ <u>2.669</u>
PROFIT & LOSS				
Total Value in Products Sold	\$ 5,424.46	\$ 1.705	\$ 77,731.08	\$ 2.729
Expenses	<u>7,361.05</u>	<u>2.314</u>	<u>76,025.36</u>	<u>2.669</u>
OPERATING PROFIT,	\$ <u>1,936.59</u>	\$ <u>.609</u>	\$ <u>1,705.72</u>	\$ <u>.060</u>
Other Income	18.29		596.32	
PROFIT, Per Profit & Loss Statement	\$ <u>1,918.30</u>		\$ <u>2,302.04</u>	
Heads	\$ 9,799.00	\$ 3.079	\$113,469.00	\$ 3.984
Tails	<u>2,893.27</u>	<u>.909</u>	<u>34,594.38</u>	<u>1.214</u>
Heads Minus Tails,	\$ 6,905.73	\$ 2.170	\$ 78,874.62	\$ 2.770
Products Sold,	<u>5,424.46</u>	<u>1.705</u>	<u>77,731.08</u>	<u>2.729</u>
Value in Heads minus Tails Over Products Sold,	\$ <u>1,481.27</u>	\$ <u>.465</u>	\$ <u>1,143.54</u>	\$ <u>.041</u>

CONSOLIDATED VIRGINIA MINING CO.

STATEMENT OF PROFIT & LOSS

September, 1942

	<u>This Month</u>	<u>This Year to Date</u>
INCOME		
Sale of Concentrates	\$ 4,398.05	\$ 68,968.36
Sale of Bullion	<u>1,026.41</u>	<u>8,772.72</u>
Gross Sales,	\$ 5,424.46	\$77,731.08
Less:		
Milling Concentrates	\$ 129.84	\$ 1,785.79
Met. Loss on Concentrates	486.58	7,751.49
Marketing Bullion	<u>15.88</u>	<u>204.18</u>
Total Marketing Charges	632.30	7,741.46
Gross Income,	\$ <u>4,792.16</u>	\$ <u>67,989.62</u>
EXPENSE		
<u>Mill Expense</u>		
Supplies	\$ 841.01	\$ 19,497.46
Labor	1,966.29	15,485.94
Industrial Insurance	70.78	557.47
Power	<u>616.30</u>	<u>5,246.57</u>
Total Mill Expense,	\$ 3,494.38	\$40,787.44
<u>Mine Expense</u>		
Labor	\$ 785.56	\$ 4,537.40
Industrial Insurance	43.20	273.75
Supplies	<u>1,133.40</u>	<u>8,561.07</u>
Total Mine Expense,	1,962.15	13,372.22
<u>General Expense</u>		
Repairs & Maintenance, Bldgs.	\$ 15.20	\$ 1,084.39
Officers' Salaries	922.28	6,961.40
Light, Heat, Etc., Office	1.00	9.00
Office Supplies		6.10
Office Postage		22.00
Misc. Expense	16.89	318.33
Telephone & Telegraph		33.03
Tax Expense	66.13	978.45
Insurance Expense	31.23	286.14
Social Security Taxes	136.17	1,052.32
Truck & Auto Expense	70.12	1,099.88
Legal & Audit Fees	<u>13.20</u>	<u>273.20</u>
Total General Expense	1,272.22	12,124.24
TOTAL EXPENSE,	\$ <u>6,728.75</u>	\$ <u>66,283.90</u>
OPERATING PROFIT,	\$ <u>1,965.59</u>	\$ <u>1,705.72</u>
MISC. INCOME		
Stock Transfer Account		\$ 20.50
Royalty from Leasers	\$ 18.29	575.82
Total Misc. Income		596.32
PROFIT FOR PERIOD,	\$ <u>1,918.30</u>	\$ <u>2,302.04</u>

THIS MONTH
Tons Milled 2,100

CON. VIRGINIA MINING CO.

THIS YEAR TO DATE
Tons Milled 30,579

SUMMARY OF OPERATIONS

October, 1942.

	<u>This Month</u>	<u>this year to Date</u>
<u>PRODUCTION</u>		
Value in Heads	\$ 6,153.00	\$ 119,622.00
Value in Tails	1,764.00	36,358.38
Value in Heads minus Tails	\$ 4,389.00	\$ 83,263.62
Value in concentrates sold	\$ 5,001.31	\$ 68,094.33
Value in Bullion sold	1,102.80	9,875.52
Value in Slimes & Cleanup Sold		5,865.34
Value in Products Sold	6,104.11	\$ 83,835.19
Value in Heads Minus Tails over Products Sold	<u>\$ 1,715.11</u>	<u>\$ 571.57</u>
Percent Extraction by Heads Minus Tails	71.33	69.60
Percent Extraction by Products Sold	99.20	70.08

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	<u>This Month</u>		<u>This Year to Date</u>	
	<u>AMOUNT</u>	<u>PER TON</u>	<u>AMOUNT</u>	<u>PER TON</u>
<u>COSTS</u>				
Mill Expense	\$ 2,959.86	\$ 1.409	\$ 43,747.30	\$ 1.431
Mine Expense	753.62	.359	14,125.84	.462
General Charges	1,171.13	.558	13,295.37	.435
Milling Concentrates	96.99	.046	1,882.78	.061
Met. Loss on Concentrates	543.68	.259	8,295.17	.271
Marketing Bullion	20.74	.010	224.92	.007
Total Costs	<u>\$ 5,546.02</u>	<u>\$ 2.641</u>	<u>\$ 81,571.38</u>	<u>\$ 2.667</u>
<u>PROFIT & LOSS</u>				
Total Value in Products Sold	\$ 6,104.11	\$ 2.907	\$ 83,835.19	\$ 2.741
Expenses	5,546.02	2.641	81,571.38	2.667
OPERATING PROFIT,	\$ 558.09	.266	\$ 2,263.81	\$.074
Other Income	.75		597.07	
PROFIT, per profit & Loss Statement	<u>\$ 558.84</u>		<u>\$ 2,860.88</u>	

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Heads	\$ 6,153.00	\$ 2.930	\$ 119,622.00	\$ 3.912
Tails	1,764.00	.840	36,358.38	1.189
Heads Minus Tails	\$ 4,389.00	\$ 2.090	\$ 83,263.62	\$ 2.723
Products Sold	6,104.11	2.907	83,835.19	2.741
Value in Heads Minus Tails Over Products Sold	<u>\$ 1,715.11</u>	<u>\$.817</u>	<u>\$ 571.57</u>	<u>\$.018</u>

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CONSOLIDATED VIRGINIA MINING CO.

STATEMENT OF PROFIT & LOSS

OCTOBER, 1942

	<u>This Month</u>	<u>This Year to Date</u>
INCOME		
Sale of Concentrates	\$ 5,001.31	\$ 73,959.67
Sale of Bullion	<u>1,102.80</u>	<u>9,875.52</u>
Gross Sales	\$ 6,104.11	\$ 83,835.19
Less:		
Milling Concentrates	\$ 96.99	\$ 1,882.78
Met. Loss on Concentrates	543.68	8,295.17
Marketing Bullion	<u>20.74</u>	<u>224.92</u>
Total Marketing Charges	\$ <u>661.41</u>	\$ <u>10,402.87</u>
Gross Income	\$ <u>5,442.70</u>	\$ <u>73,432.32</u>
EXPENSE		
<u>MILL EXPENSE</u>		
Supplies	\$ 574.96	\$ 20,072.42
Labor	1,677.48	17,163.42
Industrial Insurance	60.39	617.86
Power	<u>647.03</u>	<u>5,893.60</u>
Total Mill Expense	\$ 2,959.86	\$ 43,747.30
<u>MINE EXPENSE</u>		
Labor	\$ 636.50	\$ 5,173.90
Industrial Insurance	38.63	312.38
Supplies	<u>78.49</u>	<u>8,639.56</u>
Total Mine Expense	753.62	14,125.84
<u>GENERAL EXPENSE</u>		
Repairs & Maintenance, Bldgs	\$ 15.20	\$ 1,099.59
Officers' Salaries	922.28	7,883.68
Light, Heat, Etc., Office	1.00	10.00
Office Supplies		6.10
Office Postage		22.00
Misc. Expense	12.02	330.35
Telephone & Telegraph	10.82	43.85
Tax Expense	38.67	1,017.12
Insurance Expense	31.25	317.39
Social Security Tax	117.66	1,169.98
Truck & Auto Expense	22.23	1,122.11
Legal & Audit Fees		<u>273.20</u>
Total General Expense	\$ <u>1,171.13</u>	\$ <u>13,295.37</u>
TOTAL EXPENSE,	\$ <u>4,884.61</u>	\$ <u>71,168.51</u>
OPERATING PROFIT	\$ 558.09	\$ 2,263.81
MISC. INCOME		
Stock Transfer Account	\$.75	\$ 21.25
Royalty from Leasers		<u>575.82</u>
Total Misc. Income	<u>.75</u>	<u>597.08</u>
PROFIT FOR PERIOD	\$ <u>558.84</u>	\$ <u>2,860.88</u>

FORM 8

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C.

Amendment to ³ Annual Report on Form ⁴ 10K
under Securities Exchange Act of 1934

CONSOLIDATED VIRGINIA MINING CO.

(Name of registrant)

Titles of issues covered by application or report to which amendment relates	Names of exchanges with which such application or report was filed. Indicate any such exchange as to which application has been withdrawn or on which registration has expired.
<u>Annual Report For Fiscal Year Ended December 31, 1936</u>	<u>San Francisco Mining Exchange</u>

The undersigned hereby amends the above ³ Annual Report as indicated in the attached pages with respect to the following items, financial statements and schedules, or exhibits:

Facing Sheet

Signature ⁵

CONSOLIDATED VIRGINIA MINING CO.

By *Robert M. Hall*, President

Date: April 24, 1937

¹ If known, insert the file number assigned by the Commission as to the application or report which is being amended; otherwise, leave blank.

² Amendments should be numbered separately for each separate application or report. The amendments to each application or report should be numbered in the order in which sent to the Commission.

³ Insert the appropriate designation, e. g. "application for registration", "annual report."

⁴ Insert the number of the form on which the original application or report was filed, e. g. "Form 10", "Form 15-K."

⁵ The signature of the registrant should be executed in precisely the same form as that required for the application or report which is being amended. Thus, in the case of a corporation, the signature should include the name of the corporation, the signature and title of the signing officer, the corporate seal, and the signature and title of the attesting officer.

TABLE OF SECURITIES REGISTERED

<u>Securities Registered</u>			
<u>Title of Issue</u>	<u>Amount as of close of Fiscal Year</u>		<u>Names of Exchanges on which Registered</u>
	<u>Amount as to which registra- tion is effective</u>	<u>Amount to be registered upon notice of issuance</u>	
Consolidated Virginia Mining Company Common Stock (non- assessable) (Par Value \$1.00 per share)	2,953,692	1,779,533	San Francisco Mining Exchange

FORM 8

SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D. C.

Amendment to ³ Annual Report on Form ⁴ 10K
under Securities Exchange Act of 1934

CONSOLIDATED VIRGINIA MINING CO.
(Name of registrant)

Titles of issues covered by application or report to which amendment relates	Names of exchanges with which such application or report was filed. Indicate any such exchange as to which application has been withdrawn or on which registration has expired.
<p>Annual Report For Fiscal Year Ended December 31, 1936</p>	<p>San Francisco Mining Exchange</p>

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as indicated in the attached pages with respect to the following items, financial statements and schedules,
or exhibits:

Facing Sheet

*Supplied by
H. J. Hanley
[Signature]*

Signature ⁵

CONSOLIDATED VIRGINIA MINING CO.

By B. E. Lundall, President

Date: April 24, 1937

¹ If known, insert the file number assigned by the Commission as to the application or report which is being amended; otherwise, leave blank.

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TABLE OF SECURITIES REGISTERED

Securities Registered

Title of Issue	<u>Amount as of close of Fiscal Year</u>		Names of Exchanges on which Registered
	Amount as to which registra- tion is effective	Amount to be registered upon notice of issuance	
Consolidated Virginia Mining Company Common Stock (non- assessable) (Par Value \$1.00 per share)	2,953,692	1,779,533	San Francisco Mining Exchange

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item 74

By-Laws

of

Consolidated Virginia Mining Co.

Meetings of Stockholders.

Sec. 1. All meetings of the stockholders shall be held at the office of the Company, in San Francisco, California, or at the office of the Company in Virginia City, Nevada.

Sec. 2. A majority of the stock issued and outstanding represented by the holders thereof, either in person or by proxy, shall be a quorum at all meetings of stockholders,

Sec. 3. The annual meeting of stockholders, after the year 1921, shall be held on the first Monday of January, in each year, at 1:30 P.M., as provided in Sec. 29 hereof, when they shall elect by a plurality vote, by ballot, the board of directors as constituted by these laws, each stockholder being entitled to one vote, in person or by proxy, for each share of stock standing registered in his or her name on the 10th. day preceeding the election, exclusive of the day of such election, or to cumulate votes as provided in Sec. 32 hereof.

Sec. 4. Notice of the annual meeting shall be mailed to each stockholder at his address as the same appears upon the records of the company at least 14 days prior to the meeting.

Sec. 5. At such annual meeting, if a majority of the stock shall not be represented, the stockholders present shall have the power to adjourn to a day certain. If a majority of the stock be present in person or by proxy they shall have the power from time to time to adjourn the annual meeting to any subsequent day or days, and as provided in Sec 29 hereof no notice of the adjourned meeting need be given.

Sec. 6. Special meetings of the stockholders shall, at the request of any director, be called by the secretary by mailing a notice stating the object of such meeting, at least two days prior to the date of meeting, to each stockholders of record at his address, as the same appears on the recoed of the company.

Directors

Sec. 7. The directors, five in number, shall be chosen from the stockholders, and shall hold office for one year, or until others are elected and qualified in their stead. The number of directors may be increased or decreased by an amendment of this provision of the by-laws.

Meetings of Directors. Quorum

Sec. 8. Stated meetings of the directos shall be held without notice on the first Monday of each month, at two o'clock P.M., at the office of the Company in the City of San Francisco, California. A director or any of the Board of Directors may be removed at any time by a two-thirds vote of the stockholders.

Sec. 9. A majority of the directors in office shall constitute a quorum for the transaction of business.

Sec. 10. Special meetings of the board may be called by the president on one day's notice by mail or personally to each director,

Sec. 11. The directors may hold their meetings and have an office and keep the books of the company (except a copy of the stock ledger and the book of by-laws) outside of the State of Nevada, in San Francisco, California, or such other place or places as they may from time to time determine.

Election of Officers

Sec. 12.A. The Directors shall be elected by ballot, from among holders of stock, at the annual meeting of the Stockholders, to serve for one year, and until their successors are elected. Their term of office shall begin immediately after election. A Majority of the Directors need not be citizens of the State of Nevada.

Vacancies in the Board of Directors

Sec. 12-B. When ever a vancaney occurs in the office of Direebor of this corpor-
ation, such vancaney must be filled by the other directors electing or appointing
some stockholder to the office so made vacant, and such person shall hold office
until the next regular annual meeting of the Stockholders thereafter.

Sec. 12-C. The Directors shall have the power:

1st. To call meetings of the Stockholders when they deem it necessary. And
they shall call a meeting at any time upon the written request of Stockholders hold-
ing one-third of all the Capital Stock.

2nd. To appoint and remove at pleasure all officers, agents and employees
of the corporation, prescribe their duties, fix their compensation and require from
them security for faithful service.

3rd. To conduct, manage and control the affairs and business of the corpor-
ation, and to make rules and regulations not inconsistent with the laws of the State
of Nevada, or By-laws of the Corporation, for the guidance of the officers and manage-
ment of the affairs of the corporation, and the disposition of any and all stock of
this corporation, the legal title to which is vested in this corporation by reason of
the purchase of its own capital stock at delinquent assessment sales.

4th. To incur indebtedness-the terms and amount od such indebtedness shall be
entered on the minutes of the Board, and the note or obligation give for same, signed
officially by the President and Secretary, shall be binding on the corporation.

Duties of the Directors

Sec. 12-D. Immediately after their election the Directors must organize the Board
of Directors by the election of a President, and First and Second Vice Presidents,
each of whom must be one of the Directors, a Secretary and a Depositary.

It shall be the duty of the Directors:

1st. To cause to be kept a complete record of all their business transactions,
minutes and acts, and the proceedings of the Stockholders, and present a full state-
ment at the regular annual meeting of the stockholders, showing in detail the assets
and liabilities of the eoirpotation and generally the condition of the affairs of the
epororation.

Executive Eommittee

Sec. 13. There may be an executive committee of two directors appointed by the
Board, who shall meet when they see fit. They shall have the authority to exercise
all the powers of the Board at any time when the Board is not in session.

Sec. 14. The executive committee may act by the written consent of a quorum
thereof, although not formally convened.

Officers

Sec. 15. The officers shall be a President, First and Second Vice Presidents,
Depositary and Treasurer, and Secretary, which officers shall be elected, and hold
office at the pleasure of the Board of Directors.

The compensation and tenure of office of all officers of the corpor-
ation (other than Directors) shall be fixed and determined by the Board of Directors.

Sec. 16. The Board shall also annually choose a secretary and a treasurer (or one
person to act as both Secretary and treasurer), who need not be members of the Board,
who shall hold office for one year, subject to removal by the Board at any time, with
or without cause. The board may also appoint and remove such other officers and
agents as they deem proper.

President

Sec. 17. (The Board of Directors shall, immediately after their election, elect
one of their number to act as President, and if at any time the President shall be
unable to act, the Vice-President shall take his place and perform his duties), and
if the Vice President, or any of them, from any cause shall be unable to act, they s
shall appoint some other member of the Board to do so, in whom shall be vested, for
the time being, all the duties and functions of his office.

The President or in his absence, and in the absence of the Vice-Pre-
sidents, the Director appointed, as above provided:

1st. Shall preside over all the meetings of the Stockholders and Directors/

2nd. He shall sign as President all certificates of stock and all contracts
and other instruments in writing which have been first approved by the Board of
Directors.

3rd. He shall call the Directors together whenever he deems it necessary,

and shall have, subject to the advise of the Directors, direction of the affairs of the corporation, and generally shall discharge such other duties as may be required of him by the By-Laws of the Corporation.

The President, or two of the Directors, may call special meetings of the Board of Directors at any time, and notice shall be given of such meeting by leaving a written or printed notice at the last known place of business or residence of each Director. Such service of notice shall be entered on the minutes of the corporation, and the said minutes upon being read and approved at a subsequent meeting of the Board shall be conclusive upon the question of service.

Sec. 18. The Board of Directors shall, immediately after their election elect a Secretary.

1st. It shall be the duty of the Secretary to keep a record of all the business transactions and proceedings of the Board of Directors and of the Stockholders, a journal of all meeting of the Directors, Members of Stockholders, as set out in Article V, of these by-laws.

2nd. He shall keep the corporate seal of the corporation and affix it to all instruments requiring a seal; and he shall also keep the books of blank certificates of stock, fill up and countersign all certificates issued, and make the corresponding entries in the margin of such book on such issuance.

3rd. He shall a proper transfer book, and a stock-ledger in debit and credit form, showing the number of shares issued to and transferred by any stockholder, and the dates of such issuance and transfer.

4th. He shall keep proper account books, and discharge such other duties as pertain to his office, and as may be prescribed by the Board of Directors.

5th. The Secretary shall serve all notices required either by law or by the by-laws of the company; and in the case of his absence, inability or refusal or neglect so to do, then such notices may be served by any person thereunto directed by the President or the Vice-Presidents of the Company.

Sec. 19. He shall give notice of all calls for installments to be paid by the stockholders and shall see that proper notice is give of all meetings of the stockholders and of the Board of Directors.

Depository & Treasurer

Sec. 20. It shall be the duty of the depository:

1st. To receive and safely keep all funds of the corporation, and pay them out only on the check of the President, countersigned by the Secret ary.

2nd. To submit at each annual meeting of the stockholders a complete statement of his accounts for the past year.

He shall discharge such other duties pertaining to his office, as shall be prescribed by the Board of Directors.

Superintendent

Sec. 21. The Board of Directors shall appoint a Superintendent, who shall hold his office at the will of said Board of Directors and be removable at their pleasure.

It shall be the duty of the Superintendent:

1st. To take charge of all the property belonging to the corporation and to control and direct all labor and business pertaining to the interests, affairs and operations of the Company, but entirely subject to the direction of the Board of Directors or the President of the Company.

2nd. To file with the Secretary of this Company, on the first Monday of each month, an itemized account verified under oath, showing all receipts and disbursements made by him for the previous month, and for what said disbursements were made. It shall be the duty of the Superintendent to file with the Secretary a weekly statement under oath showing the number of men employed under him, and for what purpose, and the rate of wages paid to each one. He shall attach to such account a full and complete report under oath, of the work done. All accounts, reports and correspondence from the Superintendent shall be kept in some conspicuous place in the office of this corporation, and shall be open to the inspection of all stockholders.

3rd. to make requisition upon the Board of Directors, for necessary funds stating the precise object for which the funds are required, and if approved by the Board of Directors, the money shall be transferred to him in such amounts as the Board shall direct; but the Superintendent shall not have the power to sign notes or contracts for the company, not to incur any indebtedness for or on behalf of the Company unless specially authorized to do so by the President or Board of Directors.

Compensation of Officers

Sec. 22. 1st. The Board of Directors of this corporation shall receive five dollars per day for each day's attendance at the meeting of the Board, and shall be allowed their reasonable traveling expenses, when actually engaged in the business of the Company, to be audited and allowed as in other cases of demand against the Company.

2nd. The officers of the corporation shall receive such compensation as the Board of Directors shall from time to time fix and determine.

Sec. 23. Records of all meetings of Directors and Stockholders to be open to the inspection of any Director, Stockholder or Creditor of this corporation.

All books of account, records and journals of all meetings of Directors, Members and Stockholders of this Corporation shall at all times in business hours be subject to the inspection of Board of Directors and of any Director, Member, Stockholder or Creditor of this corporation. And any stockholder of this corporation, lawfully demanding, shall have the right to inspect during business hours, viz: from ten o'clock in the morning, until three in the afternoon, all books of account, records and journals of all meetings of Directors, Members and Stockholders of this corporation; and any stockholder of this corporation may also have a reasonable opportunity to take a copy of the same, or any part thereof.

Certificates of Stock

Sec. 24. Certificates of Stock, representing shares of Capital stock of this corporation, shall be of such form and device as the Board of Directors may direct, and then certificates shall be signed by the President and countersigned by the Secretary, and express on its face its number, date of issuance, the number/for which, and the person to whom, it is issued.

Transfer of Stock

Sec. 25. 1st. Shares of Capital Stock in this corporation may be transferred by indorsement by the signature of the proprietor thereof, or by attorney legally constituted, or by their legal representatives, and delivery of the certificate and the payment of any assessment that may be due thereon. But no transfer shall be valid until the surrender of the certificate to the Secretary for cancellation and the acknowledgment of such transfer on the books of the Company as to show the names of the parties by and to whom transferred, and the number or designation of the shares and the date of the transfer.

2nd. The receiver of the new certificate shall be required to sign the By-laws of the Company and accept his stock subject to all the requirements of the same. No transfer shall be valid upon any assessment, or assessments are due and unpaid, or the holders of which are indebted to the Company on any account whatsoever, without the consent of the Board of Directors.

3rd. No surrendered certificate shall be cancelled by the Secretary before a new one is issued in lieu thereof, and the Secretary shall preserve the certificate so cancelled as a voucher. If however, a certificate shall be lost or destroyed, the Board of Directors may order a new certificate to issue, upon such guarantee by the party claiming the same as the Board may deem satisfactory. No stock shall be transferred on the books of this Company during the ten days prior to the ^{annual} election.

4th. When shares of the Capital Stock of this corporation are owned by parties residing out of the State of California or Nevada, the President, Secretary or Directors of this corporation, before entering any transfer of the shares on its books, or issuing a certificate thereof to the transferee may require from the attorney or agent of the non-resident owner, or from the person claiming under the transfer, an affidavit or other evidence that the non-resident owner was alive at the date of transfer, and if such affidavit or other satisfactory evidence be not furnished may require from the attorney, agent or claimant, a bond on indemnity, with two sureties, satisfactory to the officers of the corporation, or if not so satisfactory, then one approved by a judge of the Superior Court of the State of California, or the District Court of the State of Nevada, conditioned to protect the corporation against liability to the legal representatives of the owners of the shares, in case of his or her death before the transfer, and if such affidavit or other evidence or bond be not furnished when required, as above provided, this corporation may decline and refuse to enter the transfer on the books of the corporation.

Sec. 26. WHEN AN ANNUAL ASSESSMENT HAS BEEN LEVIED NO SHARES STOCK SHALL BE TRANSFERRED WITHOUT PAYMENT OF THE ASSESSMENT DUE THEREON.

No transfer of any shares of the Capital stock of this corporation shall be made upon the books, while an assessment on the stock is pending unless payment of the assessment shall have first been made upon the shares presented for transfer.

And no certificate shall be cancelled nor a new one issued in lieu thereof, for any shares upon which an assessment remains due, unpaid, payable or delinquent. No assessment shall be deemed to be due until the order levying the same has been entered upon the minutes of this corporation.

Fiscal Year

Sec. 27. The fiscal year of the company shall begin on the first day of January in each year.

Dividends

Sec. 28. Dividends upon the Capital Stock of the Company when earned shall be payable as the directors (or executive committee) may prescribe.

Meetings

Sec. 29. The annual meeting of the stockholders shall be held at the office of the Company in San Francisco, California, on the 2nd. day of January, at 1:30 o'clock P.M. in each year, and shall be called by two weeks notice of the same by advertisement in one or more newspapers published in the City of San Francisco, as the Directors may direct, for at least two weeks last preceding the day of the meeting.

No meeting of the stockholders shall be competent to transact business unless a majority of the stock is represented, except to adjourn from day to day, or until such time as may be deemed proper.

At such annual meeting of the Stockholders, Directors for the ensuing year shall be elected by ballot., to serve for one year and until their successors are elected.

If, however, for want of a quorum, or other cause a Stockholders' meeting shall not be held on the day above named, or should the Stockholders fail to complete their elections, or such other business as may be prescribed for their consideration, these presents may adjourn from day to day until the same is accomplished.

Offices

Sec. 30. The Company may have an office and transact business in the City of Virginia, State of Nevada, and in the City of San Francisco, State of California, and at such other place as the Board of Directors may from time to time appoint or the business of the Company may require.

Disposition of Stock Held by This Corporation

Sec. 31. The Board of Directors of this corporation, may if they deem it expedient, authorize and empower a Committee, consisting of one or more of its Directors, to make disposition, as herein provided, of any and all stock of this Company, the legal title of which is vested in the corporation, by reason of the purchase of its own Capital Stock at delinquent assessments sales.

1st. When such power and authority is granted to said Committee to make disposition of said stock, pursuant thereto, said Committee may sell, for the benefit of this corporation and its stockholders, any and all of the shares of its stock that, at the date of the Committee's appointment, may have been purchased by this corporation. Said sale or sales may be made by said committee, either at public auction or private sale, or in ~~any~~ any of the Stock Boards or Exchanges in the City of San Francisco, as, in the judgment of said committee, may be for the best interests of this corporation and its stockholders; and for such price or prices, and in such lots, and at such times, as said committee may deem advisable.

All money received upon sale or sales of said stock shall, immediately, be paid over to the Depositary of this corporation, and, upon such sale or sales, certificates for the shares of stock so sold, shall be issued by the President and Secretary, and delivered to the purchaser or purchasers.

2nd. The Board of Directors of this corporation shall also have power to distribute among the remaining stockholders, pro rata, the shares of its stock purchased by this corporation at delinquent sales thereof; and certificates for the shares, so distributed, shall be issued by the President and Secretary, and delivered to the remaining Stockholders, accordingly.

Voting at Elections by Stockholders

Sec. 32. At all elections or votes had for any purpose there must be a majority of

the Capital Stock represented either in person or by proxy in writing. All Stockholders' elections must be by ballot, and the right to vote shares of stock follows the legal and not the equitable title, and rests in the member in whose name the shares of stock stand on the books of this corporation, although he may in fact have transferred said shares to another. When no transfer of the shares appears on the books of this corporation, ownership of the same may be presumed to continue accordingly. Every stockholder shall have the right to vote either in person or by proxy the number of shares standing in his name.

And every such person voting (either in person or by proxy or personal representative) must be a stockholder of this corporation having stock standing in his or her name on the stock books of this corporation for at least ten days prior to any such election. Every stockholder shall have the right to vote in person, or by proxy, the number of shares standing in his name, for as many persons as there are directors to be elected, or to ~~exemptly~~ cumulate said shares and give one candidate as many votes as the number of Directors multiplied by the number of shares of stock shall equal, or to distribute them on the same principle among as many candidates as he shall see fit.

Waiver of Notice

Sec. 33. Any stockholder or director may waive any notice required to be given under these by-laws.

Sec. 34. The Board of Directors shall have power to amend the By-laws at any meeting thereof.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, Directors and Secretary of the Corporation known as and called the CONSOLIDATED VIRGINIA MINING COMPANY, do hereby certify that the above and foregoing by-laws were duly adopted as the By-Laws of said Corporation on the 15th. day of January, 1921; and that the same do now constitute the by-laws of said Corporation.

Directors.

(Signed)

(Zeb Kendall
) H. G. Humphrey
(Frederic Vincent
) Alex Wise
(A. P. Swain

Attest: (Signed) A. P. Swain, Secretary.

San Francisco, California, January 3rd. 1922.

At the Annual Meeting of the Stockholders of the Consolidated Virginia Mining Co., held on the third day of January 1922, the following Resolution was carried unanimously:

On motion of Mr. Swain, seconded by Mr. Vincent, it was unanimously RESOLVED:- That Section No. 3 and Section No. 29 of the By-Laws are hereby amended as follows, to wit:-

That the Annual Meeting of the Stockholders of the Consolidated Virginia Mining Co., be and the same is hereby ordered changed from the second day of January in each year, to the third Monday in January of each year, at the hour of 1:30 o'clock P.M.

I, A. P. Swain, Secretary of the above mentioned Company do hereby certify that the above Resolution is a true and correct copy of the Resolution passed unanimously by the Stockholders, holding, owning and representing 1,876,638 shares of the Capital stock of the Company.

(Signed) A. P. Swain, Secretary.

FORM 8

SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D. C.

Amendment to Annual Report on Form 10K

under Securities Exchange Act of 1934

CONSOLIDATED VIRGINIA MINING COMPANY

(Name of registrant)

Titles of issues covered by application or report to which amendment relates	Names of exchanges with which such application or report was filed. Indicate any such exchange as to which application has been withdrawn or on which registration has expired.
<p>Annual Report for Fiscal Year Ended December 31, 1935</p>	<p>San Francisco Mining Exchange</p>

The undersigned hereby amends the above Annual Report as indicated in the attached pages with respect to the following items, financial statements and schedules, or exhibits:

Facing Sheet
 Item 8
 Profit & Loss Statement
 Balance Sheet
 Schedule II
 Schedule VIII
 Schedule X
 Item 9
 Item 12
 Item 13
 Item 4

W. J. Henley
Secretary

Signature ¹
CONSOLIDATED VIRGINIA MINING COMPANY
 By *[Signature]*
 President

Date: June 7, 1937

¹ If known, insert the file number assigned by the Commission as to the application or report which is being amended; otherwise, leave blank.

² Amendments should be numbered separately for each separate application or report. The amendments to each application or report should be numbered in the order in which sent to the Commission.

³ Insert the appropriate designation, e. g. "application for registration", "annual report."

⁴ Insert the number of the form on which the original application or report was filed, e. g. "Form 10", "Form 15-K."

⁵ The signature of the registrant should be executed in precisely the same form as that required for the application or report which is being amended. Thus, in the case of a corporation, the signature should include the name of the corporation, the signature and title of the signing officer, the corporate seal, and the signature and title of the attesting officer.

FACING SHEET

SECURITIES REGISTERED			
Title of Issue	AMOUNT AS OF CLOSE OF FISCAL YEAR		Names of Exchanges on which Registered
	Amount as to which registra- tion is effective	Amount to be registered upon notice of issuance	
Consolidated Virginia Mining Co. Common Stock (Non-assessable) (Par Value \$1.00 per share)	3,962,083 Issued Shares 771,142 Unissued Shares	1,981,960	San Francisco Mining Exchange

4. Give the following information as to the registrant's securities, other than equity securities, owned by each director and each officer of the registrant. The statements are to be made both as to the securities owned of record and those owned beneficially.

As of December 31, 1935

Name	Office	Title of Issue	Securities Owned	
			Amount of Record	Amount Beneficially
Zeb Kendall	President & Director	None	None	None
John J. Raskob, Jr.	Vice President & Director	None	None	None
W. J. Henley	Secretary & Director	None	None	None
Robert P. Raskob	Treasurer & Director	None	None	None
A. L. Kendall	Director	None	None	None
Key Pittman	Director	None	None	None

CONSOLIDATED VIRGINIA MINING CO.BALANCE SHEETAS AT DECEMBER 31, 1935A S S E T SCurrent AssetsCash and Cash Items

Cash on hand and Demand Deposits	\$	2,918.16	
Accounts Receivable (current)		26.33	
Inventory - Supplies (at cost)		399.71	
Total Current Assets			\$ 3,344.20

Investments

Other Security Investments (Schedule 1A)			17,693.80
--	--	--	-----------

Fixed Assets

Mine Property, Plant and Equipment (See Schedule II)			2,417,485.13
--	--	--	--------------

Deferred Charges

Reorganization Expense			6,673.11
------------------------	--	--	----------

Other Assets

Unexpired Insurance Premiums		221.29	
Deposit - Nevada Industrial Commission		697.38	918.67
Total Assets			<u>\$2,446,114.91</u>

LIABILITIES, CAPITAL STOCK AND SURPLUSCurrent Liabilities

Notes Payable - To Stockholders	\$	5,000.00	
Accounts Payable (current)		2,904.85	
Accrued Liabilities			
Interest	\$	10.83	
Real and Personal Property Taxes		775.63	
		<u>786.46</u>	8,691.31

Capital Stock and SurplusCapital Stock (Schedule VIII)

Common - Authorized (5,000,000 shares, \$1.00 per share par value non-assessable)	5,000,000.00
Less - Unissued Stock	<u>1,037,917.00</u>
	3,962,083.00

Less Treasury Stock

1,210,818 shares	<u>1,210,818.00</u>
Outstanding Common Stock	2,751,265.00
Stock Discount and Expense	<u>557,664.97</u>
	2,193,600.03

Surplus (See Schedule (IX))

Capital Surplus	674,031.89	
Operating Deficit	<u>430,208.32</u>	243,823.57
Total Capital Stock and Surplus		<u>2,437,423.60</u>
		<u>\$2,446,114.91</u>

From the records and accounts and from information furnished us by officers of the company, we could not find that there were any contingent liabilities.

CONSOLIDATED VIRGINIA MINING CO.

SCHEDULE 1-A

OTHER SECURITY INVESTMENTS

Mexican Gold and Silver Mining Co. Stock

Common stock of the Mexican Gold and Silver Mining Company in the amount of 49,741 shares was acquired at delinquent assessment sale. Since acquisition all assessments called on this stock have been paid. During the year 1935 another assessment in the sum of \$5,262.80 was paid on these shares increasing the investment of this stock from \$12,431.00 as at December 31, 1934 to \$17,693.80 as at December 31, 1935. No information was available from which we could determine the market value of these shares. None of the shares owned have been pledged to secure any indebtedness.

CONSOLIDATED VIRGINIA MINING CO.SCHEDULE IIMINE PROPERTY, PLANT AND EQUIPMENT

Classifications of Property	Balance at Beginning of year as per accounts	Additions during period at cost	Other Deduc- tions	Balance at close of the period
(a) Mining Rights and Properties	\$2,082,795.00	\$ 284,320.49		\$2,367,115.49
(b) Mine Buildings		906.05		906.05
(c) Mine Tools and Equip- ment		4,839.81		4,839.81
(d) Mill		2,146.08		2,146.08
(e) Hoist	5,000.00			5,000.00
(f) Mine Development		32,843.14		32,843.14
(g) Automobiles and Trucks		1,743.32	334.67	1,408.65
(h) Office Building and Real Estate		2,500.00		2,500.00
(i) Office Equipment and Furniture and Fixtures	214.16	461.75		675.91
Totals	\$2,088,009.16	\$329,810.64	\$334.67	\$2,417,485.13

During the year 1935 Consolidated Virginia Mining Company acquired the assets and assumed the liabilities of Ophir Mining Company and Consolidated Virginia and Andes Corporation in exchange for stock. The mining property of Mexican Gold and Silver Mining Company was likewise acquired for stock. The book value of the mining property of the respective companies was:

Ophir Mining Company	\$ 556,741.90
Mexican Gold and Silver Mining Company	201,600.00
Consolidated Virginia and Andes Corporation	663,260.55
	<u>\$1,421,602.45</u>

These properties set up in Consolidated Virginia Mining Company's records at \$284,320.49. This value was determined by the following facts: In view of the fact that an agreement had been executed to sell stock of the company at twenty cents per share and that it was difficult to determine the actual value of mine properties, it was deemed advisable to reduce the carrying value of these properties to a basis

of twenty cents on the dollar. This procedure was followed for the property acquired from all three companies.

The mining rights and properties owned at the beginning of the year as shown above are shown at ledger value. It was not possible for us to determine whether these assets were carried at cost to the company. The records showing the acquisition of these particular properties were not available for our examination. For this reason, also, it is not possible for us to state whether there was any unrealized appreciation or write down included in this particular item. There has been none subsequent to 1927.

During the latter part of 1935 when considerable development work was in progress, the company constructed a change house for miners which cost the company \$906.05 to construct up to the close of 1935. In view of the fact that this building had been constructed late in 1935 it was not considered necessary to make any allowance for depreciation for that year.

Mine Tools and Equipment totaling \$4,889.81 were acquired during the latter half of 1935 to carry on development work. The same consideration of depreciation applies to this asset as to the mine buildings.

As no operations outside of development were carried on in 1935 no allowance for depreciation of the hoist was made during the year. The president and secretary believe that the carrying value of the hoist is conservative.

Development of ore bodies was given much attention in 1935, and such work required the expenditure of \$23,855.39 for labor and supplies and materials. Such expenditure was applied as follows:

<u>Central Tunnel</u>		
Materials and Supplies	\$ 5,656.81	
Labor	<u>14,778.05</u>	\$20,434.86
<u>Mine</u>		
Labor	2,915.30	
Materials and Supplies	<u>328.65</u>	3,243.95
<u>Ophir Shaft</u>		
Labor	170.34	
Materials and Supplies	<u>6.24</u>	176.58
		<u>\$23,855.39</u>

In addition to the amount expended directly on mining property the office and general expenses incurred during the same period have been capitalized as development in the sum of \$8,987.75. The company carried on no operations during the period and for this reason all expense has been capitalized as development and will be amortized over the period of operations.

An allowance of \$334.67 was made for depreciation on the truck and automobile acquired by the company during 1935.

An office building located on "C" Street, Virginia City, Nevada, was acquired during the month of August 1935, for a cash price of \$2,500.00. This price includes the real estate which we believe can be carried conservatively at \$500.00.

Depreciation has only been taken on the automobile and truck owned by the company. The other assets subject to depreciation have been acquired during the months of July to December 31, 1935, and have suffered but slight depreciation.

They are being carried at conservative values.

There are no expenses such as bond discount, commissions or stock discount included in the value of the assets as far as the records from 1927 to date of this balance sheet are concerned.

DALEDA
MEMPHIS
BOND

Item 8, Page 5

CONSOLIDATED VIRGINIA MINING CO.

SCHEDULE VIII
CAPITAL STOCK

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I
Name of Issuer and title of issue, including par or, if no par, stated or assigned value, if any	Number of shares authorized by charter	Number of shares outstanding exclusive of number held in Treasury	Amount in dollars as per balance sheet caption 31	Number of shares in treasury	Number of shares held by persons whose statements are filed herewith	Number of shares held by parents	Number of shares served for officers and employees	Number of shares reserved for options, warrants, conversions and other rights
Consolidated Virginia Mining Company Common Stock - Non-Assessable Par Value \$1.00 per Share	5,000,000	2,751,265	\$2,751,265.00	1,210,818	none	none	none	1,981,960

CONSOLIDATED VIRGINIA MINING CO.

SCHEDULE IX

SURPLUS

Capital Surplus

Balance, December 31, 1934 \$ 889,859.89

Deductions -

Discount on shares of Treasury
Stock sold to John J. Raskob 215,828.00

Balance, December 31, 1935 \$ 674,031.89

Operating Deficit

Balance, December 31, 1934 \$ 422,626.27

Net Loss from Profit and Loss Statement 3,133.50
425,759.77

Other Charges -

Mine Development - prior to July
1935 \$ 4,226.04

Reorganization Expense prior
to July 1935 324.84

4,550.88
\$ 430,310.65

Recovery on Deposit in defunct
Virginia City Bank

102.33

Balance, December 31, 1935 \$ 430,208.32

AUDITOR'S CERTIFICATE

April 27, 1936

We have examined the accounts and records of the Consolidated Virginia Mining Company as at December 31, 1935, and from the facts developed by our examination of the records available to us, and from information verbally stated to us, upon our inquiry, by officers of the Corporation, it is my opinion that the balance sheet appended hereto with supporting schedules (Nos. 1A, II, VIII, and IX) correctly reflects the financial condition of the Corporation as at that date, subject to the qualifications hereinafter set forth;

1. From the records available it was not possible to determine whether the property acquired prior to 1927 was carried at cost price or whether there had been an unrealized appreciation or write down in the value of such assets. It was not possible to determine what consideration had been given for such properties when they were acquired by the Corporation.

2. That it was not possible to analyze the surplus account prior to 1926 to determine what part of it was actually Earned Surplus or Operating Deficit and what was Capital Surplus.

During the period of development prior to July 1935 this Company has not capitalized its development costs but on the contrary it considered them to be costs of operation for the years in which they were incurred. After the adoption of a definite program of development in July 1935, all expenses incurred subsequent thereto have been capitalized as Development Work. All other accounting procedure followed by the registrant appears to be proper.

I certify that, after reasonable investigation, I have reasonable grounds to believe, and do believe, that as at December

31, 1935, the statements herein are true and that there is no omission to state a material fact required to be stated therein or necessary to make the statements herein not misleading, except as specifically noted and herein qualified.

Edler & Simenza
Certified Public Accountant *S*

Item 8, Page 5

CONSOLIDATED VIRGINIA MINING CO.

PROFIT AND LOSS STATEMENT FOR YEAR

ENDED DECEMBER 31, 1935

Income From Extraction

Sales of Ore \$ 881.11

Operating Expenses

Wages and Salaries	\$ 2,996.69
Legal and Auditing Expenses	170.00
Insurance	26.67
Taxes	375.11
Miscellaneous Office Expenses -	
Virginia City Office	537.17
Mine Supplies and Costs	55.23
Auto Expense	576.91
Company House Expense	338.01
Rentals	233.87
Traveling Expenses	366.67

Total Expenses 5,676.33

Loss from Extraction 4,795.22

Income From Other Than Operations

Interest	\$ 1,541.90
Miscellaneous Revenue	119.82

1,661.72

Net Loss For Period \$ 3,133.50

All expenses including office and general expenses incurred during the period of development have been capitalized and charged to Mine Development. All expenses during operations are closed into Profit and Loss.

Item 8, Page 5

SCHEDULE X

CONSOLIDATED VIRGINIA MINING CO.

ITEM	COLUMN A	COLUMN B	COLUMN C	COLUMN D
		CHARGED DIRECTLY TO PROFIT AND LOSS	CHARGED TO OTHER ACCOUNTS	TOTAL
		COSTS	ACCOUNT	
1. Maintenance and repairs				
2. Depreciation, depletion and amortization of Fixed and Intangible Assets (or charges in lieu thereof)				
3. Taxes, other than Federal income and excess profits taxes		\$375.11		
4. Management and service contract fees			Mine Development \$1,192.99	\$1,568.10
5. Rents and royalties where total is significant (state separately where either amount is significant)				

AUDITOR'S CERTIFICATE


April 27, 1936

We found in our examination that the operations carried on by this Company during the period January 1, 1935 to December 31, 1935, consisted for the most part in development work. There was little ore mined or shipped to smelter; consequently the income of the Company during the period under review was negligible.

All expenses incurred during the period are accounted for and all income from sources other than extraction is shown under the title "Income From Other Than Operations."

It is not the usual practice in mining companies not in production to close income and expense items in Profit and Loss. The usual procedure is to capitalize such items as Development Costs and amortize such an asset during periods of operation. In July 1935 the Company adopted a definite plan of development, with such plans calling for the erection of a mill. All expenses since have been charged to Development and any income has been credited to this account. All expenses and income items prior to August 1935 have been closed into Profit and Loss. The procedure followed by the Company prior to August 1935, is conservative, though not in line with usual mine accounting.

I certify that, after reasonable investigation, I have grounds to believe, and do believe, that the statement of Profit and Loss herein for the year ended December 31, 1935 is true and that there is no omission to state a material fact required to be stated herein or necessary to make the statement not misleading, except as specifically noted and herein qualified.


Certified Public Accountant 5

9. Give the information required below in tabular form concerning the aggregate remuneration paid by the registrant and its subsidiaries, directly or indirectly, to the following persons in all of their capacities:

(a) The name and aggregate remuneration of each person among the officers, directors and employees of the registrant receiving one of the three highest aggregate amounts of remuneration.

(b) The aggregate remuneration of all directors of the registrant; indicate the number of such directors without naming them.

(c) The aggregate remuneration of all officers, other than those who are directors, of the registrant; indicate the number of such officers without naming them.

(d) The aggregate remuneration of all employees of the registrant who, respectively, received remuneration from the registrant in excess of \$20,000 within the fiscal year; indicate the number of such employees without naming them.

Name, or Number of persons not named	Capacities in which remuneration was received	Aggregate remuneration within registrant's fiscal year
(a) Zeb Kendall	President	\$6,000.00
W.J.Henley	Secretary	1,800.00
Robert P.Raskob	Treasurer	750.00
H. W. Squires	Superintendent	2,400.00
(b) Six Directors	As Officers	10,950.00
(c) None		
(d) None		

SALES OF SECURITIES BY REGISTRANT

12. Furnish the following information as to all securities of the registrant sold by the registrant within the fiscal year:

(a) Title of issue; and, if stock, the par value, or, if no par, stated value, if any.

(b) Amount sold.

(c) Date of sale.

(d) Aggregate net cash proceeds, or the nature and aggregate amount of any consideration other than cash, received by the registrant.

(e) Names of principal underwriters, if any, indicating any such underwriters as were affiliates of the registrant.

(f) A statement that such securities were registered under the Securities Act of 1933, or a brief statement of the facts necessary to establish that such registration was not required.

(a) Common Stock, Consolidated Virginia Mining Company - non-assessable-par value \$1.00 per share.

(b) 2,071,868 shares

(c) 1,775,105 shares July 31, 1935
26,978 shares August 28, 1935
269,785 shares August 30, 1935

(d) The registrant purchased the assets and assumed the liabilities of the Ophir Mining Company in exchange for 911,640 shares of its capital stock. The following assets were acquired in the purchase:

Accounts Receivable	\$	10.00
Cash		72.73
Furniture and Fixtures		137.50
Office Equipment		76.66
Automobile		582.15
361,088 shares of Consolidated Virginia Mining Company Stock		361,088.00
Mine Properties		556,741.90

The following liabilities were assumed:

Accounts Payable	\$	7,098.16
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The mine properties were set up on the books of this Company on a basis of twenty cents per share, or \$111,348.38. The stock of Consolidated Virginia Mining Company was taken into Treasury Stock at its par value. The other assets were taken over at book value as shown above. Through this transaction, stock discount of \$445,422.74 was set up to offset reduction in carrying value of mining properties acquired.

The mining properties of Mexican Gold and Silver Mining Company were purchased at this same time for 201,600 shares of this Company's stock. The mining property with book value of \$201,600.00 was set up on this Company's books at \$40,320.00, or twenty cents per share. The difference between the two values, \$161,280.00 was charged to Stock Discount.

The assets of the Consolidated Virginia and Andes Corporation were acquired and the liabilities assumed in exchange for 661,865 shares of this Company's stock.

(See Insert)

13. As to any securities for which application for registration under the Securities Exchange Act of 1934 had been filed and which remained unissued at the close of the fiscal year, furnish the following information:

- (a) Title of issue.
- (b) The total amount unissued at the close of the fiscal year.
- (c) A brief description of the proposed transactions for the issuance of such securities.

(a) Consolidated Virginia Mining Co. - common stock (Non-assessable)
(Par Value \$1.00 per share)

(b) 1,981,960

(c) None

(d) continued

The assets acquired in this purchase were as follows:

Service Deposits	\$	350.00
Office Equipment		21.00
Mine Tools and Equipment		746.65
Mine Properties		663,260.55

Liabilities assumed in this purchase were:

Accounts Payable	\$	2,513.22
------------------	----	----------

All assets acquired were taken over at book value, except the mining properties, which were set up on this Company's books at \$132,652.11, on a basis of twenty cents per share. This reduction in value of \$530,608.46 was charged to Stock Discount. No commissions were paid on the purchase of these various properties.

During the month of August John J. Raskob purchased 269,785 shares of the Treasury Stock of this Company for cash on the basis of twenty cents per share. A commission of 26,978 shares of the unissued stock of this Company was paid to Aquin Feeney on the above sale.

26,978 shares were issued to Aquin Feeney under the terms of this agreement. The commission was set at \$5,395.60 and the difference between this amount and the par value of the stock \$21,582.40, was charged to stock discount.

(e) None

(f) The securities issued during 1935 have been registered under the Securities Act of 1933. However, the stock issued during the year 1935 was issued prior to such registration. The registration of such securities was not necessary as such sales were made in the State of Nevada and there was no public offering of stock.