REPORT
Six Mile Canyon Placers
Venture Action, Inc.

309

Item 147

TABLE OF CONTENTS

JOHNSON-ROSS

SIX MILE CANYON PLACER PROPERTY

MINE MANAGEMENT
OPERATIONAL CONSULTING

MINE EXAMINATIONS
MINING ENGINEERING

INVESTOR'S REPORTS
EFFICIENCY STUDIES

J. H. WREN & CO.

CONSULTING MINING ENGINEERS

CABLE ADDRESS
WRENCO

PHONE GLADSTONE 6-0922
4297 D STREET
SACRAMENTO, CALIF.

March 19, 1962

Dr. Theodore Macklin, President
Venture Action, Inc.
P. O. Box 6292
Sacramento 21, California

Dear Doctor Macklin:

Herewith please find a formal preliminary report on the Six Mile Canyon Placer Property near Dayton, Nevada.

Technical reference for report detail is as follows:

G. Becker, Gold placer operator
C. Collins, E. M.
T. Johnson, gold placer operator
Otis A. Kittle, E. M.
S. W. Johnson, Reg. Mining Engineer
Lyon County Recorder's Office, Yerington, Nevada
Nevada Bureau of Mines
Dr. F. C. Lincoln
Mackay School of Mines, Reno, Nevada

I am quite familiar with the district in general. Some of my relatives were active in the Comstock Lode during its most productive period and I have formerly been on the supervisory staff of various mining enterprises in the area.

Approximately 70% of the most productive Comstock Lode erosion runoff had no outlet other than the Six Mile Canyon. Additional erosion runoff values were picked up from the Flowery Lode and other mineralized zones. Consequently erosion concentration in the Six Mile Canyon alluvial fan from above the croppings of what is reported to have been the most productive gold-silver mile in the world certainly justifies economic evaluation.

Very truly yours,

J. H. WREN & COMPANY

By James H. Wren
James H. Wren

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PRELIMINARY JOHNSON-ROSS REPORT
SIX MILE CANYON PLACERS

LOCATION:

The Six Mile Canyon Placers is located some 18 miles Northeasterly from Carson City, Nevada on U. S. Highway Number 50. It is approximately six miles Northeasterly from the down of Dayton, Nevada and about six miles Easterly from the Comstock Lode town of Virginia City, Nevada.

Access to the property is excellent: U. S. Highway 50 running through a corner of the property with the Easterly property boundary line being the highway. The Storey County Six Mile Canyon road runs Westerly and Easterly through the holding. A road from the Sutro Tunnel connects with the placers also.

Electrical power is available and power lines are on the Northerly side of the ground.

At this season of the year, Six Mile Creek runs water. It goes through the property. Sub-survace water is at all times available. On the lower end of the property adequate water availability is present to handle any size operation.

Telephone communications can easily be established. An airplane landing strip can be very inexpensively leveled at most parts of the property but the better location would be adjoining Highway 50.

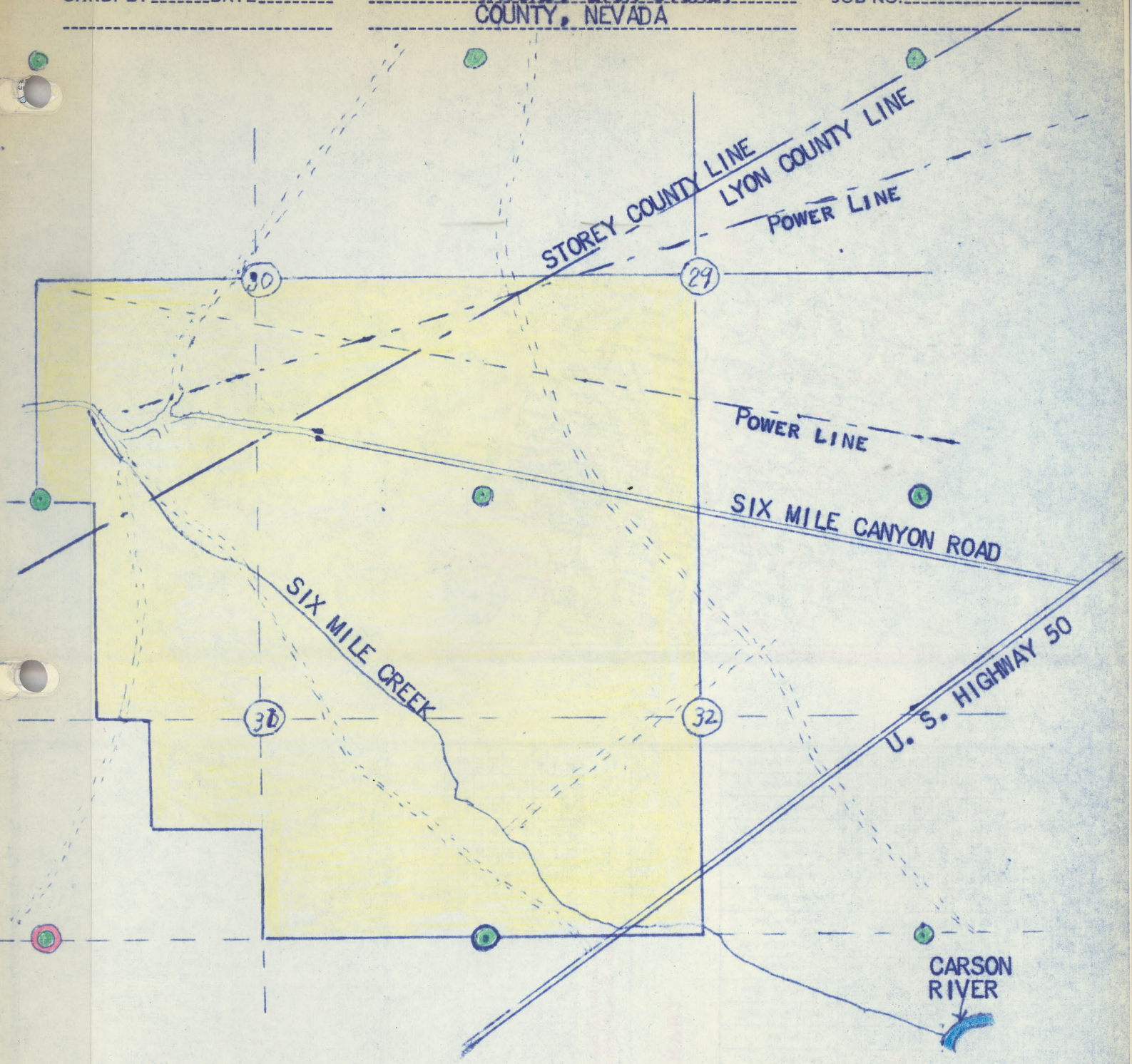
Reno, Nevada supply source and machine shop facilities are only one hour driving time away from the proposed placer project.

The area is one of an all year operating season. Only limited winter snowfall on the ground for the past 100 years is recorded.

Adequate labor supply is available nearby. Employee housing is unnecessary as Carson City, Virginia City, Dayton and Silver Springs are all within commuting distance to the work site.

BY J.H.W. DATE 3/15/62 SUBJECT JOHNSON-ROSS GOLD PLACER GROUND, LYON-STOREY COUNTY, NEVADA SHEET NO. ____ OF ____

CHKD. BY ____ DATE ____ JOB NO. ____

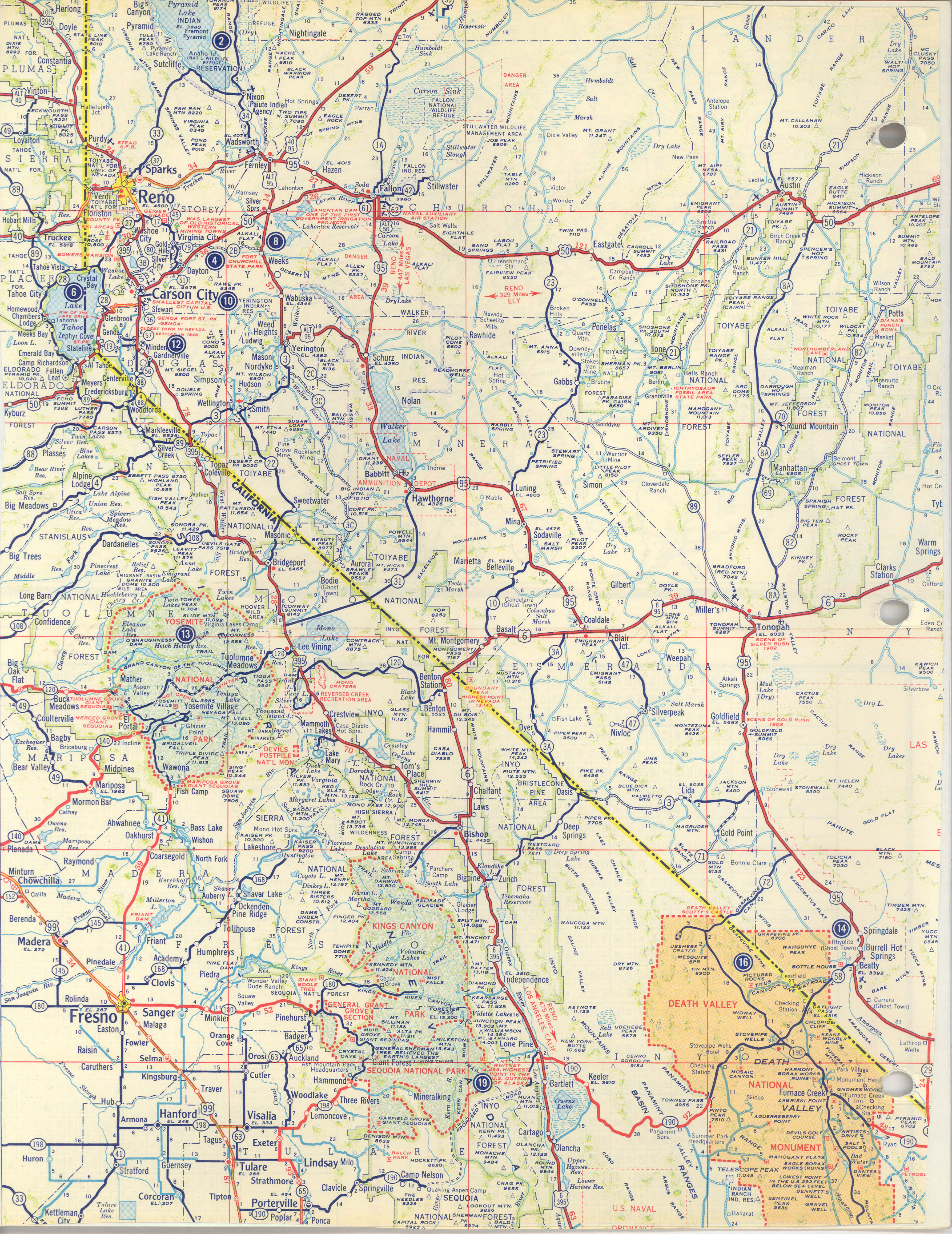


JOHNSON-ROSS PLACER PROPERTY

PLAT OF 1280 ACRES AS REPORTED BY T. JOHNSON.

TOWNSHIP-RANGE CORNER
SECTION CORNER
VENTURE ACTION, INC. LEASE

J. H. WREN & COMPANY
Consulting Mining Engineers
4297 D Street
Sacramento, California

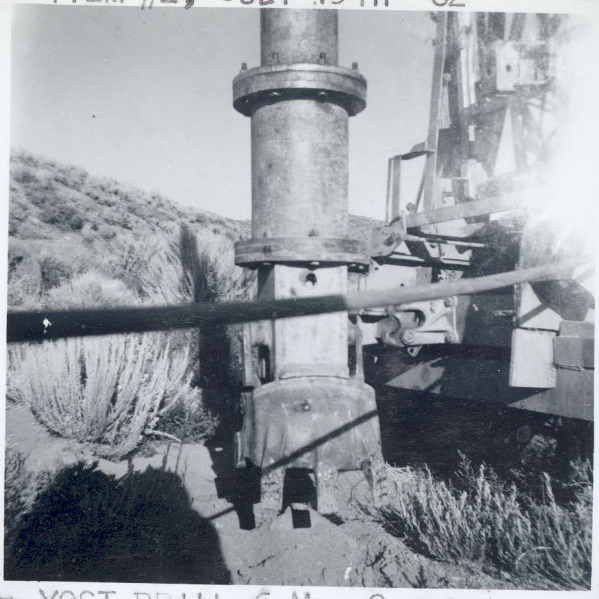


Reno
Sparks
Carson City
SMALLEST CAPITAL CITY IN U.S.
Virginia City
WAS LARGEST OF OLD HISTORICAL WESTERN MINING TOWNS
Truckee
Lake Tahoe
Stateline
Minden
Gardnerville
GENOA FORT ST. PK -GENOA- OLDEST TOWN IN NEVADA. SETTLED IN 1849
Fernley
Fallon
Hazen
Wadsworth
Nixon (Paiute Indian Agency)
Pyramid Lake
PYRAMID LAKE INDIAN RESERVATION
LAHONTAN DAM ONE OF THE FIRST GOVERNMENT IRRIGATION PROJECTS
Lahontan Reservoir
NAVAL AUXILIARY AIR STATION
FORT CHURCHILL STATE PARK
Yerington
Schurz
Walker Lake
Hawthorne
NAVAL AMMUNITION DEPOT
RENO 447 Miles LAS VEGAS
RENO 329 Miles ELY
Eastgate
Austin
Ione
Gabbs
ICHTHYOSAUR FOSSIL AREA STATE PARK
Round Mountain
Manhattan
Tonopah
SCENE OF SILVER RUSH 1902
Goldfield
SCENE OF GOLD RUSH 1903
Luning
Mina
Coaldale
Basalt
Silverpeak
Lida
Gold Point
Beatty
Springdale
Rhyolite (Ghost Town)
DEATH VALLEY SCOTTY'S CASTLE
DEATH VALLEY NATIONAL MONUMENT
Furnace Creek
Stovepipe Wells
TELESCOPE PEAK 11,049
LOWEST POINT IN THE U.S. 282 FEET BELOW SEA LEVEL
CALIFORNIA
Bridgeport
Lee Vining
Mono Lake
YOSEMITE NATIONAL PARK
Yosemite Village
Tuolumne Meadows
Mariposa
DEVILS POSTPILE NAT'L MON.
Mammoth Lakes
Bishop
Big Pine
Independence
Lone Pine
MT. WHITNEY 14,495 HIGHEST POINT IN THE U.S. OUTSIDE OF ALASKA
RENO 475 Miles LOS ANGELES, CALIF.
KINGS CANYON NATIONAL PARK
SEQUOIA NATIONAL PARK
GENERAL GRANT GROVE SECTION
Fresno
Madera
Chowchilla
Clovis
Sanger
Selma
Hanford
Visalia
Tulare
Porterville
Lindsay
BOUNDARY PEAK HIGHEST POINT IN NEVADA 13,145

ITEM #1 , JULY 19TH '62

YOST DRILL

ITEM #2, JULY 19TH '62



YOST DRILL 6 MI. CANYON

ITEM #3 , JULY 19TH '62

YOST DRILL

ITEM #4, JULY 19TH '62

YOST DRILL

ITEM #5, M. YOST INVENTOR

OF YOST DRILL

ITEM #6, JULY 19TH '62

YOST DRILL ON TAILINGS

ITEM # 7, JULY 19TH 1962

YOST DRILL ON TAILINGS

ITEM # 8, JULY 23RD '62

MACKLIN TABLE

SIX MILE CANYON PLACERS
JULY 4, 1962
M. MORRISON & WIFE
MAJOR L. QUINN & WIFE
M. YOST
MRS. J. H. WREN

ITEM #9

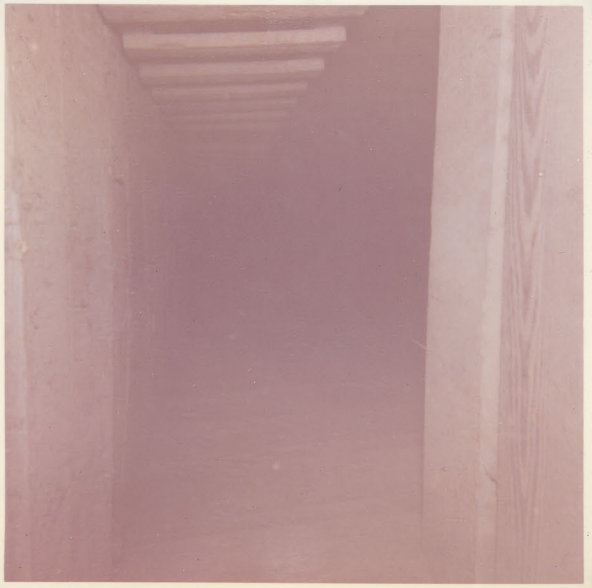
OFF HIGHWAY TO CANYON MOUTH: ON PLACER GROUND

6 MILE CANYON MOUTH

LOOKING DOWN SIX MILE CREEK FROM CANYON MOUTH ALLUVIAL PLACER IN FOREGROUND

90' TEST SHAFT

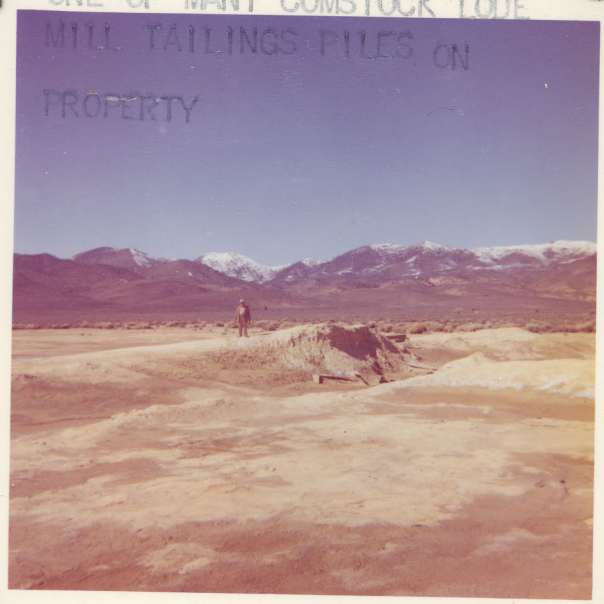
90' TEST SHAFT COLLAR REPORTED 70¢ PER CUBIC YARD VALUE



90' SHAFT MANWAY-GOOD JOB

TEST SHAFT WITH STEEL COLLAR RING

SOU. TEST SHAFT COLLAR



LOOKING TOWARD CARSON CITY

PROPERTY NOTE TERRAIN

SIX MILE PLACERS, REPORT OF MARCH 19, 1962

OWNERSHIP:

The Six Mile Canyon Placers are owned by Mrs. Treva Johnson, Star Route 1, Box 2300, Carson City, Nevada and Federal Judge John Ross, Carson City, Nevada. Part of the property is patented and part held by placer claim location.

Property description is as follows: Becker-Johnson Placer claim one through eight, plus patent number 488, as per records of Lyon County and Storey County, Nevada.

Venture Action, Inc., a Nevada Corporation, P. O. Box 927, Reno, Nevada and P. O. Box 6292, Sacramento 21, California owns a lease on 1280 acres of the Six Mile Canyon Placers granted by the owners, Mrs. Treva Johnson and Judge John Ross. Lease terms are: Ten years with an option on ten additional years, 4-1/2% of the gross production returns, four months from March 6, 1962 before commencement of preliminary evaluation drilling, January 1, 1963 before additional progress requirements are instituted. Both Mrs. Johnson and Judge Ross are experienced mining people and will be of some considerable assistance to the operation.

It has taken some considerable effort on the part of the owners to clear titles, and put this high volume piece of mineral bearing gravel into one production parcel for operational setup.

HISTORY:

The Comstock Lode area of Virginia City, Nevada is one of the oldest and most productive lode mining zones in Western United States. It is believed that one mile of the Comstock Lode still holds the world record of production of gold and silver in that distance.

Prior to the Becker-Collins, Becker-Johnson, Six Mile Placers test work, the property had received various scrutiny throughout the years but no comprehensive evaluation program was instituted before Collins-Becker and Becker-Johnson aligned a shafting test program. Old Comstock lode mill tailings deposited on various parts of the placer surface, some covered by cloudburst action and all contain values but mostly later tailings are so metallurgically complex that little or no recovery is expected from their tonnage. However, older stamp and amalgamation mill tailings deposited on the ground will, no doubt, carry economic values.

Previous test work analysis in the shafts, pits and cuts indicated economic values existing. However, no shafts reached bedrock, the deepest one being some 90'. No pattern drilling or shafting program was

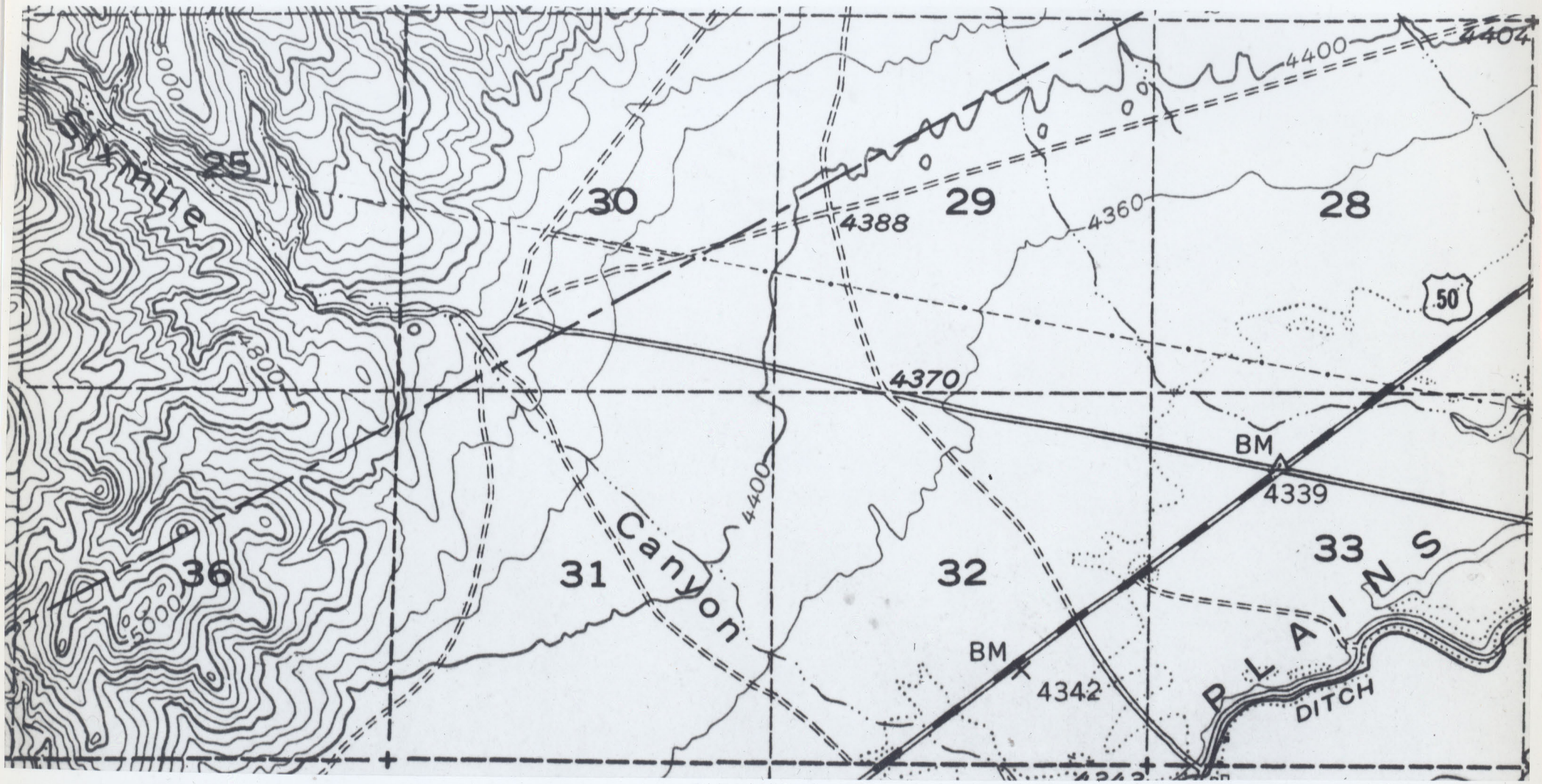
previously laid out to enable evaluating a surveyed block of cubic yardage.

A number of thousands of dollars and much time has been expended to arrive at the existing report data and ownership title by present and past owners. That work, however, has not been conclusive with regard to the amount of profitable cubic volume available.

GEOLOGY:

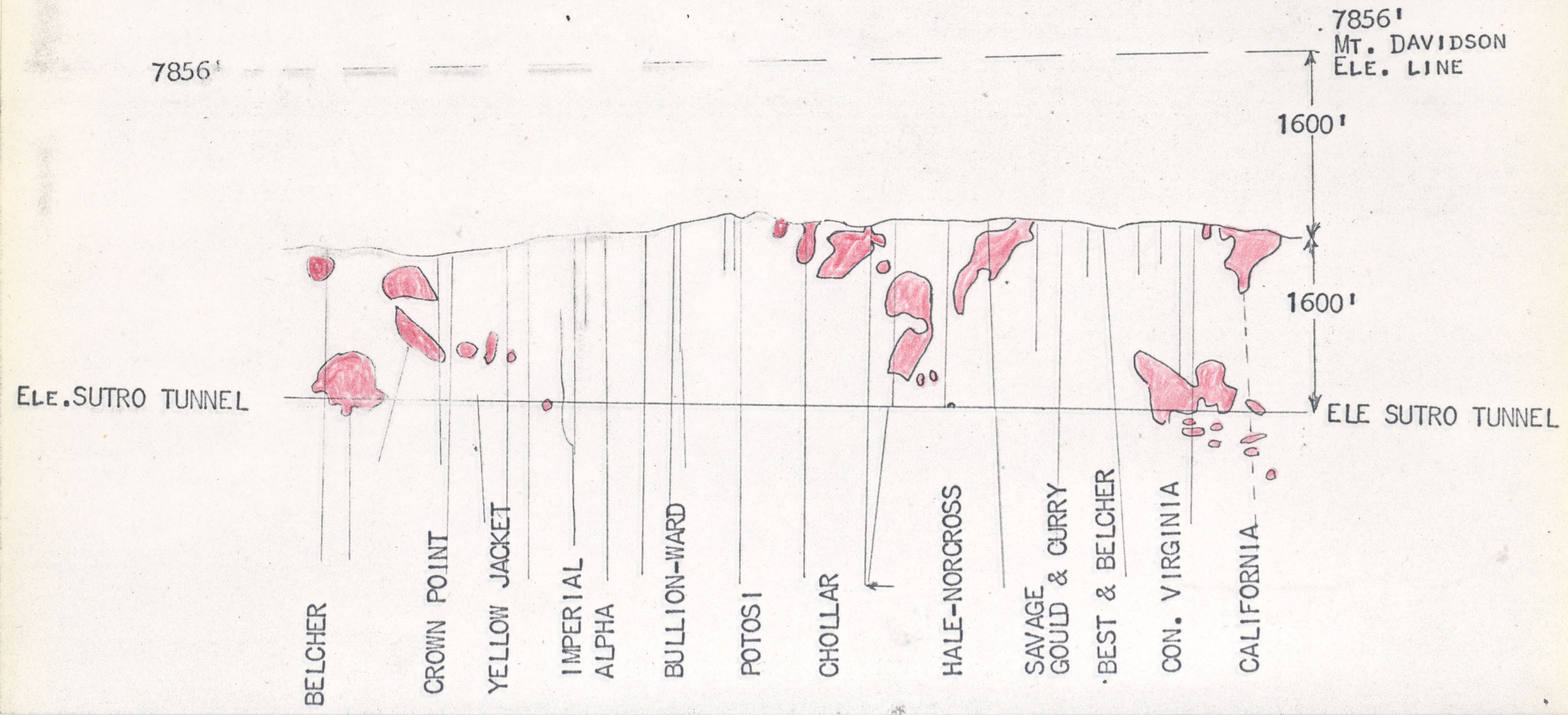
Six Mile Canyon Placers constitute alluvial washed material which resulted from erosion. Mont. Davidson (7856 feet above sea level) on the footwall side of Comstock Lode is composed of diorite much more resistent to weathering than the altered, highly faulted and softer mineralized strike of the lode. The erosion was high on the strike of the Comstock and as a consequence scoured out a basin at the Easterly base of Mont. Davidson. Weathering of the Star District Lodes, the Flowery Lode and minor mineralized zones displaced cubics all went down the Six Mile Canyon. The canyon itself is steep, narrow and deep, (see herewith U. S. G. S. topo Sheet). Frequent cloudbursts after the late tertiary flows carried off several billions of tons of the areas' original elevation and "sluiced" the material through the canyon building the alluvial fan below the mouth. Slimes for the most part ended up in the Carson River, away from the placer deposit accounting for the lack of clays on the ground. As the flood waters lost velocity upon emerging from the canyon walls, the heavier materials and minerals had a tendency to stop and concentrate. Successive flows throughout the ages have resulted in various pay "streak stratification" as well as the various main channels have no doubt meandered to some considerable extent back and forth across the present Six Mile Creek channel.

Rock of the Comstock Lode footwall is diorite through to the hanging-wall side composed chiefly of hornblende-andesite, to augite-andesite on the East. Besides the Comstock Lode and its branches, there are in the Six Mile drainage the Star Lode, Flowery Lode, all made on major block faulting systems as was the Comstock. The country rock of the Comstock area is highly altered by hydrothermal action, propylitization having affected rocks on both sides of the lode. Exploration, development and production in the extensive Virginia City workings proved that the rich "bonanza" ore bodies were separated from one another by long irregular stretches of barren or low grade material, horizontally as well as vertically. A scrutiny of the accompanying longitudinal-vertical diagrammatic section showing the principle mines will disclose "blind ore bodies" which did not out crop widely separated by low grade or barren zones. It is quite apparent that other ore



ENLARGED U. S. G. S. TOPO SHEET SECTION : NOTE THE NARROW, STEEP SIX MILE CANYON. THIS ILLUSTRATES WHY EROSION VOLUME WAS FORCED OUT OF THE CANYON CREATING THE ALLUVIAL FAN BELOW THE MOUTH.

DIAGRAMMATIC LONGITUDINAL-VERTICAL SECTION OF THE COMSTOCK LODE. NOTE THE FACT THAT MANY ORE BODIES DID NOT OUTCROP., ALSO THE FACT THAT SOME WERE PARTLY ERODED. NOTE THE SPARSE PRODUCTION BELOW THE SUTRO TUNNEL ELEVATION. MT. DAVIDSON'S SUMMIT IS ERODED BUT YET IS 1600' HIGHER THAN VIRGINIA CITY COMSTOCK LODE CROPPINGS. 70% OF THE GROUND ABOVE THE MAJOR MINES OF THE LODE THROUGH EROSION FLOWED DOWN THE NARROW STEEP AND DEEP SIX MILE CANYON. THIS SECTION CLEARLY ILLUSTRATES THAT OTHER APARENT ORE BODIES WERE COMPLETELY ERODED OUT AND THE UPWARD EXTENSION OF SOME HAD BEEN ERODED. THE CROPPINGS OF THE LODE'S MAJOR PRODUCERS ACTUALLY WERE LOCATED IN A BASIN LIKE DEPRESSION DUE TO SOFT GROUND HEAVILY ALTERED AND FAULTED. MT. DAVIDSON STRIKE RESISTED EROSION DUE TO BEING CONSIDERABLY HARDER. THE 1600' FROM CROPPINGS TO THE SUTRO TUNNEL ELEVATION PRODUCED SOME 700,000,000 DOLLARS. IT IS SAFE TO ASSUME THAT THE GROUND ERODED OUT ABOVE THE CROPPINGS CONTAINED HIGHLY MINERALIZED VOLUME TOO.



bodies existed in the eroded zone above the present surface. All of this mineral would have proceeded down the Six Mile Canyon and a high percentage of it is concentrated in the alluvial fan which constitutes the Johnson-Ross Placers.

A major high volume, mechanized placer enterprise consideration is rock oversize as well as cementation. The fractured rock from the mineralized zones, action of weathering on rock characters with poor weathering resistence, lack of limestone and other basic rocks to produce cementation muds leads one to believe the deposit will not have excessive rock oversize and cementation as was experienced in the 18,000 Cu. Yds. per day Round Mountain placer gold project. The shafts now down on the placer deposit show no indication of rock oversize nor any cementation down to a depth of 90' below the surface.

The barren rock erosion which went through the canyon was mainly of a late tertiary period character.

MINERALOGY:

Normally, placer deposit scrutiny does not include much lode coordination with a particular property. In the case of the Johnson-Ross property, the values are related and were dependent upon the mineral occurrence of the Comstock Lode, related branches and parallel mineralized zones.

Generally the secondary mineral zones in the Comstock were of a shallow nature. The secondary ore was not found to any marked degree except within a few hundred feet of the surface. The chief secondary values occurred in native silver, polybasite, argentite, covellite and anglesite. Free gold of a pale yellow color in view of its silver content as a result of sulphide oxidation was produced. As the area was one of fast erosion some considerable sulphide slimes containing values would have been lost to the Johnson-Ross Placers. However, free gold released from zones above present surface out of oxide areas will be found concentrated in "pay streaks" as well as disseminated throughout the placer deposit.

Some byproduct recovery will no doubt be made from preliminary and later mill tailings deposited on the property. The first mills were quite primative and as a consequence they had a high loss of amalgam which contains mercury, gold and silver, easily concentrated along with the gold recovery. The later mills used cyanide treatment and their tailings will be lean as far as gravity recovery is concerned. $27,000,000 according to the Nevada State Bureau of Mines was recovered out of the tailings piled from 1859 to 1882, in form of gold and silver.

METALLURGY

Lack of cementation and only minor amounts of clays will make gravity recovery of this placer property's values quite simple. However, the writer stresses all recovery alignment should be made along normal, proven lines, with good equipment and no experimentation. During the past ten years many, so called, "new" placer recovery devices have been promoted and none to my knowledge have successfully proved economically profitable. Many are entirely unsound; some are merely an adaption of a proven principle; some were actually set up on principles that had been used and rejected by the mining industry many years ago after improved methods were developed.

There is very little liklihood of any other product income excepting gold and silver from the property. However, all present minerals and metals will be evaluated. Due to the character of the rock types in the alluvial fan, it is not expected that any aggregate byproduct can be sold.

Whether the property is worked with floating recovery equipment or by conveyor lines to a central plant, the metallurgical alignment will be the same. Flow sheet would be:

a) High volume classification

b) Plus 3/8" particle size to waste, excepting for nugget traps, should they be necessary

c) Minus 3/8" over impulse riffle sections

d) Riffle sections discharging over placer jigs.

e) Jig overflow to waste

f) Jig hutches continuously bled and concentrated

g) Concentrates scrubbed and amalgamated

h) Amalgam retorted, gold-silver sponge shipped to U. S. Mint, along with riffle recovery product.

i) Should it be found that any byproducts exist in profitable quantity flow sheet layout will be made to effect recovery

Basic metallurgical principles of placer concentration from a mechanized standpoint have some 60 years of evolution history from which to

design an efficient plant. Better industrial fabrication metals bearings, conveyor systems, electronic controls, all will assist smoothly functioning operation, lower labor requirement and cost.

EXISTING EXPLORATION-DEVELOPMENT:

Mr. Clyde Collins, Mining Engineer of good standing and Mr. Gus Becker, placer mining operator with international experience, sank some test shafts and pits on the property. See plan containing shaft values and depths reported. Mr. Becker planned to operate the property personally and was doing test work on it while successfully producing from another placer gold deposit at Dayton, Nevada some eight miles from the Six Mile Canyon. Mr. Becker died during the production movement at Dayton and the herein mentioned testing of the Johnson-Ross holdings. Several feeble attempts have been made to follow through on Mr. Becker's project but never got by the " talking and paper" stage.

RECOMMENDED EVALUATION DRILLING:

Evaluation drilling is suggested to be set up in two steps.

a) 14 preliminary holes, not less than 6" in diameter, to bedrock. See herewith diagrammatic hole plan. It is estimated that the ground will be deep. For the sake of calculation, a 150' depth average on the first eleven holes is used as a factor. Holes 1, 2, 3, 9, 10, 11, block out 8,414,000 cubic yards as POSITIVE PRELIMINARY LONG HOLE CENTER RESERVES. Holes 4, 5, 6, coupled with the other holes add as PROBABLE PRELIMINARY RESERVES an additional 8,414,000 cubic yards, making a total of 16,956,000 cubic yards.

CALCULATION:

43,560 Sq. Ft. = 1 acre
1 acre 1 Ft. deep = 1,613 Cu. Yds.
80 acres 150' deep - 16,956,000 Cu. Yds.

Holes 13 and 14 are so spotted in the preliminary exploration to throw light upon the Northerly and Southerly limits of the economic value of the alluvial fan. Results of holes #13 and #14 will designate whether farther Northerly and Southerly holes should be drilled for probable additional profitable yardage or the flanking limits drilled closer to the Six Mile Creek.

b) If Step "A" proves the expected economic values to exist a production pattern drilling program should be instituted to allow technical information to be compiled for detailed setup alignment data and additional yardage of positive reserves in-order-to setup efficient capacity scope. Drill hole spotting in Step "B" cannot be done until Step "A" has been evaluated.

PRELIMINARY EVALUATION RISK:

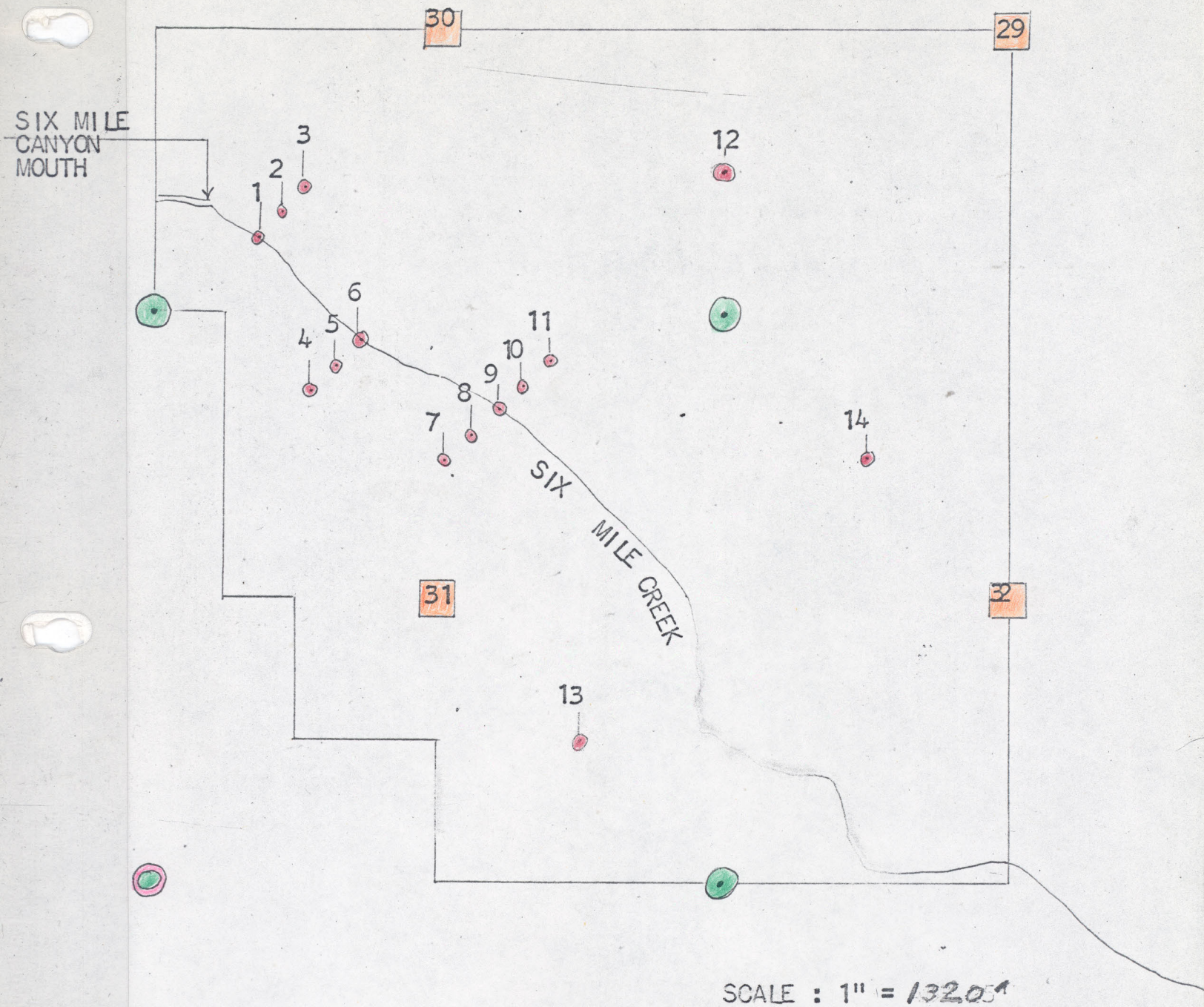
In view of the factual evidence concerning the value source of the John-Ross Placers excellent evaluation incentiye exists.

Previous shafting and pit testing (excepting for Shaft #4 obviously Northerly from the value flow), average without bedrock concentration in the gold recovery alone amounts to 47.66¢ per cubic yard. This is definitely a profitable value under 1962 cost. The 47.66¢ does not include black sand values listed under the shafting and pitting analysis. The black sand average reported value is 35.8¢ per cubic yard. A total of the free gold and the black sand results would amount to an average of 83.46¢ per cubic yard. Until further testing proves different, the writer discounts the black sand value 100% in the evaluation investment risk analysis. Reason for the discount: At least part of the fire assay value shown in the black sand will not be recoverable. There is also some concentration of heavy complex minerals which came from old tailings that cannot be recovered economically. The 100% black sand discount at this time is acceptable from a conservative risk evaluation standpoint but actually there will be some recovery out of that product as quite probably hemetite in the black sand may carry some unreleased gold values and, of course, free gold, silver and quicksilver lost by the old operations, finely "floured" will be recoverable. It is suspected that bedrock sampling will further increase sampling value.

Previous test work accuracy acceptance by this firm is estimated as follows:

Personal knowledge of Mr. G. Becker's placer mining experience is known and he was testing for his own information to conduct a personal project. His preliminary work summary is assumed to be correct.

Mr. Clyde Collins is a highly experienced mining engineer with a long production background. His work and views are accepted without question.



SCALE : 1" = 1320'

SECTION CENTER

SECTION CORNER

PROPOSED DRILL HOLE

TOWNSHIP-RANGE CORNER

JOHNSON-ROSS PLACERS

RECOMMENDED PRELIMINARY
EXPLORATION EVALUATION

SEE REPORT OF MAR. 19, 1962
TEXT.

MARCH 19, 1962
J. H. W.

J. H. WREN & COMPANY
Consulting Mining Engineers
4297 D Street
Sacramento, California

SIX MILE PLACERS, REPORT OF MARCH 19, 1962

The writer does not know the backgrounds of Mr. Otis A. Kittle, E. M. nor Mr. Stanley W. Johnson, E. M. and cannot give reference for their accuracy.

T. Johnson has had gold placer testing and production experience from a practical standpoint and observations from that source are credited.

EVALUATION DRILLING PROCEDURE CONTROL:

It is recommended that the drilling be contracted out to experienced gold placer contractors with equipment. It should be set up on a flat price per foot of advance under detailed contract specifications. The contractor will have no part in the evaluation testing. Their duties will merely be to make hole and save all possible material from the hole diameter without dilution.

Ventures Action, Inc. to run an evaluation of the test material.

A separate, independent, test evaluation should be run without collaboration with Ventures Action, Inc. field engineers on the work site using 1/2 of the pulp gained from the drill holes. The test pulp can be uniformly mixed and split for V. A. I. and the unprejudiced evaluators should be selected on the basis of wide placer experience and reporting acceptable to major mining companies and finance syndicates.

It is suggested to make Office of Mineral Exploration loan application for this evaluation work. The loans are very liberal and no obligation is placed against the property. Repayment is made out of a minor percentage of any net production achieved. It is probable that 50% of the evaluation cost can be obtained. Furthermore U. S. Government engineers will assist the evaluation and supervision inspection of the project.

In view of the Comstock Lode's spectacular history, no doubt, the U. S. Bureau of Mines and the Nevada State Mining Bureau will follow up on the evaluation tests. Consequently much seasoned technical assistance will be available.

EVALUATION COST ESTIMATE:

The first step in the evaluation project will be to drill:

No. 1 hole	150'
No. 3 hole	150'
No. 6 hole	150'
No. 7 hole	150'
No. 11 hole	150'
No. 12 hole	150'
No. 13 hole	150'
No. 14 hole	150'
	1,200'

A straight drilling contract bid can be solicited for the first 1,200 feet listed above. There will be no testing, surveying, mapping or any other duties of the contractor excepting the drilling and delivery of the drill hole pulp. A six inch diameter hole under the good terrain, and drilling conditions at the Johnson-Ross Placers will probably be bid in at some $6 per foot.

Surveying, mapping, pulp evaluation by Ventures Action, Inc. and an independent firm of acceptable engineers will run some $3 per foot.

Overhead, and contingency is estimated at $1 per foot.

1,200' of drilling @ $6 per foot	$7,200.00
1,200' drill feet technical $3 Ft.	3,600.00
Overhead-contingency $1 Ft.	1,200.00
	$12,000.00

See following pages' tabulation of drill test evaluation from 44 major projects researched by the U. S. Bureau of Mines and one from the Dayton Dredge Company whose ground was six miles Southwesterly from the Johnson-Ross Placers and subsequently owned by T. Johnson. It will be noted that the overall recovery average exceeded the drilling estimate. In the case of the 44 U. S. Government listings some 76% was recovered over the estimate. In the case of the Dayton, Nevada placer deposit 41.5% more was recovered than estimate. Consequently the recommended drilling and results at the Johnson-Ross property over the economic cut-off point will be safe to assume as minimum expectable returns.

ECONOMICS:

Operating cost 1962 vs. the 1930s is higher but ratio of rise per yard of production is not the proportion of 1930s labor or equipment cost vs. 1962. Advancement in equipment, utilities, knowhow, supply availability, transportation, etc. will permit more cubic yardage run with the same labor and setup fabrication to some considerable extent -- at least 50% and possibly 75% more with conventional earth moving and treatment units. If the deposit should prove over 200,000,000 cubic yards of economic reserves, then and in that event "German Wheel" type diggings equipment would be considered. That type of digging per single unit has been proven jobwise practically for over 120,000 tons per day, as well as intermediate capacities to that maximum.

Should the deposit prove to require selective mining of old meanders of the Six Mile Canyon flow, depth will govern whether 5,000 Cu. Yd. dragline dredges, 10,000 cubic yard bucket lines or open pit setup similar to that used at 18,000 yards per day at the Round Mountain, Nevada pit which had oversize rock problems and cementation of unreleased values. In this latter operation shovels loaded a pit conveying system which in turn delivered pit run product to a treatment plant on the surface with tailings being transported away via conveyor lines.

Drilling results will designate the type of production setup most efficient to install. Following examples of production alignment under 1962 cost will serve as illustration of what is possible at the placer deposit. All estimates before taxes.

Single 5,000 Cu. Yd. per day dragline dredge unit:

Cost of amortization, and all operating cost not inclusive of royalty, no stripping	20¢ per yard
Possible recoverable gravel value	40¢
Daily gross production value recovered	$2,000.00
Royalty	90.00
Production cost @ 20¢ per yard	1,000.00
Possible daily net	910.00

ECONOMICS - Continuation

Possible 27 day month net $24,570.00

Two 5,000 cubic yard dragline dredges would lower cost 3¢ per yard increasing net $150 per day each totaling $8,100 per month of 27 days.

If pattern drilling so indicates, below economic cutoff point yardage could be stripped at a total cost of 6¢ per yard. A one-to-one ratio, one yard of treatment product to one yard of stripped waste would cost $300 per day lowering the 5,000 yard net to $610.00 for a 27 day treatment month of $16,470.00 Stripping will probably be unnecessary but sufficient margin seems present to incorporate it if economics so designate.

BUCKETLINE, SINGLE 10,000 Cu. Yds. per unit.

NOTE: Major bucketline companies in recent years have been able to produce for a cost of slightly under 10¢ per yard. However, their equipment had been amortized, utilities and staff built up so a cost of some 15¢ per yard would be necessary in the case of a single Six Mile Placer deposit bucket line. There are advantages between a bucketline and a dragline that work both ways. Until pattern drilling has thrown more light on the value occurrence, discussion at this time would not be warranted.

SINGLE 10,000 CU. YDS. PER DAY BUCKETLINE UNIT:

Cost of amortization and all operational cost, not inclusive of royalty or taxes, no stripping	15¢ per yard
Possible recoverable gravel value	40¢ per yard
Daily gross production value recovered	$4,000.00
Royalty	180.00
Total yardage cost @ 15¢ per yard	1,500.00
Possible Daily net.	2,320.00
Possible net per 27 day month	62,650.00

If pattern drilling so indicates, below economic cutoff point overburden or lean stratas the unwanted material can be stripped off at 6¢ per cubic yard. Should the ratio be as high as one-to-one, waste can be stripped for 6¢ per cubic yard or $600 per day lowering the daily net to $1,720.00 and monthly to $46,440.

ECONOMICS - Continuation

Should the gravel prove to be excessively deep and of more than 100,000,000 economic volume, a production alignment similar to that setup at Round Mountain, Nevada might be used, along with a "German Wheel" conveyor loading device. If the yardage is 100,000,000 Cu. Yds. or more, a minimum of 20,000 yards per day should be treated.

20,000 Cu. Yds. per day deep pit cost 15¢ is probable, providing gravel size is the same as that in the present test pits.

Gross production recovery @ 40¢ per yard	$8,000.00 per day.
Royalty, 4-1/2%	360.00 per day
Production cost	3,000.00 per day
Possible daily net	4,640.00 per day
Possible 27 day month net	125,280.00

The history of mechanized placer mining with use of bucketlines, dragline dredges, conveyor pits, etc. shows a better percentage of successful projects than even the U. S. average small to medium business success percentages. With regard to gold production, statistics indicate that over 90% of all bucketline operations have been successful and some 80% of all dragline dredges. Lode gold mining has an entirely different record for the past 20 years with some 90% straight gold operations being unprofitable. Evaluation accuracy in the case of the placers is probably the chief reason for element of risk reduction plus the fact that all mechanized placer operations require limited labor shifts worked to produce high cubic yardage.

A thorough drill evaluation project usually removes all element of production risk as long as management is efficient and experienced. Following pages will show drilling records of a number of projects compiled by the U. S. Bureau of Mines. There is also an example of placer testing and the actual production gold sales from the tested ground from the Dayton Placers some six miles from the Johnson-Ross property.

RECOMMENDED PROJECT POLICY:

1. Testing:

   (a) Drill out the preliminary spotted holes for evaluation.

RECOMMENDED PROJECT POLICY - Continuation

(b) Resample existing test shafts

(c) After a sufficient economic margin is proven to be available by the preliminary drilling, follow through with the secondary pattern drilling.

(d) Items A, B, and C will furnish information to allow a supplemental technical report with detailed recommendations concerning the production method best suited to the gold bearing placer occurrence.

2. Operation:

(a) The test work economics will allow the operating company to sub-lease, or joint venture with a major concern with equipment for production as volume placers with inventoried, factual gravel values are in demand. Consideration could also be given company production as much placer mining equipment is available on a production payout basis.

(c) The 4-1/2% royalty is an incentive to prove this property as the high volume of gravel in a major U. S. mineral area is a very reasonable owner charge.

I.C.6786. TABLE 1.- Production of gold in the United States, by dredges, and number of dredges producing, by States, 1896-1930

(Rearrangement of tabulation in Mineral Resources, 1914, pt. I, p. 855; 1915-30 data from Mineral Resources for respective years)

Year	Alaska		California		Colorado		Idaho		Montana		Oregon		Other States		Total	
	Value	No.	Value	No.	Value	No.	Value	No	Value	No.	Value	No.	Value	No.	Value	No.
1896			$2,000	1					$42,000	1					$44,000	2
1897			5,000	1			$11,436	1	102,120	4					118,556	6
1898			18,887	3			13,920	1	154,893	4					187,700	8
1899			206,302	8			62,436	5	165,440	5					434,178	18
1900			200,929	16			129,443	6	189,665	5					520,037	27
1901			471,762	22	$6,000	1	116,117	6	146,134	5					740,013	34
1902			867,665	29	10,000	1	101,257	10	318,914	7			[1]$71,686	1	1,369,522	48
1903	$20,000	2	1,475,749	31	15,000	1	86,113	6	229,332	4			[2]89,870	1	1,916,064	45
1904	25,000	3	2,187,038	42	65,594	3	99,110	7	245,700	2			[3]101,275	4	2,723,717	61
1905	40,000	3	3,276,141	50	33,342	3	34,336	3	275,542	5			[4]28,015	4	3,687,376	68
1906	120,000	3	5,098,359	59	48,343	3	38,340	3	397,030	4			[5]19,322	4	5,721,394	76
1907	250,000	4	5,065,437	57	35,235	3	74,438	6	197,141	4	$23,191	2	[6]10,260	3	5,655,702	79
1908	171,000	4	6,536,189	69	141,773	4	77,189	5	402,667	4			[7]24,852	2	7,353,670	88
1909	425,000	14	7,382,950	63	404,636	4	101,704	8	426,649	5	42,667	2			8,783,606	96
1910	800,000	18	7,550,254	72	344,211	6	91,247	6	473,318	7	34,010	6			9,293,040	115
1911	1,500,000	27	7,666,461	65	272,173	4	258,791	7	597,778	8	14,575	3	[8]16,591	5	10,326,369	119
1912	2,200,000	38	7,429,955	65	384,748	3	481,077	8	710,387	6			[9]12,744	4	11,218,911	124
1913	2,200,000	36	8,090,294	63	372,288	4	561,876	6	685,210	5			[10]317,268	2	12,226,936	116
1914	2,350,000	42	7,783,394	60	602,655	5	568,989	4	835,615	5			[11]372,130	4	12,512,783	120
1915	2,330,000	35	7,796,465	58	672,386	5	486,541	7	861,626	5			[12]336,107	4	12,483,125	114
1916	2,679,000	34	7,769,227	60	695,265	6	327,696	4	642,572	5	670,415	3	2,539	1	12,786,714	113
1917	2,500,000	36	8,313,527	55	647,270	6	59,446	4	409,455	3	618,922	4	1,805	1	12,550,425	109
1918	1,425,000	28	7,431,927	48	522,921	6	239,762	5	334,750	3	387,740	3			10,342,100	93
1919	1,360,000	28	7,716,919	46	542,103	6	164,854	5	265,590	3	296,750	3			10,346,216	91
1920	1,129,932	22	6,900,366	40	512,876	5	101,679	3	255,550	3	358,884	4	[13]27,169	1	9,286,456	78
1921	1,582,520	24	7,756,787	35	337,950	3	151,762	3	190,416	1	381,960	4	[14]134,173	2	10,535,568	72
1922	1,767,753	23	4,999,215	35	346,327	4	158,827	3	36,941	1	269,994	4	[15]110,211	1	7,689,268	71
1923	1,848,596	25	6,065,735	29	358,864	4	469,900	4			224,117	3	[16]31,835	1	8,999,047	66
1924	1,563,361	27	4,305,521	27	412,080	4	340,462	2			291,557	3			6,912,981	63
1925	1,572,312	27	4,750,842	25	141,103	4	229,489	2			137,282	2			6,831,028	60
1926	2,291,000	32	4,950,545	23	38,860	2	141,160	3			74,191	2	[17]27,029	1	7,522,785	63
1927	1,740,000	28	5,461,929	25	86,902	1	114,116	3			112,643	2			7,515,590	59
1928	2,185,000	26	4,430,913	24	51,019	1	133,418	3			90,103	2	[18]1,878	1	6,892,331	57
1929	2,932,000	30	3,589,259	25	38,497	1	60,143	3			205,464	3	[19]5,938	1	6,831,301	63
1930	3,912,600	27	3,451,801	24	130,824	1	68,527	3			174,470	5			7,738,222	60
1931	3,749,000	28	3,619,355	22	8,793	1	80,352	3			138,155	3			7,595,655	57
1932	4,293,000	25	3,903,481	22	23,194	1	171,130	5			160,848	4			8,551,653	57
1896 to 1932	50,962,074	.....	174,528,580	.....	8,303,232	.....	6,407,083	.....	9,592,435	.....	[20]5,815,684	.....	[21]634,951	..	256,244,039	.....

See page 9 for footnotes.

TABLE 2.- Placer gold production of United States, by States, before 1901 and 1901-32, by years[1]

Year	Alabama	Alaska	Arizona	California	Colorado	Georgia	Idaho	Maryland	Montana	Nevada	New Mexico
Through 1900	[2]$300,000	[3]$14,315,000	[4]$8,200,000	[5]$1,032,827,480	[7]$21,294,219	[8]$12,000,000	[9]$90,000,000	.....	[10]$165,000,000	[11]$25,000,000	[12]$14,000,000
1901	1,385	4,980,000	105,034	3,951,049	87,324	18,047	753,716	0	522,700	33,509	59,721
1902	517	5,887,000	10,274	4,247,602	118,774	21,395	365,767	$765	447,046	15,649	130,481
1903	310	6,010,000	11,742	4,052,761	129,049	25,426	378,853	455	481,447	36,424	114,605
1904	(6)	6,025,000	16,848	4,985,290	193,068	[6]52,000	493,002	(6)	478,565	30,192	149,424
1905	1,034	12,340,000	42,667	5,892,076	99,984	29,995	340,465	0	396,901	8,274	99,335
1906	0	18,607,000	40,502	7,375,925	106,019	17,354	353,481	0	521,815	52,838	26,807
1907	42	16,491,000	44,891	6,840,695	97,219	23,413	356,905	0	348,667	55,275	19,340
1908	945	15,888,000	30,937	8,231,187	184,457	11,201	285,643	0	549,995	79,751	23,198
1909	69	16,252,638	28,648	9,104,433	457,085	16,433	281,727	0	543,372	82,965	22,010
1910	357	11,984,806	25,990	8,888,795	389,828	18,211	242,546	0	575,917	162,371	26,094
1911	0	12,540,000	23,641	8,986,527	319,038	23,738	404,327	0	684,801	210,461	18,714
1912	0	11,990,000	43,046	8,645,663	423,865	6,846	632,029	0	806,419	231,653	16,926
1913	0	10,680,000	30,691	8,836,177	408,007	8,570	694,053	0	801,002	305,442	7,861
1914	500	10,730,000	30,140	9,080,849	642,360	11,043	700,454	0	942,217	377,262	29,152
1915	59	10,480,000	35,248	8,608,617	693,310	15,256	584,890	0	949,248	395,319	9,242
1916	777	11,140,000	14,281	8,575,657	712,924	7,626	449,093	0	723,159	354,313	11,116
1917	0	9,810,000	17,214	9,074,030	661,028	2,811	135,231	0	467,063	292,584	12,179
1918	55	5,900,000	4,234	7,838,779	526,202	4,905	276,410	0	396,232	218,380	3,118
1919	0	4,970,000	4,694	8,033,076	550,562	715	190,752	0	291,430	132,288	4,959
1920	0	3,873,000	4,567	7,060,613	514,588	0	113,814	0	288,946	152,639	2,188
1921	0	4,226,000	12,524	8,154,824	344,640	711	181,600	0	227,161	363,142	8,281
1922	0	4,395,000	11,981	5,499,855	356,403	1,723	183,972	0	71,786	239,842	3,932
1923	114	3,608,500	8,854	6,522,583	364,429	513	498,709	0	40,779	81,485	4,218
1924	0	3,564,000	3,139	4,588,372	418,506	79	358,121	0	27,361	27,369	3,639
1925	0	3,223,000	4,267	5,096,144	150,318	68	262,386	0	39,385	52,435	2,018
1926	0	3,769,000	7,007	5,228,403	46,954	1,088	172,826	0	22,828	59,249	2,687
1927	0	2,982,000	6,257	5,837,313	94,434	1,043	155,459	0	22,325	37,400	5,808
1928	0	3,347,000	6,400	4,850,629	61,406	256	169,336	0	17,884	38,266	1,347
1929	203	4,117,000	5,652	3,870,607	45,850	1,928	85,373	0	12,334	43,762	1,650
1930	450	4,837,000	13,057	3,755,143	138,243	243	82,428	0	14,899	38,438	1,316
1931	407	4,842,000	22,103	4,020,746	21,586	781	107,773	0	39,439	59,602	8,405
1932	0	5,522,000	71,933	4,765,475	51,655	3,720	257,151	0	73,125	111,798	26,259
1901-32 (inc.)	7,224	255,010,944	738,463	210,499,895	9,409,115	327,138	10,548,292	1,220	11,826,248	4,380,377	856,030
Through 1932	307,224	269,325,944	8,938,463	1,243,327,375	30,703,334	12,327,138	100,548,292	1,220	176,826,248	29,380,377	14,856,030

See page 12 for footnotes.

TABLE 5.- Tabulation of dredge recoveries as compared with estimates based on drill sampling[1]

Name, location, or description of tract	Date dredged	Acreage dredged	No. of holes	Spacing of holes	Acres per hole	Average depth of gravel, feet	Value, cents per cubic yard: Estimated from drilling	Value, cents per cubic yard: Recovered by dredging	Percentage recovery	Constant used in estimating	Remarks
Systematically drilled tract; later two modern dredges.		121	50	Rows across, dividing into 8 blocks.	2.4	18	16.8	15.63	93	0.333	Use of factor 0.3068 would have given close agreement.
One 500-foot block in above tract.									49.4		
Another 500-foot block in above tract.									68.2		Wide variation of blocks makes the closeness of average remarkable.
Adjacent portion of above property.		480	130	17 lines across, 400 to 700 feet apart.	3.7	16	11.61	16.44	141.6	.333	Yardage dredged exceeded estimate by 10.1 percent. All blocks gave recoveries ranging between the extremes noted. Similar deposits, same engineer; reason for difference in results unknown.
One block at end of above tract.		2.5							199.2		
Another block in above acreage.		55							182.7		
do.		8.5							104.3		
Property drilled many years ago.		180	[2]33				43.74	19.77	45.7	.3068	
Another part of above property.		118.5	[3]38				29.88	31.55	105.6	.3068	
Small California property (careful tests made on 3 sections).		15.3	27			30.3	3.04	8.7	286	.27	Average estimated value on acreage basis, 5.38 cents per cubic yard; dredge returns, 9.28 cents per cubic yard; recovery, 172.5 percent.
		93	42			22	6.01	10.11	168.2	.27	
		23.5	23			31.5	4.44	6.40	144.2	.27	

1 Tabulated from data by Gardner, C. W., Drilling Results and Dredging Returns: Eng. and Min. Jour., vol. 112, Oct. 22 and 29, 1921, pp. 646-649; 688-692.

2 About 1/2 not in but adjacent.

3 Including 14 on adjacent ground.

TABLE 2.- Placer gold production of United States, by States, before 1901 and 1901-32, by years - Continued

Year	North Carolina	Oregon	South Carolina	South Dakota	Tennessee	Utah	Virginia	Washington	Wyoming	Total	Percent of total U.S. gold production
Through 1900	[13]$5,000,000	[14]$25,000,000	[15]$1,000,000	[16]$7,000,000	.....	[17]$1,000,000	[18]$1,000,000	[19]$5,000,000	[20]$500,000	$1,428,436,699	[21]59.9
1901	18,522	1,422,016	7,917	0	0	0	2,646	102,388	41,344	12,107,318	15.4
1902	16,599	243,886	4,672	0	$145	0	558	62,016	45,230	11,618,376	14.5
1903	9,054	471,020	2,625	0	62	0	0	4,906	8,289	11,737,028	15.9
1904	(6)	349,214	(6)	3,614	(6)	1,354	(6)	9,823	2,231	12,789,625	15.9
1905	10,005	251,619	0	9,163	207	6,656	806	6,439	2,116	19,537,742	22.2
1906	11,906	361,560	270	6,250	1,076	8,613	0	19,209	1,385	27,512,010	29.2
1907	9,834	331,406	925	924	0	9,061	117	21,860	4,045	24,655,619	27.3
1908	17,555	272,593	810	9,942	612	9,110	661	19,478	820	25,616,895	27.2
1909	10,848	221,318	1,445	1,179	625	2,525	876	5,988	1,114	27,035,298	27.3
1910	10,281	170,925	2,076	2,972	500	3,980	90	3,859	654	22,510,252	23.8
1911	5,111	168,274	261	12,073	0	5,634	808	3,999	7,041	23,414,448	24.2
1912	8,752	189,096	419	13,725	0	5,680	0	4,728	766	23,019,613	24.9
1913	6,378	450,628	218	1,393	0	1,920	0	4,144	1,407	22,237,891	25.0
1914	6,707	548,317	449	1,405	0	1,231	0	5,756	1,841	23,109,683	25.3
1915	8,486	482,170	248	1,586	0	958	0	7,160	704	22,272,501	22.7
1916	7,893	872,517	320	2,111	0	1,250	0	8,277	349	22,881,663	25.1
1917	3,979	727,366	164	924	0	112	0	5,868	34	21,210,587	26.3
1918	1,631	498,249	0	431	0	1,368	0	3,430	0	15,673,424	23.6
1919	0	380,651	0	396	0	0	0	1,247	0	14,560,770	25.6
1920	850	451,117	332	577	0	453	0	1,472	0	12,465,156	25.3
1921	830	478,733	50	1,849	0	414	0	3,073	0	14,003,832	28.9
1922	535	346,137	32	1,819	0	2,130	0	3,358	1,075	11,119,580	23.5
1923	313	276,770	80	0	0	527	0	1,511	0	11,409,385	23.0
1924	115	325,582	0	0	0	232	0	698	0	9,317,213	18.4
1925	178	186,819	0	0	0	0	0	1,093	0	9,018,111	18.9
1926	43	122,758	313	133	0	334	220	28,000	0	9,461,843	20.5
1927	1,015	183,697	0	299	0	0	0	389	0	9,327,439	21.4
1928	61	120,525	197	230	307	951	0	1,878	0	8,616,673	19.4
1929	1,085	246,969	0	0	0	956	0	6,114	0	8,439,483	19.8
1930	994	214,419	0	980	0	0	0	3,946	134	9,101,690	20.6
1931	1,776	229,851	470	1,988	0	784	0	3,164	623	9,361,498	20.4
1932	449	334,923	521	22,639	0	3,143	0	7,999	1,637	11,254,427	23.4
1901-32 (inc.)	171,785	11,931,125	24,814	98,602	3,534	69,376	6,782	363,270	122,839	516,397,073	22.9
Through 1932	5,171,785	36,931,125	1,024,814	7,098,602	3,534	1,069,376	1,006,782	5,363,270	622,839	1,944,833,772	41.6

1,000,000,000

OVER 1 BILLION MORE 1933 THROUGH 1961

2,944,833,772

See page 12 for footnotes.

1776

TABLE 5.- Tabulation of dredge recoveries as compared with estimates based on drill sampling - Continued

Name, location, or description of tract	Date dredged	Acreage dredged	No. of holes	Spacing of holes	Acres per hole	Average depth of gravel feet	Value, cents per cubic yard		Percentage recovery	Constant used in estimating	Remarks
							Estimated from drilling	Recovered by dredging			
Pato property, Colombia.		[4]80	[5]19				[4]38	[4]42.5	[4]112	387	Empire drill used. Factor, feet of hole per cubic yard.
Nechi property, Columbia.		[4]60	10	Holes in a line through center of area later dredged.			[4]70.5	[4]35.5	51.3	238	Do.
Chicksan property, Korea.	January–June 1918						14.9	12.25	82	239	Do.
	July–December 1918						11.35	11.30	99.5	239	
	January–June 1919						5.55	9.15	165	239	
	July–December 1919						7.2	10.0	139	239	
	January–June 1920						7.7	12.9	167	239	
Large California property (3 tracts, the third tract having been mined by 3 dredges).		173.5	[6]57		3.2	22.5	6.8	7.82	115	.27	Average (on acreage basis) of drill results, 9.48 cents per cubic yard; dredge returns, 9.12 cents per cubic yard; recovery, 96.2 percent.
		84.0	20		4.2	44.5	5.9	6.7	113	.27	
		183.0	120		1.5	51.8	11.1	9.64	87	.30	
		106.0	41		2.6	60.6	11.2	9.44	84	.30	
		135.0	58		2.3	56.4	11.6	11.30	97	.30	
Alaska Creek		11.76		50 feet apart in lines 300 feet apart.	.25		95.0	96.3	101.4		Used a 6-inch hand drill.
Late report of a California property, one dredge.		157	76		2.1		19.1	10.4	54.4		Values corrected by sludge measurement; factor 0.27 would have given 16.5 cents per cubic yard.
California company, two separate tracts		559.0	560		1.0	22.5	7.58	9.61	126.7	.27	
		420.5	146		2.9	35.9	7.25	8.18	112.9	.27	

4 Approximate.

5 In and adjoining.

6 37 shafts, 20 drill holes.

TABLE 5.- Tabulation of dredge recoveries as compared with estimates based on drill sampling --Continued

Name, location, or description of tract	Date dredged	Acreage dredged	No of holes	Spacing of holes	Acres per hole	Average depth of gravel, feet	Value cents per cubic yard: Estimated from drilling	Value cents per cubic yard: Recovered by dredging	Percentage recovery	Constant used in estimating	Remarks
California property.	1918	19.94	11		1.8	32.1	10.39	10.64	102.4		Average on acreage basis, 1918-20; estimated value 10.25 cents per cubic yard; dredge returns 11.39 cents per cubic yard; recovery, 111.1 percent. In 1909 dredge recovery was 58.7 percent; in 1910, 194.4 percent.
	1919	20.90	10		2.1	34.4	9.69	9.22	95.2		
	1920	2043	7		2.9	29.8	10.69	14.34	134.0		
	1908-17	229	173		1.3		10.86	12.34	113.6		
Yosemite Dredging & Mining Co. (Calif.)		7	14	In lines across direction of channel.			7.75	6.74	87		
do			66	do			9		76		Holes ranged from 1 cent per yard or less to 66 cents per cubic yard.
Colorado property; a strip including a line of holes		4 5	14	50 feet apart in a single line		46	17.19	8.76	51.1		Clean, washed sand and gravel; little clay, many boulders.
Colorado property, one dredge.	12 years								165		Medium fine gravel, few boulders.
Do.	1 year	(1)				38		25	290		Do.
Do.			8	8 in a line, cut lengthwise by dredging.			8 6	33	384		Do.
Montana property		300	77	Irregular		40	15.83	13.55	85.6		Most of gold in 3 feet of gravel on bedrock.
California property.	Early period	152	23		6.6	35	38.6	16.3	42.2	.27	Medium-size gravel with much clay which hindered washing.

1 1,300,000 cubic yards.

DAYTON DREDGE CO.
DAYTON, NEVADA

1941 Month	Recovered Cu. Yds	Av. Val.	Net Smelter Returns	Estimated Gross Val.	Percent of Prospect	Year To-date Cu. Yds Dug.	Net Val. Recov'd	% of Prospect	Tables
Jan.	111,500	9.11¢	$ 10163.75	$ 9812	103.6	111,500	$ 10163.75	103.6	
Feb	182,348	6.96	12693.58	16229	78.2	293,848	22857.33	87.8	
Mar.	152,655	8.21	12537.50	15723	79.7	446,503	35394.83	84.7	
Apr.	122,279	6.46	7896.65	15896	49.7	568,782	43291.48	75.1	
May	153625	16.67	25607.97	27437	93.3	722,407	68899.45	81.0	
June	200,109	18.07	36164.22	33218	108.9	922516	105063.67	88.9	$ June 20 504
July	153,476	23.64	36278.41	28322	128.1	1,075,992	141,342.08	96.4	570
Aug	192989	20.46	39482.46	39331	100.4	1,268,981	180824.54	97.2	1620
Sept	194,974	18.54	36144.89	40326	89.6	1,463,955	216,969.43	95.9	3357
Oct.	132,832	Sand & Base Bar 4 25.52	93 10.10 33893.80	31,630	107.1	1,596,787	260,178.33	100.9	3170
Nov.	176,210	25.93	50982.40	38,996	130.7	1,772,997	311,160.73	104.8	7833. 3
Dec.	173,260	33.27	Base 6. 6546. 03 57643.23	35,981	160.2	1,946,257	375,349.99	112.7	8108.5
Total	1,946,257	19.28	375,349.99	332,901	112.7	1,946,257	375,349.99	112.7	25162.8

1942									
Jan	155,260	33,29¢	$51,686.70	$ 34,925	148.0	155,260	$ 51,686.70	148.0	$ 8348
Feb	150,200	34.52	51,842.06	40,446	128.2	305,460	103,528.76	137.4	9160
Mar.	115,500	42.24	BB. $ 320.00 48792.54	33 934	143.8	420,960	157,641.30	144.2	Base Bar 400 6353
Apr.	152,100	46.16	B. Sand $ 63.74 70217.10	43,763	160.4	573,060	228422.14	149.2	9494
May	139,700	61.19	85487.93	44 279	193.1	712,760	313910.07	159.0	10568
June	115,500	63.68	Sump 6000.00 73549.45	35,201	208.9	828,260	393459.52	169.2	5130
July	144,100	56.86	81 930.98	45.077	181.8	972,360	475390.50	171.2	3652
Aug.	126,300	46.00	Samp 4126.51 58105.23	37,052	156.8	1098,660	537616.24	170.8	3567
Sept.	81,800	45.41	B Sand 393.66 37147.50	25,509	145.6	1180,460	575357.40	169.1	900
Oct.	117,300	37.85	44400.30	36,445	121.8	1297,760	619757.70	164.6	1726
Nov.	179,300	29.17	52304.38	54398	96.1	1477,060	672062.08	155.9	4648
Dec.	121,500	31.28	Sup 46924.65 38000.00	36,149	105.1	1598,560	756986.73	162.0	4625
Total	1 598,560	47.35	756,986.73	467,178	162.0	1598,560	756986.23	162.0	68,571
41 & 42	3,544,817	31.94	1,132,336.72	800,079	141.5	3,544,817	1,132,336.72	141.5	93,743

TABLE 5.- Tabulation of dredge recoveries as compared with estimates based on drill sampling - Continued

Name location, or description of tract	Date dredged	Acreage dredged	No. of holes	Spacing of holes	Acres per hole	Average depth of gravel, feet	Value, cents per cubic yard: Estimated from drilling	Value, cents per cubic yard: Recovered by dredging	Percentage recovery	Constant used in estimating	Remarks
Alaskan creek, mined by hydraulicking.		(8)	9 17		0.05	6 to 13	51.6	93.5	180		Individual shafts ranged from trace to $1.18 per cubic yard. Gold lay on bedrock covered by boulders.
Idaho dredging property.		44	9 10	(11)	4.4		9.9	9.9	100		Little water in ground.
California property..		140	9 51		2.7		15	15.9	106		
		40	11 22		1.8		29	18.2	62.8		

8 39,000 square feet.

9 Shafts.

10 Shafts to the acre.

11 Two lines of 5 shafts each at either end of property, 1,500 feet apart, with shafts spaced about 320 feet apart.

12 Mostly shafts.

SIX MILE PLACERS, REPORT OF MARCH 19, 1962

SUMMARY:

The Johnson-Ross Placer property on the Six Mile Canyon alluvial fan is one of the few high volume pieces of gold bearing placer property left in the Western U. S. that has had favorable preliminary test results and is in a region of spectacular gold and silver production.

Factual establishment of profit margin by the test work will eliminate any production risk providing project management is experienced and efficient.

Advancement in earthmoving equipment reliability and output will allow limited labor requirement against high production volume. This is mandatory in any mining project at this time in view of labor cost vs. $35 per ounce gold.

There is no liklihood of the gold price going down. The writer does not expect our set gold price to rise but possibly a subsidy might be placed upon newly mined domestic production. Our gold reserves have been lowering seriously in recent years and some protective legislation may be forced upon U. S. in spite of the past reluctance to back our currency with gold. International balances are arrived at with gold being used as settlement, so on the present trend of outflow gold in U. S. a subsidy may become mandatory. All assistance for gold and silver is an asset to the Johnson-Ross property.

It is suspected that the property will hold a high percentage of silver ratio in the gold recovery. Silver market has been raised recently and at this time silver is higher than any year this century excepting 1919. It is expected to go higher by most economists as the world at large is using more than it is producing.

While byproducts aside from reclaimed amalgam are not counted upon, some chance of byproduct recovery is possible.

We strongly recommend completion of the preliminary drilling program at the Johnson-Ross property as its cost is nominal and will allow the probable proving of a multi-million dollar production reserve, whose chief products gold and silver can be recovered on the site and sold for top legal market without trucking, railroad freight or smelting charges which normally deplete the mining producers' property income.

Very truly yours,

J. H. WREN & COMPANY

By James H. Wren
James H. Wren

JHW:ms

Sacramento, California

August 8, 1962

For and in consideration of Ten Dollars ($10.00) receipt of which is acknowledged hereby and in further consideration of an agreement entered into the 8th day of August, 1962 between Venture Action, Inc., a Nevada corporation, and JAMES H. WREN, Venture Action, Inc. does sell, assign and convey all of the rights title and interest in that certain lease on Six Mile Canyon property dated March 6, 1962, to James H. Wren. Said sale and transfer to become effective immediately. The corporation will execute all documents necessary to effect this transfer of lease as soon as is reasonably possible.

The Company further warrants that all bills incurred by it to date have been paid or will be paid within ten (10) days from this date.

VENTURE ACTION, INC.

By Theodore Macklin
Theodore Macklin, President

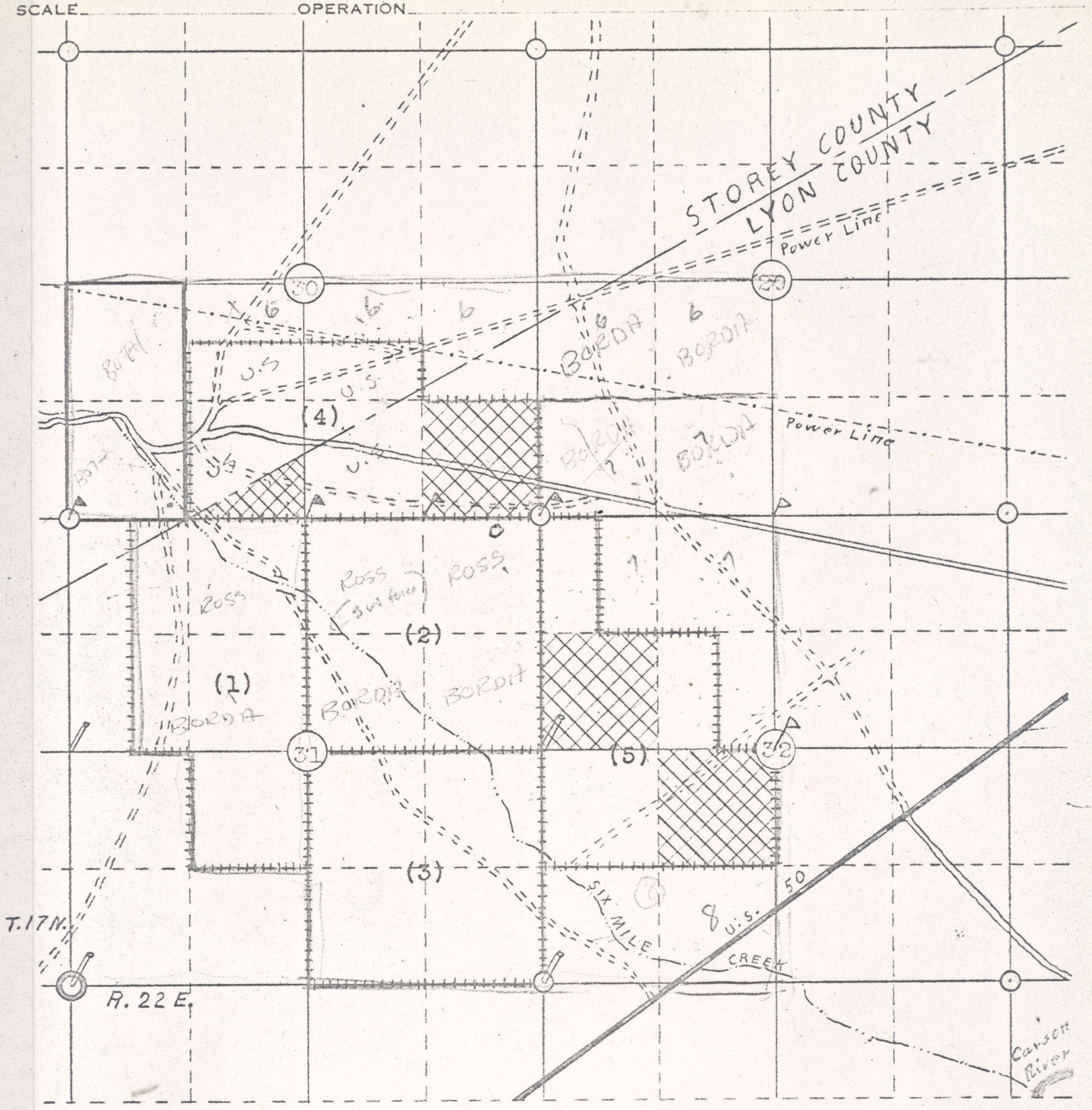
Walter L. Macklin
Walter Macklin, Secretary

Acceptance Date: Aug 8 1962

James H. Wren
James H. Wren

LEVEL _____ MINE _____ DATE _____ BY _____

SCALE _____ OPERATION _____



Plat Of 880 Acre

BECKER-JOHNSON PLACER PROPERTY

Foot Of Six Mile Canyon, Lyon & Storey Counties, Nevada

(1) Valid Placer Locations:
"Becker Placer" Claims 1 to 5

Patented Parcel, Surf. & Min.

Patented Parcel, Surf.

Scale: 3.2" = 1 Mile

Township-Range Corner

Section Corner

Flagged Corner

Iron Post Corner

Drawn By:
Otis A. Kittle
Reg. Prof. Engineer,
Nevada License No. 415

May 16, 1958

Box 74
Asotin, Washington
Sept. 10, 1959

Mr. Ed C. Hughes
1301 West Porphyry
Butte, Montana

Dear Mr. Hughes:

As per request concerning the potential value of a certain Gold Placer property located in Sections 29, 30, 31, 32; Township 17 North; Range 22 East of Storey & Lyon Countys in Nevada. The following is a few highlights and I will not go into detail.

You will note from my map labeled "Last of the Comstock" that the elevation differential of Virginia City and the crest of the mountains, namely Mt. Davidson is some 1600 ft. This is the extent of erosion that has taken place since the Comstock Lode was originally formed. My reasoning for this is that the Andersite intrusions such as Mt. Davidson came up through the earth in liquid form and did not stand by itself. It must of had surrounding layers of rocks to hold it in place or otherwise it would have flowed like a Lava Flow does. The point I have established is that there has been approximately 1600 ft. of erosion in this area.

From the surface today it appears as though the Stopes of Ore were only half there. Because there is a considerable number of openpit holes left, I do not know if the ore deposits were formed clear to the past (Tertiary) surface or not, but I can assume that they were formed within 600 ft. of the old surface, which would leave 1,000ft. over this area that did contain ore zones and has been eroded down Six Mile Canyon.

The recovered value of the district has been said of being One Billion Dollars down to a mining depth of 2500 ft. So therefore, approximately 400 Million Dollars of ore should have eroded and went down Six Mile Canyon Since the ore ran in a ratio of 3 Silver to 1 of Gold, this would make a value of 100 Million Dollars in Gold which passed through Six Mile Canyon.

Several thousands of years ago Nevada was a land of Great Lakes and Rivers, also heavy rainfall. If the erosion took place in this period of time, then you can expect to find "Paydirt" at the mouth of Six Mile Canyon where your placer is. If the erosion took place in a more recent period of time, then you should expect to find a more average value of Gold throughout the placer gravels.

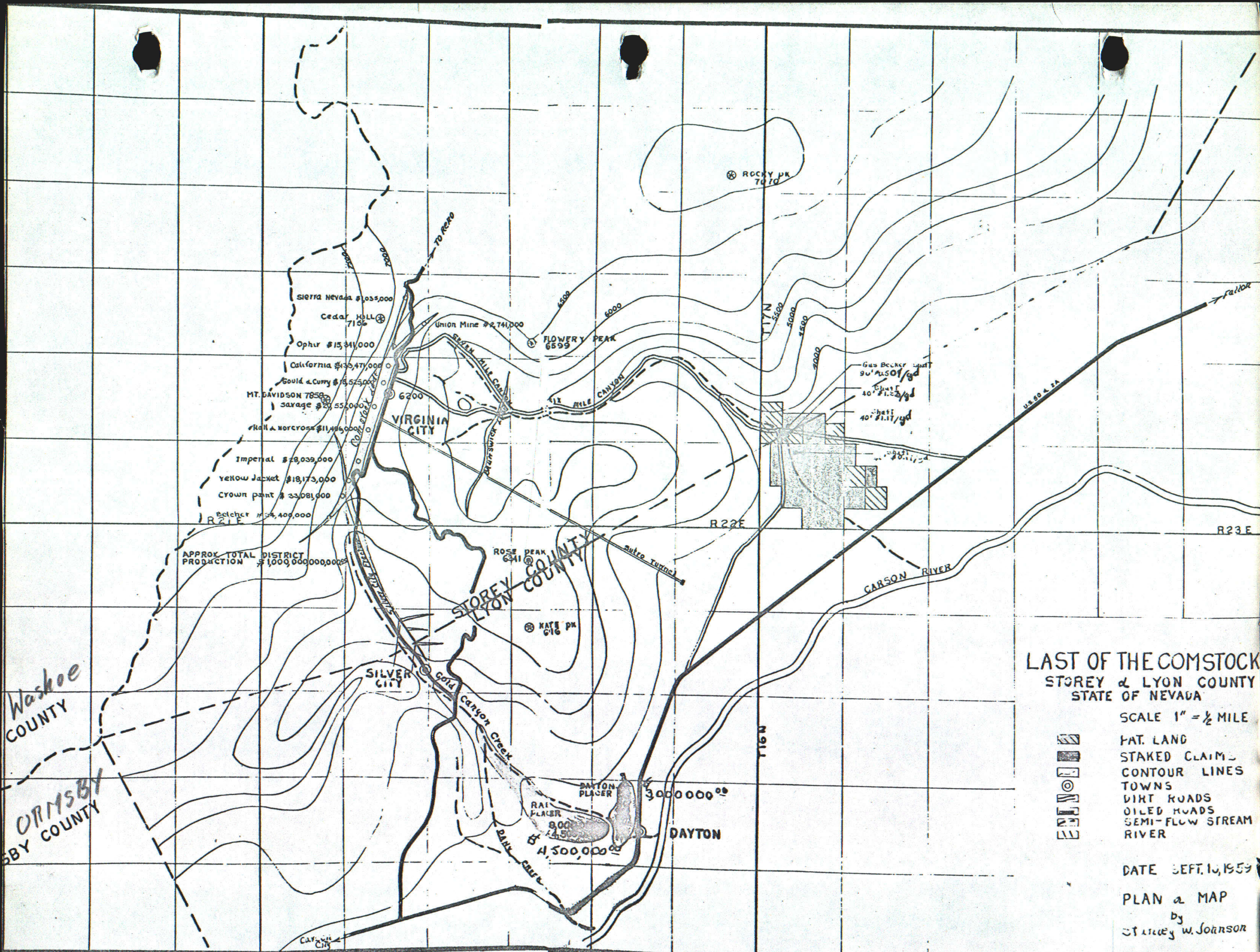
Most all Epithermal Deposits (Hot Water) of this origin contains Rare Earths and they can be found in the black sands that are recovered in the dredging operation. Native Silver should also be found because it has been found in the surface oxidation zone of the Comstock Lode.

My old Prof. at college told me to never overlook a gravel deposit. So, these gravels after they have been mined can be crushed into aggregate specifications and sold in the immediate area of Lake Tahoe, Carson City, and Reno, Nevada. The value of this product will be around $4.00 per yard at the deposit. This is a large placer deposit and there should be huge quantities of aggregate gravels available.

As a conclusion to this report I would like to recommend a drilling program to establish the value of this placer. Since it should have three recoverable ores it does not have to depend on the price of Gold alone. Also you will note that the Rae Placer and the Dayston Placers are the south limb of drainage of the Comstock area and that Six Mile Canyon is the east limb. By relative comparison this should indicate that Six Mile will also be commercial.

Respectfully yours,

S. W. Johnson, Reg. Min. Eng.



LAST OF THE COMSTOCK
STOREY & LYON COUNTY
STATE OF NEVADA
SCALE 1" = ½ MILE
PAT. LAND
STAKED CLAIMS
CONTOUR LINES
TOWNS
DIRT ROADS
OILED ROADS
SEMI-FLOW STREAM
RIVER
DATE SEPT. 1, 1959
PLAN & MAP
by
Stanley W. Johnson
Sierra Nevada $1,035,000
Cedar Hill 7156
Ophir $15,341,000
California $139,471,000
Gould & Curry $15,525,000
MT. DAVIDSON 7858
Savage $20,552,000
Hall & Norcross $11,496,000
Imperial $28,039,000
Yellow Jacket $18,173,000
Crown point $33,081,000
Belcher $34,400,000
APPROX. TOTAL DISTRICT PRODUCTION $1,000,000,000,000.00
Union Mine $2,741,000
FLOWERY PEAK 6599
ROCKY PK 7070
VIRGINIA CITY
6200
SIX MILE CANYON
SEVEN MILE CANYON
ROSE PEAK 6341
KATE PK 616
Sutro Tunnel
STOREY COUNTY
LYON COUNTY
SILVER CITY
Gold Canyon Creek
DAYTON PLACER
3,000,000.00
DAYTON
4,500,000.00
CARSON RIVER
U.S. 50 & 2A
To Reno
Fallon
Carson City
T17N
T16N
R21E
R22E
R23E
Washoe COUNTY
ORMSBY COUNTY
6500
6000
5500
5000
4500
4000
7000

QUITCLAIM DEED

THIS QUITCLAIM DEED, made and executed this _____ day of _____, 1957, by and between CLYDE COLLINS, hereinafter referred to as Grantor, and TRIEVA M. JOHNSON, formerly TRIEVA M. MIRGON, hereinafter referred to as Grantee, of Carson City, Ormsby, Nevada.

W I T N E S S E T H :

That the Grantor, for and in consideration of the sum of Ten Dollars ($10.00) to him in hand paid by the Grantee, the receipt whereof is hereby acknowledged, does by these presents remise, release and forever QUITCLAIM unto the Grantee, her heirs and assigns forever, all those certain lots, pieces or parcels of property in Lyon County, Nevada, more particularly described as follows, to-wit:

PARCEL NO. 1

Beginning at a blue rock near the foothill, on the North side of a road where it crosses Six Mile Canyon about five chains above the site of the old hotel; running thence down the North side of the canyon, 1st course South 61 deg. East 8 chains to the corner of fence; thence Second Course South 50 deg. East 30½ chains to a mound of stones on the North side of road; thence 3rd course South 56 deg. 30' East 122 chains crossing the Leete and Birdsall Road at 72 chains at a stake; thence 4th course South 55 deg. East 20 chains to a stake on the East side of the road; thence 5th Course South 51 deg. 30' West 18 chains crossing road and Canyon at 2 66/100 chains to a stake on North side of road and near thereto; thence 6th Course South 78 deg. West 11½ chains to a stake; thence 7th course South 51 deg. 30' W. 15½ chains to a stake about 50 lines west of Meyers Corral; thence 8th course South 45 deg. West 12½ chains to a stake and mound of stones about 1½ chains west of road; thence 9th course North 70 deg. West 17½ chains to a stake in the Summitt of bluff; thence 10th course North 25 deg. West 23½ chains to a stake; thence 11th course, North 81 deg. East 25 chains along Bluff to stake; thence 12th course North 23 deg. 30' East 10 chains to stake; thence 13th course North 53 deg. West 99 chains to a mound of stones; thence 14th course North 34 deg. West 33 chains to a mound of stones in the South bank of Six Mile Canyon; thence 15th course North 49 deg. 30' West 8½ chains up the Canyon to a mound of stones on the South side of the road and Canyon near a garden; thence 16th course North 13 deg. East 60.100 chains to the point of beginning, containing 364 69/100 acres of land and the water of Six Mile Canyon and the water rights and privileges thereto belonging as surveyed June 2nd, 1866, and recorded in the office of the respective County recorders of Lyon and Storey Counties. In Lyon in Book "A" of Surveys, pages 601-2-3, in Storey County in Book "A" of Locations pages 397-8, and the Reservoir of tailings thereon

situated in Lyon County.

SW¼ of NW¼; SE¼ of SW¼; NE¼ of SW¼, Sec. 32 T. 17 N. R. 22 E., and fraction of E½ of SW¼, Sec. 3; T. 17 N. R. 22 E., formerly assessed to R. L. Douglass.

PARCEL NO. 2

SW¼ of NW¼; NE¼ of SW¼; SE¼ of SW¼ of Section 32, Frac. E½ of SW¼ of Section 30, all in T. 17 N. R. 22 E. formerly owned by Clyde Collins.

PARCEL NO. 3

SE¼ of SE¼ of Sec. 30 T. 17 N. R. 22 E. formerly owned by C. N. Miller 40 acres.

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD, with all the appurtenances, unto the Grantee, her heirs and assigns forever.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand the day and year first above written.

CLYDE COLLINS

STATE OF NEVADA)
: ss.
COUNTY OF ORMSBY)

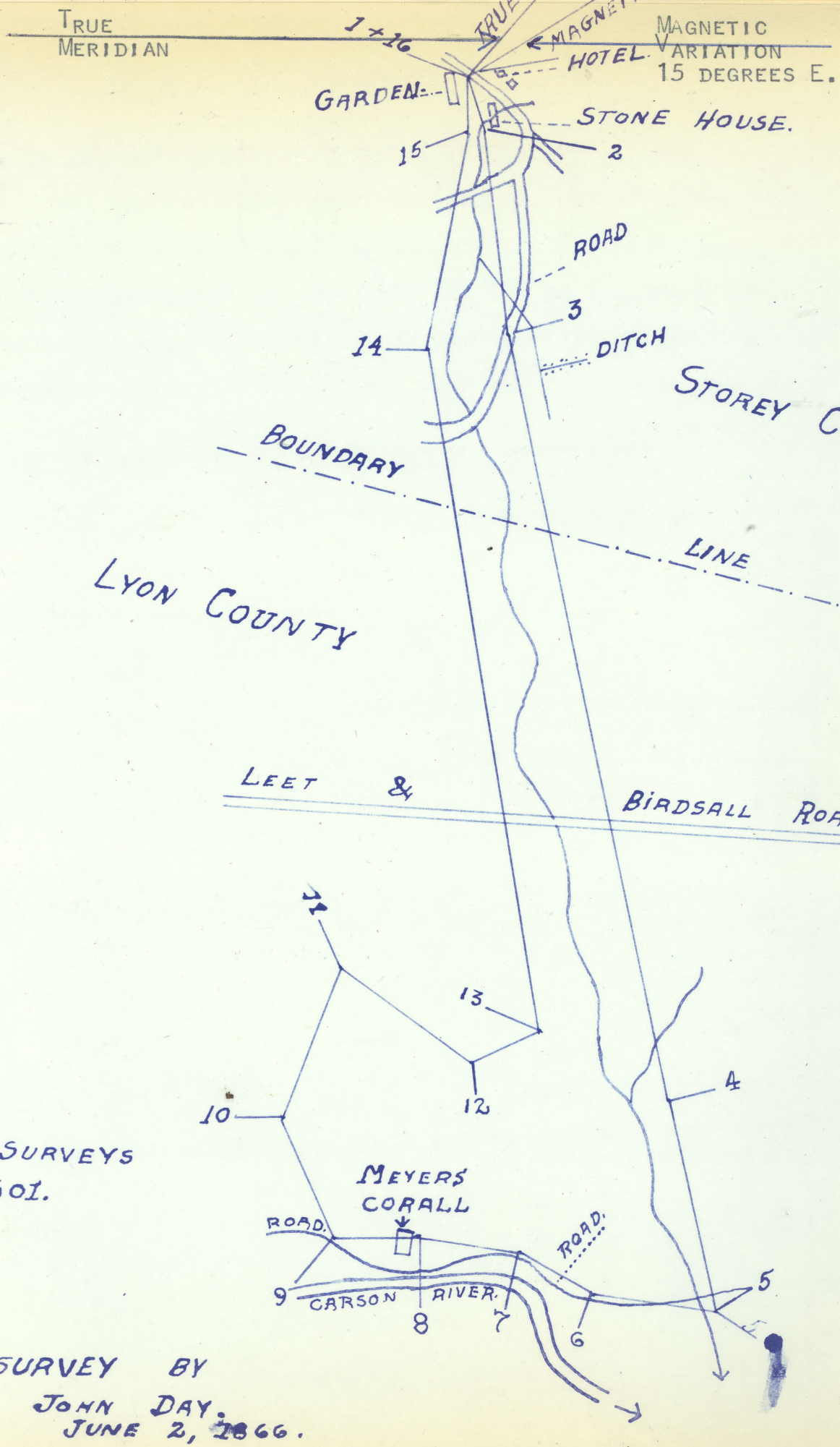
On this _____ day of December, 1957, personally appeared before me, the undersigned, a Notary Public in and for the aforesaid County and State, CLYDE COLLINS, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and 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 County of Ormsby the day and year first above written.

_____
Notary Public in and for the aforesaid County and State.

My Commission Expires:_

_____



BOOK of SURVEYS
PAGE 601.

SURVEY BY
JOHN DAY.
JUNE 2, 1866.

364.69 ACRES.

SCALE 1 INCH = 20 CHAINS
OR- 1320 FT.

AUGUST 20, 1962

SUPPLEMENTAL DATA, SIX MILE CANYON PLACERS

DURING THE LATTER PART OF JUNE AVAILABILITY OF THE "YOST DRILL" CAME TO THE ATTENTION OF VENTURE ACTION, INC. M. YOST, DRILL INVENTOR, MADE A TRIP TO THE PROPERTY ON JULY 4, 1962 (SEE ILLUSTRATION "ITEM #9"). HE INSPECTED VARIOUS SHAFTS ON THE PROPERTY AND REPORTED IN THE PRESENCE OF MAJOR L. J. QUINN THAT THE GROUND COULD BE EFFICIENTLY DRILLED WITH HIS UNIT.

A CONTRACT WAS DISCUSSED WITH MR. YOST AND AGREED THAT VENTURE ACTION, INC. WOULD ADVANCE $750.00 TO COVER MOVE-IN AND MOVE-OUT COST FOR HIS DRILL RIG. PAYMENT WAS TO BE $4 PER DRILL FOOT TO 50' OF DEPTH AND 6' PER FOOT BETWEEN 50' OF DEPTH AND 100' OF DEPTH WITH ADDITIONAL FOOTAGE DEPTH BEING NEGOTIATED ON THE BASIS OF COST.

THE DRILL RIG MOVED IN ON THE SITE JULY 18, 1962.

ITEM # 1 :

THE YOST DRILL COMMENCED DRILLING ON JULY 19, 1962 AT 7:30 A. M. IT WAS SPOTTED AT THE MOUTH OF THE SIX MILE CANYON TO DRILL A WATER WELL FOR USE WITH THE MACKLIN TEST TABLE.

A). ITEM #2 SHOWS COMMENCEMENT OF HOLE COLLARING.

B). ITEM #4 SHOWS DRILL BEING WORKED UPON AFTER GAINING 4' OF DEPTH. THE TEETH ON THE DIGGING END WERE CRUSHED BY A ROCK 9" IN THICKNESS AND 14" IN LENGTH. NOTE THE TEETH BEING CUT OFF BY A TOURCH. THIS HOLE WAS STOPPED AT 7' OF DEPTH ON ACCOUNT OF THE DRILL'S INABILITY TO DRILL THROUGH FAIRLY SOFT AND NOT EXCESSIVELY LARGE SLABS. ABOUT 4 HOURS WERE SPENT GAINING 7' OF DEPTH.

ITEM #6 :

AT MR. YOST'S SUGGESTED LOCATION FOR A WATER WELL THE DRILL WAS MOVED ABOUT-3/4 MILE UP THE SIX MILE CANYON. SEE ILLUSTRATION.

ITEM #7 :

THE YOST DRILL COMMENCED DRILLING IN OLD MILL TAILINGS.

ITEM 8 :

THE OBJECTIVE OF USING THE MACKLIN TABLE WAS TO PUT THROUGH ALL PULP FROM A 24" IN DIAMETER HOLE PRODUCED BY THE YOST DRILL. ON JULY 23RD THE YOST DRILL PUT DOWN A HOLE IN THE TAILINGS SOME 15'. THE WRITER DID NOT THINK THAT THIS PARTICULAR WATER WOULD BE SUITABLE FOR ACCURATE TESTING OF THE DRILL HOLE PULP IN VIEW OF "SALTING" RECOVERY OVER THE MACKLIN TABLE WITH TAILINGS THAT CARRY $6 IN GOLD AND SILVER TO THE TON.

CONCLUSION :

THE YOST DRILL WAS ABLE TO GET ONLY 65' OF DEPTH IN ONE HOLE ON THE SIX MILE CANYON ALLUVIAL FAN. NO ACCURATE TESTS WERE MADE. BEDROCK AT SITE OF THE 65' HOLE IS AT LEAST 125' DEEP.

SIX MILE CANYON PLACERS SUPPLEMENTAL DATA
AUGUST 20, 1962, PAGE TWO :

CONCLUSION , CONTINUATION :

LARGE SLABS NOTED AT SOME LOCATIONS ON THE SURFACE ARE FROM VERY RECENT CANYON WALL EROSION. THE SHAFTS ON THE PROPERTY DO NOT INDICATE ANY EXCESSIVE OVER SIZED MATERIAL AT DEPTH.

ALL MATERIAL FROM TEST DRILL HOLES OR SHAFTS IN PLACER TESTING MUST BE RUN IN-ORDER-TO OBTAIN ACCURATE RESULTS. THIS WAS NOT DONE IN THE CASE OF THE YOST DRILL WORK ON THE GROUND. FOR THAT REASON THE WRITER CONSIDERS THAT NO EVALUATION CONCLUSION WAS POSSIBLE. THE ONLY DEFINITE KNOWLEDGE GAINED WAS THE FACT THAT THE YOST DRILL IS HIGHLY LIMITED IN ITS RANGE OF GROUND CONDITIONS THAT CAN BE DRILLED.

IN VIEW OF THE INCONCLUSIVE RESULTS AS FAR AS DRILLING WAS CONCERNED AND THE FACT THAT NO NORMAL PLACER TESTING PROCEDURE WAS USED, HE TRADED ALL OF HIS INTEREST IN VENTURE ACTION, INC. FOR THE SIX MILE CANYON LEASE AGREEMENT AND IS NOW IN THE THROS OF OBTAINING ANOTHER ACCEPTABLE EVALUATION PROGRAM.

James H. Wren

JAMES H. WREN.

Report On

TITLE SEARCH AND LAND SURVEY
BECKER-JOHNSON PLACER PROPERTY

At the Foot of Six Mile Canyon,
Lyon & Storey Counties, Nevada

By:

Otis A. Kittle, E. M.

May 16, 1958

Report On

TITLE SEARCH AND LAND SURVEY
BECKER-JOHNSON PLACER PROPERTY

At the Foot of Six Mile Canyon, Lyon and Storey Counties, Nevada

By:

Otis A. Kittle, E. M.

May 16, 1958

Mr. Frank M. Burke
BIGGER & CRAWFORD
170 Bay Street
Toronto, Ontario,
Canada

Gentlemen:

Pursuant to your verbal request of April 1, 1958, confirmed by letter of April 25th, 1958 from your attorney, Mr. John S. Halley of Reno, Nevada, I have completed title search and land survey on the Trieva Johnson (Gus Becker Estate) placer properties at the foot of Six Mile Canyon in Lyon and Storey Counties, Nevada.

The title search portion of the work began April 24th, on verbal word from Mr. Halley, and continued through May 1st, 1958. The field survey and corner flagging began May 2nd and continued through May 14th, 1958.

My report of findings is herewith submitted:

TITLE SEARCH ON STOREY COUNTY PROPERTY

Diligent search of the records in the Recorder's office, Storey County Court House, Virginia City, Nevada, disclosed the valid title of:

W½SW¼ Sec 30, T 17 N, R 22 E, approximately 80 acres

TO BE VESTED IN:

Gus E. Becker, deceased, (Becker Estate - Trieva Johnson by bequest) as evidenced by a deed signed by the Storey County Treasurer, dated May 11, 1946 and recorded in Book 62 of Deeds, page 428.

A careful check, year by year, indicated that this parcel had been carried on the Storey County Assessor's Tax Role for over five years, as Storey County property, prior to May 11, 1946. A check of County tax records subsequent to this date indicated

that all Storey County taxes had been paid to and including those of the current fiscal year.

Original title to this parcel came from the United States as Patent No. 488 and granted all mineral rights and surface rights.

See Plat of Becker-Johnson Placer Property on the last page of this report for location of this parcel.

No other valid parcels of land or claims held by location and yearly assessment work were found in Storey County in the Six Mile fan area.

TITLE SEARCH ON LYON COUNTY PROPERTY

Diligent search of the records in the Recorder's and Assessor's offices, Lyon County Court House, Yerington, Lyon County, Nevada, disclosed valid surface right title (mineral rights reserved by the United States: such lands remain subject to location and/or purchase by patent application) to the following parcels:

Date of Deed	Legal Description	No. of Acres	Recorded In: Book	Page
6/6/46	SW¼NW¼ S 32, T 17 N, R 22 E	40	34	223
6/6/46	NE¼SW¼ S 32, " "	40	34	223
6/6/46	Fraction, cut off on the north by County boundary line: E½SW¼ S 30, T 17 N, R 22 E	10-12	34	223
6/6/46	SE¼SE¼ S 30, " "	40	34	224-5
1/25/50	Fraction, probably nonexistent by reason of realignment of common Storey-Lyon Counties boundary at this point by the Nevada State Highway Department. This same ground is covered by the one Storey County parcel(SEE page 1): SW¼SW¼ S 30, T 17 N, R 22 E	16	36	127

TO BE VESTED IN:

Gus E. Becker, deceased (Becker Estate - Trieva Johnson by bequest) as evidenced by deeds signed by the Treasurer - Tax Receiver of Lyon County on the dates indicated above.

The Lyon County Assessor's records indicated these parcels had been the property of Lyon County for five consecutive years prior to their conveyance to Gus E. Becker; and that all Lyon County taxes had been paid up to and including the current fiscal year.

Original titles, agricultural Patents, to the above described Lyon County parcels, with the exception of the last, were granted to the State of Nevada by the United States with mineral rights reserved.

See Plat of Becker-Johnson Placer Property on the last page of this report for location of these parcels.

No other unquestionably valid parcels of land or claims held by location and yearly assessment work were found in Lyon County in the Six Mile fan area.

PLACER CLAIMS LOCATED IN LYON AND STOREY COUNTIES

The following listed pertinent facts are the result of a thorough search of the Lyon and Storey County records as to the alluvial fan area at the foot of Six Mile Canyon in Sections 30, 31 and 32 of Township 17 north, Range 22 east, M. D. M:

1. Gus E. Becker did not own any valid placer claims of record at the time of his death.

2. The Lyon County parcels, owned by Mr. Becker at the time of his death, described on page 2, are agricultural surface patents, leaving the minerals in these parcels subject to location and/or purchase from the United States by application for placer patent.

3. The title of all other fee owners in these sections, excepting Patent #488($W\frac{1}{2}SW\frac{1}{4}$ S 30) and the possible exception of the Comstock Tunnel & Drainage Company's $S\frac{1}{2}SW\frac{1}{4}$ S 32, is that of the original grantees from the United States, whose deeds all reserved the minerals in the ground to the United States.

4. With the exception of the Patent #488 parcel at the mouth of Six Mile Canyon, title to the minerals in the value bearing alluvial fan was open and unclaimed, subject to placer location by any citizen of the United States.

In view of these facts and in the best interests of Possessory owner, Trieva Johnson, and Lessee, Frank M. Burke, the undersigned located the following described five association placer claims for said Trieva Johnson in accordance with the laws of Nevada and the laws of the United States within said Sections 30, 31 and 32: (Names of claims: Becker Placer 1-5)

Date of Location	No. of Claim	Legal Description Note: All in T 17 N, R 22 E, M.D.M.	No. of Acres
5/1/58	No. 1	$E\frac{1}{2}NW\frac{1}{4}$; $E\frac{1}{2}W\frac{1}{2}NW\frac{1}{4}$; & $NE\frac{1}{4}SW\frac{1}{4}$ Sec. 31	160
5/1/58	No. 2	$NE\frac{1}{4}$ Sec. 31	160
5/3/58	No. 3	$SE\frac{1}{4}$ Sec. 31	160
5/13/58	No. 4	$S\frac{1}{2}SE\frac{1}{4}$; $SE\frac{1}{4}SW\frac{1}{4}$; $S\frac{1}{2}NE\frac{1}{4}SW\frac{1}{4}$; & $S\frac{1}{2}NW\frac{1}{4}SE\frac{1}{4}$ S. 30 -	160
5/13/58	No. 5	$N\frac{1}{2}SW\frac{1}{4}$; $SW\frac{1}{4}NW\frac{1}{4}$; $W\frac{1}{2}NW\frac{1}{4}NW\frac{1}{4}$; & $W\frac{1}{2}SE\frac{1}{4}NW\frac{1}{4}$ S. 32 -	160

Valid title in the foregoing described placer claims will be fully established when the statutory location work has been completed and certificates of location for the claims filed for record in the county or counties as indicated in the following list:

Claim	To Be Filed In
Becker Placer No. 1	Storey & Lyon
Becker Placer No. 2	Lyon
Becker Placer No. 3	Lyon
Becker Placer No. 4	Storey & Lyon
Becker Placer No. 5	Lyon

The Plat on the last page of this report indicates the ground covered by these placer claims.

LAND SURVEY AND CORNER FLAGGING

Field reconnaissance disclosed survey stakes and steel posts marking the following corners:

SW Sec 30; being also NW Sec 31
Common Cor Sections 29, 30, 31 & 32
SW Sec 31; being also Township-Range cor
SE Sec 31; being also SW Sec 32
S Qtr cor Sec 30; being also the N Qtr cor Sec 31
W Qtr cor Sec 31
E Qtr cor Sec 31; being also the W Qtr cor Sec 32
S Qtr cor Sec 29; being also the N Qtr cor Sec 32
S 1/16th cor SE¼ Sec 30; being also the N 1/16th cor NE¼ Sec 31

The center of Section 32 was established by sight bearings to the north and west on long established legal survey marking stakes and steel posts.

See the Plat of the Becker-Johnson Placer Property on the last page of this report for corners found, established by the undersigned, flagged and posted. The common boundary line of Storey and Lyon Counties as drawn on this map is from specific information obtained by the undersigned at the Nevada State Land Office, Carson City, Nevada.

SUMMARY

Careful field reconnaissance and a thorough search of Storey and Lyon County records disclosed many gaps in the Becker Estate mineral holdings on the gold bearing placer deposit at the foot of Six Mile Canyon. Due to these gaps in the Becker holdings and the surface-rights-only status of other fee owners on this ground, it became necessary for the action taken by the undersigned to rectify the situation. Accordingly the five placer claims were located in such a manner that all of the ground containing values was covered by contiguous claims.

This five claim group of approximately 800 acres adjoins the 80 acre parcel in Storey County which carried both surface and mineral rights as U. S. Patent No. 488. This, then, forms a total group mineral property holding of approximately 880 acres.

This, in short, means that Mrs. Trieva Johnson is the owner by bequest and by right of location of the following listed acreage as categorically shown on the Plat accompanying this report:

Mineral and surface title, patented	80 Acres
Surface title only, patented	130 Acres(m.or l.)
Placer mineral title, by location, overlapping next preceding and discontinuous four surface parcels	800 Acres
Total group mineral property holding	880 Acres

WATER AVAILABILITY FOR PLACER OPERATION

Pursuant to request of Mr. Burke's attorney, Mr. Halley, inquiry was made at the Division of Water Resources, State of Nevada, as to the availability of water for placer mining in the area of interest. Mr. Parmenter, in this State office, indicated that the State would approve an application to drill for water for placer use in this area.

The owner of the extensive agricultural development a half mile south-east of the Becker-Johnson placer holdings, Dr. S. T. Clarke, indicated that he drilled a 1,000 gallon per minute well at 150 to 170 feet of depth on his nearby ground. He further indicated that he maintains facilities for pumping 3,000 gallons per minute from his water right on the Carson River, and would be interested in selling this volume of water for placer use, excepting the months of July, August and September when the Carson runs quite low. Mr. Parmenter indicated the State would approve an application for such change of use of the Clarke Carson River water right for placer use.

Dr. Clarke also stated that he would be interested in purchasing any additional water developed by wells drilled in the area, when the placer operation was completed. From the standpoint of proximity to the Carson River, for a high probable water table, and as both surface and mineral titles are held by the lessor, the NE¼ of the SW¼ Sec. 32 is the logical parcel on which to drill for water. This location should carry any available Six Mile Creek seepage as well.

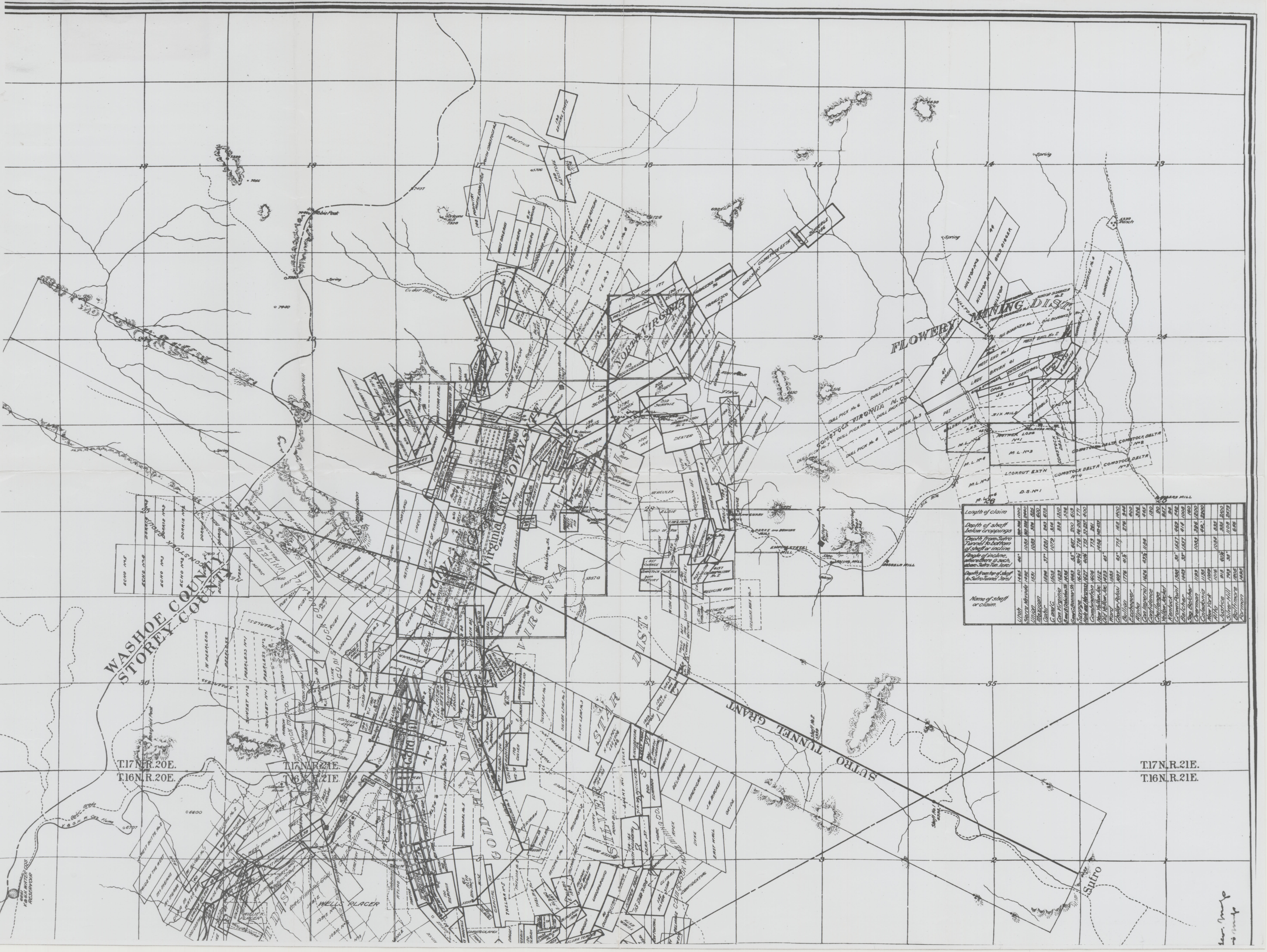
REGISTERED PROFESSIONAL ENGINEER, STATE OF NEVADA, License No. 415

SEAL

Otis A. Kittle
Consulting Engineer
Room 206, 10 W. Second St.
Reno, Nevada

1200 0115

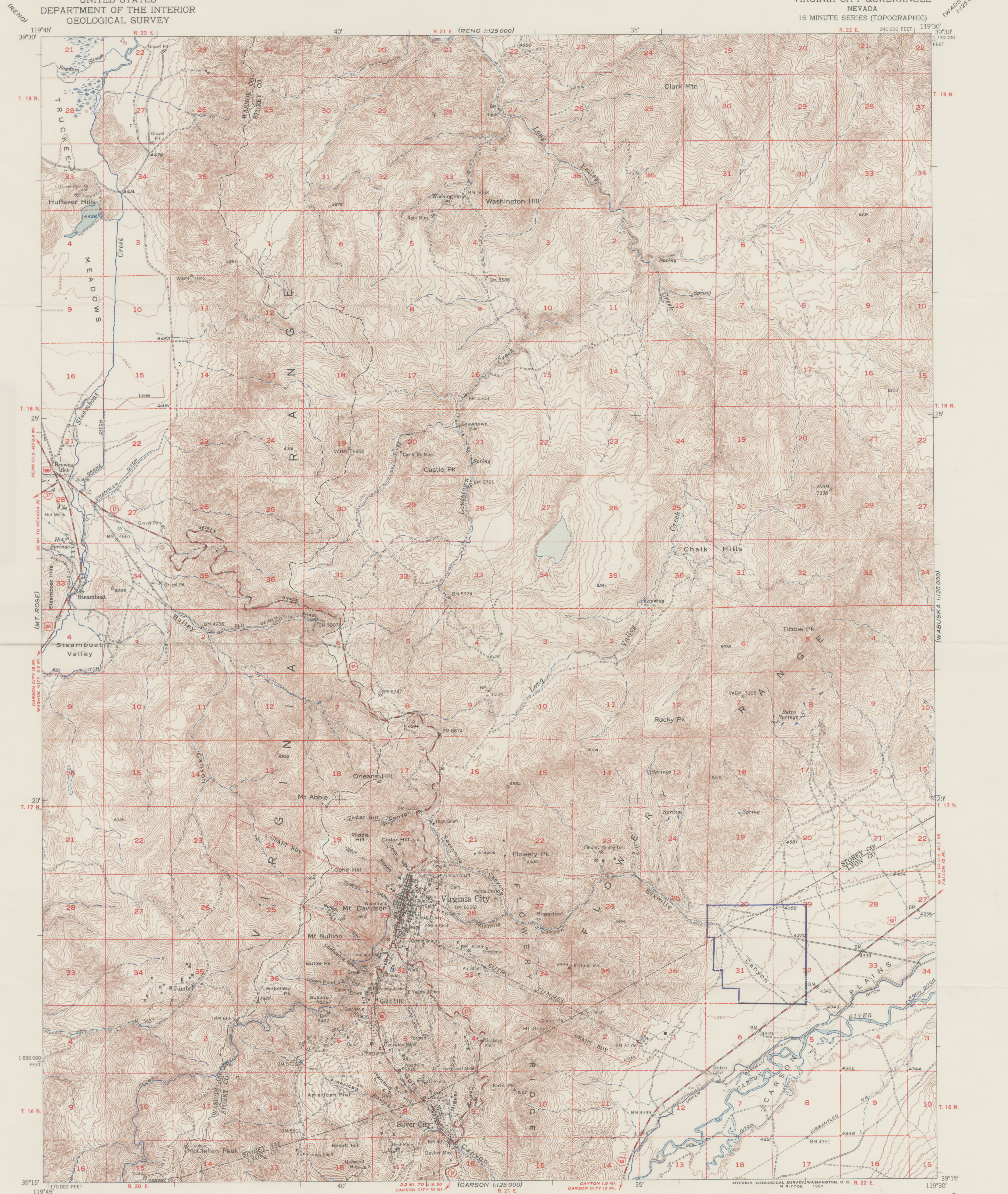

N
W
E
S
TO RENO
7500
7000
Sierra Nevada $1,035,000
Cedar HILL 7156
Ophir $15,341,000
California $133,471,000
Gould a Curry $15,525,000
MT. DAVIDSON 7858
Savage
6200
VIRGINIA CITY
Comstock Lode
Imperial $28,039,000
Yellow Jacket $18,173,000
Belcher $34,400,000
R 21 E
APPROX. TOTAL DISTRICT PRODUCTION $1,000,000,000,000
Union Mine $2,741,000
FLOWERY PEAK 6599
SEVEN MILE CANYON
SIX MILE CANYON
ROCKY PK 7070
6500
6000
5500
5000
4500
4000
T 17 N
Gus Becker Shaft
Fallon
U.S. 50 & 2A
R 22 E
R 23 E
ROSE PEAK 6341
STOREY COUNTY
LYON COUNTY
Sutro Tunnel
KATE PK 6116
CARSON RIVER
Silver City Freeway
SILVER CITY
Gold Canyon Creek
WASHOE COUNTY
ORMSBY COUNTY
DAYTON PLACER
RAE PLACER
18,000,000
4,500,000
DAYTON
T 16 N
Carson City
LAST OF THE COMSTOCK
STOREY & LYON COUNTY
STATE OF NEVADA
SCALE 1" = 1/2 MILE
PAT. LAND
STAKED CLAIMS
CONTOUR LINES
TOWNS
DIRT ROADS
OILED ROADS
SEMI-FLOW STREAM
RIVER
DATE SEPT. 10, 1959
PLAN & MAP
by
Stanley W. Johnson



Name of shaft or claim.	Length of claim	Depth of shaft below croppings	Depth from Sutro Tunnel to bottom of shaft or incline	Angle of incline, where there is such, above Sutro Tun. level	Depth from top of shaft to Sutro Tunnel level
Utah	1000	[illegible]		46°	1465
Sierra Nevada	2640	[illegible]	1085		1492
Union	825	326	1083		1531
Mexican	600				
Ophir	675	263	1281	37°	1596
C. and C.		356	1079		1505
Con. Virginia	1310	238			1623
B and B Osbiston Sh.	536				1436
Gen'l C. Bonner Sh.	613	200	687	35°	1663
Savage	771	46-215	776	38¾°	1650
Hale and Norcross	400	37-237	775	40½°	1627
Combination		261	773		1606
New Yellow Jac.		940-433	1488		1512
Old Yellow Jac.				45°	1423
Ward					1585
Chollar Potosi	1400	168	775	45°	1697
Bullion	944	276		41½°	1776
Exchequer	400				
Alpha	306				
Con. Imperial	465		1184	43½°	1626
Confidence	130				
Challenge	90				
Yellow Jacket	957				
Kentuck	94				
Crown Point	542	969	1557	35°	1388
Belcher	1008	414	1557	35°	1449
Seg. Belcher	160				
Overman	1200	396	1083		1193
Caledonia	2200	492			1135
New York					1059
Alta		835	1084		1016
Justice	2100	935		40½°	915
Silver Hill	2573	1108		38°	749
Baltimore		656			1205
Forman					1495

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

VIRGINIA CITY QUADRANGLE
NEVADA
15 MINUTE SERIES (TOPOGRAPHIC)



(RENO)
(WADSWORTH) 1:125 000
119°45′
39°30′
R. 20 E.
40′
R. 21 E. (RENO 1:125 000)
35′
R. 22 E.
240 000 FEET
119°30′
1 730 000 FEET
T. 19 N.
T. 18 N.
T. 17 N.
T. 16 N.
25′
20′
TRUCKEE MEADOWS
Boynton Slough
Huffaker Hills
Steamboat Creek
Gravel Pit
WASHOE CO
STOREY CO
Washington (Site)
Washington Hill
Root Mine
Clark Mtn
Long Valley Creek
Spring
Lousetown (Site)
Castle Pk Mine
Castle Pk
Lousetown Creek
VIRGINIA RANGE
Chalk Hills
Browns Sch
Siphon
CRANE DITCH
CHANDLER DITCH
Hot Wells
Hot Springs
Steamboat Hills
Steamboat
(MT. ROSE)
RENO (U.S. 40) 8.8 MI.
22 MI. TO NEVADA 28
Gravel Pits
GEIGER GRADE
OLD GEIGER GRADE
Bailey Canyon
Steamboat Valley
BIG DITCH
CARSON CITY 18 MI. WASHOE CITY 5.0 MI.
Tibbie Pk
RANGE
Sutro Springs
Rocky Pk
Orleans Hill
Mt Abbie
Cedar Hill
Middle Hill
Ophir Hill
Canyon
(WABUSKA 1:125 000)
GRANT BDY
Mt Davidson
Virginia City (BM 6220)
Flowery Pk
Flowery Mining Dist
FLOWERY RIDGE
Sixmile Canyon
Sugarloaf
Mt Bullion
Butler Pk
Wakefield Pk
Jumbo
Gold Hill
Suicide Rock
SUTRO TUNNEL
Emma Pk
Rose Pk
Mt Grosh
STOREY CO
LYON CO
16 MI. TO U.S. ALT. 95 FALLON 42 MI.
PLAINS
CARSON RIVER
KOCH DITCH
Sutro (Site)
UPPER GEE DITCH
DISMANTLED RR
American Flat
Silver City
Basalt Hill
McClellan Peak
Kate Pk
ORMSBY CO
1 650 000 FEET
39°15′
170 000 FEET
2.2 MI. TO U.S. 50 CARSON CITY 10 MI.
(CARSON 1:125 000)
DAYTON 1.0 MI. CARSON CITY 12 MI.
INTERIOR—GEOLOGICAL SURVEY, WASHINGTON, D. C. M R-7706 1955
(CARSON 1:125 000)
(WABUSKA 1:125 000)

Mapped, edited, and published by the Geological Survey

Control by USGS and USC&GS

Topography from aerial photographs by multiplex methods
Aerial photographs taken 1948. Field check 1950

Polyconic projection. 1927 North American Datum
10,000-foot grid based on Nevada coordinate system, west zone

Dashed land lines indicate approximate location

Unchecked elevations are shown in brown

18°
TRUE NORTH
MAGNETIC NORTH
APPROXIMATE MEAN DECLINATION, 1950

SCALE 1:62500

1 ½ 0 1 2 3 4 MILES

3000 0 3000 6000 9000 12000 15000 18000 21000 FEET

1 .5 0 1 2 3 4 5 KILOMETERS

CONTOUR INTERVAL 40 FEET
DOTTED LINES REPRESENT HALF-INTERVAL CONTOURS
DATUM IS MEAN SEA LEVEL

THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS

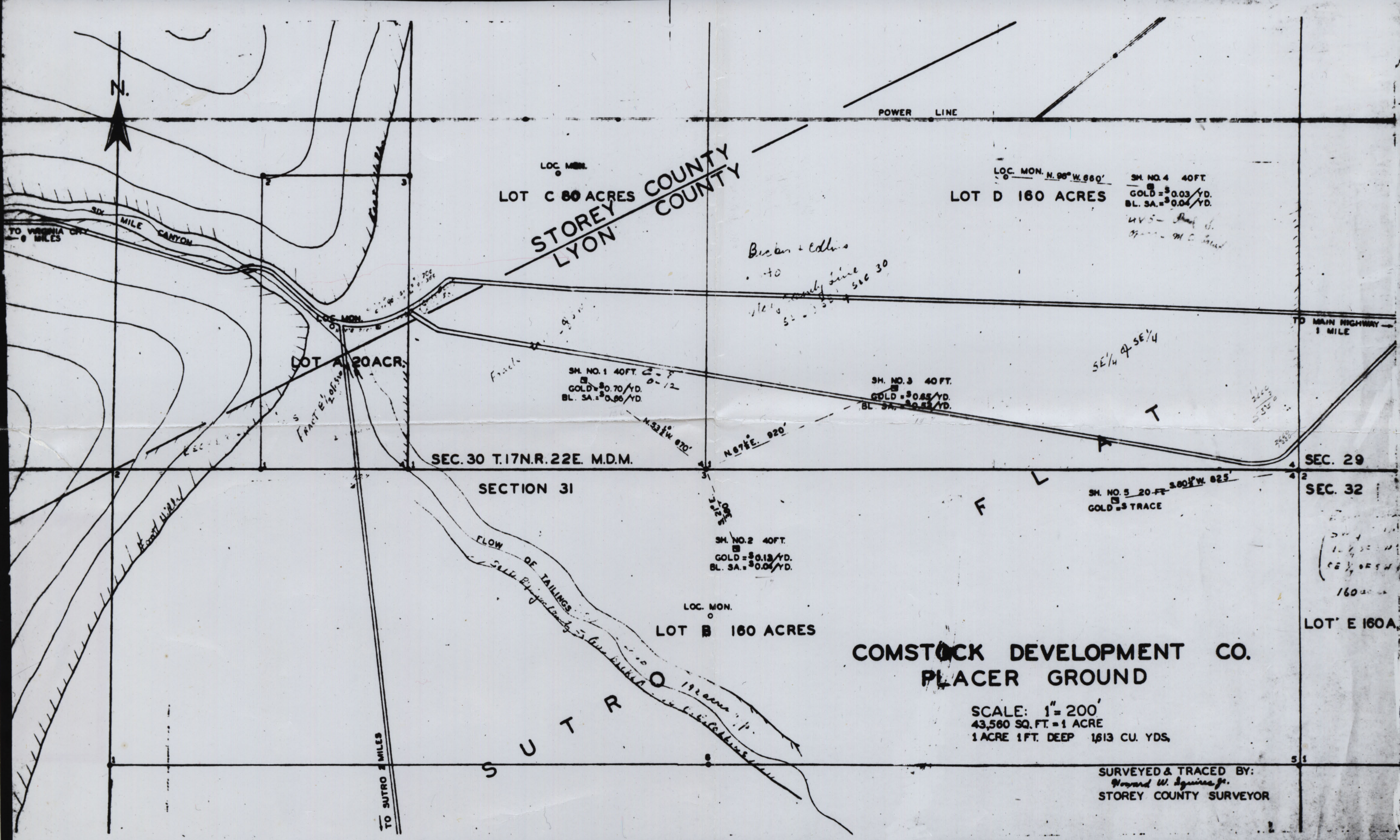
FOR SALE BY U. S. GEOLOGICAL SURVEY, FEDERAL CENTER, DENVER, COLORADO OR WASHINGTON 25, D. C.

A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

ROAD CLASSIFICATION

Heavy-duty ...... 4 LANE | 6 LANE Light-duty ......
Medium-duty ...... 4 LANE | 6 LANE Unimproved dirt ......
U. S. Route State Route

VIRGINIA CITY, NEV.
N3915—W11930/15
1950



N.
POWER LINE
LOC. MON.
LOC. MON. N. 98° W. 660'
LOT C 80 ACRES
STOREY COUNTY
LYON COUNTY
LOT D 160 ACRES
SH. NO. 4 40 FT.
GOLD = $0.03/YD.
BL. SA. = $0.04/YD.
SIX MILE CANYON
TO VIRGINIA CITY 6 MILES
LOC. MON.
LOT A 20 ACR.
SH. NO. 1 40 FT.
GOLD = $0.70/YD.
BL. SA. = $0.60/YD.
N. 53° W. 670'
N. 67° E. 920'
SH. NO. 3 40 FT.
GOLD = $0.65/YD.
BL. SA. = $0.53/YD.
TO MAIN HIGHWAY 1 MILE
SE¼ of SE¼
SEC. 30 T. 17 N. R. 22 E. M.D.M.
SECTION 31
SEC. 29
SEC. 32
SH. NO. 5 20 FT.
S. 80½° W. 825'
GOLD = $ TRACE
F L A T
SH. NO. 2 40 FT.
GOLD = $0.13/YD.
BL. SA. = $0.04/YD.
FLOW OF TAILINGS
LOC. MON.
LOT B 160 ACRES
LOT E 160 A.
COMSTOCK DEVELOPMENT CO.
PLACER GROUND
SCALE: 1" = 200'
43,560 SQ. FT. = 1 ACRE
1 ACRE 1 FT. DEEP 1,613 CU. YDS.
S U T R O
TO SUTRO 2 MILES
SURVEYED & TRACED BY:
Howard W. Squires Jr.
STOREY COUNTY SURVEYOR