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Item 146

LAKES / WREN PROPERTIES

COMSTOCK LODGE AREA



## J. H. WREN & CO.

CONSULTING MINING ENGINEERS

CABLE ADDRESS  
WRENCO

REPLY TO:  
P. O. BOX 2021  
RENO, NEVADA  
PHONE 322-4840

P. O. BOX 132  
SACRAMENTO, CALIF.

### COMSTOCK LODGE PROPERTIES

JUNE 1, 1967

#### LOCATION :

The properties are located on the Comstock Lode at Gold Hill and Silver City, Nevada, in Lyon and Storey Counties.

Access to the holdings is via highway some 12 miles from Carson City or about 25 miles from Reno, Nevada.

The Dayton Mill, along side of the highway, has electrical power, water, telephone service available and is accessible at all seasons of the year.

#### OWNERSHIP :

Dayton-Inspiration Gold Corporation of Post Office Box No. 178, Spokane, Washington is owner of the properties.

Arthur Lakes, 702 Forest Street, Reno, Nevada and James H. Wren, Post Office Box No. 2021, Reno, Nevada are the owners of the "Mining Lease With Purchase Option" agreements, subsequently herein to be described.

#### PROPERTIES UNDER LEASE-OPTION :

1. OEST PROPERTY :  
Eight patented and five located lode mining claims.
2. DAYTON PROPERTY :  
Four patents and five located lode mining claims.
3. JUSTICE-WOODVILLE :  
Five patents and seven located lode mining claims.
4. KEYSTONE-NEW YORK :  
Two patents and four located lode mining claims.



MINE MANAGEMENT  
OPERATIONAL CONSULTING

MINE EXAMINATIONS  
MINING ENGINEERING

INVESTOR'S REPORTS  
EFFICIENCY STUDIES

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### COMSTOCK LODGE AREA PROPERTIES

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- a). U. S. G. S. TOPOGRAPHICAL MAP.
- b). CLAIM MAP.
- c). PATENTED CLAIMS PLATS.



COMSTOCK LODGE PROPERTIES REPORT OF JUNE 1, 1967 :

PROPERTIES UNDER LEASE OPTION : Continuation.

5. CITY LOTS :

Various parcels of city lots in Gold Hill and Silver City, Nevada.

HISTORY :

The Comstock Lode Silver City through Virginia City a distance of less than five miles produced something under one billion dollars out of silver-gold production at existing silver-gold market prices.

The properties under mining lease with purchase option agreements owned by Arthur Lakes and James H. Wren have respective production records at former lower market prices of :

OEST MINE.....	\$ 1,000,000 Plus.
DAYTON MINE .....	4,586,200 Plus.
JUSTICE-WOODVILLE .....	4,450,000
KEYSTONE-NEW YORK.....	1,980,000
	<hr/>
	\$12,016,200 PLUS.

At present markets the above \$12,016,200 would be well over \$15,000,000.

PROPOSED SCHEDULE :

As subsequently to be outlined herein, it is proposed to hold the Oest Properties and the Dayton Properties for our own production operation, after adequate open pit ore reserves have been proven at the Oest, to supply a 500 tons per day milling schedule in the Dayton Treatment Plant after it has been rehabilitated and modern equipment added.

In the case of the Justice-Woodville Properties, Keystone-New York, and the city lots, sub-lessees-optionees can be sought for the mining properties and in view of the present real estate "boom" the city lots may be sold with their revenue being applied on the overall properties' purchase price.

Oest and Dayton Mill activity will automatically produce interested mining groups for the other mining properties negotiation, with probably some over-riding royalty and at a somewhat higher purchase price than our purchase option carries.

As the immediate operational policy does not include Justice-Woodville, Keystone-New York or city lots activity no further mention herein will be made of that inventory other than subsequently the governing lease-option shall be described.



## COMSTOCK LODE PROPERTIES REPORT OF JUNE 1, 1967 :

### DAYTON MILL :

The Dayton treatment plant facilities are : Some 20,000 square feet or more of plant housing embracing the main mill building, primary and secondary crushing houses, shedded conveyor lines, office building, shop building, warehouse, laboratory building, compressor-machine shop, and various other utility structures. The treatment plant machinery has been "canabalized" but six 50' diameter steel cyanide leaching tanks, filter, and other equipment is on the inventory. Over 300 cubic yards of concrete pour is in effect which would cost a minimum of \$50 per yard to replace equaling \$15,000 in replacement value. Power and water service are on the property. In general, replacement cost of existing buildings, equipment and utilities would amount to approximately \$150,000, including a series of custom ore bins.

Mr. A. Landon of Sacramento, California has a 500 ton cyanide plant at the Volo Mine near Placerville, California including flotation equipment, one hundred miles from the Dayton Mill, that can be purchased for \$22,500. There is more than enough machinery on Landon's inventory to complete the proposed Dayton cyanide plant.

After adequate open pit ore reserves have been developed at the Oest Mine one mile from the mill, a transport and setup contract could be let after bids are called for the Landon mill to be incorporated into the Dayton Mill. If possible treatment plant capacity should be setup for 500 tons per day of Oest production and 100 tons per day of custom milling ore. As far as is now known there is not one custom cyanide plant operating in the state of Nevada. Much available custom ore is expectable within a radius of 50 miles of the Dayton Mill. The excellent silver futures and the more favorable outlook relative to a gold subsidy would insure capacity volume of custom ore as being available.

### DAYTON MINE :

The Dayton Mine holds immense open pit and underground ore reserves which average slightly too low in gold and silver at existing prices of \$1.293 per ounce silver and \$35 per ounce gold to permit an economic operation at this time. However, these reserves provide an excellent potential source of positive ore as soon as a subsidy is instituted for gold. Silver will need no assistance as soon as the present U. S. Government's supply has been exhausted. U. S. Treasury stocks of silver in 1956 were slightly below two billion ounces. At this time the stocks are less than 2/3rds billion and are rapidly being depleted.

Open pit ore reserves at the Dayton Mine have already been developed. The present pit has already produced some \$2,000,000. Subsidies of up to \$70 per ounce were recently discussed May 22nd and 23rd in Washington, D. C. The Dayton proven reserves would be profitable at far less than the maximum subsidy mentioned.



## COMSTOCK LODGE PROPERTIES REPORT OF JUNE 1, 1967 :

### OEST MINE DEVELOPMENT :

The Oest Mine development consists of several shallow shafts and one 300' shaft equipped with a steel headframe. This latter shaft is not accessible as a fire several years ago burnt the surface buildings and the upper portions of the shaft timbering. Only nominal collar area sloughing is present and this shaft could be recovered. Some \$1,000,000 was produced out of this area at an average value of \$65 per ton - old prices. The ton value now would be, \$114. Water stands at the 200' level.

There are several thousands of feet of tunneling, drifting and cross-cutting of early exploration on the property. The adit portals are all closed but could be reopened cheaply by use of a front end loader. Due to the early good grade ore requirement, both Mr. Lakes and the writer expect to find economic grade ore available in these old workings closed since the 1870s and 1880s, as the pioneering mills lost about 50% of the values at first, improving to about 75% subsequently with a direct milling charge of \$10 to \$20 per ton, plus wagon freight to the mills on the Carson River a few miles away.

Deep level development at the Oest has never been accomplished. The 3,800' of Oest ownership on the strike of the lode is the longest remaining section of the Comstock Lode without deep exploration. The highest dollar volume ore body on the lode was the Con. Virginia-California Mines' "Big Bonanza". It was discovered some 1,000 feet below the surface and produced over \$105,000,000 paying some \$75,000,000 in dividends during a ten year period. That would be almost doubled at present gold-silver markets. Incidentally, the "Big Bonanza's" ton value is in keeping with the average Oest ton value production record. During the above mentioned Con. Virginia-California dividend period, after cyanidation was discovered, over \$20,000,000 was recovered from the earlier mill tailings as the original run recovered an average of 75% of the value, which amounted to about \$75 per ton 1872 through 1882.

The Dayton Consolidated Mines Company bought the Oest Properties in 1942, with object of open pit mining. That company did some stripping, commenced laying out a production bench plan and made a test run of 1,000 tons. That tonnage recovered \$10,000 which at this time would be a minimum of \$4,000 net profit. The U. S. Government's Order No. L-208 during World War 2, forced suspension of the operation, not the lack of ore.

### GEOLOGY :

Voluminous geologic data has been compiled on the Comstock Lode area, as it is one of the best known and studied gold-silver districts of the world. Full and complete geology is available in our files, the U. S. Bureau of Mines, the Nevada State Bureau of Mines and the University of Nevada.



## COMSTOCK LODGE PROPERTIES REPORT OF JUNE 1, 1967 :

### OEST MINE METALLURGY :

Early chloridization treatment of Comstock Lode ores resulted in some 40% to 50% recovery at first, and was later improved from 50% to 70% with a few operations making 75% recovery.

After the discovery of the cyanide process, the area's treatment recovery became uniformed at 92% to 97%. In one section alone, the first salvage tailings treated by cyanidation recovered \$27,000,000, at former market prices of gold-silver, as is listed by the Nevada Bureau of Mines. Some 70 years of cyanidation process evolution is now available to be used on Oest ore which already has been proven to be highly amenable to that efficient method of recovery. All of the Comstock Lode's later mills ended up as cyanide plants, including the Lessees-optionees Dayton Mill, which also had a flotation circuit.

Economic advantages of ore amenable to cyanidation are numerous. However, the chief marketing gains are : Marketable product made on the production site in form of gold-silver bullion, ( this can further be refined if desired to sell gold and silver separately). No crude ore or concentrate trucking cost. No railroad freight cost. No smelter fees and losses.

The question may arise as to why the Oest Mine open pit production outlook is so attractive at this late date. Aside from numerous other new operations which could be cited , the Newmont Mining Corporation's Carlin , Nevada project is a good example : They developed an open pit mining and cyanide treatment plant enterprise several years ago and for the past two years have been producing about \$12,000 per day in gold, making them the second highest gold mine producer in the United States. Most of this property was available to anyone ten years ago, as a good portion of it was on ground open for mining location, before Newmont studied and stripped the ground now being produced. That company could not possibly operate without the use of cyanidation.

### ECONOMIC PERSPECTIVE :

An Oest Mine - Dayton Mill report was presented by the writer on May 7th, 1967. Subsequent detailed studies and further light thrown on the economic perspective has necessitated an adjustment of the former conclusions. Since May 7th the Oest Mine and Dayton Mill proposed operational project has received full field and office time studies by Lakes-Wren.

Some considerable normal high volume open pit mining and milling cost on this project will not be experienced in view of previous mining exploration and development plus the milling facilities and buildings under lease-option.



## COMSTOCK LODGE PROPERTIES REPORT OF JUNE 1, 1967 :

### ECONOMIC PERSPECTIVE : Continuation.

The preliminary work, following described, is calculated to :

- a). Block out sufficient immediately available **POSITIVE ORE RESERVES** to justify a minimum production output from Oest open pits of 500 tons per day with at least \$10 per ton recoverable mill head.
- b). Open and selectively mine some near future crude ore which can be marketed with the American Smelting & Refining Company at its Selby, California smelter. Subsequently, after milling facilities are established for the operation at the Dayton Cyanide Plant, all selectively mined company tonnage will be milled there. However, Mr. Lakes and the writer expect some income from crude ore shipments to commence within thirty days after the start of project field activity.
- c). Develop custom ore shippers. It is recommended to allow 100 tons daily treatment capacity for Oest selective ore and custom ore acceptance.
- e). Prove within 60 to 90 days 500 tons per day open pit production tonnage @ \$10 per ton recoverable in gold and silver. Prove selective mining ore along with custom tonnage to equal a total of 100 tons per day, making a total of 600 tons per day treatment schedule.

### EXPECTABLE ECONOMICS :

In view of the fact that milling plant excavation, concrete pour, water, power, utility buildings and some machinery are already part of the existing inventory, some two-thirds of the cost of a new plant will be saved by utilizing the Landon 500 ton cyanide plant near Placerville, California that can be purchased and contract hauled to the Dayton Mill site for a very nominal cost. Therefore, the following estimated economic outlook is probable in view of the low amortization of investment charge against production tonnage treated.

500 tons per day of Oest open pit production	
gross recovery .....	\$ 5,000.00
\$5 per ton overall cost equals a net of.....	2,500.00

50 tons per day of selectively mined Oest ore	
@ 1/3 historical production recovery grade	
= \$35 per ton or an overall net profit of.....	1,000.00

50 tons of custom ore per day net profit =...	250.00
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Estimated daily net profit	\$ 3,750.00
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30 day monthly net.....	\$ 112,500.00
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## COMSTOCK LODE PROPERTIES REPORT OF JUNE 1, 1967 :

### PRELIMINARY COST :

Generally the preliminary cost of an operation such as is proposed herein would far exceed the following itemized list's total. Initial cost on this project is made quite low as a direct result of location and good service, plus the fact that much engineering-geology has already been accomplished, roads are in, bench plans have been pioneered, and mineralized zones have been located by the early production work.

Misc. payments to deliver all herein inventory...	\$ 12,500.00
D-9 Caterpillar ripper-bulldozer work.....	5,000.00
Sampling, assaying, mill testing Lab. fees.....	2,500.00
Mapping, surveying, reports, supervision.....	3,500.00
Misc. labor, 2 Mos., 3 men, 1 leadman.....	2,200.00
Preliminary closed corporation cost in full.....	250.00
Workman's Comprehensive Insurance, deposit-fee	500.00
Public Liability Insurance, \$250,000 coverage....	200.00
3/4 ton pickup & winch 2 months rental.....	400.00
Drill-blasting equipment, tools- supplies.....	2,500.00
Compressor, front end loader rental, 2 months...	650.00
500' Bx diamond drilling contracted @ \$10 per foot.	5,000.00
Secondary Corp. and public offering legal fees....	1,500.00
Public accountant fees, 3 months.....	300.00

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Total direct cost estimate..... \$ 37,000.00

Contingency = 10%..... 3,700.00

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Total cost estimate..... \$ 40,700.00

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NOTE : In the event that the Lakes-Wren lease-option assignments are to a listed operating corporation, the above total estimate will be \$1,825.00 less.

### TIME ELEMENT :

The time element required to complete the physical work listed in this report will be two months. Within a few days thereafter, when all laboratory results have come in and reserve evaluation has been made, a formal report will be issued. Some income, of course, is expectable in the above interim from crude ore shipments made during the course of the open pit opening activity.



## COMSTOCK LODGE PROPERTIES REPORT OF JUNE 1, 1967 :

### OEST LEASE-OPTION :

The Oest Lease-Option granted on May 1, 1967 runs for a period of five years or when royalty, which is applicable against the purchase price, amounts to \$50,000. The basic terms are : Life : Five years. 10% of the net to the mine bin royalty applicable against the purchase price. The 10% royalty is calculated after trucking, milling or smelting, and marketing have been deducted from the gross products returns. \$50,000 purchase price option on the eight patents and five located claims with royalty credited against said price. The lease-option is assignable without permission of the Dayton-Inspiration Gold Corporation. After 90 days from May 1, 1967 a minimum royalty of \$250 per month applicable against the purchase price will apply.

### OTHER PROPERTIES MASTER LEASE-OPTION :

The Dayton mining and milling inventory, the Justice-Woodville inventory, the Keystone-New York inventory, and the various city lots parcels are signed to a lease-option dated May 1, 1967, from which no performance is required for 150 days from that date. After that time \$500 per month minimum royalty is due as minimum royalty applicable against a purchase price of two hundred thousand dollars. A related addendum give the lessees-optionees the right to sell, sub-lease or otherwise turn the mining properties to an outside source of acceptance. The city lots may be sold and 75% of the purchase price is applicable against the over all purchase price. The Dayton inventory, if desired, may be held separately and in that case the purchase price option is one hundred thousand dollars. The life of the lease-option is five years. The agreement is assignable without permission of the owning company.

### COMSTOCK LODGE MINING PROPERTIES EXHIBITS :

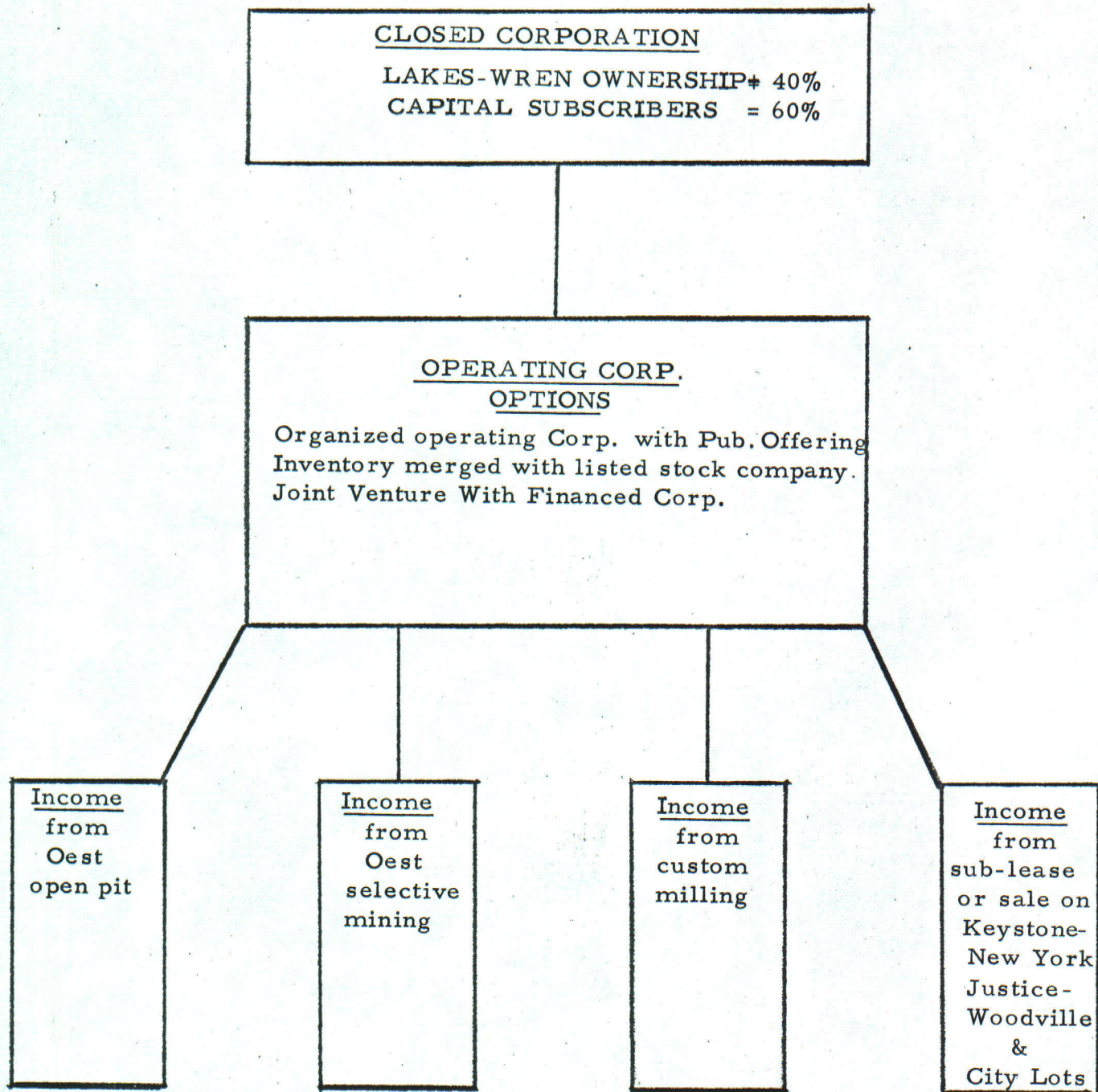
The Reno, Nevada files of James H. Wren and Arthur Lakes contain the following exhibits relative to the lease-optioned inventory.

- 1 . Oest Lease-Option Agreement.
  - a). Oest patent survey maps.
  - b). Supplemental economic and technical data supporting this report.
  - c). Historical data. Property photos.
2. Dayton Mining and Milling Properties Agreement, of which the other two mining properties and city lots are a part.
  - a). Various technical and economic information.
  - b). Patent survey maps are available at the local office of the U. S. Bureau of Land Management.



COMSTOCK LODGE PROPERTIES REPORT OF JUNE 1, 1967 :

Organization block diagram showing relationship of the proposed closed corporation to the operating company and its income sources. The closed corporation should be limited to 11 members in-order-to pay no corporate income tax. Its cost will be \$250 and during the preliminary work will furnish members operational non-personal-liability.



As soon as the preliminary steps herein listed have been completed, a wide selection of operating policies will be available. In any event each original owner should have a long term capital gains tax relief outlook in view of the expected tremendous inventory value rise between preliminary work start and completion in less than three months time.



COMSTOCK LODGE PROPERTIES REPORT OF JUNE 1, 1967:

OFFERING :

James H. Wren and Arthur Lakes Lessees-Optionees of the herein described properties will deliver sixty percent ( 60% ) of the various agreements ownership on the following basis :

1. The ownership percentage will be delivered to an individual, or group of less than nine ( 9 ) members for the cash subscription listed on Page Seven herein. a). Lakes and Wren will require technical supervision authority and policy alignment during the first three months of operation. b). All capital disbursement will be handled through a public accountant's office governed by written instructions. c). The total amount of the required preliminary capital will not necessarily have to be advanced to start in the full amount. A schedule of capital requirement dates can be setup. The exact amounts of money due on certain dates can be scheduled by and between Lakes-Wren and interested parties.

2. Lakes and Wren will consider the assignment of 100% of the lease-option agreements to a listed stock company in good trading standing, providing the operating terms of No. 1, above are agreed and the preliminary operating money is produced.

3. This above stipulated tentative offer is not to be construed by anyone as an option on the specific terms. Lakes and Wren reserve the right to withdraw the availability of participation to anyone without notice.

SUMMARY :

Available heavy earth moving equipment rental is now on call, and it is expected to move several thousands tons of mineralized zone stripping with the D-9 Caterpillar bulldozer-ripper each day.

The herein diagrammatic illustration of the proposed organization alignment is designed in such fashion to allow all owners long term capital gains tax relief.

Near future legitimate inventory rise in value will support any stock to some considerable extent in view of the holdings and potential. The Oest Mine Properties cover some 3,800 feet on the strike of the lode, with widths of 50' to 200'. Some \$6,000,000 has been produced out of the adjoining property to the South. The properties to the North of the Oest have produced into the hundreds of millions of dollar combined. There are three probable open pit sites on the Oest holdings.

The Comstock Lode's proven production length is less than five miles. Our lease-options combined cover over one mile and one half of the five mile distance that produced almost one billion dollars at present markets.



CÓMSTOCK LODÉ PROPERTIES REPORT OF JUNE 1, 1967 :

SUMMARY, Continuation :

The silver market outlook is now better for producers than at anytime in U. S. history. In 1956 the U. S. Treasury held nearly 2 billion ounces and it is now nearing the 1/2 billion point. U. S. production and salvage is far below the demestic consumption. The known production of "free countries" and their consumption is about the same ratio as that of U. S. Therefore, it is only a question of limited time until the law of supply and demand will be in effect.

Gold discussion meeting were held in Washington D. C. on May 22nd and 23rd. There is a good probability that domestic subsidies may be instituted next year. Our U. S. gold reserves have dropped to such an extent that it is doubtful that our reserve would cover payment for foreign owned U. S. stock , if sold. Each year we show a trade deficit payable in gold to foreign countries. The Dayton Mine's immense reserves may be economic tonnage soon.

A new milling plant of 600 tons capacity would cost some \$1,200,000. The present Dayton Mill facilities and the forced sale price of the Landon Mill at Placerville, California would allow the unit to be setup at a fraction of the normal cost. When the mill is rehabilitated for treatment activity, it will represent an inventory value of at least \$500,000.

Lakes - Wren = 60 years of combined professional production experience. They consider the Oest-Dayton potential as one of the best their broad acquaintance has encountered. They were successful in negotiating very favorable operating terms in the various delivered agreements.

Production in every respect will be assisted by the very accessible location. It is planned to contract the open pit production and the one mile pit haul to the mill. This latter can be done on company owned ground without highway rules being applied. Efficient off-highway trucks may be used.

Very truly yours,  
J. H. WREN & COMPANY,

BY

  
JAMES H. WREN.



JAMES H. WREN

P. O. BOX 2021  
RENO, NEVADA

Phone : 322-4840

Born : San Francisco, California, January 22, 1912.

Marital Status : Single, two grown children out of college.

Engineering Education : Post graduate studies, knowledge of the Spanish language, hold valid U. S. Passport, Member of the American Institute of Mining And Metallurgical Engineers, Licensed, Bonded, Nevada Contractor, author of technical papers.

PROFESSIONAL RECORD

SEPT. 1, 1947 TO-DATE :

Professional economic mining engineering and short term management assignments, specializing in production problems-alignment of mechanization, beneficiation. Projects: Open pits to 10,000 tons per day. Underground production to 1,400 tons per day. Metallics and non-metallics. Dredging to 7,000 Cu. Yds. per day. Treatment by gravity, sink-float, bulk flotation, selective flotation, amalgamation. Project locations: U. S. including Alaska, Mexico, Central America, many countries of South America. Consulting Mining Engineer to Industrial Development Corp. Washington, D. C.

Reference : Otto Brink, Mine Operator, 5801 - 59th St., Sacramento, Calif.  
J. M. Van Patten, Educator, 1714 Fletcher Ave., Sou. Pasadena, Calif.

JUNE 1945 TO SEPT. 1947 :

Gen'l. Superintendent, Utah Manager, for Metal Producers, Inc. Chief Project : Horn Silver Mine, Milford, Utah, Sou. Utah's largest gold, silver, lead-zinc producer, during above interim. Production was raised from 50 tons per day to over 400 of complex selective flotation ore, direct smelting crude, and beneficiated tonnage. By mechanization was able to retire a \$400,000 deficit within six months and show a consistent profit thereafter. Activities were suspended Aug. 11, 1947 due to ore depletion.

Reference : J. W. Mangram, 243-1/2 Sou. Elm Dr. Beverly Hills, Calif.

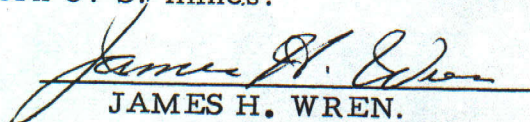
FEB. 1944 TO JUNE 1945 :

Superintendent, Tungstar Mine, Bishop, Calif. Project produced \$90,000 in tungsten units per month and made a net profit of \$60,000. Closed due to lowered market.

MAY 1941 TO DEC. 1943 :

Supervisory duties connected with military heavy construction related to earth moving, crushing plants, and road building in tropical terrain.

For eight years prior to 1941, worked as a miner, millman, shiftboss, mine foreman, engineer and superintendent at various Western U. S. mines.

  
JAMES H. WREN.



As national and international silver markets near a historic price break-out, NOW IS THE TIME, to tie up worthy silver reserves. The herewith economic silver graphs are part of the AMERICAN INSTITUTE OF MINING AND METALLURGICAL ENGINEERS' Paper No. 6711" February 20, 1967.

*J. H. Wren & Company  
P.O. Box 2021  
Reno, Nevada 89505*

## SILVER

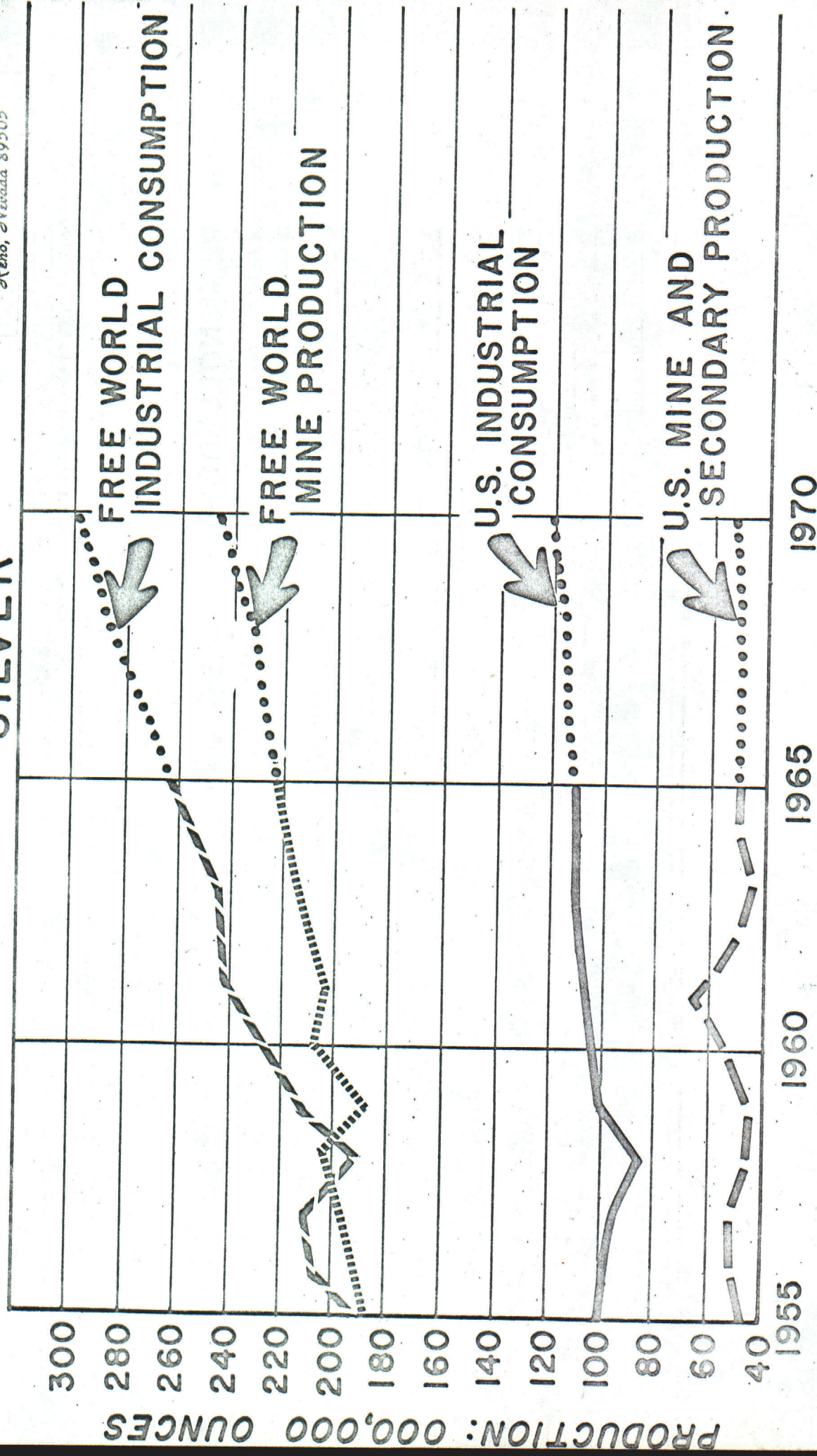


Figure 1. Production & Industrial Consumption



NOTE: Silver price average during 1935 was 0.64¢ per ounce. By 1941 the average world price had dropped to 0.34¢ per ounce.

# SILVER

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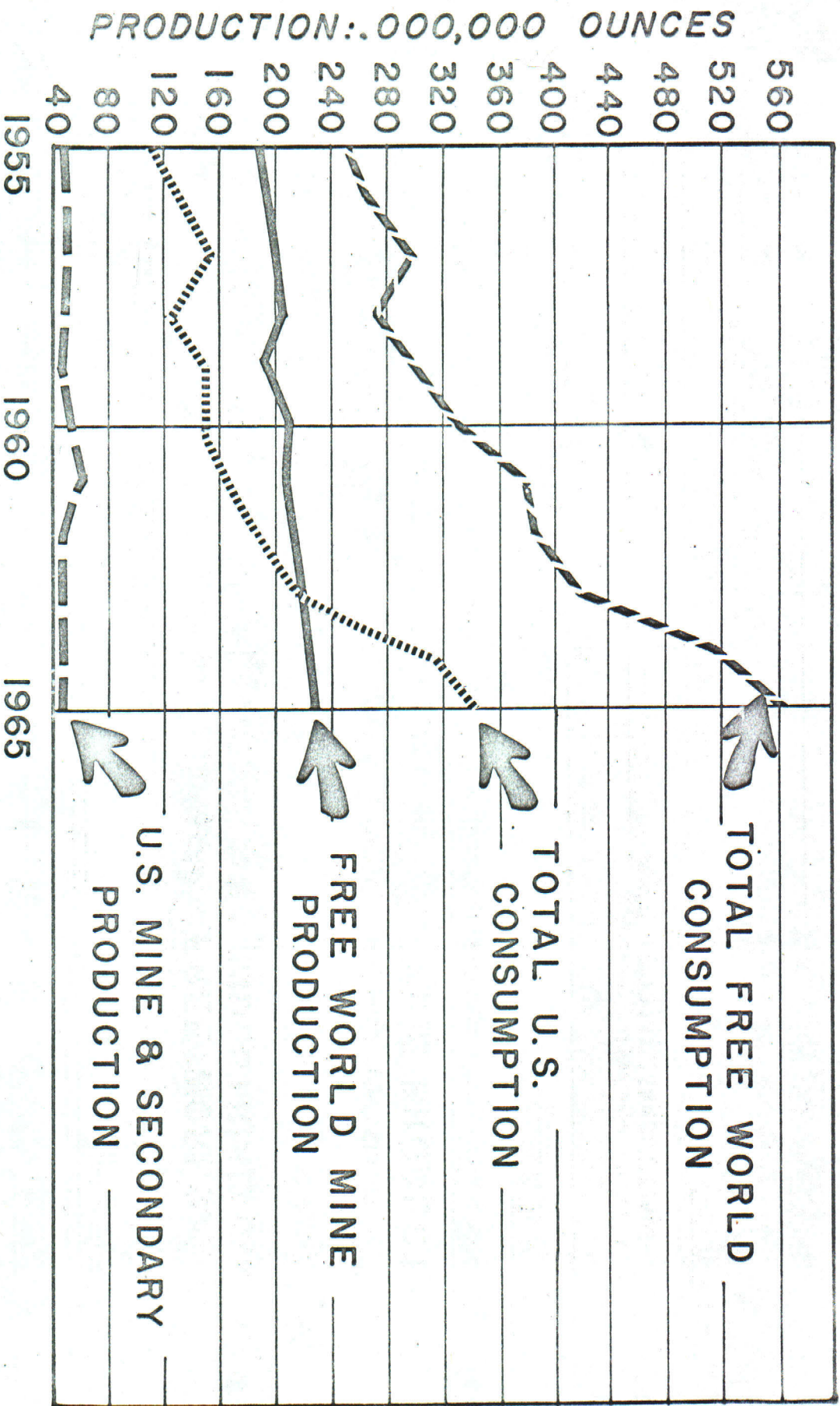


Figure 2. Production & Total Consumption



# SILVER

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Reno, Nevada 89505

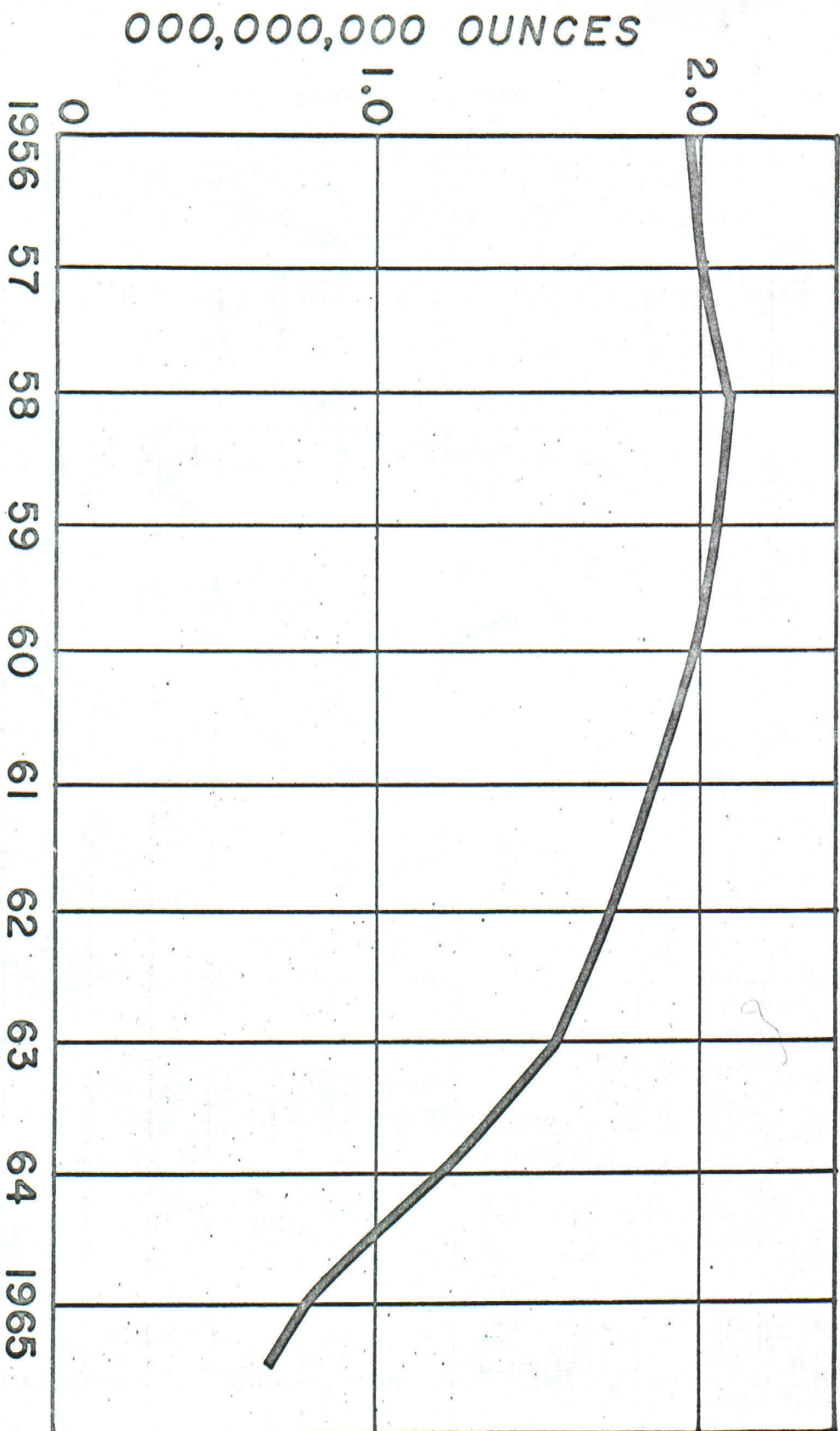
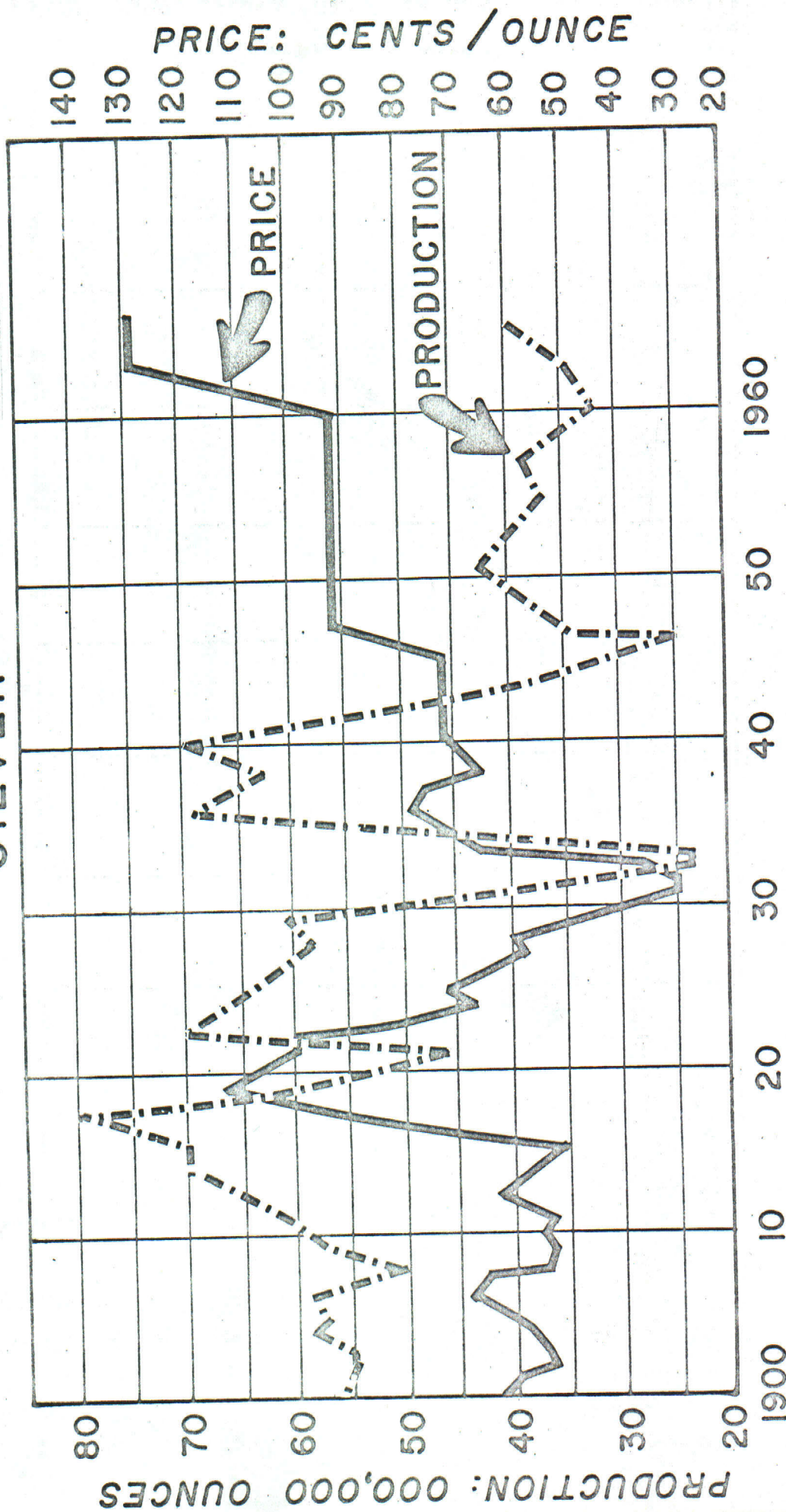


Figure 3. U.S. Treasury Silver Stocks  
(AS OF END OF YEAR)



# SILVER

J. H. Wren & Company  
P.O. Box 2021  
Reno, Nevada 89505



**Figure 4. U.S. Production & Price**

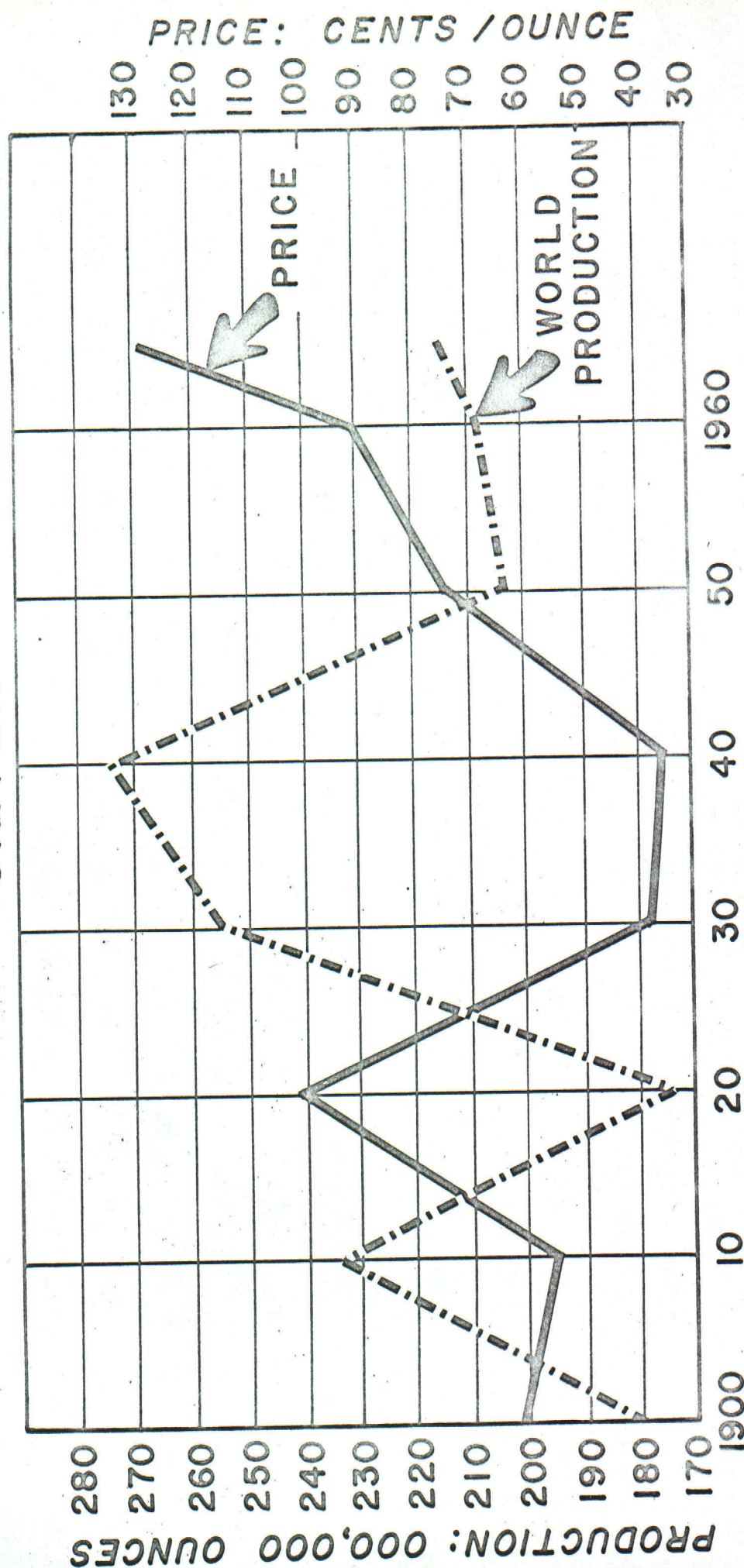
MINING METHODS, MECHANIZED PRODUCTION EQUIPMENT AND TREATMENT METALLURGY HAS ADVANCED TO SUCH AN EXTENT THAT MUCH OF THE INFLATED COST (1967 LABOR-SUPPLIES) CAN BE ABSORBED BY THE ADDED ECONOMIC EFFICIENCY AND PRODUCE AT LESS PER TON COST NOW AT \$1.293 PER OUNCE THAN IN 1941 @ 0.34¢ PER OUNCE ...



Silver's industrial use is rising. Legislation with regard to a government controlled price would defeat the purpose of greater U. S. production.

*J. H. Wren & Company  
P. O. Box 2021  
Reno, Nevada 89505*

## SILVER



**Figure 5. World Production & Price**

U. S. GOVERNMENT STOCKS OF SILVER ARE NOW THREATENED BY TOTAL DEPLETION. SILVER POTENTIAL IS BY FAR THE BETTER PRODUCTION ECONOMIC OUTLOOK OF ALL METALS.



SUPPLEMENTAL

COMSTOCK LODGE PROPERTIES  
PRELIMINARY CAPITAL NEED

JUNE 2, 1967

1. June 1, 1967 report subscription paid to a bank account with two signature requirement : Either Wren or Lakes and a public accountant's signing of all checks of disbursement. Lease-options to be 100% assigned.

Actual disbursement will be covered in written instructions to the public accountant, governed by June 1st estimated expenditure list.

2. In the event that it is inconvenient to subscribe entire amount of the June 1st estimated expenditure list, the following scheduled subscription payments can be arranged :

a). Preliminary amount of money delivered .... \$ 15, 000.00

Disbursed for :

Item 1 on list.....	5,000.00
Seventh and eighth items.....	700.00
1/2 of item two .....	2,500.00
Where needed-authorized-contingency.....	3,500.00
1/2 of fourth item.....	1,750.00
Portion of items 10 & 11.....	1,550.00

Minimum project commencement..... \$ 15,000.00

b). If above project commencement is adopted, assignments will go into escrow pending delivery of initial capital balance contract.

3. In the event that prospectively interested parties wish to obtain time on the offering, Lakes Wren will grant an option on a specific business arrangement upon payment of \$5,000 for a thirty days option. At their election they may spend part of this money on authorized project work, which will become part of the overall work estimate.

4. In the case of a listed stock company, stock delivery for the assignments can be worked out at time of negotiations conclusions.

5. There's been some interesting developments in the silver market. Evidently it has started up in per ounce price as a result of supply-and demand pressures.

Very truly yours,  
J. H. WREN & COMPANY,

BY   
JAMES H. WREN.

lcc : Mr. Arthur Lakes.