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ITEM 221

Mining Corporation of America

FIRST NATIONAL BANK BUILDING
DENVER, COLORADO

The following is a summary of our various properties. The sources from which we have obtained this information includes U.S.G.S. reports, engineers' reports, and other data from various sources.

THE COMSTOCK LODE

Without question, the Comstock Lode is one of the most extensive gold and silver deposits ever discovered in the Western Hemisphere. No such volume of money had ever been produced from a single source up to the time of the discovery and operation of the Comstock Mines.

Approximately 15 to 20 mines on this great bonanza produced hundreds of millions of dollars in gold and silver, in a period of less than 20 years. Numerous reports by independent engineers indicate that there is no question that most of the gold and silver of the Comstock Lode still remains in the ground.

Roy Hardy, consulting engineer of Reno, and formerly engineer and superintendent of the Consolidated Virginia operations, has stated publicly that "over eighty percent (80%) of the area of the Comstock Lode have never been extracted."

B. M. Snyder of the Union Engineering Company of Los Angeles, California, in his report of October 28, 1960, stated as follows:

"There is no doubt in the minds of the engineers who are familiar with the Comstock Lode that not more than half of the total values in gold and silver have been extracted from the Lode. However, to reach and work profitably the ores in the lower levels is a problem that has not been sufficiently studied to determine how it should be done."

G. C. Ridland, in his geological report #75, dated August 31, 1965 states as follows:

"The Con Virginia property has been the biggest and richest gold-silver producer in this fabulous old mining camp of world renown. The Comstock Lode was discovered in 1859 and has poured forth gold and silver continually up to 1942 when the U. S. Government ordered all gold mines to shut down. Five individual gold mills were closed by the order. Two mills, the Donovan and the Dayton, reopened after the war. The Dayton operated from June, 1949 to September, 1950 at 200 tons per day and closed for lack of capital. The Donovan operated until June, 1959, and closed, apparently for lack of open pit ore."

In 1926, Zeb Kendall undertook to reopen the Consolidated Virginia workings and at considerable depth below the Sutro Tunnel he

encountered the lode and he reported finding 12 feet of hundred dollar ($100) gold and silver ore at a depth of about 2,900 feet below the surface. Hot water, however, prevented him from working this lode and this is one of the problems of reopening the Comstock Lode at depth. It is quite possible that today, some thirty years after his attempted reopening, that this problem could be solved using improved methods available today. However, this calls for considerable research and a large expenditure of money to reopen the old deep workings.

We have been fortunate, indeed, to secure the cooperation of Mr. Zeb Kendall's son, Robert Kendall, Vice President, U. S. Borax, whose background is contained herein. Mr. Robert Kendall spent considerable time in preparing underground maps and reports which have never been available before and we feel that this important material will help us in planning our future exploration program on the Comstock Lode.

ROBERT E. KENDALL - Professional Qualifications

1948	B.S. in Mining Engineering, Mackay School of Mines, University of Nevada
1948-50	Mine Engineer, Dayton Consolidated Mines, Virginia City, Nevada. Gold and Silver
1950-52	Mining Engineer, Mine Superintendent, Resurrection Mine, Leadville, Colorado. Lead - Zinc.
1952-54	Resident Engineer, Leviathan Mine, Alpine County, California. Sulfur.
1954-present	U.S. Borax and Chemical Corporation
	54-61 Planned and put into production open pit borax mine at Boron, California.
	61-62 Project Manager, drilling program and feasibility study for proposed potash mine in Saskatchewan.
	62-64 Resident Manager, potash mine and refinery, Carlsbad, New Mexico.
	64-68 Project manager for construction and start-up of $75,000,000 potash mine and refinery, Saskatchewan, Canada. Vice President of Canadian Potash Department in June, 1968.
	1969 Transferred to Los Angeles. Vice President for mining and manufacturing.

MINING CORPORATION HOLDINGS

Our group in the Comstock Lode consists of the Consolidated Virginia, California, Ophir and the Mexican. This group of mines was the richest on the Comstock Lode and produced between one hundred and fifty and two hundred million dollars (between $150,000,000 & $200,000,000).

Data from Annual Reports (Bonanza Ores)

Company	Year	Tonnage of Ore	Bullion Produced	Dividends	Recovery Per Ton	Percent Recovery
California	1877	217,432	$18,924,850.27	$14,040,000	$88.49	73.3
California	1878	134,887	10,949,078.93	7,020,000	78.89	72.5
California	1876-1882	587,503	46,850,260.00		79.74	
					95.90	73.3
Con Virginia	1875	169,307	16,731,653.43	12,204,000	64.68	73.1
Con Virginia	1877	143,200	13,734,019.07	8,640,000		
Con Virginia	1878	122,831	7,996,753.11	5,400,000		
Con Virginia	1873-1934	1,818,942	82,663,559.00		45.45	
Ophir	1864-1923	439,137	18,075,440.33	9,000,000	41.16	
Mexican	1867-1918	54,047	1,286,466.79		23.80	

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TOTAL DIVIDENDS PAID ---------- $74,000,000

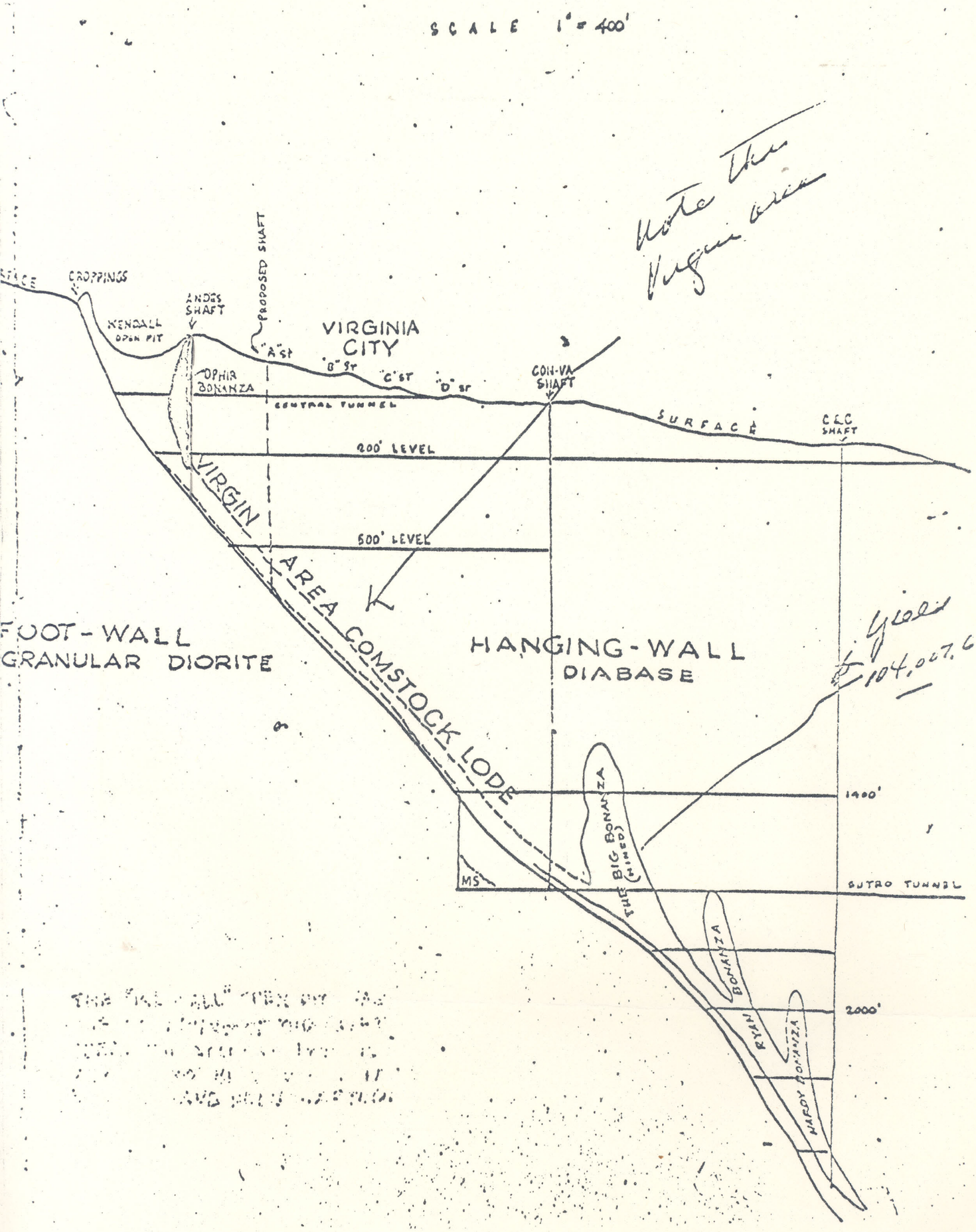
TOTAL PRODUCTION $148,875,726.12 at the old price of gold and silver.

APPENDIX

Extracts from an article in the Mining Congress Journal of November, 1926, by Frederick B. Hyder, Consulting Engineer.

"It is proposed to re-work that portion of the Comstock Lode within the Consolidated Virginia and California claims, comprising 1,310 feet along the lode, above the Sutro Tunnel or 1,750 foot level and extending to slightly above the 1,200 foot level, using flat top slice stoping methods. The greater port of the Bonanza ore body was removed from this ground. There remain the caved and settled stope fills and low grade ores - perhaps high grade bunches never found - left by former operations. The top slicing method will permit rejection of old timbers and waste and complete recovery of the commercial ore in those portions shown by development to be worth stoping. The C & C shaft is located in the center of the property and the mill is to be installed in the chambers cut in the footwall opposite the shaft of the Sutro Tunnel level. The ore recovered will be delivered by the main transfer raise centrally located directly to the mill, there crushed and treated by flotation and the tailings filled into the larger stopes and workings below the Sutro level or later when necessary, pumped to the surface through the Sutro Adit, a distance of four and one-half miles. The concentrates will be hoisted through the C & C shaft to the surface and shipped to smelter.

"This ground having been the richest part of the Comstock Lode it is expected that the ore recovered will average better than that recovered by re-working operations on the rest of the lode. Because of the compactness of operations, the simplicity of the milling process and small amount of preparatory development, bothcapital expenditures and operating costs should be relatively low and an attractive margin of profit seems assured."


SCALE 1" = 400'
CROPPINGS
KENDALL OPEN PIT
ANDES SHAFT
PROPOSED SHAFT
VIRGINIA CITY
"A" ST
"B" ST
"C" ST
"D" ST
OPHIR BONANZA
CENTRAL TUNNEL
COM-VA SHAFT
SURFACE
C.C.C. SHAFT
200' LEVEL
500' LEVEL
VIRGIN AREA COMSTOCK LODE
FOOT-WALL
GRANULAR DIORITE
HANGING-WALL
DIABASE
1400'
MS
THE BIG BONANZA (MINED)
SUTRO TUNNEL
BONANZA
RYAN
HARDY BONANZA
2000'

THE PITTSBURGH MINE GROUP

This property, comprising 22 claims known as the Pittsburgh Notaway Group of Mines, is situated in the Central City Mining District, Gilpin County, Colorado. This group of mines include the Pittsburgh, East Notaway, West Notaway and Meeker.

Past production records of the U.S.G.S. and other substantiating reports and data available show that from 1902 to 1954 these mines have produced approximately 90,000 ounces of gold, 210,000 ounces of silver, over 3,000,000 pounds of copper, over 500,000 pounds of lead, and about 350,000 pounds of zinc. The millfeed of over 151,000 tons broudht a return of about $5,000,000. The District has a record of over $100,000,000 of production history.

Structurally, the veins in which the above mentioned mines are located constitute the same vein system and form different mines only because of earlier original ownership. Essentially, the Pittsburgh is the main mine with the others being subsidiary operations to it. As a result of a consolidation of these properties, they now form an integrated operating unit, known as the Pittsburgh Mine.

The ore bodies tend to get richer with depth, as with the California mine group which is reputed to have produced over $10,000,000 and the Saratoga with a production record of over $4,000,000, which are located nearby, and which have produced down to the twenty-second level.

Sufficient evidence exists to indicate that an appreciable production potential of high-grade ore occurs to warrant a program of exploration and development.

During the early ninteen hundreds, it is surprising to note that when gold and silver were shipped to the smelter, that zinc was considered a liability and as a consequence, the shipment was penalized for the zinc content. It is also interesting to note that the mills used extensively for mining in the early days were inefficient, made poor recoveries, and now are obsolete.

As the Pittsburgh vein is richer in primary copper minerals than most of the veins of this region, it is natural that it should be one of the few veins to show an important amount of enrichment in copper through the development of the rich copper sulphide chalcocite. Chalcocite was abundant only in the highest portions of the vein accessible for study (shortly above the 500-foot level), but minute amounts were noted just below the 700-foot level. In stopes 50 to 60 feet above the 500-foot level and about 460 feet east of the shaft the vein consists of 5 inches of pyrite, chalcopyrite, tennantite, gray quartz, and chalcocite; the ore texture is somewhat porous. A polished section showed that the chalcocite developed by metasomatic replacement of chalcopyrite and to a lesser degree by replacement of pyrite. The replacement began along the contacts of chalcopyrite with quartz or pyrite or along minute fractures traversing the chalcopyrite. Portions of the vein not far away show much black pulverulent chalcocite in vugs, and in places the ore is honeycombed with irregular vugs one-eighth to one-fourth inch across. According to miners working in this stope abundance of the black pulverulent chalcocite means an increase in copper but not in the precious metals. Ore from this chalcocite-bearing stope is said to have an average value of about $40 per ton, carrying about 1.5 ounces gold, 15 ounces silver, and 10 percent copper.

THE GRIFFITH MINE

Quote from earlier reports:

"The Griffith Mine was the first lode mining location in the Griffith District." It was a producer for more than 30 years. The vein is strong and outcrops show clearly for several thousand feet. The tunnel runs into the mine for 2,500 feet. The values in the ore are Gold, Silver, Lead, and Copper.

The vein is reputed to have a production record in excess of $4,000,000 at today's value. The smelter returns from one shipment of 8,000 tons of ore produced a total value of $300,000. The average value of the mine in today's value would be in excess of $75.00 per ton. Occasional shipments have yielded as high as 2,000 ounces of silver to the ton.

LOCATION: This property is located opposite the city of Georgetown in an area that has produced over $250,000,000 in values.

NATURE OF VEINS

The main vein follows a strong line of movement, marked usually by a single fault line or narrow fractured zone from which a few minor fractures branch. The vein, where unmineralized, is a strong clay, crushed rock, and quartz lead where it passes through granite, pegmatite, or granitic gneiss; but on entering soft biotitic gneiss, as it does toward the northeast, it changes to a much narrower clay and crushed gneiss lead which tends not only to be deflected from its normal trend but to grow less marked and to branch into a series of slips, owing to the fact that the movement was probably taken up in part along the schistosity planes. Besides the evidence of movement furnished by gouge and crushed rock, there are also well-developed movement striae, which range in dip from 30 degrees to 63 degrees SW. The Magnet vein varies greatly from point to point both in strike and dip, and this characteristic has caused considerable annoyance in exploration, especially on the lower levels. In the southwest or principal ore-bearing portion of the workings, the vein ranges in strike from N. 45 degrees E. on tunnel No. 1 level to N. 72 degrees E. on tunnel No. 3 level. The strike in the soft gneiss on these levels was N. 77 degrees E. and N. 55 degrees E., respectively. On the main vein the dip was also flatter as a rule in the southwestern ore-bearing portion than at the northeast end. In the southwestern section the dip was about 45 degrees to 55 degrees NW.; at the northeast end it ranged from 60 degrees to 75 degrees in the same direction.

About 250 feet from the mouth of tunnel No. 1 two well-mineralized veins converge toward the east and join the Magnet vein, the one northwest of the main vein coming from the S. 57 degrees W. and the other branch from the S. 28 degrees W. These branches, which are rather obscure right at the junction with the main vein, are heavily mineralized a few feet away, but within a short distance diminish in size again as they recede from the main vein.

SUNBURST MINE

The Sunburst Mine is located at an elevation of about 11,300 feet on the northwest slope of Republican Mountain, a short distance below the ridge connecting Republican and Democrat mountains. Sunburst was a substantial producer in the early ninteen hundreds.

The vein is opened by two tunnels. The upper tunnel, which is 132 feet above the lower one, is about 1,000 feet in length and follows the vein all the way. The lower tunnel consists of a crosscut of 225 feet and a drift of about 900 feet on the vein.

Besides the two drifts on the vein, a single exploratory crosscut about 200 feet in length runs a little east of south from the lower tunnel level, at a point about 450 feet from the mouth of the tunnel. At the time of visit two faint leads had been intersected by this crosscut, one with a strike of S. 72 degrees E. and the other of S. 81 degrees E. Both of these leads had a dip of 80 degrees S.

The ore streak, although broad, rarely yields what would be called high-grade ore in the Georgetown district. Assays have shown the values in silver to run as high as 300 ounces, but these are exceptional. The mill runs probably average about 100 ounces of silver, 4 to 5 percent of lead, and 8 to 10 per cent of zinc, with a small but rather constant content of gold (0.08 to 0.1 ounce). The ore for the most part is a breccia, in which angular fragments of galena, sphalerite, siderite, and country rock have been recemented by a later gray jasper-like quartz.

The sequence of the deposition of the various constituents of the ore is similar to that of the ores in the Sceptre mine. The Sunburst ores differ from the Sceptre ores in having less pyrite and cupriferous pyrite.

Small masses of semioxidized ores are found in places down to a depth of 150 feet from the surface. They usually consist of rather porous masses of poorly formed crystals of black sphalerite and galena, covered by a reddish or brownish coating of oxidized minerals, probably for the most part iron and manganese oxides derived from the oxidation of siderite, rhodochrosite, and pyrite. The oxidized and semioxidized ores (locally called "sulphurets") are said to carry values but slightly higher than the unoxidized ores.

Native silver in the form of "wire silver" was found intimately mixed with sphalerite in the innermost stope above the lower level, at a distance of 200 feet from the surface, along a postmineral plane of movement.

LOCATION OF ORE BODIES

The ore appears to occur in two distinct ore bodies. The first one, which is encountered about 125 feet from the mouth of the upper tunnel, has a width of about 200 feet and extends from the surface to the lower level, with a vertical to steeply inclined westerly pitch. The second ore body, which lies about 490 feet south east of the mouth of the upper tunnel, is 275 feet wide and extends from a point 115 feet above the upper level to the lowest level also. This ore body pitches toward the northwest.

URANIUM

We are particularly interested in Uranium and would like to point out several important factors relating to the future demand for Uranium. In order to properly evaluate future requirements for Uranium, we must first investigate the electrical energy market. Past surveys of this type have seldom been accurate because history proves expansion of the electric power market always exceeds the positon predicted for it.

THE DAILY MINING DISTRICT

Mining Corporation also owns a group of claims in the DAILY MINING DISTRICT, which is located in an area near the famous Molibdenum Mine known as the Urad, which is recently going into production with an investment of approximately $50,000,000 expended in order to start its production line. We have no way, at the present time, of knowing whether our properties contain Molibdenum. It has been rumored that Climax Corporation has been endeavoring to acquire considerably more properties in this area. It is our intention to explore the potential in these properties at an early date.

URANIUM HOLDINGS

We are in possession of approximately 58,700 acres of mineral leases located in Wyoming, Colorado, and New Mexico. The major postion of these leases comprise the holdings in the New Mexico area.

CORPORATE STRUCTURE

Mining Corporation of America is a Colorado corporation, incorporated December, 1966, for 5,000,000 shares of $0.25 par value. John C. Kahn is president of the company.

PLAN OF OPERATION

It is not the intention of Mining Corporation of America to drill or develop all of these uranium claims or mining properties, but to lease some of them on a favorable basis for exploration and to receive advance bonus payments and also royalty payments.

The information contained herein is not to be construed as a solicitation or an offer to sell any securities.

ADDITIONAL INFORMATION

It is interesting to note that Howard Hughes has purchased the adjoining property, and Union Pacific Railroad has also acquired properties in the area; therefore, it would seem that considerable activity will take place on the Comstock Lode this year.

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