SIERRA MACHINERY CO., INC.

March 25, 1970

Mr. Ralph E. Davis
4191 Mariposa Drive
Santa Barbara, California 93105

Dear Mr. Davis:

On 1/27/70, you and Mr. J. McLaren Forbes were in my office and discussed attempting to work out some kind of an appraisal on various mining properties, with plant facilities, for estate purposes.

The writer, accompanied by Mr. Forbes, went to Veta Grande Property, south of Gardnerville, Nevada, on 3/13/70, and checked over this equipment. I visually inspected the bulk of this equipment, along with inventory sheets that we got from Mr. Donald A. Pringle, of Chanslor, Barbieri and Dewhitt, Certified Public Accountants, and arrived at a total acquisition value on this equipment of $306,000.00.

The bulk of this equipment is highly specialized, and values are usually set by the customer who has a particular use for this type of equipment. I would estimate that 30% of $306,000.00 would be a good value.

I have attempted to stay realistic, and do it on a basis where a whole lot of time was not used. Again, by no means would you consider this a detailed appraisal, and I have not gone out and checked the equipment market and found like values, to establish the value of the above.

On 3/25/70, Mr. Forbes and I went to the Colfax Property of Terex Corporation; and again, working on the same basis as above, came up with a figure of approximately $140,000.00. This equipment is by far more specialized than the Veta Grande equipment, and I would say that somewhere between 25% and 33-1/3% of $140,000.00 would be a fair value.

There were two discrepancies. On the equipment list of Veta Grande they show a Nordberg Gyradisc, S/N 36GD148, powered with a 100 HP, 1200 RPM motor. This is located at Colfax, California, and I put

it in the value of the Colfax equipment.

The writer, owing to the press of time and other things, and not having information available on the Davis Silver Mine as well as the Goldfield Property, has not seen these; but I would estimate a value of $10,000.00 to $12,000.00 on the Davis Silver Mine; this is good equipment and does have value.

As to the Goldfield assets, I would consider the bulk of this equipment old, with a problem of disposing of it as well as taking it out of the property; and I would estimate the value on this at, say, $12,000.00 to $15,000.00.

Again, I wish to say that a minimal amount of time and effort has been put into this. I still expect to see your silver property in Idaho, as well as do more checking on the Goldfield equipment. At such time as that is done I will send you the information, etc.

Up to the present time I have spent $252.65, as per our Invoice #R-7162 enclosed.

Very truly yours,

SIERRA MACHINERY CO., INC.

J. D. Burgess, President

JDB:LAF
Enc.

cc - Mr. M. McLaren Forbes

SIERRA MACHINERY CO., INC.

FAIRVIEW 8-9101 307 MORRILL AVENUE P. O. BOX 1330
RENO, NEVADA 89504

CONSTRUCTION • MINING • LOGGING • INDUSTRIAL ◆ EQUIPMENT • PARTS • SERVICE

INVOICE

TERMS: NET 10TH PROX.

INVOICE DATE: 3/25/70

SOLD TO: Ralph E. Davis
4191 Mariposa Drive
Santa Barbara, Calif. 93105

SHIP TO:

R 7162

YOUR ORDER DATE	YOUR ORDER NO.	SHIP VIA	COLL.	PPD.	P&C	WRITTEN BY	FILLED BY	STOCK CARDS
		☐ STAGE ☐ P.P. ☐ TRUCK FREIGHT ☐ OUR TRUCK ☐ WILL CALL				JDB:LAF		

BACK ORD.	ORDERED	PART NUMBER	DESCRIPTION	SHIPPED	LIST EACH	DISC	NET EACH	NET TOTAL
			Expenses incurred in connection with appraisal for Terex Corp., to date:					
			3/13/70 -- Lunch, J. D. Burgess, Mack Forbes, Clarence Gladowski					3.25
			145 miles, driven by J. D. Burgess, @ 12¢ per mile					17.40
			50 copies made on Sierra Machinery's Royfax machine					3.00
			J. D. Burgess' time, one day					100.00
			3/25/70 -- J. D. Burgess' time, one day					100.00
			200 miles, driven by J. D. Burgess @ 12¢ per mile					24.00
			Expenses					5.00

RECEIVED ✓

SUB-TOTAL	252.65
OTHER CHARGES	
TRANSPORTATION CHARGES	
PHONE OR WIRE CHARGES	
NEVADA SALES TAX	N
CALIF. USE TAX Cert. MX-19827	C
INVOICE TOTAL	252.65

BACK ORD. TO INVOICE NO.

BACK ORD. FROM INVOICE NO.

BILL OF LADING NO. NO. OF PKGS. WEIGHT #

DATE SHIPPED VIA PPD. & GUAR. DEL'Y

CONDITIONS OF SALE. No goods will be accepted for credit unless returned with our permission, transportation charges paid and date of invoice accompanying goods. A ten per cent charge to cover handling will be made on all returned goods unless returned on account of being defective or error on our part. Goods cut or machined to order are not returnable. Our responsibility ceases on delivery of goods to transportation company. This bill becomes due immediately if the purchaser suspends payment, removes, sells out, becomes insolvent or bankrupt, or is sued. Prices are subject to change without notice. Interest will be charged on past due accounts.

(36)

ITEM 19

APPRAISAL REPORT

on

VETA GRANDE MINE
Gardnerville Mining District, Nevada

as of

September 21, 1968
or
September 21, 1969

J. McLaren Forbes

VETA GRANDE

The Veta Grande mine is in the Gardnerville or Eagle mining district, located on the southwest slope of the Pine Nut Mountains. The mine is about 11 miles southeast of Gardnerville, Nevada, adjacent to and east of U.S. Highway 395.

The Veta Grande silicified zone and quartz vein, which in places is up to 50 feet thick, cuts metavolcanic and thin-bedded metasedimentary rocks.

Mr. Paul W. Zimmer mapped the silicified zone, which includes the Veta Grande vein. In his report, dated April 8, 1968, he says:

> "The general geological setting of the limited area roughly consists of a northwest trending fault (the Veta Grande). Along this fault a very irregular quartz vein system has been developed. The wall rocks around the vein has been extensively silicified. This fault, and therefore the vein system intersects several different rock types along this two miles. The silicification is to some extent a function of the rock type as well as the degree of fracturing and brecciation.
>
> "The fault is exposed on the crest and side of the hills and dips about 40 to 45° to the southwest. There appears to be possibly five cross faults later than the silicification that have offset the vein system. Erosion on these faults has produced deep valleys that cut the exposed vein."

Mr. Zimmer was asked by Mr. Branstetter to make an estimate of the silica reserves which he did. He first says:

> "However, as much as the request for the silica reserves, and Mr. Branstetter states the silicified rocks will make an acceptable product, this estimate includes not only the quartz veins that carry the metallic values, but the entire silicified zone. Naturally this silicified zone grades outward from the true quartz veins and the actual limits are difficult to pinpoint. A visible examination was made to place limits on each of ten traverses. This along with the detailed work of Gray covering 1500 feet of the vein served as the basis for this estimate."

Mr. Zimmer calculated silica reserves, to 100 feet below the surface, as being 34,600,000 tons. This tonnage estimate does not differentiate between silicified wall rock or vein quartz; it is an all-inclusive estimate.

I have not been given, nor know of, any usable data from which either silica ore reserves, silver ore reserves, or combined silica-silver ore reserves can be calculated. I am using the term "ore" as defined to mean, "Material that can be mined, milled, and sold at a profit."

In my considered opinion, at the present time, there is not sufficient reliable data available to be used in calculating ore reserves on the Veta Grande property. This is true, despite the fact that the silicified zone contains quartz veins, and some silver mineralization is present. There are no indications that a thorough sampling job has ever been done for silica, silver, or any other substance.

The following values are considered to be a realistic valuation for the Veta Grande. This property reportedly consists of 1 patented lode claim and 86 unpatented lode claims.

1 patented lode claim	$ 1,000
15 unpatented lode claims containing portions of the silicified zone at $500.00 each	7,500
71 unpatented lode claims at $100.00 each	7,100
Total	$15,600

329-1701

Terex

Paul W. Zimmer
Geologist

508 W. Long Street
Carson City, Nevada 89701

April 8, 1968

Mr. Charles H. Branstetter
President and General Manager
Terex Corporation
P.O. Box 1106
Carson City, Nevada 89701

Dear Mr. Branstetter:

Enclosed please find my estimate of the silica ore on the Danete property The limitations, as I understand them, are set forth in the report. I trust this meets your requirements.

As I was telling you in the field, there is a magnetic low that covers the mine area, and extends some nine miles to the northwest. I have brought this to Tom's attention, and feel that in the near future this should be checked by geochemical sampling, and possibly an IP survey.

With Tom now working full time I think it best for all that we terminate the agreement we had regarding the retainer with Terex. I have therefore submitted my statement and trust if other specific work comes up I may be of help to you.

Yours very truly,

PWZ

Paul W. Zimmer
Regional Geologist

PWZ:lb
cc: Ralph E. Davis Jr. ✓

Silica Estimate

Danete Property, Douglas County Nevada

Terex Corporation

By

Paul W. Zimmer

April 8, 1968

Silica Estimate, Danete Property

Introduction:

The following estimate was made at the request of Mr. C. H. Branstetter, President and General Manager, Terex Corporation. The conditions and limitations of the work were set forth by Mr. Branstetter and are roughly as follows:

1) The estimate is to be a "Visible and Measurable" estimate
2) The estimate is of the silica and the metallic values are <u>not</u> to be considered
3) Time is of the essence and the estimate is <u>not</u> to be done in fine detail

The following information was made available by Mr. Branstetter. After field checking, this information has been generously used and is acknowledged.

1) Report by Irving B. Gray on the Veta Grande Vein
2) An outline of a report by D. C. Noble on the geology of the Southern Pine Nut Range
3) Records of surface samples and drill holes

The only available information on elevations and topography was taken from the U.S.G.S. Mt. Seigle quadrangle map.

General Geology:

Both Gray and Noble covered the general geology of the area. Noble in covering a large area could only traverse the major ridges and mountain peaks. Gray, used Noble's work, but did detailed work on only one claim, 1500 feet of the vein, and nothing beyond. My

work is between these two covering only the vein, but along a strike length of roughly two miles. It is not being critical of these men, when I state that I find faults that neither recorded. These are beyond the limits of Gray's work, and beyond the limits of the detail of Noble's work.

The general geological setting of the limited area roughly consists of a northwest trending fault (the Veta Grande). Along this fault a very irrigular quartz vein system has been developed. The wall rocks around the vein has been extensively silicified. This fault, and therefore the vein system intersects several different rock types along this two miles. The silicification is to some extent a function of the rock type as well as the degree of fracturing and bracciation.

The fault is exposed on the crest and side of the hills and dips about 40 to 45° to the southwest. There appears to be possibly five cross faults later than the silicification that have offset the vein system. Erosion on these faults has produced deep valleys that cut the exposed vein.

In the central part of the area and at the northwest end, a second roughly parallel vein has been noted some 300 to 1500 feet to the east in the footwall. In the few exposures observed this appears to be only 10 -25 feet wide and is not considered as mineable for silica and is not in the estimate.

Estimate:

Time did not permit the detail mapping of the entire area to the degree that Gray mapped the quartz vein over the 1500 feet of the Veta Grande. However, as as much as the request was for the

silica reserves, and Mr. Branstetter states the silicified rocks will make an acceptable product, this estimate includes not only the quartz veins that carry the metallic values, but the entire silicified zone. Naturally this silicified zone grades outward from the true quartz veins and the actual limits are difficult to pinpoint. A visible examination was made to place limits on each of ten traverses. This along with the detailed work of Gray covering 1500 feet of the vein served as the basis for this estimate.

There is no elevation control for the area except the topographical quadrangle map. From this map it could be seen that there is a relief of roughly 500 feet along the vein. The cross faults have divided the area into four parts which have been called A, B, C and D, and have been estimated separately. I have arbitrarily eliminated 200 feet in each cross valley as there are no "visible" outcrops.

With no surface elevations, and this high relief there is a source of error. However, by taking the elevation of the peaks and valleys from the topographic maps, I have somewhat compensated for this error. The Veta Grande Tunnel is at an elevation of 6000 feet, and with the exception of area A, it is the lowest visible silica and as such is used as the bottom of the reserves in area B, C, and D. As area A is all below the tunnel, the surface was projected down 100 feet for this estimate.

The results are tabulated by the four areas. In addition I have included a factor of tons per 100 feet of depth below this estimate. This should be considered not as a proven estimate, but as a target for further exploration.

A factor of 12.3 cu feet/ton was used for the quartz

Area	Proven Reserves	Tons/100' below proven reserves
A	6,500,000 *1 Tons	6,000,000
B	10,000,000 *2 Tons	7,220,000
C	12,600,000 *2	4,140,000
D	5,500,000 *2	4,575,000
	34,600,000 Tons	

*1 Taken down 100'

*2 Taken to depth of Veta Grande Tunnel about 6,000' elevation

Paul W. Zimmer

Paul W. Zimmer
Geologist
508 W. Long Street
Carson City, Nevada 89701

Note:

The claims shown here are from Reid's early map on which there is no date. The map of his recent survey shows the claims to the northwest to be but 1400 feet long rather then the 1500 feet as shown here. I do not know which is correct. The error accumulates to the northwest so that the location of the vein relative to the claims may be off as much as 500 feet. As I did all of my location in the field from Reid's traverse and not from the claim posts this does not effect the estimate.

PWZ

SILICA OUTLINE
DANITE MINE
TEREX CORPORATION
DOUGLAS Co. NEVADA

0 100 500 1000 2500

FROM MAP BY W.G. REID

REID'S TRAVERS

FAULT

SILICA OUTLINE

EXCLUDED FROM ESTIMATE

N

Block "A"

Block "B"

Block "C"

Block "D"

N. End of Survey + Estimate

Top of Hill

Keta Grande Tunnel

Crusher

Danite

1930 0019