

J. K. TURNER, PRESIDENT
RENO, NEVADA

BEN GILL, SECRETARY-TREASURER
RENO, NEVADA

J. H. ENGELHART, VICE-PRESIDENT
LOS ANGELES, CALIFORNIA

JUMBO EXTENSION MINING COMPANY

321 E. C. LYON BUILDING
RENO, NEVADA

91
ITEM
80

ADDRESS REPLY TO:

March 24, 1933.

RECEIVED

MAR 27 1933

Mr. Ralph Arnold,
c/o Arnold Exploration Co., Ltd.,
Subway Terminal Bldg.,
Los Angeles, Calif.

ARNOLD EXPLORATION CO., Ltd.

Dear Mr. Arnold:-

I have your letter of the 20th inst. with reference to Mrs. Turner's talk with you regarding some of the mining companies associates and I control. One or more of our projects may interest you, and I hope you may find it convenient to investigate their possibilities, anticipating further negotiations if you feel the preliminary data worthy, or that it would fit into your general scheme of operations.

All of the properties we have are owned by corporations having scattered stockholders, but under our control either by reason of majority stock ownership or otherwise.

Jumbo Extension Mining Co. property in Goldfield, Nevada, is well known. I am enclosing printed report by E. S. Giles and history by Mr. Gill. At present lessees are working in the Poloverda ground. The Gold Coin group of claims in the Diamondfield section of the district is being reserved for company operations.

You are undoubtedly familiar with the Oatman section of Arizona. We control the Oatman United company through stock ownership. Please find enclosed a printed circular which contains considerable information. The geology and development data was furnished by us for parties who made a futile effort to finance the company a short time ago. The large amount of development proved the extension of the veins of the district in the Oatman United ground, and that the 600 foot level just cut the top of the ore shoots.

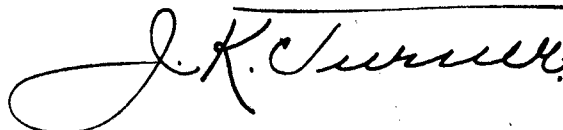
White Hills has been inactive during the past three years on account of the low price for silver. The enclosed printed report and stories will give you a general idea of the physical condition of the property.

Mr. Ralph Arnold 2.

3/24/33.

If you find anything of interest to yourself or your organization in the enclosed, I would be glad to hear from you again with a hope that we may work out something that will be mutually beneficial.

Very truly yours,

A handwritten signature in cursive script, reading "J. K. Turner". The signature is written in dark ink and is positioned below the typed name.

J. K. Turner,
321 E. C. Lyon Bldg.,
Reno, Nevada.

History of **Jumbo Extension Mining Co.**

(NEVADA CORPORATION)

By It's Secretary



Organized under the laws of the State of Nevada as successor to Jumbo Extension Mining Co., former Arizona corporation, through reorganization, under plan to protect assets for stockholders and preserve the organization.

CAPITAL STRUCTURE

Authorized capital \$500,000.00, divided into 5,000,000.00 shares having a par value of 10c each. The shares are fully paid and assessable.

LOCATION OF PROPERTY

The Jumbo Extension Mining Company's property is located in the Goldfield Mining District, Esmeralda County, Nevada. The altitude is 5,684 feet, and the surrounding hills rise to elevations in excess of 6,000 feet.

HISTORY OF GOLDFIELD DISTRICT

The Goldfield District was discovered by Harry Stimler and William Marsh on December 2, 1902. After a brief excitement, most of the prospectors left the Camp and the original claims were allowed to lapse. A. D. Myers and R. C. Hart located the the Combination Lode on May 24, 1903. Ore was discovered on this claim the following October, and shipments began in December, and the great Goldfield stampede ensued. It was in 1907 that Goldfield reached its maximum population of 20,000. From 1904 to 1920, the Goldfield District was the most important gold producing district in America. Production still continues and exploration work is being pushed.

In the year 1914 when the production of Goldfield lagged and the district was very much in the dumps, J. K. Turner, as consulting engineer for the Jumbo Extension Mining Company advised deep work. He had made a most thorough examination of the geology of the mine and held to the opinion that the ore deposit should be found if the mine was explored in depth to the shale-latite contact. Many opposed him, particularly mining engineers. However, he went ahead with the result that an ore

body was opened at the point he had predicted which had a gross value of over \$2,500,000 and from which \$635,000 was paid to stockholders in dividends. This ore discovery was made just before the declaration of war by Germany. All stock exchanges closed, including San Francisco Mining Exchange. The stock sold on the street in San Francisco as low as 12c a share. By the time the Exchanges opened the country became pretty well convinced of the importance of the Jumbo Extension ore body. A condition prevailed at that time somewhat similar to that of today. There was no listed stock that was outstanding as having such rich ore as that in the Jumbo Extension and mining shares only needed a leader. Jumbo Extension became that leader and was the favorite on the New York Curb and San Francisco Exchange. The interest and trading in the shares became so keen that it was not unusual to have daily transactions amount to the total number of shares outstanding. Brokers in every large city in the United States and Canada were trading in Jumbo Extension shares, and through this trading the shares became scattered throughout the World. The stock reached \$4.10 a share on the Exchanges and sold privately at higher figures.

The total production of the Goldfield district from 1903 to date is over \$100,000,000.00.

ACREAGE

The area of the Jumbo Extension property is 97.447 acres, divided as follows: Gold Coin group of claims, 66.723 acres, and the Poloverda group of claims 30.724 acres. The entire property is patented and all taxes paid to date.

FUTURE PROSPECTS

The company's past production came from the Poloverda group of claims adjoining the Goldfield Consolidated property, and from the lower levels. Very little development was performed on the upper levels as costs at that time could not allow the mining of a grade of ore that now can be produced

at a profit. The Gold Coin claims remain undeveloped, but have produced \$10,000 by leasers. These claims adjoin properties that have produced from \$250,000 to \$1,000,000 and are still producing. The Daisy Fault vein which was a prolific producer in the Daisy and Belmont properties, strikes across the Gold Coin group of claims and intersects the Gold Coin vein within its lines. It is confidently believed that the potentialities in the Gold Coin ground are equal to the Poloverda past production and that the development of the Gold Coin ground will be as profitable.

PLAN FOR FUTURE

It is the intention to further prospect and develop the upper levels of the Poloverda property and to develop the encouraging showings of the Gold Coin Claims. It is also the plans of the management to examine all likely properties presented with a view of taking options to purchase, having in mind the creation and building of a mining organization with a long and profitable life, and to carry on its activities in all branches of the mining field.

MANAGEMENT

The men who will take the responsibility for the management of the company and the development of its assets are the ones who took up the old Jumbo Extension Company when it faced a problem of finding ore, its shares kicked around and unsupported, and a very slim working capital. The job was tackled in minerlike and businesslike fashion, resulting in the development of a sensational producer and dividend payer.

The integrity and ability of the management is unquestioned, and it enjoys the complete confidence of all business and banking connections.

\$685,000 paid in dividends on the shares of the old company showed a profit of 500 per cent to the original stockholders. Many of the stockholders took advantage of the open market for the shares and realized as much as 4000 per cent profit on their investment.

TIME FOR ACTION

The mining industry recently passed through a period of severe reverses, due principally to the highly attractive profits in the field of manufacturing and commerce, and secondly to high mining costs during the industrial expansion period. The industrial boom soon ran its course, and we are sorry to acknowledge that it was the most disast-

rous boom in history, resulting in a deflation adjustment beyond all expectations. However, this has been of enormous benefit to gold mining, for the reason that there is now available an abundance of labor and materials obtainable at low cost, while the value of the product of the gold mines remains constant. This low cost is a reality, and automatically raises the value of all gold ore deposits. Many gold mines having large low grade ore reserves, were compelled to suspend operations a few years ago on account of the cost of production, but now, under more favorable conditions, are operating profitably and paying dividends. All economists now predict a profitable future for the gold mining industry, and many freely put the time for such prosperity as upward to 20 years.

Intensive study and thorough investigation have revealed startling facts regarding gold reserves available for monetary purposes, and show that there is less gold available for monetary purposes than is required to support the increasing volume of international trade. Consequently, the next decade should see generally good times for the gold mining industry, and greater support by all classes, especially the bankers of this country who have been consistent bears on the subject heretofore. It is apparent that the World production of gold must continue to decrease until new fields are discovered, but new mining and milling methods, together with general economic improvements, and the present lower cost of all commodities, will offset this decrease to some extent, and permit profitable operation of many of the known deposits heretofore considered unworthy of attention.

CONCLUSION

The Goldfield district has an immense potentially valuable undeveloped area, of which the Gold Coin group of claims of this company, is one of the most attractive with reference to known veins carrying commercial grade ore, and recent development of adjoining (Daisy) ground further strengthens our position and feeling of confidence for the future. Also, the upper levels of the Poloverda group of claims offer unusual opportunity for exploration, further evidenced by the fact that local and outside men are now seeking leasing privileges there.

BEN GILL, Secretary

Jumbo Extension Mining Co.
(Nevada Corporation)

Reno, Nevada.
January 5, 1933.

Report on the Jumbo Extension Mining Company

BY EDWARD S. GILES
Consulting Mining Engineer, County Surveyor

The property of the Jumbo Extension Mining Company, a corporation duly organized under the laws of the State of Nevada and properly qualified to transact business in the State of Nevada, comprising a total area of 97.441 acres, situated in the Goldfield Mining District, County of Esmeralda, State of Nevada.

The property owned by this company is divided into two groups of claims, the first group, hereinafter, in the report, referred to as the Goldfield Group, consists of the Poloverda and Dick Bland Fraction, Sur. No. 3626, also the Velvet, Sur. No.

3843, an area of 30.744, situated in Sec. 36, T. 2 S., N. 42, E. M. D. M.

The second group, to be later referred to as the Diamondfield Group, consists of the Three Friends, Saddle Rock, Sur. No. 2379, Three Friends Fraction, Sur. No. 2413, and the Gold Coin, Sur. No. 2410, also Black Butte No. 1 and Deserted Fraction No. 2025, an area of 66.723 acres, situated in the Diamondfield section of the Goldfield District, in Sec. 19, T. 2 S., R. 42 E. M. D. M., and correctly and accurately shown on the accompanying plats, taken from the official map of the said district.

TITLE

United States patent has been issued to the Company, for the claims mentioned, and investigation shows that all taxes have been paid, and there is no controversy regarding same. Title is perfect.

HISTORY

The Goldfield Group is located in the center of the productive area, from which considerably in excess of one hundred millions in gold have been produced. This particular group is credited with a production of \$2,800,000 in gold, and payment of over \$685,000 in dividends, nearly all of which was mined below the 700-foot level, a significant feature later commented upon.

On this Goldfield Group, ore was first shipped from the Pennington lease, the records of which are not available, the ore mined coming from the 100-foot level.

The production of ore by the Company was made from the 700-foot level, to the bottom or 1017-foot level. From this area, quoting from the incomplete records available, the production was as follows:

YEAR	TONS	AVERAGE VALUE	GROSS VALUE
1913	11,210.26	\$ 7.91	\$ 88,636.03
1914 (5 mo.)	8,000.99	18.03	144,269.54
1915	16,420.00	39.64	650,947.55
1916	35,541.00	27.32	970,784.80
1917	8,143.66	23.66	192,714.14

The discrepancy between the recorded production of \$2,800,000.00 and the above figures can be accounted for in the missing records of seven months in 1914 and the value of the ore shipped by lessees.

The tonnage of 79,315.91 tons was mined at an average cost of \$3.33 per ton, with transportation and treatment charges for this tonnage was \$7.75 per ton. The low grade ore was treated at a local mill at a flat rate of \$3.00 per ton.

On the Diamondfield Group, the only development of importance was performed by lessees, whose efforts were confined to the westerly vein, where a vertical shaft 150 feet in depth was sunk.

From this shaft a total production of \$10,000.00 was made, the records showing that 1 1/4 tons of ore brought the extraordinary value of 46 ounces of gold (\$920.00) per ton, while the last car shipment brought (\$94.00) per ton, gold.

This immediate section has been noted for its high grade gold ore, some of which ran as high as \$75.00 per pound. A total production of this section being in excess of three millions of dollars, produced from the Black Butte, Belmont Daisy and Great Bend properties, all shown on the accompanying map.

GEOLOGY

The ore on the Goldfield Group occurs in decite, this formation comprising the country rock of the immediate vicinity, and according to F. L. Ransome,

in his Professional Paper, No. 66, issued by U. S. Geological Survey, states:

"The sulphide ores of the Goldfield District are of complex mineralogical character, native gold and pyrite being accompanied by minerals containing copper, silver, arsenic, antimony, bismuth, tellurium and other elements, while the associated minerals include famatinite and a new cupric sulphantimonite which was called goldfieldite. The most noble features of these ore bodies are their remarkable irregularity, the deposits having formed along zones of fissuring."

The ores on the Diamondfield Group occur in Andesite, consisting of intensely silicified andesite, with extensive alunitization, this ore, again according to Ransome:

"Occurs as cryptocrystalline quartz, formed by replacement of andesite associated with limonite. Within the quartz are specks of dark gray telluride of gold associated with native gold and microscopic crystals of alunite. Some of this ore showed assay values of 814.63 oz. in gold (\$16,292.60) to the ton, with correspondingly high values in silver."

VEINS

The principal vein on the Goldfield Group has a northwesterly-southeasterly course, dipping easterly, and extending some 1500 feet thru the group.

The vein system of the Diamondfield Group has a general easterly-westerly course, pitching northerly at about 70°-75°.

At about the center of the Gold Coin claim, of this Diamondfield Group, there is a known "Fault Vein" striking at nearly right angles to the Gold Coin vein, and from this cross vein, on the adjoining property (Daisy) the principal production was made.

This "Fault Vein" or cross vein has not been developed on the Gold Coin ground, though the surface topography plainly indicates its presence, inside the lines of the Gold Coin ground.

DEVELOPMENT

On the Goldfield Group, two shafts have been sunk, one on the Poloverda, a vertical distance of 1017 feet, and the latter shaft on the Velvet, sunk vertically 895 feet with the 879 feet of the Poloverda shaft, connects with the 790-foot level of the Velvet shaft.

The shale-latite contact was cut between the 700-foot and 800-foot level of the Poloverda shaft, said contact being quite flat (about 25° easterly), and the shaft was in the vein-contact to about 900-foot level, or for a distance of 150 feet.

No lateral development was made above the 700-foot level, and all the production noted came from below that level.

On the Diamondfield Group, while there are many old surface workings, the principal one to be noted is the lessee shaft, near the west end of the Gold Coin claim, which was sunk to a vertical depth of 150 feet with three intermediate levels. The vein pitches about 75° northerly, but it is reported that at

ensued. It was in 1907 that Goldfield reached its maximum population of 20,000. From 1904 to 1920, the Goldfield District was the most important gold producing district in America. Production still continues and exploration work is being pushed.

In the year 1914, when the production of Goldfield lagged and the district was very much in the dumps, J. K. Turner, as consulting engineer for the Jumbo Extension Mining Co., advised deep work. He had made a most thorough examination of the geology of the mine and held to the opinion that the ore deposits should be found if the mine was explored in depth to the shale-lignite contact. Many opposed him, particularly mining engineers. However, he went ahead, with the result that an ore body was opened at the point he had predicted which had a gross value of over \$2,500,000 and from which over \$685,000 was paid to stockholders in dividends. This ore discovery was made just before the declaration of war by Germany. All stock exchanges closed, including San Francisco Mining Exchange. The stock sold on the street in San Francisco as low as 12 1/2 shares. By the time the exchanges opened the country became pretty well convinced of the importance of the Jumbo Extension ore body. A condition prevailed at that

\$1,000,000 and are still producing.

PLAN FOR FUTURE

It is the intention and purpose to further prospect and develop the upper levels of the Poloverda property and to develop the encouraging showing of the Gold Coin claims. It is also the plan of the management to examine all likely properties presented with a view of taking options to purchase, having in mind the creation and building of a mining organization with a long and profitable life, and to carry on its activities in all branches of the mining field.

MANAGEMENT

The men who will take the responsibility for the management of the company and the development of its assets, are the ones who took up the old company when it faced a problem of finding ore, its shares kicked around and unsupported, and a very slim working capital. The job was tackled in miner-like and business-like fashion, resulting in the development of a sensational producer and dividend

the bottom appears to pitch in the opposite direction.

As stated, no development has been made on the "Fault Vein," about 500 feet easterly from the lessee shaft. The remaining shafts and trenches east from the lessee shaft all show a highly mineralized formation, extending easterly throughout the entire length of the group.

CONCLUSIONS

While there still remains much undeveloped territory on the lower levels of the Goldfield Group, it would appear that there exists an excellent chance for ore in the unexplored ground above the 700-foot level to the surface.

The ores from the mines of the Goldfield District were largely produced from the surface to a depth of 300 feet, and it is reasonable to suppose that such a condition exists on this property.

Ore at depths of 800 feet and 900 feet, as mined by the Jumbo Extension Company, is the exception and not the rule of the Goldfield District, and this unexplored section above the 700-foot level is extensive enough to produce many millions of dollars, and certainly justifies development, for, being located in the center of the production area, surrounded by extensive stopes that have produced phenomenal bodies of rich gold ore, there is more than a reasonable expectation that similar favorable results will be obtained.

On the Diamondfield Group, the development has been so limited that little can be said, except to allude to the significant occurrences of ore on the adjoining properties and the direction to similar favorable features on the property of this company.

The lessee shaft, near the west end of the Gold Coin claim, was sunk prior to 1908, to a vertical depth of 150 feet, with three intermediate levels. Extraordinary ore was produced, there being a record of 1 1/2 tons that brought 46 oz. gold (\$920.00) per ton, and was, of course, selected ore. The last car of ore shipped from the Gold Coin was settled for at the rate of \$94.00 per ton, gold.

The ladders having been removed from the Gold Coin shaft, no examination of the workings was possible, but a caved shaft some 80 feet west of the Gold Coin shaft, shows a shallow level and the walls of the vein, so that its position and course can be accurately determined.

Much movement and disturbance is noticeable in this immediate vicinity, indicated by the fact that while the Gold Coin vein is nearly east and west, the workings on the Triangle ground, some 200 feet west of the Gold Coin shaft, and presumably on the same vein, shows some 30° difference in the strike of the vein, while the plainly evident disturbances about 500 feet east of the Gold Coin shaft show much greater distortion and evidences of movement, a condition recognized as favorable to probable ore bodies.

This "Fault Vein" already referred to, and as 500 feet east of the Gold Coin shaft, appears particularly promising. Most of the ore shipped from the Daisy was mined from the "Fault Vein" and averaged about five ounces gold (\$100.00) per ton. This same "Fault Vein" was productive in the Belmont property, north of the Daisy claim.

The junction of the Gold Coin vein with this "Fault Vein" is safely inside the lines of the Gold Coin claim, but no work has been done at or near said junction.

It is difficult to reason why such an outstanding favorable geologic structure has been neglected. Efforts were made at one time to develop the Gold Coin vein, from the deeper Daisy workings, by lessees, but they were financially unable to complete the work.

Plans are under consideration toward construction of a mill, within one-half mile of this property, thus cutting out transportation charges and insuring cheap milling of your low grade ores, as I understand there is a maximum charge of five dollars per ton, with considerable reduction, if sufficient tonnage is offered.

From an experience based on many years' residence in the Goldfield District, and a familiarity with the ore occurrences on the various properties, it is my opinion that development of the Gold Coin or Diamondfield Group is particularly worthy of your immediate consideration, as the most probable place where gold bearing ore in commercial quantities can be developed at a minimum expense of time and money, and a very inconsiderable amount of development may bring most satisfactory and gratifying results.

Respectfully submitted,
(Signed) Ed. S. GILES,
Mining Engineer.

Goldfield, Nevada.
April 16, 1932.

