

TOGNONI & PUGH

610 FIRST NATIONAL BANK BUILDING

411 NORTH CENTRAL AVENUE

PHOENIX, ARIZONA 85004



IVANHOE DISTRICT

Mr. Dudley L. Davis

c/o Apache Motel

Moab, Utah

2.2 to staff Car 10

1, 8

LAW OFFICES

TOGNONI & PUGH

610 FIRST NATIONAL BANK BUILDING
PHOENIX, ARIZONA 85004

HALE C. TOGNONI
WILLIAM K. STRONG
S. EARL PUGH, JR.

TELEPHONE
258-6481

October 12, 1966

Mr. Dudley L. Davis
c/o Apache Motel
Moab, Utah

Dear Dudley:

Enclosed find the following:

1. Geologic map of the Ivanhoe Mining District with the Ben and Old Timer claims sketched thereon.
2. Geochemical grid sampling program of the Old Timer and Ben claim areas. The penciled numbers are in the parts per million.
3. Map of the Ben claim.
4. Map of the Old Timer claims.
5. Geographic map of the Ivanhoe Mining District with the Ben, Old Timer and Hillcrest (Vitro) claims.

The red overlap area is the Lincoln Corporation land.

Very truly yours,



Hale C. Tognoni

HCT:ms

Enclosures

H. R. HEINICKE - INC.

Industrial Chimneys

Since 1904

NEW YORK CITY

INDIANAPOLIS

REPLY TO
4000 EAST SIXTEENTH STREET
INDIANAPOLIS, INDIANA 46207
AREA CODE 317-359-5353

September 13, 1966

Mr. Hale C. Tognoni
% Tognoni and Pugh
610 First National Bank Bldg.
Phoenix, Arizona 85004



Dear Hale,

My meeting with Mallorys yesterday concluded with establishing a sales agreement, subject to the executive committee approval, for the purchase of our mercury production through 1968. In order to obtain this sales agreement a slight concession was made to them based upon the previous months average flask price with minimum and maximum figures. The important feature is a fixed customer for two years production.

With the sales contract in the process of approval, it is now necessary to accelerate programs 3 and 4 as outlined in your August sixth letter. In our phone conversation you mentioned the unusual circumstances surrounding the driller who worked for Vitro. Is it possible to find others to complete subject program? In other words we should immediately program the completion of the exploration project.

At the same time as the exploration project is in process, I plan to come West to see you, Mr. Gould, the properties and others of interest such as a possible strip minning firm etc. As my schedule is now constituted, I could be in Phoenix on Monday the twenty-sixth. Would it ease your time schedule to meet in the vicinity of the properties on Saturday September twenty-fourth? From there we could see Davis and possibly meet with Gould on Tuesday September twenty-seventh. What this trip would accomplish is a preliminary survey of the principle aspects of our future operation.

I will be leaving Indianapolis September sixteenth and returning the twentieth. Let me know your schedule as soon as convenient.

Sincerely yours,

Nelson G. Johnson
President

NJG/mg

DESIGN - CONSTRUCTION - MAINTENANCE

MINERAL ECONOMICS CORPORATION

CONSULTING MINING ENGINEERS AND GEOLOGISTS

HALE C. TOGNONI, P.E. 2084
MINING AND GEOLOGICAL ENGINEER
GEORGE-ANN TOGNONI, CARTOGRAPHER

1525 WEST NORTHERN AVENUE
PHOENIX, ARIZONA - 85021
WI 4-2124

PRELIMINARY REPORT VITRO MINERALS CORPORATION LEASE

Ivanhoe District, Elko County, Nevada

September, 1966

Dudley L. Davis

INTRODUCTION

Mr. Hale C. Tognoni has requested an evaluation of Vitro's drill data on the Car, Jerry and Harold's Club groups of claims in the Ivanhoe Mining District of Elko County, Nevada. This information is of interest as it may effect the proposed drill program on the adjoining Old Timer property.

LOCATION

Subject properties are situated in Sections 32 and 33, T. 38 N., R. 48 E., and Sections 4 and 5, T. 37 N., R. 48 E., M.D.M. Elevations shown on the map are based upon an assumed 6400 feet at the southwest corner of Jerry No. 9.

Data was obtained from Vitro by authority of a letter from Mr. Harris, attorney for the owners. Maps submitted were prepared for Vitro by Mr. James C. Perkins, Jr., a registered engineer of Tonopah, Nevada.

GEOLOGIC SITUATION

Cinnabar has been found on this property at the surface and in numerous drill holes as shown on the enclosed map. Host rocks are silicified tuffs with little accessory mineralization other than clayey alteration. Cinnabar may be finely disseminated in the silica or more coarsely crystalline in less siliceous material.

Consideration of drill data reveals ore at the surface as well as at shallow depths, so there are evidently two mineralized horizons. Geologic structure has not been mapped so it is not possible to be specific without a field examination, but there appears to be gentle northwest trending undulations in the stratigraphy which may be important ore controls. There also may be an east-west trend, control of which is not apparent from data submitted.

ORE RESERVES

Drilling has been too wide-spaced to permit accurate ore reserves calculations. Vitro did the work when mercury was selling for \$700.00 per flask so they aimed at a large, low-grade open pit operation wherein 1.5 pound material would constitute ore. At the present \$440.00 price, it is estimated that two pounds would break even in a conventional 100 ton per day plant.

Open pit stripping and mining plus hauling to the kiln is estimated at \$3.00 per ton, furnace and recovery cost is \$3.00 (allowing 90% recovery), and amortization of \$150,000.00 plants in three years amounts to \$1.60 per ton. Supervision, severance and income taxes may be another \$1.00 per ton making a total of \$8.60 direct cost. If you add the customary 25% for imponderables, the total becomes \$10.75 against a gross value of \$11.60 per ton at the New York price of \$440.00 per flask. Western prices range \$10.00 per flask less so the gross is \$11.30.

There appears to be a good possibility of obtaining 4 or 5 pound ore by selective mining. This would make a gross value of \$22.60 to \$28.25, but mining costs would probably raise to \$12.00 per ton for an apparent net of \$5.00 to \$10.00 per ton.

RECOMMENDATIONS

If a reasonable deal can be made it is recommended that the mercury property of Hillcrest Mining Company be optioned and evaluated by geologic mapping and close-spaced (25 foot centers) drilling along favorable trends.

If this property is considered in conjunction with the Old Timer property, it is quite possible a large reserve may be blocked out, thus justifying a 200 or 500 tons per day plant. Operations at this increased rate would naturally reduce milling, supervision and amortization costs.

Respectfully submitted,

/s/ Dudley L. Davis

Dudley L. Davis, R.P.E. No. 3038
1528 Michigan Avenue
Salt Lake City, Utah 84105

LAW OFFICES

HALE C. TOGNONI
WILLIAM K. STRONG
S. EARL PUGH, JR.

TOGNONI & PUGH
610 FIRST NATIONAL BANK BUILDING
PHOENIX, ARIZONA 85004

TELEPHONE
258-6481

September 9, 1966

Mr. Robert L. Harris
Attorney at Law
450 Hilton Office Building
Denver, Colorado

Re: Hillcrest Mining Company

Dear Mr. Harris:

I have just returned from Battle Mountain and the Ivanhoe Mining District. While there I took 272 geochemical soil samples on 100 foot centers over the Ben and a portion of the Old Timer claims. The assays of these samples have not been completed.

I also checked the location of the Hillcrest Mining Company claims with relation to the Old Timer claims and it appears that they are adjoining properties, but I have not as yet plotted my findings on a map to make an absolute determination.

Dudley L. Davis, a consulting engineer in Salt Lake City, is doing some work on the maps you submitted to me and those that he received from Vitro in Salt Lake. I will hear from him shortly as to possible reasons for having a joint exploration program on the property.

My client called today and I recommended that we contact you to determine upon what terms the Hillcrest Mining Company is willing to lease its property. The normal contract that I recommend to my clients calls for the expenditure of certain sums of money in exploration and development within a stated period of time. The contract usually includes a lease with minimum and actual royalty provisions and perhaps an end price towards which both the actual and minimum royalties would apply.

If this is the type of agreement that you are interested in entering into would you please state figures that would be suitable to you.

Mr. Robert L. Harris
September 9, 1966
Page 2

Should the above type of contract not be suitable please state the conditions under which the company would be willing to participate in a joint exploration, mining and milling program. I will then submit your proposal to my client, make recommendations, and perhaps accept or make a counter offer.

Very truly yours,

Hale C. Tognoni

Hale C. Tognoni

2480 0040

PHONE 702-289-2126

MINERALS DRILLING, INC.

370 PARKER AVE.
ELY, NEVADA 89301

September 8, 1966



Mr. Hale Tognoni
Room 610
First National Bank Building
Phoenix, Arizona

Dear Hale:

With regard to our telephone conversation the following is the information you requested.

We have a Failing 1250 Combo Rotary Drill in the Ivanhoe District out of Battle Mountain at the present time. Our charges for rotary drilling with air are as follows:

Per Day Basis: \$3.00 for the first 100 feet
\$2.00 for the second 100 feet
\$1.00 per foot for everything over 200 feet
to 500 feet in depth.
Drillers are paid regular days pay for the first 100 feet, then are paid an additional footage bonus for everything over 100 feet of drilling per shift.

In the event of lost circulation on the hole which we cannot recover within an hour, then there is a \$30.00 per hour charge for continued attempts to recover circulation.

I would like to mention that we also have all types of construction equipment such as dozers, blades, loaders, etc., and also we have a pretty good line of mine equipment, such as compressors, mucking machines, drills, etc., with which we do excavating, drill site work, and contract mining.

With best personal regards,

Very truly yours,

MINERALS DRILLING, INC.

William Gergen
William Gergen

WEG/b

2480 0040

LAW OFFICES

TOGNONI & PUGH
610 FIRST NATIONAL BANK BUILDING
PHOENIX, ARIZONA 85004

HALE C. TOGNONI
WILLIAM K. STRONG
S. EARL PUGH, JR.

TELEPHONE
258-6481

September 12, 1966

Mr. Nelson G. Johnson
President
H. R. Heinicke, Inc.
400 East 16th Street
Indianapolis, Indiana

Dear Nelson:

Enclosed find a copy of a letter I received today from Minerals Drilling, Inc. I am sending a copy of this letter to Dudley Davis and if we proceed with the drilling program he will be able to compare this with the other drillers that he may know in the area.

Very truly yours,



Hale C. Tognoni

HCT:ms

Enclosure

cc: Dudley L. Davis

2480 0040

LAW OFFICES

TOGNONI & PUGH
610 FIRST NATIONAL BANK BUILDING
PHOENIX, ARIZONA 85004

HALE C. TOGNONI
WILLIAM K. STROM
S. EARL PUGH,

TELEPHONE
258-6481

September 15, 1966

Mr. Nelson G. Johnson
President
H. R. Heinicke, Inc.
4000 East 16th Street
Indianapolis, Indiana

Dear Nelson:

Enclosed find a copy of the preliminary report, Vitro Minerals Corporation lease, Ivanhoe District, Elko County, Nevada, by Dudley L. Davis. Enclosed also is his bill for \$100.00. Would you send your payment directly to him in Salt Lake City.

I will be working on my schedule and you will be hearing from me very shortly as to our visit to Nevada.

Very truly yours,

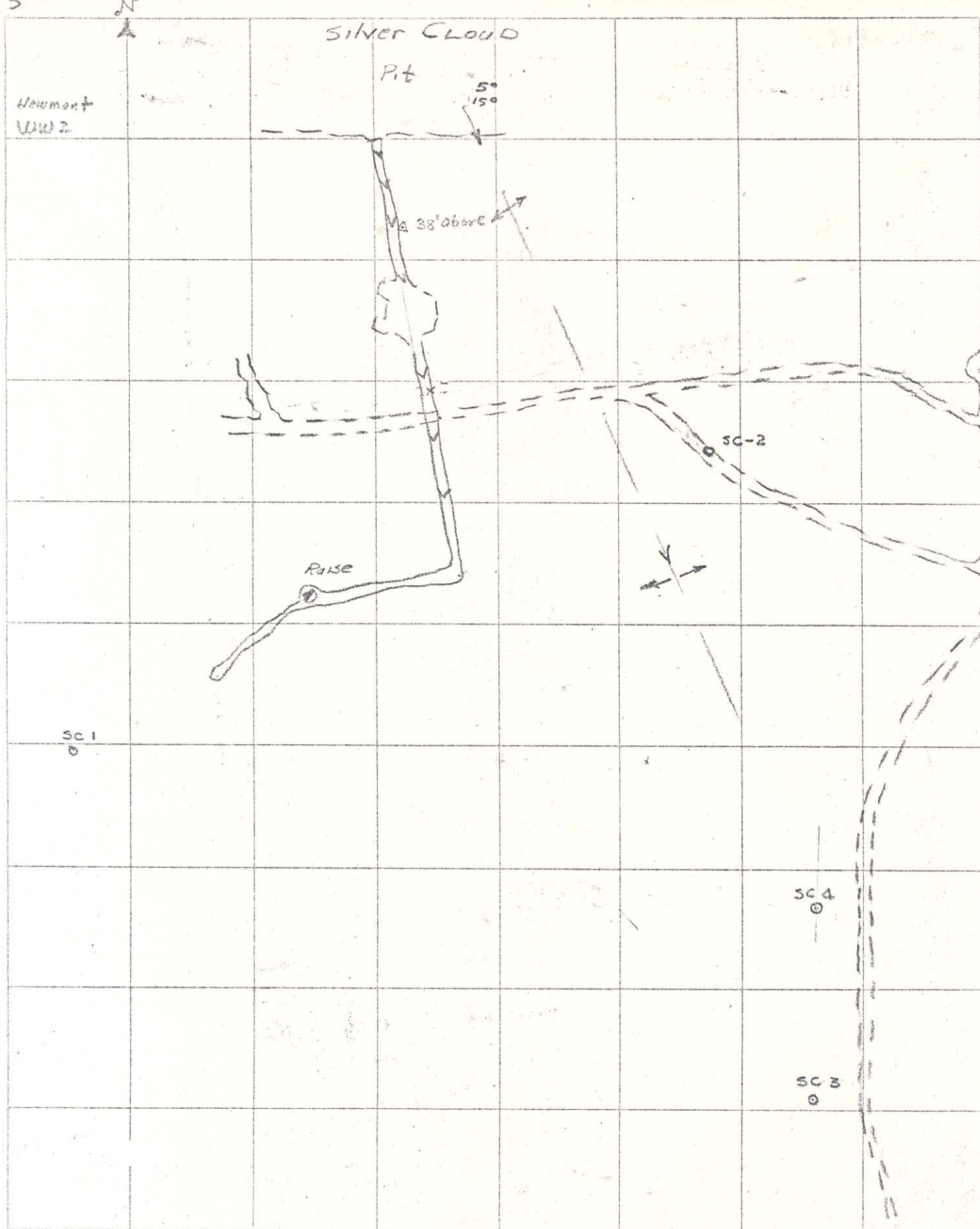
Hale C. Tognoni

Hale C. Tognoni

HCT:ms

Enclosures

cc: Dudley L. Davis



MINE SILVER CLOUD LOCATION _____ LEVEL _____
 GEOLOGY BY DL DAVIS SURVEY BRUNTON SCALE 1"=50' DATE 12/14/66

BRUNTON BLUE PRINT & SUPPLY CO., GRAND JUNCTION, COLO.

2480 0040

N

Silver Cloud

Pit

5°
150°Newmont
WW2

38' above

SC-2

Raise

SC 1

SC 4

SC 3

MINE SILVER CLOUD LOCATION _____ LEVEL _____
 GEOLOGY BY DL DAVIS SURVEY BRUNTON SCALE 1"=50' DATE 12/14/66

857-76

2:50

3:10

Atlas - 209-935-2770 Colinga, California

55.5-WS.5 12/13/68	574	30	35	GC	Bob Cannon (10.6)	Qtz E Opol
✓	575	35	40	GC	Hobbs, Minn. 11.4	Rhy & "
✓	576	40	45	State Dept	9.4	✓
✓	577	45	50	✓	9.0	✓
✓	578	50	55	C	0.002%	Qtz, Opol ^{Hg}
✓	579	55	60	C	0.002%	✓
✓	580	60	65	GC	9.0	Y Qtz Tuff
✓	581	65	70	✓	8.0	✓
✓	582	70	75	✓	10.4	Y ER Opol
✓	583	75	80	✓	8.6	Red And.

10/15/68

OPHIR fm

24800040

OLD TIMER

Hole	Date	Sample	From	To	Code	Assay	Remarks
58-W6	12/11/66	489	30	35	GC	0.007%	Clayey Red Andesite
✓	✓	490	35	40	✓	12.2	✓
✓	✓	491	40	45	✓	14.2	✓
✓	✓	492	45	50	✓	9.4	✓
58-W5	✓	493	0	5	GC	9.4	Soil & Opal
✓	✓	494	5	10	C	0.002%	Opalite
✓	✓		10	20	Open Cavities		No Samples
✓	✓		20	35	"	"	" "
✓	✓	495	35	40	GC	0.005%	Opalite & Rhy
✓	✓	—	40	50	No Samples		H ₂ O @ 50'
✓	✓	496	50	55	GC	11.4	Rhy & Opalite
✓	✓	497	55	60	GC	8.2	✓ ✓
✓	✓	498	60	65	GC	11.4	✓ ✓
✓	✓	499	65	70	C	0.002%	✓ ✓ H ₂ O →
✓	✓	500	70	75	GC	10.2	✓ ✓
✓	✓	501	75	80	GC	6.6	✓ ✓
✓	✓	502	80	85	✓	12.2	8854 ✓ ✓ Losing Circul. Caved
✓	✓	503	75	80	✓	10.0	Re Run -
✓	✓	504	85	90	✓	9.2	Rhy & Opal
✓	✓	505	90	95	✓	7.4	✓ ✓
✓	✓	506	95	100	✓ No Return	7.2	Red to yellow mud
Yellowish-Red Mud on Bit							
58-W3	12/12/66	507	0	5	GC	7.2	Soil
✓	✓	508	5	10	✓	7.2	Rhy Tuff
✓	✓	509	10	15	✓	19.4	✓ ✓
✓	✓	510	15	20	✓	12.4	✓ ✓
✓	✓	511	20	25	✓	17.6	✓ ✓
✓	✓	512	25	30	✓	10.0	✓ ✓
✓	✓	513	30	35	✓	7.0	✓ ✓
✓	✓	514	35	40	✓	7.4	✓ ✓
✓	✓	515	40	45	✓	7.4	✓ se opal

OLD TIMER

Hole	Date	Sample	From	To	Code	Assay	Remarks
58-W3	12/12/66	516	45	50	GC	5.4	Rhy Tuff & Opal
✓	✓	517	50	55	✓	8.6	✓ ✓ ✓
✓	✓	518	55	60	✓	10.6	✓ ✓ ✓
✓	✓	519	60	65	✓	8.0	✓ ✓ ✓
✓	✓	520	65	70	✓	10.4	✓ ✓ ✓
✓	✓	521	70	75	✓	6.4	✓ ✓ ✓
✓	✓	522	75	80	C	0.002%	✓ ✓ Opal & HgS ⁺
✓	✓	523	75	80	GC	6.8	✓ ✓ ✓
✓	✓	524	80	85	✓	6.6	✓ ✓ ✓
✓	✓	525	85	90	✓	7.6	✓ ✓ ✓
✓	✓	526	90	95	✓	0.002%	✓ ✓ ✓ 3011
✓	✓	527	95	100	C	0.002%	Hard Qtz & Opal
✓	✓	528	100	105	C	0.002%	✓ ✓ ✓
✓	✓	529	105	110	C	0.002%	✓ ✓ ✓
✓	✓	530	110	115	C	6.4	✓ ✓ ✓ 3672 2775
✓	✓	531	115	120	C	7.6	✓ ✓ ✓
✓	✓	532	120	125	GC	6.6	Brown Rhy Tuff
✓	✓	533	125	130	✓	7.6	✓ ✓ ✓
✓	✓	534	130	135	✓	7.4	Gray Rhy Tuff
✓	✓	535	135	140	✓	12.0	with Red & yellow Opal
✓	✓	536	140	145	✓	7.0	✓ ✓ ✓
✓	✓	537	145	150	✓	8.6	✓ ✓ ✓
✓	✓	538	150	152 1/2	✓	0.002%	✓ ✓ ✓
✓	✓	539	152 1/2	155	C	6.4	0069 (3.0) Gray opal
✓	✓	540	155	160	GC	13.2	Red, brgy bk, yellow Opal & Qtz
✓	✓	541	160	165	✓	6.6	Gy, Br Opal & Qtz
✓	✓	542	165	170	✓	0.002%	Hard Qtz & Opal
55-W5	12/13/66	542	0	5	GC	5.6	Soil
✓	✓	543	5	10	✓	8.2	Rhy & Opal
✓	✓	544	10	15	✓	6.6	✓ ✓ ✓
✓	✓	545	15	20	C	0.002%	✓ ✓ - HgS?

Hole	Date	Sample	Code	From	To	Assay PPM	Remarks
55-W5	12/13/66	546	GC	20	25	5.0	Rhy & Opal
✓	✓	547	MC	25	30	0.002%	✓, Qtz, ✓
✓	✓	548	GC	30	35	9.4	✓ ✓ ✓
✓	✓	549	✓	35	40	6.4	✓ ✓ ✓
✓	✓	550	C	40	45	0.002%	✓ - - '45?
No	Sample			45	50		
-	-	551	GC	50	55	PPM 6.4	Brown Rhy & Opal
✓	✓	552	✓	55	60	8.0	- ✓ ✓
✓	✓	553	✓	60	65	8.8	✓ ✓ ✓
✓	✓	554	✓	65	70	7.0	✓ ✓ ✓
✓	✓	555	✓	70	75	6.0	Opal & Rhy
✓	✓	556	C	75	80	0.002%	Qtz & Opal
✓	✓	557	GC	80	85	8.4	Rhy & ✓
✓	✓	558	✓	85	90	6.2	✓ ✓
✓	✓	559	✓	90	95	8.0	✓ ✓
✓	✓	560	✓	95	100	10.6	✓ 4081
✓	✓	561	✓	100	105	7.4	✓ ✓
✓	✓	562	✓	105	110	8.4	✓ ✓
✓	✓	563	✓	110	115	7.6	- -
✓	✓	564	C	115	120	8.8	Rhy & Opal
✓	✓	564	GC	120	125	8.8	
✓	✓	565	✓	125	130	8.4	Andesite
✓	✓	566	✓	130	135	12.4	
✓	✓	567	✓	135	140	10.4	✓
✓	✓	568	✓	140	145		
55 1/2 - W5 1/2	12/13/66	568	GC	0	5	0.007%	5530 Soil
✓	✓	569	✓	5	10	PPM 31.0	Rhyolite
✓	✓	570	✓	10	15	23.0	✓
✓	✓	571	✓	15	20	11.4	✓ & Opal
✓	✓	572	✓	20	25	10.0	Opal
✓	✓	573	✓	25	30	8.2 0.005%	Qtz & Opal

BEN CLAIM MAP

SEC. 30-31, T.38 N., R.48 E., ELKO COUNTY, NEV.
COMPILED FOR NELSON & JOHNSON

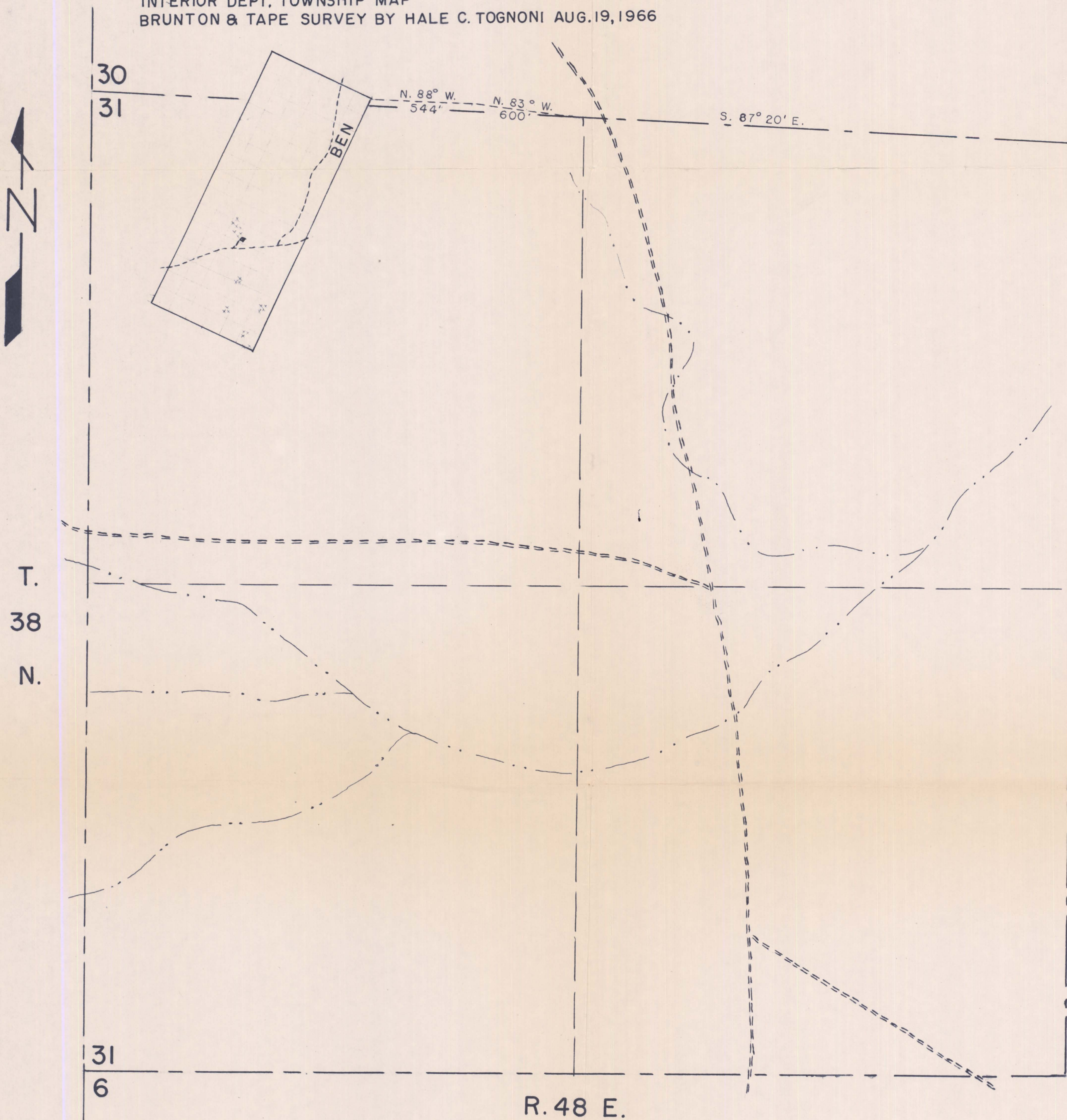
COMPILED BY PERSONNEL OF:
MINERAL ECONOMICS CORPORATION

HALE C. TOGNONI, P.E. 2048
G.A. TOGNONI, cartographer

INFORMATION FROM:

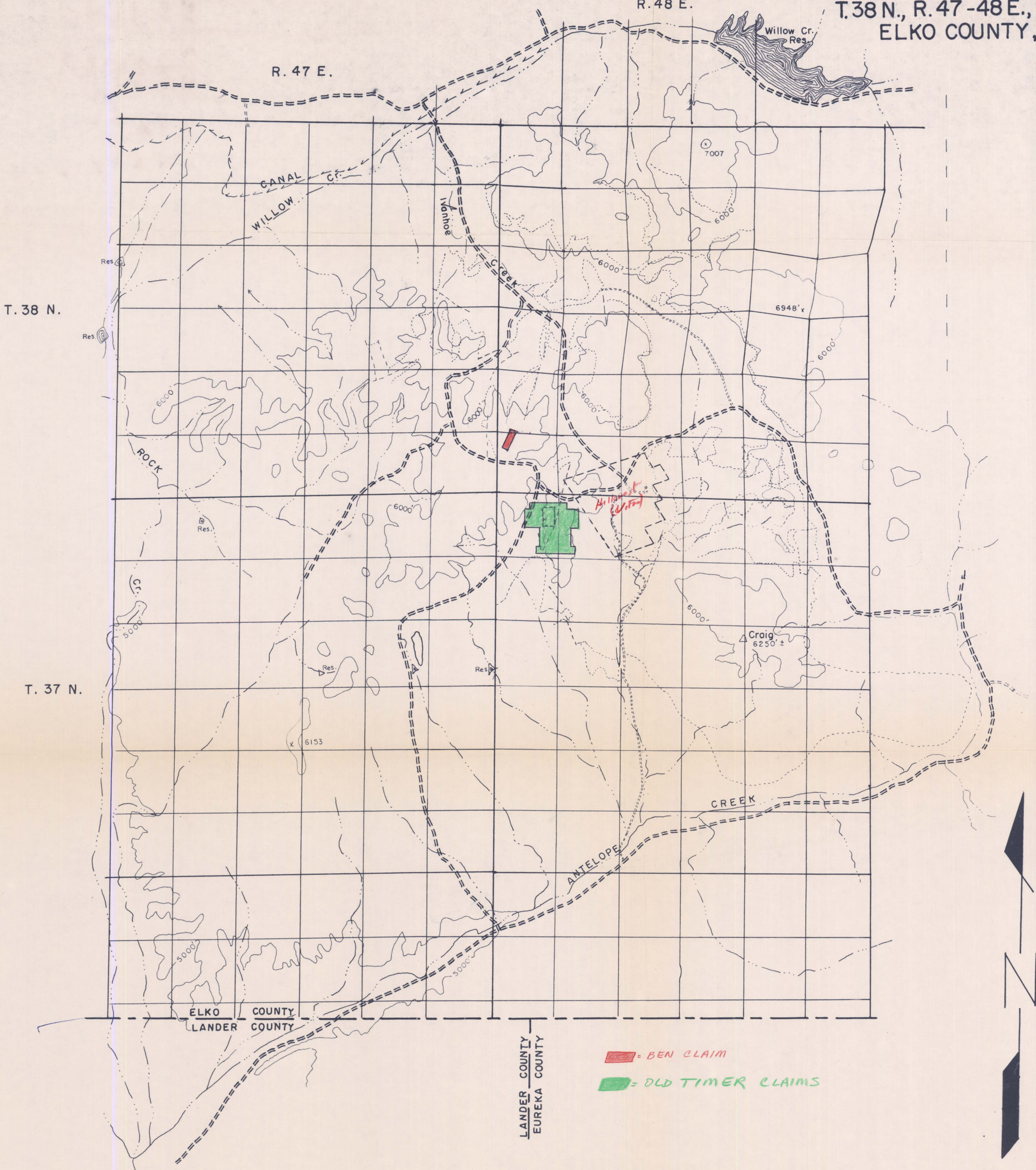
B.L.M. ELKO GRAZING DISTRICT MAP No.27
INTERIOR DEPT, TOWNSHIP MAP
BRUNTON & TAPE SURVEY BY HALE C. TOGNONI AUG.19,1966

SCALE 1" = 400'

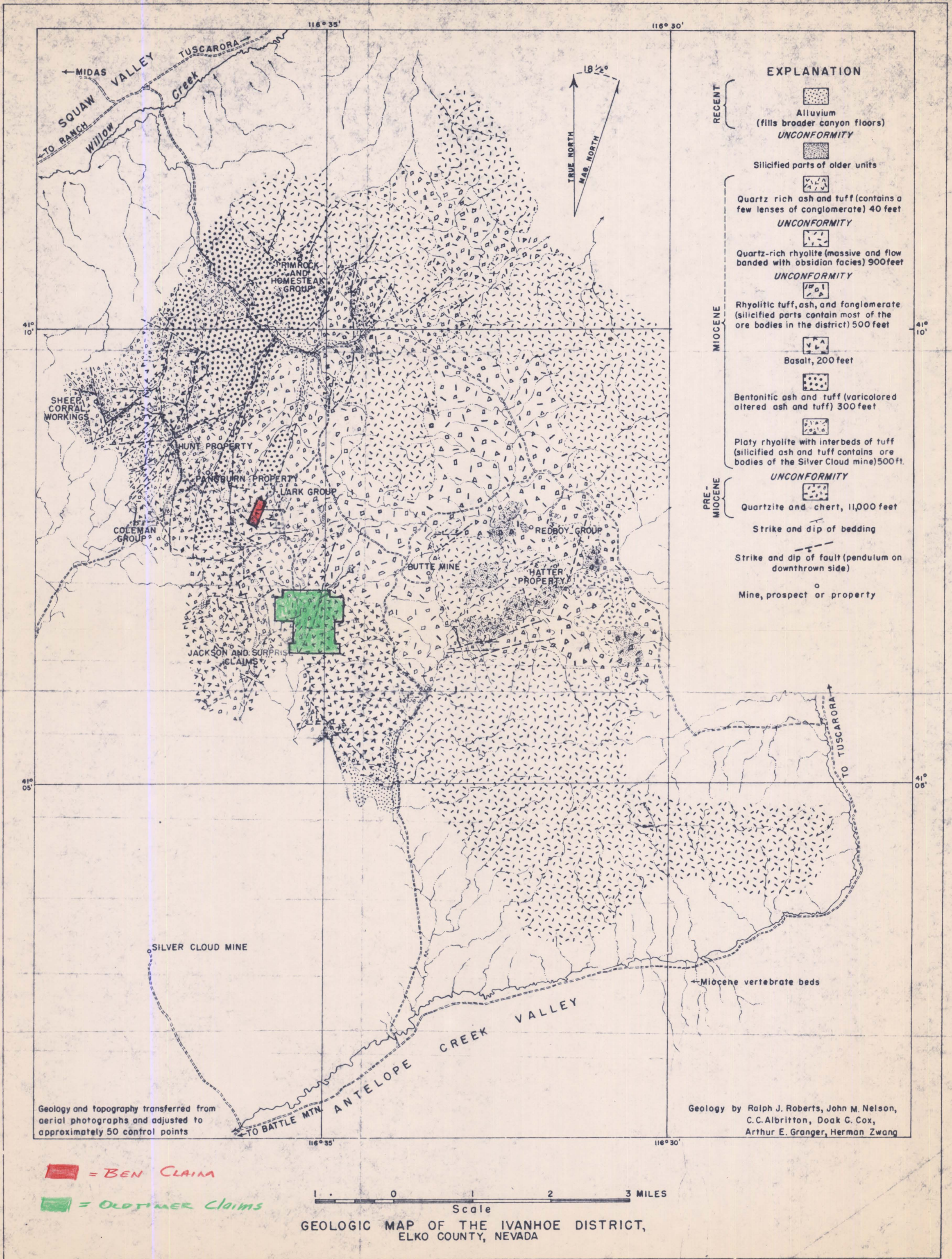


IVANHOE MINING DISTRICT

T.38 N., R.47-48 E., T.37 N., R.47-48 E.
ELKO COUNTY, NEVADA



■ = BEN CLAIM
■ = OLD TIMER CLAIMS



OLD TIMERS CLAIM MAP

OLD TIMERS Nos. 1-9, JIGGS Nos. 1-6

SEC. 5 & 6, R. 48 E., T. 37 N. ELKO COUNTY, NEV.

COMPILED FOR NELSON & JOHNSON

INFORMATION FROM:

B.L.M. ELKO GRAZING DISTRICT MAP No. 27

VITRO MINERALS CLAIM MAP

BRUNTON TAPE SURVEY BY HALE C. TOGNONI AUG. 1966

COMPILED BY PERSONNEL OF:

MINERAL ECONOMICS CORPORATION

HALE C. TOGNONI, P.E. 2048

G.A. TOGNONI, cartographer

SCALE 1" = 400'

