

February 27th, 1915.

Mr. A. G. Raycraft,  
President, Dexter White Caps Mining Co.,  
City.

Dear Mr. Raycraft:-

In re White Caps -- Tonopah Mining Co. deal:-

Responsive to sundry conferences between yourself and myself, I conferred with Mr. Kirchen on the 22nd instant, with reference to the general situation, and more particularly with a view of ascertaining whether it would be worth while for us to endeavor to continue negotiations with The Tonopah Mining Company.

Mr. Kirchen's views were expressed substantially under the following propositions:

(a) In view of the unexpected increase in the indebtedness of the White Caps Company, and in view of the fact that there has been an obvious bungling and incompetence in the matter of handling the Company's books and its affairs generally, the first duty of the White Caps Company is to find out where it stands. The books should be carefully audited and the exact status of the indebtedness ascertained.

(b) A company that is in debt is in a weak position for purposes of negotiation. In such a situation the White Caps Company is not in position to make a deal that is fair to the White Caps Company and its stockholders.

(c) After the status of the Company's financial affairs is ascertained, the wisest course to pursue is to amend the articles and make the stock assessable; thereafter, levy an assessment, pay off the indebtedness, and project mining operations on Company account.

Mr. Kirchen stated each and all of these propositions with considerable vigor and argument.

Notwithstanding the current situation, I asked him if he would submit in writing a form of proposition to The Tonopah Mining Company that he would be willing to support. I stated to Mr. Kirchen that in my opinion a company situated as the White Caps Company now finds itself, would best solve the situation by turning the whole matter over to strong hands.

He consented to submit the proposition in writing. Specifically, I asked him to take his copy of the draft of proposed agreement between The Tonopah Mining Company and the White Caps Company and make such changes in it as he would be willing to support. He agreed to do this, and submit the matter to me on the following day.

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He stated that one of his stipulations would be that in consideration of the option, The Tonopah Mining Company should take care of the debts which now threaten to make immediate trouble for the White Caps Company.

On the 23rd instant, Mr. Kirchen 'phoned me that he would be unable to reduce the matter to writing for the reason that he had been deprived of the services of his stenographer. He suggested that I take up the matter by wire with Mr. Spurr. I replied to Mr. Kirchen that I thought nothing satisfactory could be accomplished by wire, and further stated that I felt satisfied that The Tonopah Mining Company would not entertain any proposition which meant the immediate assumption of the White Cap's debts.

In this situation I subsequently advised you that I felt reasonably assured that it would serve no useful purpose for us to attempt to continue negotiations with The Tonopah Mining Company.

I write this letter so that you may be fully advised, and so that all parties in interest may know the final status of the matter.

Copy hereof to Mr. Spurr and to Mr. Kirchen, for their information.

Faithfully,

HUGH H. BROWN,

Per

HHB:X

OFFICE OF SECRETARY

DEXTER WHITE CAPS MINING CO.

MANHATTAN, NEVADA

J.E.S.#2.

after such an investigation, I think that you will possibly have a different opinion as to the possibilities of the White Caps as a permanent mine. There are three ore shoots developed in the property, and something around 18000 tons of ore opened up, so that same can be partially sampled and estimated. There is but little ore absolutely blocked out on four sides, but of course that can come later. In one place in the west ore body, from the second or 200 foot level, we have recently cross cut the ore, and find it to be 24 feet between walls, of a grade higher than \$20. per ton. We have this level developing the ore shoot for over eighty feet in length, and from the level above, several hundred tons of ore which broke \$27 per ton was mined and milled. The east body is very large and is steadily improving in average values as depth is made therein. It is true that the ores from below a depth of about 130 feet are base, but as long as the gold content is found to be all through the ores, and also that the ores steadily increase in values as depth is gained, it seems that the property would stand an investigation at least.

Mr John M. Fox recently made an investigation and reported on a portion of the mine, that portion wherein oxidized ores were found. I feel confident that he can give some idea to you of the possibilities of the property. Mr Hugh Brown is vice president of the company and he can tell you if there is chance from the White Caps stockholders standpoint to make an arrangement with the Tonopah Mining Company.

OFFICE OF SECRETARY  
DEXTER WHITE CAPS MINING CO.  
MANHATTAN, NEVADA

Sept 26th'14.

J.E.Spurr,Vice Prest.,  
Tonopah Mining Company,  
Tonopah,Nevada.

Dear Sir:-

Noticing by the papers, that the Tonopah Mining Company is on the look-out for new properties and that gold properties are what the company would prefer, I am writing to you now to draw your attention to the White Caps Company of Manhattan. I really and truly think that your company is over-looking a gold proposition of merit, simply because it is close to Tonopah, and not in Chili or Colombia, etc.

I am positive that arrangements could be made whereby your company could gain control of the White Caps without the expenditure of a great deal of money. To get a strong concern like the Tonopah Mining Company to take the White Caps over, I know that a large majority of the stockholders would make sacrifices, if necessary. The conditions are just right for your company to step in, if you found that the mining conditions warrant such action, and for that reason, I am extremely anxious to have you investigate the underground conditions in the property, and

OFFICE OF SECRETARY  
DEXTER WHITE CAPS MINING CO.  
MANHATTAN, NEVADA

J.E.S.#3.

If the contents of this letter serve to interest you sufficiently, that you feel inclined to at least pay us a visit and ~~over look~~ <sup>look over</sup> the property yourself, I will certainly feel repaid for writing ~~some~~.

If there is anything else that I can do in regards to the matter, I will be more than pleased to hear from you and will do anything that is in my power, to make the matter more plain, etc.

Hoping to hear from you in regards to the above, and that you take a day off shortly and come out and investigate the property yourself.

Very truly yours

*Percival Nash*  
Secretary.