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Initial Consideration

OF

RAWHIDE GOLD PLACER

Controlled By

MALLEABLE METALS CORPORATION

Mineral County

Nevada

FOREWORD

After a visit to the property on September 8, 1964, followed by three days of study, restudy and analysis of materials in owners! files, recommendations, equally fair to property owners, the McGulloch Oil Corporation and the writer, provide a dilemma.

It is believed that on the basis of geological environement, submitted reports, assay data and metallurgical testing by Malleable Metals Corporation the property has an interesting economic potential.

But it is also evident that

le the appeal of 'geological environment' is based on only a few hours in the field;

2- assay data are provided by others, with best and most consistent values taken by owners of the property, with results determined by one laboratory, retained by the corporation;

3- some inconsistencies exist between 1931 and 1944 property reports;

4- the property was sampled through shafts in 1931 by a dredging company and for unknown reasons returned to owners

5- it has been proposed that McCulloch Cil accept a partnership arrangement and such would normally merit a very complete check on all associates.

Recommendations, unequivocal and with 'no strings attached' are not based on a brief field visit, unsupported by personally cut sample data. Samples were not taken and the reconnaisance was brief for two reasons mamely:

l- small samples in this deposit would be meaningless and unfair to owners, McCulloch and the writer, alike;

2- at the time of examination owners advised the writer that a decision had to be reached before 3 of that same afternoon. This was later extended indefinitely and every effort has been made to provide him with all information.

Recommendations presented herewith, therefore are limited and have 'strings attached'. The writer is anxious to keep the door open, but is not prepared to extend himself completely without the further checking, proposed in his 'three week' and 'three month' periods.

The 'three week' period (a maximum) would provide bulk samples, testing of bulk by a second laboratory and the geological detail any new v enture is entitled to; the 'three month' program would test reserve and recovery possibilities if the three week period supported owners' earlier results.

All possible information is presented for the reader's study, not with any idea of tempering recommendations, but to provide the reader with all information, effecting the writer's interpretation.

CONCLUSIONS:

From 1040 acres, covering alluvial gravels, and a ssuming an average thickness of 54 feet, a reserve in excess of 75,000,000 yards is a possibility. Owners' sample values would assure this reserve to be concenic.

The geological environement appears very favorable, there are no limiting conditions which would adversely effect an operation, water supply is excellent and the property very accessible.

Mining costs at contract are set at 37 cents per yard and 30 cents per yard is the estimated milling cost, by a consulting metallurgist considered reliable.

The flow-sheet is simple, using orthodox equipment and an all-gravity flow.

The fact that the San Francisco office of the Small Business Administration has recommended an \$187,000 loan to Malleable Metals Corporation is in the property's favor.

Malleable Metals' mill is only about 40% complete, the flow sheet remains to be proved, and the loan will be needed.

RECOMMENDATIONS

It is recommended that:

1- a meeting bearranged with Messrs. Meeker and Giesy to discuss these proposals.

2- any agreement provide:

a- a two to three week period for purposes of further bulk sampling, metallurgical testing on bulk material, and continued field studies. b- a two to three month period of field testing, using heavy equipment and a temporary washing plant, the products from which would be further tested or directly smelted.

3- Final agreement assure McCulloch of

a- no cash payments until the end of the testing period.

b- no less than a 50% interest in the operation.

c- complete control of the operation.

Note: 2a and 2b are detailed under Proposed Proceedures.

LOCATION: (Refer to Plat I, Index Map)

Claims are located in the Rawhide Mining District, Mineral County, Nevada, occupying from 480 to 80 acres in each of sections 9, 15, 16, 21, 22, 27, 28, and 34, Township 12 North, Range 32 East, and section 3, Township 12 North, Range 32 East. The 82 miles from Reno can be flown by small plane in 35 minutes. The property is reached over about 20 miles of paved road and 4 miles of desert road from Frenchman's Station, 35 miles east of Fallon on U. S. Highway 50.

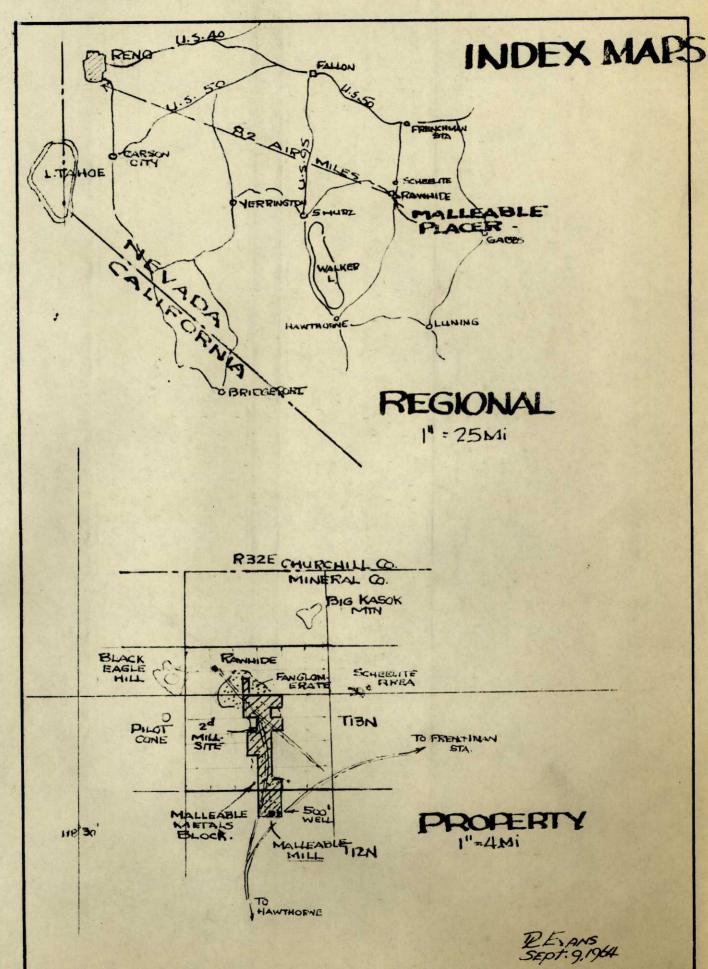
GENERAL AND LIMITING CONDITIONS:

Access: Excellent roads lead to the property; an air strip for small planes, currently serviceable, will be improved.

Terrain: Gentle slopes exist (3%) from Mill-well area to Rawhide; adjacent to gravels, small hills approach the abrupt increase in gradient at mountain bases. Elevation at well site is 4200 feet and at Rawhide 5152 feet. Big Kasock Mountain reaches 7110 feet and Pilot Cone is 6602 feet (See Index Map). Elevation at the second well site would be about 4650 feet.

Power: Electric power exists at Scheelite about three miles from the mill site; it has been reported that the natural gas line to Hawthorne will be completed within the year, corssing the property near the mill site. Owners plan to use natural gas for power generation.

Water: Owners recentley completed Number one of three authorised water wells. Brilled to 510 feet (approx), good flow was encountered in the last 100 feet, with static head now, in well, at about 140 feet from surface. The well tested out at 7000 gallon s per minute and it is reported that there is no draw down.



Timber: This is a desert area and no timber exists.

Labor Supply is adequate.

Millsites: an excellent site emists, despite the fact that Malleable's mill has been built on the flat, adjacent to the water well.

Climate: The climate is that of the arid desert, with summer highs at 100 degrees plus, followed by 50 to 60 degree 'lows'. Winters are cold but never below zero, and precipitation light, limited to a few scattered 4 to 6 inch snows.

LECAL TITLE AND PROPSSALS

Owners of claims are David C. and Anna Devore, presumably of Reno.

Properties are held under Lease and Option by Malleable Metals Corporation with officers listed as:

J. J. Mathews (Reno Builder) President
Syd Berry (M.ne operator) General Mgr.
James Darrough (Rawhide) Assistant Mgr.
Ray Sherman J. (Rawhide) Construction
Kenneth Durham (Rawhide) Engineer
Miles D. Rombough (Sacramento) Metallurgist.

Company offices are in Smithridge Park, Hawthorne and Astor Roads, Reno, Nevada,

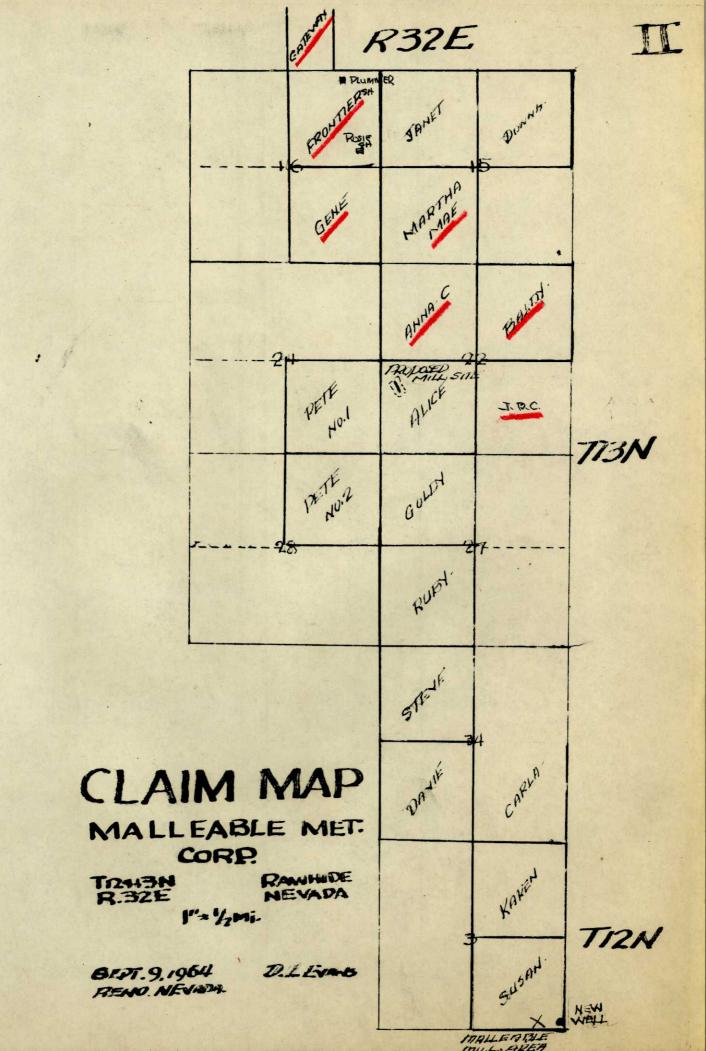
Final purchase price remains indeterminate, but Malleable hopes to reduce it to about \$700,000. The Devores are to get 72% of the gross value of production, royalties to apply towards retirement of the purchase price. Other terms remain uninvestigated.

The initial block, all in Township 13 North, Range 32 East and all in fanglomerate, consisted of 1040 acres, as follows:

| Claim | Acres | Description | |
|------------|-------|-------------|--|
| Gateway | 80 | W/2SE/4 S.9 | |
| Frontier | 160 | NE/4 9.16 | |
| Gene | 160 | SE/4 S.16 | |
| Martha Mae | 160 | SW/4 8.15 | |
| Anna C. | 160 | NN/4 8.22 | |
| Baldy | 160 | NE/4 5,22 | |
| J. B. C. | 160 | SE/47 S.22 | |

Additional acreage added to the above provides more gravel possibilities, access to mining areas and mill sites.

Meeker and Giesy have an arrangement to selles half interest in the reserves, water-rights, et ceters for an assumed \$250,000 minimum for mill construction and preparation, with Malleable retaining a 25% interest on the net earnings of the second corporation. A \$50,000 down payment was at first requested but



this prerequisite appears to have been withdrawn.

Meeker and Giesy's 'take' is a matter of negotiation.
Talking, from the start, in terms of 50%, this, they were assured was out of line and impossible, and it now appears that McCulloch can count on a minimum of 50% interest.

Malleable's reasons for prefering to split the property rather than enlarge its own plant are something to still be explored.

HISTORY OF PROPERTY AND BISTRICT:

Geologist Atkinson reportsin 1931:

"Gold was first discovered in Rawhide in 1906 and a rush that took place in 1908 brought the population temperarily to 4000. Lode claims were actively worked until 1920 and some leases are still active."

Geologist Pollock reports in 1944:

"Gold was discovered at Rawhide in 1908—about 800 claims were later patented. Most of these claims are still owned by three corporations.——. A central milling plant was installed and operated on patented land directly west of the Gateway placer claim. This mill treated many thousands of tons of rich mill ore from adjacent mines and from which the tailings have been washed toward and over the Gateway and adjoining placer claims.

"A dredging company from either Idaho or Utah, in years gone bye, sank a number of shafts, about 20 in number; they were deep and timbered in the placer ground above the Gateway claim, three on the Frontier claim, and one or two on the Martha Mae claim. Several of the shafts were sunk as deep as 100 feet and went to bedrock at these depths.

"A very deep shaft was sunk in the southwest corner of the P.D.Q. placer claim, 150 feet or more in depth, with another shaft about 50 feet in depth probably located on the Push-Over claim."

The Nevada State Bureau of Mines reports that placering started shortly after the discovery in 1906. It further states that the best placers were found on 'Hooligan' Hill, to the side of the main fanglomerate area, and weremined from shafts some 15 feet in depth. The peak of this work was in 1913 when the placers were worked extensively. Total production from placers to 1936, the date of the report, was estimated at \$250,000. It was said that as many as 100 men were engaged in placering during this period, with some of them earning as much as \$30 per day, using dry washers.

With reference to the dredging company mentioned by Pollock the Nevada Bureau reports:

"In 1930 the Idaho Dredging Company of Boise, Idaho, obtained a bond and lease on 1800 acres of ground in the District and began sampling with the object of dredging the ground if samphing showed enough gold. After a short time the property and sampling operation were taken over by the Hammond Engineering Company. The latter company continued sampling until May 1931, when operations ceased and the property reverted to the original owner. The reason for the relinquishing of the option by the two companies is not stated, but in all probability it was the erratic distribution of the gold which resulted in low average values. It is said that sampling operations showed that the bedrock is very irregular and in places somes close to the surface."

Note: the fact that geologist Atkinson, writing in November of 1931, fails to mention this period of exploration, could contribute some doubts as to the merits of his other observations.

GEOLOGY:

Pollack's geological discussion is not only confusing but inadequate; but Atkinson, writing in 1931, seems to present the overall picture realistically, as follows:

"The lodes occur in Tertiary rhyolite with later flows of andesite. The ore occurs in quartz veins and in lodes of kaolinized rhyolite. The ore minerals are native gold, alloyed with silver, argentite and ruby silver.

"The highly mineralized area around Rawhide has been subjected to heavy erosion which has liberated large quantities of free gold and laiddown the rich placers below the old mining camp.

"The material in this placer is a breeciated mass of conglomerate and small fragmentary pieces of rhyolite and andsite predominating. These fragmentary pieces are rough and angular and only slightly worn by attrition. The gold is rough and varies in size from coarse to medium with a small percentage of fine. There are very few rocks in the placer, larger than a man's head.

"This deposit is in the form of a gently sloping arroyo, extending from Rawhide a distance of about 4 miles south to a large alkali flat, entaining an abundance of ground water about 35 feet under the surface.

"The unpatented placer claims, covering the deposit, begin about one-quarter mile behalf the town of Rawhide, where the deposit is about 600 feet wide, and extends in a southerly direction, on about a 3% slope, for a distance of four miles to a wide sink or alkali flat at the lower end where the deposit is over one half mile wide.

"The depth of the material is a bout 45 feet at the upper end of the property and this depth gradually increases until it is a bout 65 feet in the center portion of the arroys and about 87 feet on the outer edgres. The depth of the lower half of the deposit has not been determined."

The Nevada State Bureau of M nes in 1936 adds this:

And in this discussion, with respect to geological environment, under '6 onclusions' the writer uses the words 'very favorable'. Atkinson uses the expression 'highly mineralized area around Rawhide'. This, even though the writer's visit was of short duration, was a most impressive feature.

The Rawhide area, from bleaching and scattered oxidation, is intensely altered and mineralized; veins did not go to great depth and the camp was short-lived; the transfer of much of the altered and mineralized material from original upper extensions, now eroded, to the fanglomerate area is not only obvious but logical. The area of discussion provides a natural trap, and the prefam materials show alteration. It also seemed apparent that at least one andesitic flow dammed and impeded gravel and sand migration.

DEVELOPMENT

As mentioned above, at least 30 shafts penetrated the alluvial mass, all providing gold bearing material for dry washing. The Plummer Shaft, one of the deepest has provided material, currently, for lab testing. Owners have opened up additional shallow material with dozer-cuts, and have also drilled three 36 inch diameter holes, each to approximately 50 feet, on the Frontier claim in the NE/4 of section 16. These were the source for the 20,270 pound sample, subject of a March 4, 1964 report by the MaD. Rombough Laboratories.

Development, according to owners, has been limited to the proving of 10,000,000 yards, out of a total potential of plus 100,000,000 yards (owners' estimates). Such appeared sufficient to meet immediate needs and monies were directed towards construction rather than complete development.

Continued development and exploration, from the McCulloch standpoint, would be a must.

SAMPLING AND TESTING RESULTS

Except for the panning of some material from the Plummer Shaft (tails from dry washing), in which some medium flakes of free gold, and fine particles, were recovered, and like treatment of material from the Gateway, taken in a surface cut, from which no gold was recovered, the writer took no samples on September 8.

Other sample results, listed below in reverse chronolgical order, are from the files of Maleable Metals Corporation.

August 9, 1964

MG D. Rombough, consulting metalburgist, in a letter to Mr. A. Cosgrove, engineer in the San Francisco office of the S.B.A. Corporation, as f ollows:

"Pursuant to our conversation via telephone, reference is made to our conversation regarding further verification of values in ore body. The following are results from the samples taken upon my recent visit to the property and under my personal instructions and superbision:

| Lab. No. | Name of Claim | Value per ton |
|----------|--------------------|---------------|
| 1 | Gateway #1 | 4 6.84 |
| 2 | dateway #2 | 5.738 |
| 3 | Gateway #3 | 20.34 |
| 4 | Janet #1 (Galiche) | 0.02 |
| 5 | Janet #2 | 1.168 |
| 6 | Janet #3 | 0.12 |
| 7 | Anna 6 #1 | 4.692 |
| 8 | Anna C #2 | C.024 |
| 8 9 | Anna C #3 (Caliche | |
| 10 | Alice #1 | 0.09 |
| 11 | Alice #2 | 0.089 |
| 12 | Alice #3 | 0.939 |

Weight of material 2452 pounds per cubic yard.

Note by D.L.Evans: Samples marked 'Caliche' were just that and non-representative; they were cut to determine of caliche carried any values.

Average of ten samples (12 less the two caliches) is \$4.04 per ton or \$4.85 per Yd.

May 21, 1964:

Material consisting of 12 pounds of sample (location not given) gave 4 pounds of minus ten mesh assaying \$2.10 per ton and 8 pounds of plus ten mesh assaying \$4.20. A weighted average gives \$3.50 per ton or \$4.20 per yard.

March 16, 1964: Rombough Metallurgical Laboratories reported to Syd Berry the following results from 3,714 wet pounds or 3096 dry pounds (moisture 18%) from the property; Plummer Shaft area according to reports:

Three batches were screened, giving the following breakdown:

| Plus } | meen | Series 1 13.70% | Series 2 13,25% | Series 3 |
|--------------|------|--------------------|--------------------|--------------------------|
| Plus Plus | mesh | 12.50% | 14.25% | 13.5 0% 14.00% |
| Plus & S | mesh | 12.50% | 17.25% | 19.00% |
| Plus 10 | mesh | 3.50% | | |
| Minus 8 | mesh | | 55 .25% | 53.50% |
| Minus 10 | mesh | 57.80% | | |

Pire Assays indicated:

| Plus 10 mesh | \$5.60/T | \$10,50/T | \$4.20/T |
|--------------|----------|-----------|----------|
| MinuslO Mesh | 5.60/T | 3.50/T | 3.50/T |

Rombough screened the 3,096 pounds through a minus 2 inch, discarding the plus 2 inch dry. The remaining 2,459 pounds were treated in a gravity concentration plant. 45% plus 1/8 mesh, after washing on a vibrating screen was rejected. From the minus 1/8 fraction free gold recovered indicated the following:

| Free gold extracted in 47.00 pounds Conc. | \$1.71 |
|---|--------|
| Second run of jig | 0012 |
| Cyanide extraction-locked values | 0.12 |
| Free gold; locked v alues | 0.16 |
| Free gold from minus 10 mesh composite | 0.54 |
| Total possibilities free gold per ton | \$2.65 |

Rombough c oncluded:

"From the free gold recovered and fire assays on the heads and tails, there is an equal amount of gold still remaining in locked values which is very amenable to cyanidization."

March 4. 1964: Rombough to Malleable Metals

"Working on 20,270 pounds of material submitted by Syd Berry, taken from upper Rawhide placers, said sample is a composite of material taken from three 36" diameter drill holes, approximately 50 feet each in depth". The report describes lab testing in the development of an ultimate flow sheet.

Of interest at this point are the following tabulations on free gold recovery:

Pirot kun

| or 75.40 % recovery | Cold extracted | \$ 1.70/Ton |
|---------------------|----------------|--|
| (gold 832 fine) | | * ************************************ |

Second Run

| Concentrates minus magnetite | 0.09/Ton |
|--|--------------|
| 2.36 pounds concentrate after gold extraction; at \$246/T of concentrate converts to | 0.23/7bn |
| Tails from concentrates converts to | 0.35/ton |
| As free gold | \$ 2.37/ Ton |

November 26, 1948:

Robert Bollock, mining engineer and geologist, comprehensively sampled and tested the gravels and reported in detail as follows:

In summary from 15 samples of from 50 to 75 pounds each, his average from all equaled:

Free gold

Attached and encased Au

Total free gold

\$0.315 per yard

4.89 per yard

\$5.205 per yard.

Testing 4000 pounds in bulk with lab equipment:

Coarse gold and sponge \$ 2.49 per ton In c oncentrates 20.75 per ton Total in Au and concen. 23.25 per ton

November 15, 1931

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Mr. S. K Atkinson, mining engineer of Boise, I daho, summarizing gold v alues, reported:

"Principal values in free gold are in a pay-streak qhich contacts with a soft, smooth andesite bedrock. This pay-streak varies in depth from 3 to 7 feet; gold v alues range from \$4.25 to \$8.00 per cubic yard, as determined from tests made from several shafts" (values converted to \$35 gold).

"The gold is fairly coarse to medium with a small percentage fine, and assays about \$22.95 per ounce. The over-burden comtains some value in free gold, but no attempt has been made to determine what the average value would be except in one shaft which was sampled four times from top to bottom (bedrock), showing an average of \$0.204 in 80 feet of overburden and \$4.59 per yard in the pay gravel, the average for the 87 feet being \$0.544 per yard."

Atkinson further observed: "this placer carries considerable gold values attached to or encased and associated with the black sand concentrates. There is also some gold attached and incased in small fragmentary quartz particles. This latter gold is liberated by pulverising the rock abd it is then free to amalgamate."

He estimated as high as \$1.19 per ton in place for non-magnetic concentrates. Regarding magnetic sands, which he estimates at being \$\frac{1}{2}\$ to \$1\%\$ of the overall mass, values in magnetic concentrates, determined at the Mackey School of M nes, ran \$601.80 oer ton of actual concentrate, which would a mount to \$0.30 per pound of concentrate. Such infers that, amounting to 0.5% of the mass, \$3.00 might be added to the gravels per ton from black sand content.

He also reports that "on a special assay made by the U.S. Assay Office at Boise, Idaho, on fine rock particles that had passed a inch screen and that were retained on a 1/10 inch mesh screen, a value of \$2.88 per ton was obtained, and all loose, free gold had previously been removed from this sample. This is simply mentioned to indicate the gold value in the rock that is attached or incased, as distinguished from the gold that is a ssociated with the gravel in a free state.

Appraisal of All Values Listed Above:

1931 (Atkinson)

He talks in terms of \$0,54 per yard for recoverable free gold from the full section. His \$2.88 per yard ton for gold encased in coarser material, and his values for black and would increase the total considerably, but lack of critical detail regarding the percentages of each type to the total mass, forbids an estimate.

1948 (Pollack)

Pollack's two tests give an average of \$1.40 per yard, recoverable as free gold (\$1.16 per ton). His \$4.89 per yard for attached and encased gold, which would require fine grinding etc., approaches results from recent sampling by owners; his \$20.75 for this same unit on a bulk test is a matter for conjecture.

Current:

Bulk samples, submitted by owners to Rombough Laboratories give \$ 1.71 and \$1.70 per ton for free recoverable gold (\$2.04 per yard).

The minus 10 mesh of a 12 pound sample of May 21, assayed \$2.10 per yard, which approaches the \$2.04 per yard, above.

Rombough 's average of \$4.35 per yard is an estimate of free gold and gold encased(which would require treatment).

Personal Reactions:

Panning of tails from the placering produced some coarse colors at the time of personal examination. The writer has no doubts regarding the auriferous nature of the gravels.

The range from Atkinson's \$0.54 per yard to owners \$2.04 per yard for recoverable free gold from the entire mass is great. Nevertheless, persistent values and the fact that development is insufficient to recommend or condemn, justifies recommendations.

ONE ALS AVES:

Owners claim the dev elopment of 10,000,000 cubic yards from an overall potential of 100,000,000 yards plus.

160 acres with 54 feet of average thickness would amount to about 14,000,000 yards. The Plusmer Shaft, Rosie Shaft and three 50 foot, 36 inch diameter holes, mentioned above, all fall on the Frontier Claim, which appears to be the center of Malleable Metals' development.

The 75,000,000 plus yards mentioned under conclusions are based on the assumption that 1040 acres will all be in gravels, with an average thic kness of 54 feet. This is, obviously, an estimate and is mentioned only to illistrate to what limits the area might develop.

Others have commented on the irregularities of bed rock; such could drastically reduce the figure. On the other hand, the thicknesses mentioned by Atkinson, ie: 87 feet at the center of the

gravel trend and thicker to the south, could increase potential reserves.

Values there will, certainly, be, but how good or bad cannot be predicted on the basis of the above. Sampling throughout the property is a requirement.

TR ATMENT METHODS

Malleable Metals Mill:

Rombough has proposed jigs and tables to ores for the free gold content. Recoveries will amount to 75% of the overall gold content. The addition at a later date of a cyanide circuit is planned to bring recovery to 95%. With ore carried by belt conveyor to the hopper at the top of the structure, all movement through screens, jigs and tab les will be gravity induced.

Flow sheet for plant is broadly as follows:

Preparation

- 1. Ore will pass over $2\frac{1}{2}$ inch Grizzly, and plus $2\frac{1}{2}$ " will go to stockpile.
- 2. From Grizzly, all plus t inch will go to an impact type crusher, in closed circuit with the t inch wet screens.
- 3. Minus t inch will go to jigs and tables for concentration.

Concentration:

Rougher Jigs 5000 yards feed to 500 yards of product to 500 yards of product to 500 yards of product to 500 yards feed to 3.33 yards of product

Tails from all units will go to stockpile for later cyanidization.

Regarding the mill iron appears all in place, but inside design is behind. The mill appears to be about 40% complete, and is at the moment at a standstill, probably because of lack of funds. It is planned to proceed when S.B.A.'s loan of \$187,000 is received. It is the writer's opinion that mill will not be operating before a nother three months.

Field Washing Plant

If and wh en required in the suggested Three Month Period, the use of a simple washing plant is proposed, with fines collected by bowl arrangement or its equivalent in the form of rough concentrates. Further study is required.

COST ANALYSIS:

Mining:

Malleable Metals mining costs of \$0.37 per cubic yard are based on a contract with Rawhide Mining and Construction Company which will "remove gravel and seliver to plant at not less than 3000 yards per day and not more than 6000 yards per day". Malleable plans a 4000 yard operation.

Payments are to be as follows:

| Yards per Day | 🖁 per yard | |
|---------------|------------|--|
| 6000 | 0.22 | |
| 5000 | 0.27 | |
| 4500 | 0.30 | |
| 4000 | 0.34 | |
| 3500 | 0.39 | |
| 3000 | 0.44 | |

If less than 3000(tons) yards per day are transported a minimum payment of \$1320 per day goes to the trucking company.

If gradedrops below \$1.00 per yard, the trucking company is to be penalized according to Mr. Syd Berry.

With two operations the \$0.22 figure appears to be a reasonable possibility.

Milling:

Rombough estimates the cost of milling per yard at \$0.30.

PROPOSED PROCEEDURES:

A. Three Week Program:

- l. Bulk samples from Plummer and Rosie Shafts; large volume from sides with samples broken, preferably, every 20 feet of depth; material to be trucked to San Francisco for testing by Abbot Hanks or Metallurgical Laboratories on Howard Street; part of volume in each 20 feet for analysis, and the total remaining volume for entire depth, per shaft, for bulk testing.
- 2. Mapping of area from Rawhide to south end of claims.
- 3. Additional 50 foot holes if rig is available for testing south of Frontier claim.
- 4. Check on Rombough and his ideas by a competent consulting metallurgical engineer.

B. Three Month Period

- 1. Bulk sampling through washing plant from cuts to bed rock, at scattered sites throughout property. Program will require careful planning and discussion.
- 2. Not to exceed \$25,000 if results are consistently low but to be continued to end of period if recoveries are economic and defraying cost of operation from concentrates and/or recovered free gold.

Respectfully submitted,

David LeCount Evens Consulting Geologist

465 Court Street, Reno, Nevada. Mr. Patrick J. Fazio, Vice President, McCulloch Oil Corporation of California, 6151 West Century Boulevard, Los Angeles 45, California.

Dear Pat:

Please find enclosed three more copies of the September 12 report of the RAWHIDE GOLD PLACER; also two extra covers to protect the original and copy, mailed by air last night.

I do hope that you have the two by Monday morning.

Recommendations may make it difficult to do business with the group, but I am convinced that if they want McCulloch as a partner, seriously, they will go along.

If only for a \$50,000 down payment to help them out of present difficulties, they will not think too well of the proposals. The approach would add greatly to the value of the property or wash it out, depending on the results. There are other matters, too, all non-geological and non-engineering, interesting and to be discussed when I see you sometime in the future.

I plan to be in Nevada through the end of this week, culminating in a silver evaluation, near Austin, next week end, tentatively set up. After that hope to go down to San Francisco to see my Mother and daughter for a few days.

Should there be anything 'hanging' or unanswered in the 15 pages word will be appreciated.

With best regards, I am,

Sincerely,

David LeCount Evans.

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