INVESTOR'S REPORTS
EFFICIENCY STUDIES

3850 0005

Item 5

J. H. WREN & CO.

CABLE ADDRESS WRENCO CONSULTING MINING ENGINEERS

PHONE GLADSTONE 6-0922 4297 D STREET SACRAMENTO, CALIF.

FEBRUARY 20, 1963

UP-TO-DATE SUMMARY OF THE RED CANYON MINING DISTRICT, DOUGLAS COUNTY, NEVADA LODE MINING CLAIMS.

1. LOCATION:

The Lode Mining Claims are located in the North Fork Area of Red Canyon, Douglas County, Nevada in the Red Canyon Mining District. The Silver Crown No. 1 Lode Mining Claim is some six miles from the mouth of Red Canyon via old road lines.

Road rehabilitation is necessary from the canyon mouth, to the Silver Crown #1 Claim. Approximately three days' heavy bull-dozer work will renew the road. The road from the County Road some four miles needs blading.

2. OWNERSHIP:

The original five claims were relocated, renamed and two additional claims added, making a total of seven full lode mining claims, Silver Crown #1 through #7, all adjoining.

The mining claims are owned by the U. S. Mining Exploration Co., Inc.

3. GEOLOGY:

Rocks on the claims are: Rhyolite, Limestone, Shale, andesite, quartz veins, tertiary lava flow rocks of various kinds.

Shipment ore was produced in highly mineralized and altered Rhyolite. Shipment ore was also produced from the limestone areas.

Detailed geologic conclusions will be included in a supplement to this summary.

4. MINERAL OCCURRENCE:

Shipment ore to date was produced from fissure veins in Rhyolite which occurred in pods along the strike of the veins. Pay metals were gold, silver and lead. Chief lead mineral is Galena which carries the greater percentage of the silver, along with gold, however, arsenopyrite present in the veins also carries gold.



SUMMARY OF THE SILVER CROWN MINING CLAIM GROUP:

Sulphides occur on and near the surface in view of the fact that the area is one of high and recent erosion. Consequently the sulphide ore has eroded faster than it oxidized in place.

5. HISTORY:

Previously covered herein.

6. PRODUCTION HISTORY:

See foregoing historical data including shipment settlement sheets in the Exhibit Section.

7. SETUP COST ESTIMATE:

Note: Following is a one month cost estimate prior to the first shipment of crude ore selected as direct shipment tonnage.

a)	Combinati	on bul	lldozer-	front	end	loader	re	ntal	, less
	operator,	fuel,	service	for c	ne r	nonth			\$1,000.00

b)	Two way haulage of bulldozer	belonging to
	Ed Cleve, Woodland, Calif. to	Red Canyon
•	Mouth, Smith Falley, Nevada	

c)	Cargo insuranc	e for	bulldozer	in	transport	•	50.00
					-		

d)	Nevada	Industrial	Insurance	neboer	•	*	•	•	•	٠	250.00

e)	Two	men,	27	days	0	\$25	ber.	man	per	day	•	1,350.00
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f)	Industrial	Insurance,	above	labor	•	•	•	•	•	67.50

g)	Compressor	rental,	105 Cu. Ft.	one month	 125.00

h)	Powder,	fuel,	lub,	for	one month		٠	•		500.00

i)	Trailer	house rental,	including light plant	
	and two	way haulage		100.00

j)	Tool	purchase,	picks,	shovels,	wrenches,	etc.	225.00
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k)	Sampling	and	assay	fees		٠	•	٠		•		•	•		200.00
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1)	Engineering,	supplies	and	Miscl.	expense	•	400.00
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SUMMARY OF THE SILVER CROWN MINING CLAIM GROUP: (Setup Cost Estimate, Cont.

- m) Stripping out and loading 1st two shipments of 50 tons each, estimated cost 2,000.00

Total estimated cost to 1st 100 tons \$7,821.00

8. ECONOMICS:

AVERAGE GRADE OF THE LAST THREE SHIPMENTS:

	Óz.	Tor Value	Oz.	Ton Value	% <u>Pb</u>	Ton Value	Per Ton Total Value
0.	276	\$9.66	72.07	\$90.08	38. 58	\$77.16	\$176.90

Same gross value 1940 prices on metal market 84.43

Rise in metal markets as of Feb. 1963. (plus 100%) 92.47

During the course of high grade selection for shipment, a secondary product would be stockpiled for future beneficiation.

Until the ore occurrence zone has been stripped of the Silver Crown Claim No. 1, it is not possible to estimate the probable weekly production volume available.

9. RECOMMENDED MINING:

Use bulldozer - front end loader to strip out the ore zone, wasting the hangingwall tonnage over the hillside. This will expose the high grade pods allowing hand selection of the direct shipment product which should average over \$175 per ton and stock pile with the front end loader lower grade tonnage for later treatment. The altered and highly mineralized Rhyolite is fractured and broken so very little drilling and blasting will be necessary for the first few shipments. The ripper on the bulldozer will free at least 90% of the waste and ore for the first 50' of depth, on the Silver Crown Claim #1.

It is recommended to build an access road to the Silver Crown #7, strip out the ore occurrence and then grant a block lease on the high grade ore showing. This lease should be set up on the basis of all expenses deducted and the company splitting

SUMMARY, SILVER CROWN CLAIM GROUP

9. Recommended Mining, (Cont'd)

returns 50-50 with the block lessees. On this production project, no payrolls, insurance, supplies or service will be on company account.

10. CONCLUSIONS:

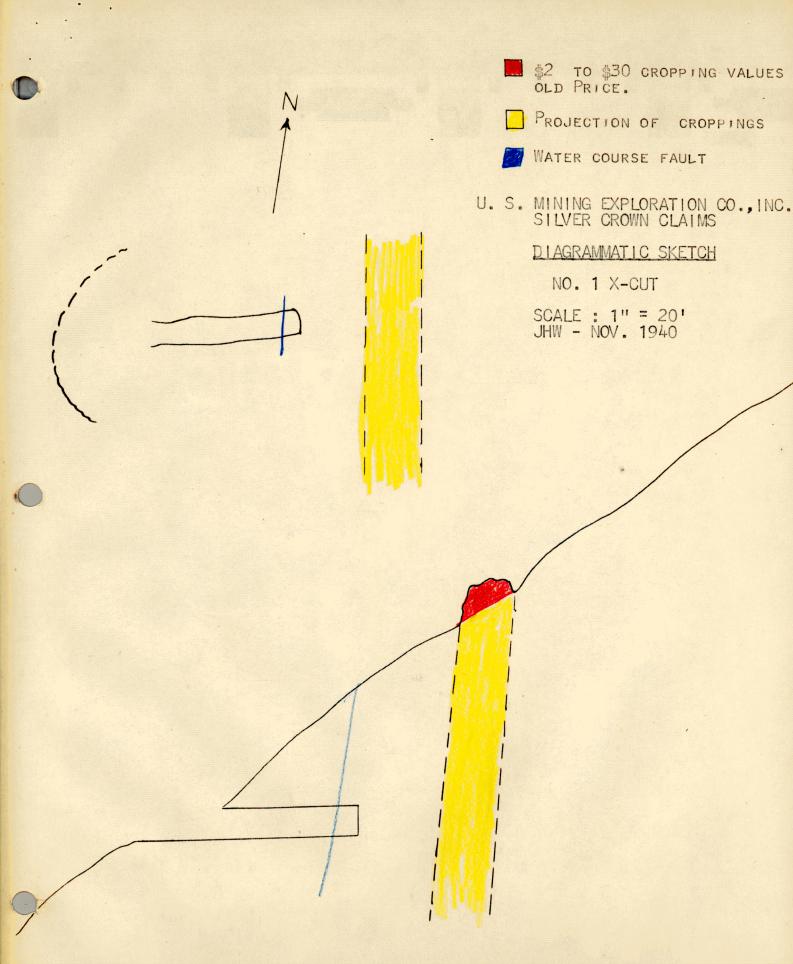
- a) Some considerable hand drilling and prospecting has opened a number of favorable ore zones on this property, as has been proven by excellent grade shipments marketed.
- No mechanization has ever been in effect on the property.
 With the bulldozer and compressor, two men will accomplish in one day which took formerly two men a month to produce.
 - c) The high grade ore selection will open up low grade ore values, part of which can be produced by open pit methods.
 - d) It is recommended to locate a mill site as subsequently concentration of low grade ore may make some considerable tonnage available for economic production.
 - e) The very nominal capital requirement to commence production on this property is justified in view of the long range prospective potential.
 - f) A supplemental report will be compiled as soon as some project activity allows monthly production tonnage factors and estimates to be compiled.

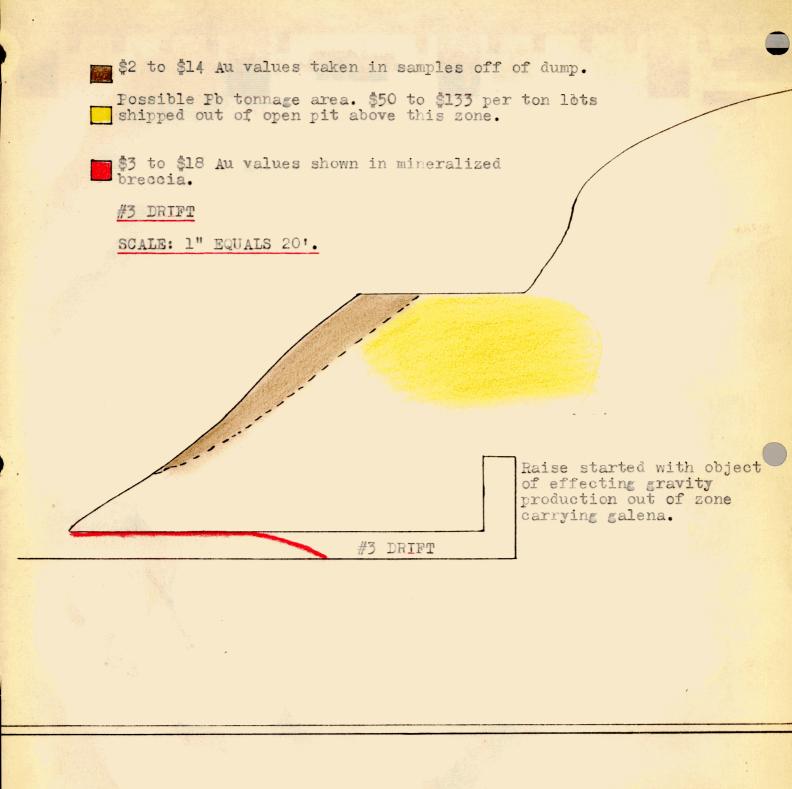
Very truly yours.

J. H. WREN & CO.,

James H. Wren.

U. S. MINING EXPLORATION CO., INC. SILVER CROWN CLAIMS GOLD, SILVER, LEAD SOLD CRUD \$50 TO \$133 PER TON OLD PRICE. MINERALIZED RHYOLITE \$2 - \$20 PER TON OLD PRICE. SHALE DUMPAGE - \$5 - \$14 PER TON OLD PRICE SHALE FLOAT DIAGRAMATIC SILVER CROWN OPEN PIT AREA SCALE: 1" = 20' JHW-NOV. 1940 SEC'TN. "A" PIT SECTION "A" - "A". #1 DRIFT OPEN PIT





#3 DRIFT



WALTER S. PALMER, DIRECTOR
VINCENT P. GIANELLA, GEOLOGIST
WILLIAM I. SMYTH, ANALYST
HARRY E. WHEELER, GEOLOGIST

UNIVERSITY OF NEVADA

No. 719

Reno, Nevada

STATE ANALYTICAL MINING LABORATORY

A	വെ	7040	
August	6.6.	1940	

Mr. James H. Wren

Wellington, Nevada

Report on sample or specimen received from you on August 21, 1940 , is as follows:

7	NEXTERNAL GOD DOOM	Ounces	Per Ton	
Number	MINERALS OR ROCK	Gold	Silver	
	Will you please read the state law and note we are not to assay samples from properties shipping ore. You state you have shipped ore, therefore, we are only giving you mineral			•
	determinations.			
1	Chiefly galena, a high grade lead ore.			
2	Galena, quartz, limonite, same remarks as No. 1.			
3	Quartz with coating of iron and manganese oxides.		4	
4	Quartz coated with limonite.			Sp. in
5	Chiefly galena, a little cerussite and quartz.			
6	Quartz, limonite, a little galena, anglesite cerussite.	•		
7	Quartz breccia from a fault zone, a little calcite.			
8	Carbonaceous limestone			

Director.

The Laboratory very often receives a letter which does not state definitely what is desired on a given sample or we may misunderstand a request, therefore in case we have not made the determination you desire or you wish further information regarding these samples, please write within a month, and refer to the number of this report.

The State Analytical Mining Laboratory makes free determinations of Nevada ores and minerals only for citizens of the State, on Nevada samples. As satisfactory assays cannot be made on very small single piece specimens, no gold or silver assays are run on specimens under three ounces in weight unless special conditions are shown to prevail. Assays below 20 cents per ton are reported as traces or none.

Please address samples and communications to State Analytical Mining Laboratory, University of Nevada, Reno, Nevada, and be sure to put your name on your packages; this is often not done and we are unable to return reports and are accused of throwing the samples away.

J. H. WREN & CO.

CONSULTING ENGINEERS

CABLE ADDRESS

P. O. ADDRESS BOX NO. 504 SACRAMENTO, CALIF.

September 9, 1947

Doughas County Recorder Minden, Nevada.

Dear Madam:

During the month of May 1947 I filed an "Intention to Hold" notice concerning several lode mining claims located in the Red Canyon Mining District. I sent the notice with the recording fee in form of U. S. Money Order via registered mail. Have not so far received a receipt or acknowledgement of the notice. Would appreciate knowing if the "Intention to Hold" has been recorded.

Dear Mr. When.

Minden, les Dept. 11, 1947.

Dear Mr. When.

The Notice of Deespension of Labor

on the Mary & Mary Selver king, etc. mining

on the Mary & Mary Selver king, etc. mining

Claims was reclived by me on Jane 19, 1947

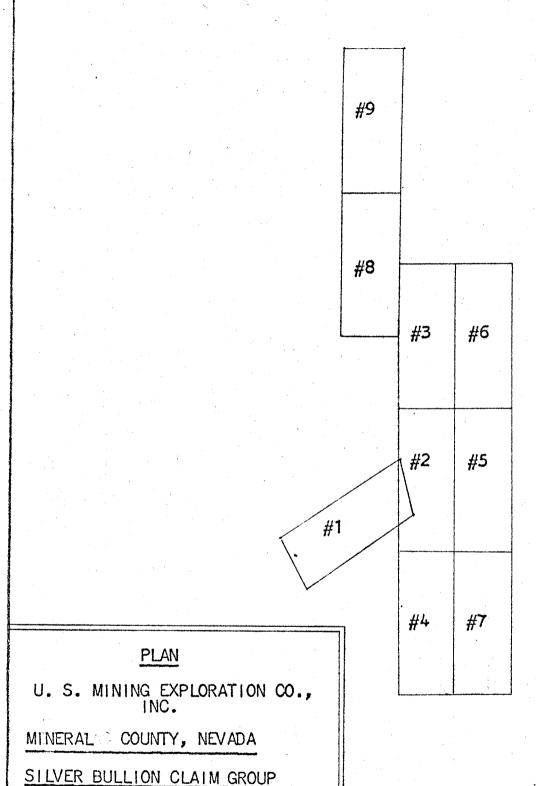
Claims was reclived by me on Jane 19, 1947

and recorded and returned to you at P.O.

ond recorded and returned to you at P.O.

with a balance orvering of 50 %.

Vėry truly yours,



2/24/63 J.H. W.

KING MINING DISTRICT

J. H. WREN & COMPANY

Consulting Mining Engineers 4297 D Street Sacramento, California



J. H. WREN & CO.

CONSULTING ENGINEERS

CABLE ADDRESS
WRENCO

P. O. ADDRESS BOX NO. 504 SACRAMENTO, CALIF.

RED CANYON MINING CLAIMS

LOCATION :

The claims are located in the Red Canyon Mining District of Douglas County, Nevada. Nearest town to the property is Wellington, Nevada, some twelve miles distant. Railroad shipping point is approximately 17 miles from the mine. With the exception of six miles of canyon road, trucking conditions are excellent. About three days work with a tractor-bulldozer should straighten the canyon portion of the road sufficiently to allow production trucking.

PROPERTY EXTENT :

The holdings consist of five full lode claims. Names of which are: Mary & Mary, Wood-tick, Silver king, Golden Arrow, and the Red Arrow.

OANERSHIP :

The sole owner of the herein listed mining claims is the J. H. wren Company of P. O. Box 504, Sacramento, California. The property is free of obligation.

HISTORY :

During the past 40 years the property has produced a few high grade selectively mined shipments, marketed as crude ore direct to smelters. The last shipment was sold in the year of 1940 to U. S. Smelting, Refining & Mining Company, Midvale, Utah. Previous operations were conducted by surface channeling, X-cutting and drifting to pick up galena occurrence in the mineralized zone some fifty to one hundred feet in width. All work on the property to-date has been accomplished by hand.

DEVELOPMENT :

Development consists of several hundred feet of drifts, X-cuts, and raises. There is one open pit where several thousands of cubic feet of material have been displaced plus numerous surface channels across the ore zone. There are also several pre-1900 drifts which have not been reopened but the dumps indicate workings in low grade ore. The mineralized zone in which the direct smelting high grade occurs is from 50 to 100 feet in width and 2,000 feet long. All surface channels across the zone have shown gold, silver and lead values.

SMELTER SETTLEMENT ASSAYS:

The following assays are from settlement sheets on the last three shipments sold. The sheets are available for inspection. Payment was based upon 1940 market values and at that time there were no government premiums collectable on lead.

- 1. February 5, 1940 :
 - .43 Oz. Au, 51.60 Ozs. Ag, 36.0 % Pb, 37.1 % Insol., 5.0 % Fe, .5 % Zn, 5.6 % S, 5.0 % Sb.
- 2. September 9, 1940 :
 - •13 Oz. gold, 38.70 Ozs. Silver, 22.30 % Lead, 56.8 % Insol., 5.6 % Iron, .5 % Zinc, 2.5 € Sulphur, .8 % Lime, 1.2 % Antimony.
- 3. September 14, 1940 :
 - .17 Oz. Gold, 134 Ozs. Silver, 56.10 % Lead, 19.6 % Insol., 1.70 % Iron, 7.4 % Sulphur, 1.5 % Lime, 1.2 % Antimony.

OPERATIONAL SUGGESTIONS :

1. The ground in vicinity of the open pit (sketch attached) lies in such manner that a tractor-bulldozer could strip the shale over-burden off with little cost to expose the stock-work of lead sulphide which outcrops on the surface under the shale float.

The greater widths at intersections could be selectively mined as deep out of pits as conditions permit. Formerly the development by hand was too costly while shale was handled between each mining width. A tractor could open up more ground for galena selection in one day than two men could expose by hand in thirty days. The shale overburden is not cemented and not larger than 6% 10% in size.

RED CANYON MINING CLAIMS

(3)

OPERATIONAL SUGGESTIONS :

- 1. Continued.

 Pit production out of the wider stringers and mineral which occurs in lens form should net not lower than \$2,500 per fifty ton lot without premiums. Until June 30, 1947 it is quite possible that both *A* and *B* quotas could be obtained on lead. The above \$2,500 net is considered as over-all profit. If a highly selectively mined product is produced the net on each car without premiums could run up as high as \$5,000 per fifty tons as judged from the grade of all previous shipments. This area holds the best immediate income possibilities. The returns from which could pay for the other other three production development projects. It is highly probable that after three days of intensive bulldozer stripping, direct smelting cubics of excellent grade could start being produced. This movement would call for about 40 hours of tractor-bulldozer time and two men digging out exposed ore after the tractor is finished stripping.
- 2. Drift number three shown on attached sketch was driven with the object of getting under the " Open Pit" area. A raise has been started and should contact the zone of galena occurrence within the next twenty feet of advance. The bottom of the open pit could be " glory-holed " into the chute taking advantage of full gravity for volume tonnage moving. Part of this tonnage would be low-grade ore and it should be advisable to stockpile. A short conveyor belt around 25' in length could be set and high grade galena hand sorted off of the line. This installation would not be expensive and on the basis of volume out of the glory hole every stringer and lens in the area containing lead sulphides would be produced. Ground conditions in vicinity of the present open pit are loose, shattered and not cemented. Consequently very low cost tonnage would be expected on this project. The drift already driven under location of the proposed glory hole itself contains a width of brecciated quartz which runs from \$3 to \$18 per ton. The breccia dips flatly into the hill passing below the level of the adit some fifty feet from the portal. At some later date this occurrence could be checked by the sinking of a winze on the ore for a short distance to determine its strength.

RED CANYON MINING CLAIMS

(4)

OPERATIONAL SUGGESTIONS :

- 3. X-cut number one as shown on the sketch was driven with object of contacting the projection of a mineralized outcropping which sampled from \$2 to \$30 gold values. It was suspected that some of the higher samples obtained from the croppings were not representative due to concentration. The cross-cut has only about 20° to go yet to contact the projected line. The croppings indicate a width of ten feet so if the occurrence goes down and still carries values some considerable cubics will become available for production. This tonnage would probably have to be trucked to a custom mill for treatment. The additional 20° of necessary advance is deemed highly justified due to the very little expense involved and the interesting possibilities which are likely to be encountered.
- 4. Drift number four as shown on the sketch has not been fully sampled as the portal had just been reopened when the property was closed in 1940. However, there is a stringer of galena in the face and one leading down a winze which has not been recovered. This particular area does not impress one as having immediate production availability without additional development accomplishment.

5. OPERATIONAL SUGGESTION SUMMARY :

- a). For a cost not to exceed \$10,000 all of the above movements could be placed into motion and a reserve of funds left over in case of necessity. This would include all necessary mining machinery, compressor rental, bulldozer rental, camp establishment and labor costs until the first returns come back. Within one month after actual operations commence both the surface ore pit production and the glory hole project should furnish shipable tonnage. On the basis of grade even the limited tonnage sold each month should deliver a nice small project return, from these two above mentioned sources alone.
- b). Number 1 cross-cut should be driven into the contact which is about 20 away. There is a good possibility that this development could start income rock out within a week s time.
- c). There are other mining considerations on the property but those listed herein seem the most likely to produce income production on a short time blement basis.

RED CANYON MINING CLAIMS

(5)

5. OPERATIONAL SUGGESTION SUMMARY :

c). The property has a cabin, spring and pump for domestic water. There is also a year around flowing stream which can be used in the event that milling installations are ever made. Excepting a minor compliment of hand tools, all machinery for the operation will have to be prought in.

LOW GRADE MINING POSSIBILITY :

On long range mining consideration after most of the known zones of direct smelting ore have been mined there is possibility of volume tonnage being available relative to concentrating on the property. The property has never been sampled from a milling standpoint. However, the main zone contains gold and silver values which might prove of interest. The development for hi-grade shipping ore has opened up low grade areas which might prove adaptable for milling.

PROPERTY AVAILABILITY:

The property is available for operation under a lease to a responsible individual or party. Terms of a lease would depend upon the operational schedule contemplated. If the prospective leasor would only plan to work out the shale covered outcropping galena and the pit for fast, short term operations, the royalty and time element would not be as favorable as if the other two listed developments were carried along also.

James H. Wren, September 30, 1946. J. H. Wren & Co. 4297 D Street Sacramento 19 California

ASSAY REPORT

MINERAL SERVICES, INC.

ASSAYERS & CHEMISTS

Merwin G. White, President Don Johns, Vice-President

158 South West Temple Street Salt Lake City 1, Utah

Lab # 1503-10

January 29, 1963

ASSAY PER TON OF 2000 POUNDS

DESCRIPTION	NO.	GOLD	SILVER DUNCES	WET LEAD	COPPER %	ZINC %	INSOL %	%	%	%	VALUE OF GOLD PER TON
# 1001 1002 1003 1004 1005 1006		0.075 0.400 0.020 0.050 0.050 0.050	0.4 0.4 0.4 186.4	Trace Trace			2.5 2.5 2.5 2.5 3.5 4.5 4.5 4.5 4.5 4.5 4.5 4.5 4.5 4.5 4		100		

CHARGES 8 23.00

Phone Elgin 9-9962

U. S. Mining Exploration Co. 5801 - 59th Street Baoramento 24, California

ASSAY REPORT

MINERAL SERVICES, INC.

ASSAYERS & CHEMISTS

Merwin G. White, President Don Johns, Vice-President

158 South West Temple Street

Salt Lake City 1, Utah

Lab # 1601-4

February 14, 1963

								ASSAY P	ER TON C	F 2000 P	DUNDS
DESCRIPTION	20.	OUNCES OUNCES	SILVER DUNCES	WET LEAD	COPPER %	ZING %	INSOL %	%	%	%	VALUE OF GOLD PER TON
				,				!			
# 1009		0.010	0.3								
# 1010		0.020	58.2								
# 1011		0.245	2.0								
# 1012		0.030	0.4								
			*								
		9	ų	* not	yet c	omplete	d.				

CHARGES #10.00

Am for True

Phone Eligin 9-9962

U. S. Mining Exploration Co. 5801 - 59th Street Secremento 24, Celifornia

ASSAY REPORT

MINERAL SERVICES, INC.

ASSAYERS & CHEMISTS

Merwin G. White, President Don Johns, Vice-President

158 South West Temple Street Salt Lake City 1, Utah

Lab # 1602

February 15, 1963

						and the second	~ **	ASSAY P	ER TON C	PF 2000 P	OUNDS
DESCRIPTION	NO.	GOLD	SILVER	WET LEAD	COPPER %	ZINC %	INSOL %	%	%	%	VALUE OF GOLD PER TON
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TET	PPHONE	WAS	ATCH	1199

U.S. 966 Mine

Sample Serial.

J. V. SADLER, President. A. C. SELBY, Vice-Pres. & Treas. A. C. SELBY, Jr., Secretary,

ASSAY CERTIFICATE

Salt Lake City, Utah

RESULTS PER TON OF 2000 POUNDS

Sept. 24, 1940

NO.	CLASS	GOLD Oz. per Ton	VALUE GOLD	SILVER Ozs. per Ton	LEAD Per Cent Wet	COPPER Per Cent	INSOL. Per Cent		SULPHUR Per Cent		LIME Per Cent	Per Cent
1 2		0.010 Trace		0.7	None None	5.83 6 + Calc	frings be in	er four	d whi	lo mas	ing or	ad.
3 4		Trace Trace				Limos						
5 6		0.040 0.020	A .	45.0 149.1	18.9 66.2	Secon	d you	de nero	ied			

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Charges \$.....

NEVADA MINERAL LABORATORIES

233 E. PLAZA ST.

PHONE RENO 21001

RENO, NEVADA

ASSAY CERTIFICATE

 $_{M}$ M. J. Ives

June 18, 1940

No.	MARK	GOLD Ozs. per Ton	VALUE GOLD	SILVER Ozs. per Ton	LEAD Per Cent Wet	COPPER Per Cent	MERCURY Per Cent	ZINC Per Cent	WOs Per Cent	Per Cent
Quest 0 - cc	z ~	•15	5.25	none						
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					·					

Charges: \$1.00 Paid

ALL ASSAYS RUN IN DUPLICATE

TELEPHONE WASATCH 1199

Hand

RESULTS PER TON OF 2000 POUNDS

Sample Serial,

ASSAY CERTIFICATE

A. C. SELBY, Vice-Pres. & Treas A. C. SELBY, Jr., Secretary.

Salt Lake City, IItah

August 6, 1940

NO.	CLASS	GOLD Oz. per Ton	VALUE GOLD	SILVER Ozs. per Ton	LEAD Per Cent Wet	COPPER Per Cent	INSOL. Per Cent		SULPHUR Per Cent		LIME Per Cent	Per Cent
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3 4	Tetra, in the second	Trace Trace	as des	1.9 2.4	0.7	~ 2u	eitz.	from the	Lower	d if	i Iosnav s	twilt
5		Trace		0.4	0.8	← 15 a.	- in 8 mg)	Lador P	7.57%	Soffie	lo win	alzeth,

Remarks		1	
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UNITED STATES SMELTING REFINING AND MINING COMPANY

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Provision					Salt Lake	e City,	Utah	, Septe	mber 18	, 194	.O _		
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ASSAYS	GOLD OZS. PER TON	SILVER OZS. PER TON	PER CENT COPPER WET	PER CENT LEAD	PER CENT		CENT	PER CENT ZINC	PER CENT SULPHUR	PER CE LIME	Ant	PHSHY	
U. S. S. Co.			7 4									2	

Umpire													
Settlement Assay	.17	134.0		56.10	19.6	1.	70	.40	7.4	1.5		1.2	
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				er 100% Less	94	20	Credit Acc't Over 30% Pb.		2	61			
				Copper				Debit Acc't Under 30% Pb.			1	96	
			Lea			33	70	Insoluble Zinc Charge, excess over 6%				130	
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YaTI.			Gol	d 100% @ :	11.87.97	i 4	14	Treatment	Base 30% Le	ad .	2	65	
				Silver 100% Less ½ oz. Copper			00	Credit Acc't Over 30% Pb. Debit Acc't Under 30% Pb.					
												77	
			Lead			13	40_	Insoluble	10 0V6000 0V7	6.0%	_5_	88	
				Zinc Total Metal Value			52	Zinc Charge, excess over 6% Sulphur Charge, excess over 2%			18		
				Less 5 % of value of silver			35		parge, excess o				
7													
	666			···		·····					<u></u>		
Sacks Ary 20 Net Weight 4070				Gross Value				Total Debit Iron Credit		<u> </u>	28		

Less Working Charge

Less HeO 1 0 % 46

8 94

Net Working Charge

8 94

Provisional Settlement NINTH FLOOR NEWHOUSE BUILDING Feb. 10, 1940 5917-A Salt Lake City, Utah, PayJAMES H. WREN, WALKERSINE, CALIFORNIA SP: Yerrington, Nevada Ore_Crudo Sampled by Midvale Received 1/31/40 Gold License No. Sampled 2/4/40 ___Assaved____ Metal Quotations—Gold34.9125Silver70.625 Copper, N.Y. Lead, N. Y. 5.50 PER CENT LIME PER CENT PER CENT PER CENT GOLD OZS. PER TON SILVER PER CENT PER CENT PER CENT ASSAYS U. S. S. Co. Umpire 37.1 5.0 51.60 36.0 5.0 5.6 .43 Settlement Assay METAL VALUE WORKING CHARGE CAR NOS. WET WEIGHT 2 Gold 100% @31.8183 13 68 Treatment Base 30% Lead L.C.L. 60 36 09 Credit Acc't Over 30% Pb. Silver 100% Less 1/2 oz. Debit Acc't Under 30% Pb. Copper 25 52 3 Insoluble Lead Zinc Charge, excess over 6% Zinc 90 29 75 Sulphur Charge, excess over 2% Total Metal Value L.E & of value of silver 80 Arsenic Charge, excess over 2% Total Wet Weight 3544 Sacks 40 35 Total Debit G 96 Net Weight 3609 Gross Value 73Iron Credit 30 Less H2O 1.4 51 66 Less Working Charge Net Working Charge 6 | 66 FORM C.O. 77-1 @ UNITED STATES SMELTING REFINING AND MINING COMPANY NINTH FLOOR NEWHOUSE BUILDING Provisional Settlement Salt Lake City, Utah, September 18, 1940 garra H. Walk, Walkormine, Galifornia SP& Yorington, Poyeda Crude Lot No. 3-2 Gold License No. Sampled by Minvolo Received 9-11-40 Sampled 9-14-40 Assayed 9-16-40 Metal Quotations-Gold . 0105 Silver 70.005 Copper, N. Y. Lead, N. Y. 4.90 Zinc. ASSAYS GOLD PER CENT COPPER WET PER CENT PER CENT PER CENT IRON PER CENT PER CENT SULPHUR PER CENT PER CENT U. S. S. Co. Umpire Settlement Assay 30.70 22.30 56.8 5.6 CAR NOS. WET WEIGHT METAL VALUE IOT. Gold 100% @37 878 WORKING CHARGE Treatment Base 30% Lead 4 14 Silver 100% Less 1/2 oz. 65 26 Credit Acc't Over 30% Pb. 20 Copper Debit Acc't Under 30% Pb. Lead 77 13 40 Insoluble Zinc ß Zinc Charge, excess over 6% Total Metal Value C.A. 50 Sulphur Charge, excess over 2% Less 5 % of value of silver 18 35 1 Arsenic Charge, excess over 2% Total Wet Weight 49GG Sacks Ary 17.00 Net Weight Total Debit 4630 (*) 28 Gross Value 43 17 Iron Credit 20 Less Working Charge BOA Net Working Charge 94

UNITED STATES SMELTING REFINING AND MINING COMPANY

FORM C.O. 77-1 0

UNITED STATES SMELTING REFINING AND MINING COMPANY NINTH FLOOR NEWHOUSE BUILDING

Provisional Settlement-6435-a					Salt Lake City, Utah, September 18, 1940							
Paydames E.	nki, ka	lkermin	e, Cali	fornia_	######################################	3	30:	feringt	on. Nev	eda		an and any one was the day the late of the late.
Ore Crude Lot No.					2-1 Gold License No.							
Sampled by 113	vele	Rece	ived 9-1	1-40	San	ı pled_	79	L5-40	Assayed	<u>∵-14</u> .	-40	
Metal Quotation	ıs—Gold 3	4.9125 _{8i}	lver 70.6	25_Copt	ber, N. Y.			Lead, N.	Y. 4.90	Zin	c	
ASSAYS	GOLD OZS. PER TON	SILVER ozs. PER TON	PER CENT COPPER WET	PER CENT LEAD	PER CENT INSOLUBLE		CENT RON	PER CENT ZINC	PER CENT SULPHUR	PER CEN	Tabi	PERSEN
U. S. S. Co.					A CONTRACTOR OF THE CONTRACTOR							
Umpire												
Settlement Assay	.17	134.0	Discussion and a theory is not being a second	56.10	19.6	1.	70	.40	77 .4	1.5		L2
CAR NOS. WET WEIGHT				METAL VALUE				WORKING CHARGE				
T.C.X.		.,,		1 100% @		5	41.	Treatmen	t Base 30% L	ead	2	65
			Silver 100% Les		½ oz. 94		94 28	Credit Acc't Over 30% Pb.		6 Pb.	_2	61
			Copper					Debit Acc't Under 30% Pb.				
			Lead	Lead			70	Insoluble			_1_	96
			Zinc	Zinc			_	Zinc Charge, excess over 6%				
			Tota	Total Metal Value			39	Sulphur Charge, excess over 2%			35	
			Less	5 % of valu	e of silver	4	71_	Arsenic C	Charge, excess o	over 2%		-
Total Wet Weight	262											
Sacks 42	_30						_	Total De			3	
-	52 3 2		Gros	s Value		128	68_	Iron Cred	it			10_
I ₂ O 1.0 %	52		Less	Working Ch	arge	3	25	Net Work	ing Charge		3	25



Item 5

J. H. WREN & CO.

CONSULTING MINING ENGINEERS

CABLE ADDRESS WRENCO

PHONE GLADSTONE 6-0922 4297 D STREET SACRAMENTO, CALIF.

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PHONE GLADSTONE 6-0922 4297 D STREET SACRAMENTO, CALIF.

Con la

FEBRUARY 21, 1963
40 West First Street, Reno, Nevada
U. S. MINING EXPLORATION CO., INC.

The U. S. Mining Exploration Co., Inc., was organized under the laws of the State of Nevada in 1945, and has been in good standing at all times concerning the regulations governing its operation.

The U. S. Mining Exploration Corp. is capitalized for two and one-half million, non-assessible shares with a par value of \$1 per share. Approximately three quarters of the total two and one-half million shares are unissued. The shareholders of the corporation are composed of professional engineers, businessmen, and retired individuals. No shares have been placed or given by the corporation for promotional purposes. All present members contributed either cash, property assets and/or services for their share ownership.

From 1945 to February 1963 limited activity was conducted by the corporation. It explored one gold property North of Winnemucca, Nevada and acquired a lease with option to purchase a group of eleven lode mining claims known as the Utah Mine in Lander County, Nevada. It also acquired the ownership of two lode mining claims, known as the Vista Claims, in Lander County, Nevada. The corporation abandoned the gold holdings north of Winnemucca after doing some rehabilitation and exploration work. The Utah Claims and the Vista Claims were examined, geologic, geophysical and metallurgical work was accomplished. Professional reports were made and the holdings were evaluated as economic mining properties. For the past several years the company's funds were inadequate to carry on any other work than completing the necessary assessment work to keep the claims in good standing under U. S. Federal Mining Regulations.

Mine operators Otto Brink, Ed Cleve and Consulting Mining Engineer, James H. Wren, all of Sacramento, California, through a mutually equitable arrangement with Mr. Lester Walbridge, President U. S. Mining Exploration Co., Inc., added valuable lode mining properties to the corporation's inventory in February 1963.

The U. S. Mining Exploration Co., Inc., inventory as of February 21, 1963, is as follows:

1. Lease with option to purchase Utah Lode Claim Group. See professional reports herein.

PAGE ONE

U. S. MINING EXPLORATION CO., INC.

- 2. Ownership of the Vista Lode Claims. See professional reports herewith.
- 3. Ownership of the Silver King Lode Claim Group consisting of seven full lode claims, in Douglas County, Nevada. See exhibits.
- 4. Ownership of the Silver Bullion Claim Group consisting of nine full lode claims in Mineral County, Nevada. See exhibits.

IMMEDIATE CORPORATION OBJECTIVES:

- 1. A joint venture agreement is being negotiated with J. Hitt of Sonoma, California to operate the Vista and Utah Claim groups. They are to drill out the indicated ore resulting from the Vista geophysical survey, evaluate and set up to beneficiate the 50,000 tons of dumpage for production income, rehabilitate and commence production of known ore in the Utah group.
- 2. Alignment is being made to complete the x-cut across some 300' of highly mineralized Rhyolite and the cutting of six mineral bearing veins on the Silver Bullion Nos. 2 and 5 claims. The data gained will also allow evaluation of open pit possibilities of gold-silver ore. During the course of driving the x-cut already in some 700' a very definite probability exists whereby direct crude ore shipments will be produced for market.
- 3. As soon as weather conditions permit -- in about one month or less -- the Silver King Claim Group will be reactivated and selective shipments of good grade gold, silver, lead ore produced.
- 4. The above objectives have been formally authorized by the shareholders and board of directors of the U.S. Mining Exploration Co., Inc.

James H. Wren

J. H. WREN & COMPANY

Consulting Mining Engineers
4297 D Street
Secremento, California

January 30, 1963

Subject: U. S. Mining Exploration Co., Inco, Inventory - Misc. Data .

1. Silver (rown Lode Mining Claim Group:

a). Location: Red Canyon Mining District of Douglas Co., Nevada.

b). Property: Seven full Lode Mining Claims, 1 mill site.

c). Ownership: The U. S. Mining Exploration (o., Inc. is the sole owner, holdings are free of obligation.

d). Geology: Gold, silver and lead occurs in an altered and highly mineralized Rhyolite bound by shale and limestone contacts.

e). Production: Limited volume of selectively mined good grade ore shipped crude to smelting markets has been achieved for some 50 years, at various times. Shipments sold in the 1930s and 1940 we valued at \$50 to \$133 per ton at less than 1/2 of the present markets.

f). Operation: Selected shipments produced from small open pits are scheduled to commence within the next 60-90 days. Evaluation of the wide mineralized zone is being studied relative to high volume, low grade open pit production.

2. Utah And Vista Mines:

a). Location: Lander County, Nevada, in the Bullion Mining District.

b). Property: 1. Eleven full Lode Mining (laims known as the Utah Mine. This section is under lease-with-option-to-purchase for \$35,000 - royalty applicable against option.

2. Two full Lode Mining Claims known as the Vista Group, owned free and clear by the U. S. Mining Exploration (0., Inc.

c). Geology: The (ountry Rock in general is a series of thin-bedded, shaley limestones in which occur the mineralized fissures from which one has been produced. Stringer zones and silicious fill in joints and cracks of the shaley limestone with silver minerals hold potential of volume open pit mining.

d). Production: (onsiderable good grade, silver value, tonnage has been produced from the property since August 1907 intermittently. It now has some acceptable developed one reserves and products which can be beneficiated.

2. Ucth And Vista Mines, Continuation:

e). Negotiations are now underway with regard to a joint venture agreement now being let to an adequately financed group who will be obligated to: it). Rehabilitate Utah Mine workings where available economic grade ore is developed. b). Evaluate 50,000 tons of silver bearing dumpage with object of beneficiation and production income. c). Diamord drilling of the area on the Vista No. 1 Lode Mining (laim as a follow up on the extensive geophysical study made of a particular zone which concluded in the exact locating of a highly favorable zone in which it is very probable that a major economic grade one occurrence exists. d). Sample, drill and evaluate the silver bearing zone which holds some considerable merit with regard to the opening of a high-volume open pit operation.

3. King Mine:

- a). Location: Nine full Lode Mining Claims in the King Mining District, of Mineral County, Nevada.
- b). Ownership: U. S. Mining Exploration (o., Inc. is the owner and the property is free and clear of obligation.
- c). Geology: The mineralized zone, some 350' in width by over 3/4 mile in length is a highly mineralized, altered Rhyplite. This mine lized zone, on the S.W. contacts Andesite which holds some mineralized veins. On the N.E. side, it is bound by unaltered Rhyplite. The chief values in the veins, stringer zones and disseminated mineral over extensive widths are in the form of gold and silver. Due to the absence of lower level exploration, it is suspected that the silver values will increase with depth as the surface shows evidence of high leaching.
- d). Production: Some selectively mined tonnage from this property was accomplished during the 1920s at a low silver price and under primative mining conditions. However, hundreds of shallow shafts, short x-cuts, drifts and surface channels exist. Some mineral is present at each prospect. This will enable an economic evaluation and sampling program whose results will enable the compiling of an accurate reserve estimate.
- e). A seven hundred foot x-cut in good condition has been driven in the Andesite near the certer of the ore deposit. This entry is only some 20' from a connection with the mineralized zone. Schedule calls for driving this adit across the proven mineralization, some 350'. During the course of the drive advance at least six veins will be cut through. Vein backs above this x-cut and production haulage adit will be from 150' to 450'. Gravity loading of ore production in this entry can be produced cheaply. At the conclusion of the x-cut drive an evaluation will be possible to conclude positive factors with regard to the now apparent possibility of the establishment of a high volume open pit operation with demensions 300'-350' wide and over 1/2 mile in length. While this x-cut is being finished on one shift, a second shift can be producing shipping grade one from the known veins. A preliminary sampling program has been completed. Results are available.

3. The U. S. Mining Exploration (o., Inc. is a solvent company. Its officers and directors are either members of various professions on experienced mine operators and engineers.

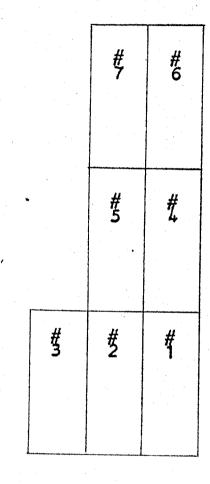
The corporation is capitalized at 2,500,000 shares of \$1 per stock. Something less than 600,000 shares have been issued and over 1,800,00 are unissued. It is a Nevada (orporation, organized in 1945. It has at all times been in good corporate standing during its almost 18 years of life.

- 4. The corporation's schedule at this time is to commence the production of silver-gold ones at its three properties. Silver market at \$1.25-6/10 is higher now than at anytime since the 1800s. Mining equipment, methods, metallurgy and technical advancement creates a very attractive silver production outlook from economic properties under the present long range firm market outlook.
- 5. The U. S. M. E. (o., Inc. is now conducting an examination program concerning gold-silver properties' evaluations with object of increasing corporation assets.

Very truly yours, J. H. Wren & Company, Consulting Mining Engineers,

By James H. Winen.

40



J. H. WREN & COMPANY

Consulting Mining Engineers 4297 D Street Sacramento, California <u>PLAN</u>

U. S. MINING EXPLORATION CO., INC.

DOUGLAS COUNTY, NEVADA

LODE MINING CLAIM GROUP

SILVER CROWN CLAIM GROUP

RED CANYON MINING DISTRICT

J. H. W. 2/24/63