

3950 0091

Sacramento, California,
2215a M Street,
January 19, 1936.

*Went to Arnold
Call*

327

*at Ruth ITEM
103*

Dr. Ralph Arnold,
Subway Terminal Bldg.,
Los Angeles, Calif.

Dear Dr. Arnold:

Herewith the contract given me by the owner of the H1 property (Stevens/Goldfield). There were so many interruptions that it was impossible to get it out to you before this moment.

Until my recent return from San Francisco the party here had never read his bond, lease and sales agreement on the property to me. I was present in Ely when he was discussing the terms and conditions with the owners and it was my understanding at the time that the contract would have the optional clause wherein the sum of \$2,500.00 was to be paid within sixty days of the time of getting on the ground for examination or operating, or in lieu thereof, to have begun the construction of a mill, or to start shipping not less than 50 tons of ore per day to the smelter. Since that discussion in Ely during August I had never been informed that those conditions were not incorporated in the agreement, hence it was quite a surprise to learn that the agreement, as finally drawn, required that mill be started by June 1, 1936. An earnest discussion took place yesterday when I learned that the clause was not optional. Mr. Bodfish, however, assures me that we can get a waiver on the condition of beginning construction of a mill, or at least an extension to some future time.

It is, of course, desirable that a mill be placed on the property for the reason that the smelter does not pay for lead or copper, hence these minerals in ores would not be paid for unless it is that some later policies have been adopted at the smelter. The operator, however, could select his ore as there are veins on the property which do not contain an appreciable quantity of lead and copper and those veins which do contain those minerals could be developed at a later time.

The carbonate ore deposit, represented by sample #8, would, according to my tentative opinion, be a most suitable place to start operations as the values start at the grass roots and the material is such that it can be readily excavated by power shovel. This carbonate deposit contains other minerals, but it carries appreciable high values in gold, though one would probably be losing an equal value in the lead minerals contained therein. Sample #13 represents a white quartz ledge which, as observed, contains no other mineral than free gold - I did not see any sulphides in the ore. Sample #1 could, likewise, be operated during the early stages of becoming established, as the values in gold run appreciably better than commercial and, likewise, sample #2.

MENTOR ETNYRE
MINING
ENGINEERING
EXPLORATION

Mr. Arnold - H1 Mine - #2

1/19/36

Later, when operations were established, by shipping the gold and silver ores direct to the smelter it would be politic to construct a mill and recover the lead, copper, and any other valuable minerals as concentrates, shipping the same to the smelter at Salt Lake City. Possibly by that time the smelter will have completed lead stacks and be willing to pay for the base metals.

Bodfish also assured me that an amendment to the present bond and lease could be obtained from the owners, wherein they specifically permit removal of all machinery and equipment. Bodfish contended that the operator had the right to remove machinery and equipment unless the contract specifically stated that the machinery was to remain on the ground in case of default or non-performance.

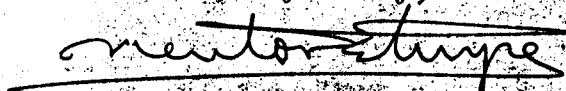
You will note that I have attached an assignment of the Bodfish agreement to me wherein I am assigning direct to you. Also note that the contract requires that the prospective operator have four men on the ground on or before January 28, 1936, and by so doing to thus protect the original bond and lease. Know that Mr. Bodfish is willing to make any reasonable change in the conditions of the contract other than as regards price and royalties. The amount of the minimum royalty is based upon that required to pay out the grantors of the original bond and lease with a little surplus to be divided between Mr. Bodfish and me, because we do not care to wait for a possible five years to begin getting returns. Once the property is under operation it is quite likely that the operators may take advantage of the favoring clause wherein they may pay an excess amount above the minimum royalty and get the benefit of a 7% credit.

The major portion of the \$2,000.00 payment stated as due May 2nd would go to the grantors of the original bond and lease.

I trust you will bring the matter to the immediate attention of your connections who are qualified to protect and operate the property because we have not much time. The requirement that they be on the property by January 28th gives us just four days to get someone else should they not get there, so it is well to definitely learn their ideas of promptness before we give them an agreement.

If there is anything I can do to aid and initiate protection of the property you will, of course, let me know immediately.

Yours very truly,



Mentor Etnyre

ME-EH
Enc.

MENTOR ETNYRE
MINING
ENGINEERING
EXPLORATION

THE "HI" MINE
ELY DISTRICT, NEVADA

A BRIEF REPORT ON "HI" MINE
ELY DISTRICT, NEVADA
- - - - -

This property was visited during the week of July 28, 1935, for the purpose of checking the reported potentials and economics.

The south boundary of the Hi Mine property is approximately one-half mile from the Nevada Consolidated open cut operation, known commonly in the Nevada country as the Ely "glory hole", and in which extensive mining has been conducted since 1906. This "hole" is approximately one mile in length, by three-fourths of a mile in width and of a depth of around 620 feet.

The local reports there state that the company has proven a great deposit of commercial ore below the floor of the "hole" as the result of drilling to a depth of 1500 feet.

The geology and mineralogy, and history of the region to 1917 are well recounted by Arthur C. Spencer in U.S.G.S. Professional Paper #96, The Geology and Ore Deposits of Ely, Nevada. The report is of a detailed nature and voluminous.

The southern portion of the Hi mine claims can be located on Plate VI, opposite page 112, and bordering the Lucky Boy group on the east, and the Ely Central Group on the North (Consolidated Copper Company), with the important open cut operations of the Nevada Consolidated Copper Company (Copper Flat Group) to the south.

Since the publication of Professional Paper #96 the holdings of both companies in the district have been increased as the result of a wide campaign of drilling to the north, east and west. Westward the areas have been proven beyond the boundaries of any map which appears in the report; northward from the Hi Mine claims there has been considerable drilling and development, all of which tends to prove that the Hi Mine group is surrounded by great areas of commercial ore and proven properties. The ore on the Hi Mine claims appears to be much the same as that commercially mined by the large mining companies of the district, and, in like manner, may be mined and treated at the McGill smelter.

There are a number of strong veins exposed on the surface and samples therefrom, upon being assayed, warrant a favorable opinion of the values in the ore.

The combination of low freight rate to the smelter, short haul to the railroad loading rack, a low smelter treatment charge, and

EXPLORATION
ENGINEERING
MINING
MINING
ENGINEERING
EXPLORATION

#2

The property consists of 400 acres, more or less, situated in the State of Nevada, and the favorable economic conditions result in the opinion that the property be recommended for thorough sampling and additional exploration, and with the belief that thereby the apparent great potentialities of the property will be verified.

Mentor Etnyre

Mentor Etnyre
2215a N Street
Sacramento, California.

Nevada Exploration Company, Inc. is a corporation organized under the laws of the State of Nevada, and has as its principal office, 2215a N Street, Sacramento, California. The Nevada Exploration Company, Inc. is a corporation organized under the laws of the State of Nevada, and has as its principal office, 2215a N Street, Sacramento, California.

BRIEF REPORT OF "HI" MINE NEAR RUTH, NEVADA

Settled September 1934

The property consists of twenty lode mining claims, comprising 400 acres, more or less, located about one mile from the mining town of Ruth, and about four miles from Ely.

The loading rack of the Nevada Consolidated Mines railroad is less than a mile from the property. This railroad hauls the ores of the district to the company's smelter at McGill, Nevada, about 15 miles north of Ely.

Freight to the smelter is 20¢ per ton, as is shown on the smelter return herewith.

Smelter charges for treating the ore are from \$2.00 to \$2.50 per ton.

The property is practically surrounded by the holdings of the Nevada Consolidated Mines Company, and those of the Consolidated Mines Company - the Nevada Consolidated open cut mining operation, widely known as the "glory hole" is directly south of this 400 acres and within less than 2500 feet of the boundary. The ore exposed in the "glory hole" strikes directly across the 400 acres and several of the veins can be observed cropping within the property boundaries.

The ore in the "glory hole" is broken by a series of churn-drill holes put down along the sides of each bench or terrace and, after blasting, is loaded by power shovels direct to cars and hauled to the smelter at McGill. By this method mining costs are extremely low and an immense tonnage of ore is treated. There is a great tonnage of the ore on the Hi claims that can be excavated and handled in a similar manner.

There appears to be ample water on the property for mining and other purposes. There are several cabins in good condition and ample for housing a small crew.

The topography is rolling, with a considerable rise in the western portion. A good surfaced road leads to and across the claims,

Economic conditions are excellent, and operations can be conducted throughout the year.

Assay records herewith represent thirteen samples of ore taken from surface croppings and shallow openings on the claims.

The property has a rather unusual degree of merit and I am justified in recommending it as worthy of operation.

G. F. Bodfish, E.M.

August - 1935.

NEVADA CONSOLIDATED COPPER CORPORATION
 NEVADA MINES

Settlement for Siliceous Flux Received September 1934

THE "HI" MINE

Date	Lot	Number	Wet Weight	%	Dry Weight	A S S A Y	%	%
Sampled	Number	cars	pounds	H ₂ O	Pounds	Ozs. Au.	Per Ag.	Ton SiO ₂ FE
9/30/34	1	1	117,200	1.30	115,575	0.21	3.82	28.7 13.4

C O N T E N T S

Ounces

<u>GOLD</u>	<u>SILVER</u>
12.146	220.94
95%	90%
11.539	198.85

11.539 Ounces Gold @ \$32.897 per ounce - - - \$379.60
 198.85 Ounces Silver @ 64.125¢ per ounce - - 127.51
 Total value - - - - - 507.11

Gross value per dry ton of ore - - - - - \$ 8.77

Treatment rate - - - - - \$2.00
 Iron Penalty 0.4% @ 5¢ per Unit - .02
 Silica Penalty 6.3% @ 5¢ per Unit .315- - - \$ 2.335

Total value of ore as above - - - - - \$507.11

Less treatment - 57.838 dry tons of ore @ \$2.335 per ton - - \$135.05
 Less Freight - 58.600 wet tons of ore @ 20¢ per ton - - - 11.72 146.77
 Balance due and payable - - - - - \$360.34

Rates subject to change without notice when not under contract or for a specified tonnage.

F. E. HUFFER
 Chief Clerk

Settlement No. 4

McGill, Nevada
 October 10th, 1934.

(COPY)

EXPLORATION
ENGINEERING

HEAVY MINES
HEAVY CONSOLIDATED COPPER CORPORATION

ENGINEERING
EXPLORATION

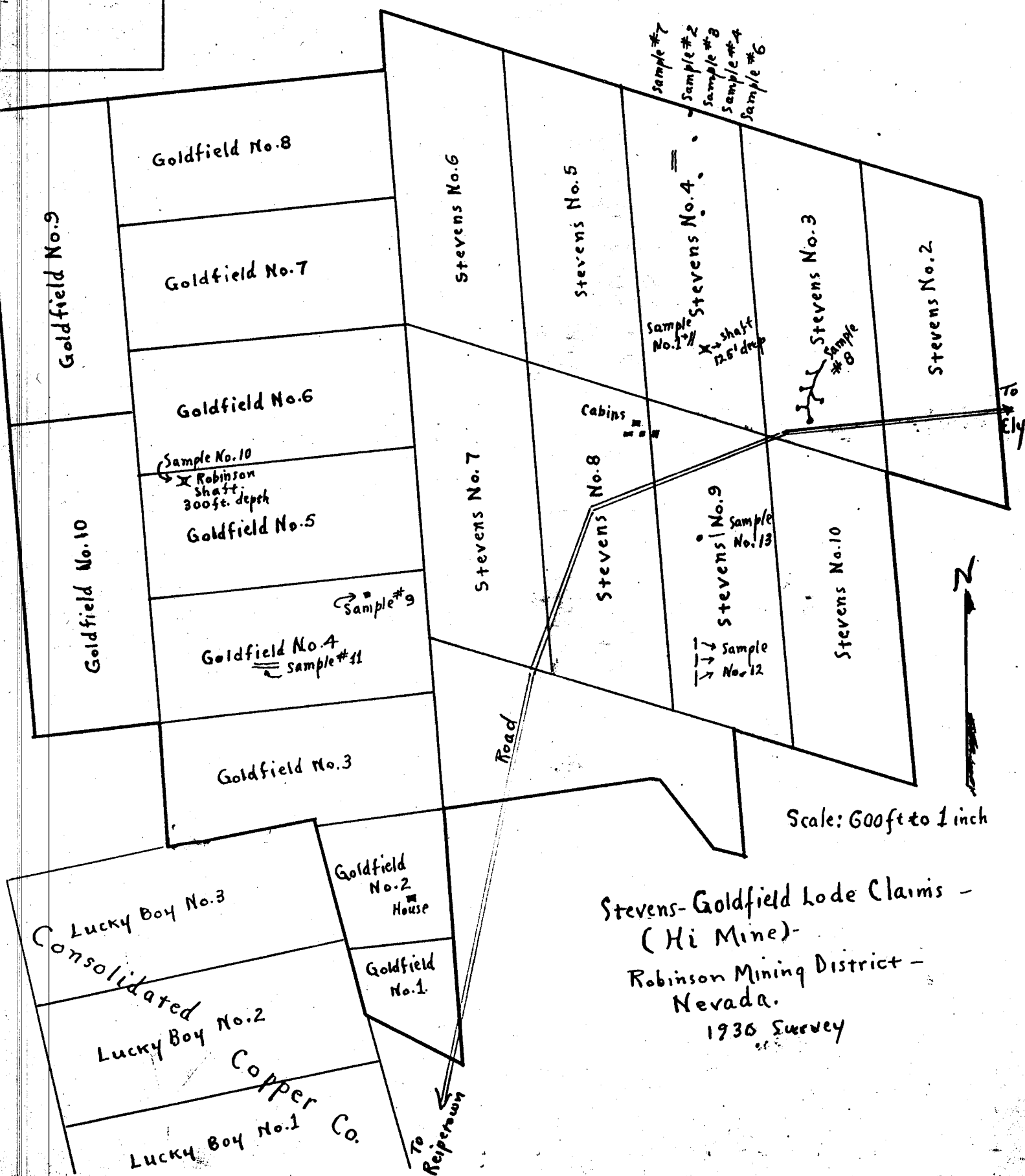
(Copy)

ASSAY REPORT
HI MINE

Sample Marks	Metals	Amount Per Ton Ozs. Hds.	Per Cent	Value Per Ton Dollars - Cents	Total
S & G 1	Gold	.76		\$26.60	
	Silver	9.10		7.01	\$33.61
" " " 2	Gold	.32		11.20	
	Silver	19.40		14.94	26.14
" " " 3	Gold	.20		7.00	
	Silver	3.20		2.46	9.46
" " " 4	Gold	.10		3.50	
	Silver	2.80		2.16	5.66
" " " 5	Gold	.12		4.20	
	Silver	5.80		4.47	8.67
" " " 6	Gold	.16		5.60	
	Silver	11.20		8.62	14.22
" " " 7	Gold	.14		4.90	
	Silver	2.00		1.54	6.44
" " " 8	Gold	.32		11.20	
	Silver	4.90		3.77	14.97
" " " 9	Gold	.08		2.80	
	Silver	1.40		1.08	
	Copper		7.4%	5.92	
	Lead		19.9%	9.95	19.75
" " " 10	Gold	trace			
	Silver	5.40		4.16	
	Copper		1.3%	1.04	
	Lead		8.6%	4.30	9.50
" " " 11	Gold	.10		3.50	
	Silver	4.40		3.39	
	Copper		trace		6.89
" " " 12	Gold	.08		2.80	
	Silver	4.30		3.31	
	Copper		11.2%	9.96	16.07
" " " 13	Gold	.20		7.00	7.00
	Silica (Insoluble)		53.2%		

Gold at \$35.00

gricul+4
Patent
3332



Stevens-Goldfield Lode Claims -
(Hi Mine)-
Robinson Mining District -
Nevada.
1936 Survey