GEOLOGY:

The geological horizon in and surrounding the Atlas Mine property and where the development has taken place, consists of the rock formations originating in the Pre-Cambian period, and classified as Gneiss, Schists and the thoroughly eroded product of the Lime Formation, as Lime Shale. Some slight indication of a sedimentary formation of probable late Pre-Cambian age was noted.

The formation supporting the Silver, Lead and Gold mineralization strikes East and West, dipping 38° Northeasterly into the hill. The mineralized area has been subjected to an intense degree of metamorphic action, the formation at places altered beyond recognition.

The deepest ore exposure occurs at the western extremity of the deposit in an "open cut" that measures twenty-six (26) feet vertically from the surface to the floor of cut that shows the metamorphic condition to that depth and continuing in all directions. At a location two hundred twenty (220) feet, directly above and east of this lowest ore exposure there is another open cut showing Silver, Lead and Gold ore at a nine (9) foot vertical face.

Continuing east and higher on the deposit and a short distance to the left, a twelve (12) foot deep incline shaft was dug and a drift following a vein fourteen (14) inches in width for a distance of fifty (50) feet was constructed to allow the excavating of fifty-five (55) tons of ore that were shipped to a smelter by an unscrupulous mine promoter,

who absconded with the smelter returns, leaving no record of the value received for the carload lot of ore. As near as can be determined, $90.00 per ton was the assay value of the ore as sampled going into the car.

Numbrous shallow surface excavations are in evidence surrounding this immediate area, all disclosing the characteristic metamorphic conditions that generally prevail throughout the mineralised area that measures three hundred sixty (360) feet, trending easterly from the western boundary line and two hundred twenty (220) feet in width; with prima facie evidence that the mineralisation should extend beyond the southern boundary,

Within the confines of the mineralized area are incorporated a multitude of mineral burdened minute fissures, slips, stringers and veinlets ranging in width from "knife blade" to a four (4) foot vein of ore.

Subsequent to the deposition of the percolating mineral solutions, a series of local minor seismic disturbances created an erratic surface condition, such as swelling upthrusts and cross fracturing that has been responsible for the alternating enriched and lean deposition of the minerals disseminated throughout the mineralised zone as indicated by the numerous surface ore exposures.

The Atlas Mine has benefacted by the occurence of two (2) separate and distinct mineralized zones, the larger area that of Silver, Lead and Gold adjoining the gold producing area on its northern boundary, and both are situated in the Atlas Claims Nos. 5, 7 and 9.

The geological description of the gold bearing area is similar to that of the previously described Silver and Lead deposit, excepting with lighter metamorphic action and more oxidization in places. The extent of the gold bearing area has not been determined by development at the present time. The surface indications at the apex of the gold ore deposition is the highest point on the Atlas property.

DEVELOPMENT:

The gold bearing zone has been developed by an open cut, twenty (20) feet in length by six (6) feet in width, and enters a "Glory Hole" that is exposed on the surface eighteen (18) feet above and offers a full eighteen (18) foot face of gold bearing ore at places very rich, the deposition occuring as a scrambled "stock work" of seams. The owner has four (4) assay certificates of samples selected from this excavation, that yield a gold content ranging in value from $14.00 to $1200.00, per ton. The material on the dump extracted from the "Glory Hole" tests $14.00, per ton, gold content. The gold occuring in this deposit is 860 fine, with scarcely any silver content. About one hundred (100) feet distant from the "Glory Hole" excation a sixty degree (60°) incline shaft was sunk on a shattered blue quartz vein averaging about eight (8) inches in width, at places several inches wider, that assayed Gold and Silver. Samples selected across the bottom of the shaft, after each round of holes was blasted, varied greatly in value and mineral content. Samples that were submitted for testing contained a high Lead content, mostly cerussite (Lead Carbonate), or testing 20% Lead, 12 oz. Silver, and $22.00 Gold content.

At several places the Gold content would predominate. Another sampling would test higher in Silver, as high as 40 oz. per ton.

Twenty-three (23) feet down into the shaft, ore samples tested $103.42 in Gold content. This erratic distribution of the Gold, Silver and Lead properties are due, no doubt, to a severe local earth movement at this location. It is an attractive development prospect.

The Gold ore bearing deposit has been developed by the described "Glory Hole" method in an effort to find indication that would lead to an open pit operation. The gold deposition, seemingly, is centered at the "Glory Hole" location and has disseminated southerly from there. Many similar pits and "post holes" have been dug on the south exposure of the mountain, some of which are in gold bearing ore.

Adjoining the Atlas southern boundary line is the now famous "Kyle" patented Gold Mine claim locations. The Kyle property has a record gold production of $700,000.00. produced from two (2) mine shafts; the deepest one hundred six (106) feet, the other ninety-six (96) feet.

The Silver and Lead ore deposit development consists of three (3) open cuts, all in ore, that yields a mine run average of mineral content of $9.00 per ton. The minerals occurring in this deposit are in a combination and intimately associated as Silver (Argentine) Carbonate of Lead (Cercussite) and Lead Sulphide (Galena), Limonite and Hematite Iron, with Silica Quarts ever present.

TOPOGRAPHY:

Leaving the highway and entering the Atlas Mine Road that meanders diagonally across a gentle rising slope on the northern limits of the Pronto Valley for a distance of one (1) mile; thence 2½ miles in a northerly direction across two (2) small narrow ravines and gaining altitude at a ratio of five hundred (500) feet to one (1) mile; thence terminating on a short, narrow ridge, as a spur jutting out from the southern base of "Blue Mountain", that forms the apex of the Atlas Group of Lode Mining Claims where the ridge ends. Looking easterly from this vantage point, where the Atlas claims cross an abrupt, steep mountain side incline and ravine some six hundred (600) feet vertically beneath the Atlas Mine Campsite, is to be seen.

A Two thousand (2,000) feet section of this gulch that the Atlas Mine possesses is a potential gold producing placer operation, that sampling yields an average gold content of fifty (50¢) cents per cubic yard. This segment of the Atlas Mine possessions should be considered a potential asset that, some time in the not too-distant future, development should prove its value.

REMARKS:

At the present time, a small cabin represents the Camp improvements at the Mine. Up-to-date the short distance to market - (one hour's drive), it was not considered necessary to erect and maintain a larger camp..

Water for all domestic purposes can be developed from a series of living springs one (1) mile distant from Camp, on

the base of Blue Mountain, that offers gravity flow.

The Atlas Group of Lode Mining Claims have been under location for many years. The owner constructed the Mine Road, and during the year of 1938, he engaged the late F. R. O'Leary, C. E., functioning as the Humboldt County Surveyor, to survey and map the Atlas Group of Lode Mining Claims. A photographic copy of F. R. O'Leary's map accompanies these pages and the field notes of the same are available with the owner of the project; whose name and address is

Thomas Colby
111 West 4th Street
Winnemucca, Nevada

Tel. MA 3-2791.

When all the facts are considered, the thorough mineralization of the area prospected, the results obtained, the accessibility and location of the property encourages the writer's opinion that the ATLAS GROUP OF LODE MINING CLAIMS does offer an opportunity to develop a producing "Open Pit" Silver, Lead and Gold operation. Samples selected and tested yield an average mineral content of $9.00 per ton.

The factual data submitted on these pages will justify a thorough investigation by those who are seeking this character of investment.

Respectfully submitted,

W. Alexander Hutton

W. ALEXANDER HUTTON

Registered and licensed
Mining Engineer, No. 203
Member A.I.M.E.

THE EXCITING
EXECUTIVE
• CENTER •
✳ 1755 BROADWAY ✳
OAKLAND 12, CALIFORNIA
TEL: 834-7000 • CABLE CODE XC

L. Hesterman
80
Berkeley Calif.

Dear Mac,
Enclosed are map & report on Atlas
Mins. We already have the leases
signed as we're interested here.
Have also just about concluded our deal
on the Gabbs mill. Again I can't
go too far wrong in Today's market. This
is after I determined that the location of the
tungsten (people of which you saw) is about
70 miles from Gabbs - near Eureka, Nevada.
I'll wait to close the mill deal however
until the leases on the tungsten are signed
and we've had a chance to go in and

import. This should be in about three
weeks - it's still under snow.

We might see you next week,

Cordially,
Len Hetling