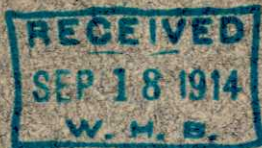


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ANNUAL REPORT

OF THE

TONOPAH MERGER MINING COMPANY

FOR THE FISCAL YEAR ENDING

APRIL 30, 1914

ANNUAL REPORT

of the

Tonopah Merger Mining Company

for the Fiscal Year Ending April 30, 1914

DIRECTORS

KEY PITTMAN

JOHN G. KIRCHEN

F. K. PITTMAN

E. A. JAMES

E. J. TRENWITH

P. S. BOOTH

OFFICERS

KEY PITTMAN	-	-	-	-	-	President
JOHN G. KIRCHEN	-	-	-	-	-	Vice-President
F. K. PITTMAN	-	-	-	-	-	Vice-President
P. S. BOOTH	-	-	-	-	-	Secretary and Treasurer

JOHN G. KIRCHEN, General Manager
Tonopah, Nevada

STOCK TRANSFER AGENTS AND REGISTRARS

Nevada First National Bank
TONOPAH, NEVADA

U. S. Corporation Company
36 NASSAU STREET, NEW YORK, N. Y.

REPORTS TO STOCKHOLDERS

of Tonopah Merger Mining Company.

September 1, 1914.

To the Stockholders of Tonopah Merger Mining Company:

I herewith submit for your consideration the report of Mr. John G. Kirchen, General Manager of Tonopah Merger Mining Company, for the fiscal year ending April 30, 1914.

A careful consideration of the report should convince you that your property has been steadily and rapidly increasing in value, and that it has been developed under the most intelligent and active management.

It will be noticed that the title of the property,—at least the most valuable portion of it,—is beyond dispute, as United States patents have issued and been delivered for the “Golden Anchor,” “Triplet,” “Black Mascot,” “Bobtail,” “Merger” and “Merger No. 1” mining claims, and United States Land Office Receivers’ Receipts (which are of the same force and effect as United States patents) have been received by the Company for the “Iceberg No. 2,” “Whip” and “Sky No. 3” claims.

The Company’s shaft is located on the “Black Mascot” claim, near the eastern end of the “Golden Anchor” claim and all of the veins so far developed are within the “Golden Anchor,” “Triplet” and “Black Mascot” claims. The ore zone north of these claims is protected by the other patented claims before mentioned and by the claims for which Receivers’ receipts have been issued.

The rumor to the effect that the title to some of the ore within your property was threatened by apex litigation, circulated and published by stock manipulators for the purpose of frightening stockholders into selling their stock at a sacrifice, is denounced as false and forever set at rest by the statement of Mr. Kirchen in his report.

Other false rumors and libels against the Company, circulated and published through the same sources, and apparently for the

same purpose, are also definitely and finally put at rest by Mr. Kirchen's report.

One of these rumors was to the effect that all of the treasury stock of the Company had been disposed of and that the Company possessed no assets with which to construct a mill. The report shows that there is unissued stock in the treasury amounting to 329,480 shares. This not only discloses that the Company has assets with which to build the mill, but also proves that the Company has performed all of its large development work since the first issue of treasury stock out of the profits derived from the ores in the mine.

Another one of these libels was to the effect that it was probable that the ore only went about \$10.00 a ton, and that the profits from mining such ore would not be sufficient with which to build a mill. The report shows that the average contents per ton of the ore mined was .27 of an ounce gold and 22.50 ounces silver, which at the market value of gold and silver at the time the report was made would be over \$19.00 per ton.

Attention is called to the fact that the report shows that the veins have constantly and rapidly improved in value with depth, the best showing in the mine being on the 1170 level. An ore shoot of 400 feet long, of an average value of \$20.00 per ton for a width of 10 feet, is most remarkable, and has been discovered in but few mines anywhere in the world.

The developments demonstrate the theory of Mr. Kirchen, to the effect that the veins would become larger and the ore improve, with depth. The development, as shown by the report, also substantiates the report made on the property by Dr. Walter P. Jenney, made to the Company in 1910. The drifts and raises, amounting to 4,455 feet, are all in ore. Compare this showing with the condition of the mine when Mr. Kirchen took charge in April, 1912. At that time there was only a shaft on the property to a depth of 850 feet, which had not reached ore.

The fact that the mine has paid all expenses from the profits on ores, is more remarkable when it is considered that nearly all of the ore has been taken out of drifts and raises, as few attempts have been made to stope or do other form of development than

blocking out of ore for future mining. Under date of May 2, 1914, in a letter addressed to Mr. Joseph G. Butler, Jr., of Youngstown, Ohio, at that time President of your Company, Mr. Kirchen, the General Manager, made the following statement:

"We are certainly developing some very large tonnages of ore in the Tonopah Merger, and it looks as if the Golden Anchor claim of this Company should produce quite a few millions of dollars."

This statement is made solely with regard to the Golden Anchor claim. Veins in the Golden Anchor dip to the north under the other patented mining claims owned by your Company, and there is good reason to believe that such claims will produce a large quantity of ore. Some of these veins also extend east of the shaft through the Black Mascot and Triplet claims.

The development of the mine during the last two or three months has been greatly retarded by reason of delay in obtaining the necessary pumping facilities to drain the mine. Such pumping facilities are now provided and in operation, and the mine is being rapidly drained through the shaft of the Victor Mining Company, which is north and west of the workings on your property.

Recent development work from the Victor shaft has added greatly to the probable extent and value of the ore bodies within your property.

The Company has been milling its ore at the Belmont mill at Millers, Nevada, under fairly reasonable charges and conditions, but there is no doubt that the cost of reduction of the ore could be greatly reduced if the Company were possessed of its own milling plant. Funds for the building of a plant could be raised either by the sale of treasury stock or by the issuance of bonds in the manner pursued so successfully by the Tonopah Extension Mining Company. The President of your Company favors the latter method. As it will naturally be a matter for determination by the Board of Directors, it will be carefully considered in the near future.

As President of your Compnay, and at all times the largest individual stockholder, I have felt it my duty to give you my construction of the report, and my views as to the condition and probable value of the property. I have been urged to this course particularly by reason of the fact that there have been and are now merciless and dishonest efforts being made to induce the stockholders to sacrifice their stock, and such efforts are being continued and there is danger of more or less success in such efforts at the present time by reason of the disturbed condition of the country owing to the European war and the closing of nearly all of our principal stock exchanges. The opening of the little San Francisco mining exchange, in opposition to the course being pursued by the great exchanges of the country, will offer a market for all sellers, but by reason of its local situation and scope will provide very few purchasers, with a natural consequence that every opportunity will be offered for bear movements, and all mining stocks will be hammered down to panic prices. This warning is given for the sole reason to protect you and to prevent you from aiding and becoming a party to such panic, and to give you the opportunity of averaging up upon your holdings should you believe from Mr. Kirchen's report that the stock has a greater value than the price at which you may be able to purchase it.

You are advised to have your stock transferred into your own name, so that it may not be subject to the manipulations of brokers nor involved with any of the liabilities of such brokers.

As important developments are expected in your property from the crosscuts being run into your property from the Victor, you will be advised by additional reports upon any unusual developments. It will be the policy of the Directors to have such reports issued at frequent intervals, and not more than sixty days apart.

Respectfully submitted,

KEY PITTMAN,
President.

TONOPAH MERGER MINING COMPANY.

Tonopah, Nevada, May 1, 1914.

To the President and Board of Directors, Tonopah Merger Mining Co.

Gentlemen: I submit herewith report of operations at your property, and the condition thereof at the end of fiscal year ending April 30, 1914.

PROPERTY OWNED BY COMPANY:

Patented Claims

Golden Anchor,
Triplet,
Black Mascot,

Bobtail,
Merger,
Merger No. 1.

United States Land Office Receivers' receipts have been issued for the following:

Iceberg No. 2,

Whip,

Sky No. 3.

The following are in process of patenting:

Sky,
Sky No. 2,
Limerick,

Limerick No. 2,
Salutation,
Midday Fraction.

Your Company has recently purchased the O. K. Fraction, which lies between the Golden Anchor claim and the Tonopah Extension Mining Company's Deming claim.

EQUIPMENT:

Since commencement of operations by your Company, the following equipment has been purchased and installed:

180 K. W. Transformers.

1 Electric Hoist operated by a 100 H. P. Motor.

1 Two Stage Air Compressor operated by a 100 H. P. Motor.

1 Completely equipped Blacksmith Shop.

1 Timber framing shed with equipment.

1 Sorting House and Ore Bin.

1 Aldrich quintuplex pump, capable of pumping 140 gallons

per minute against a head of 1,500 feet, and operated by a 75 H. P. Motor.

1 Aldrich triplex pump, capable of pumping 150 gallons per minute against a head of 1,000 feet, and operated by a 35 H. P. Motor.

1 Air driven sinking pump.

1 Electric Underground Hoist, operated by a 25 H. P. Motor.

1 Ventilating fan operated by a 5 H. P. Motor.

MINE:

At the commencement of operations by your Company, your shaft was 846 feet deep. This shaft has since been sunk to a depth of 1,185 feet.

The following development work has been done by your Company:

	SINKING	DRIFTS	CROSSCUTS	RAISES	TOTAL
Shaft	339	339
980 Level	40	316	230	440	1,026
1070 "	1,299	1,343	380	3,022
1170 "	80	1,270	1,078	750	3,178
Totals	459	2,885	2,651	1,570	7,565

980 LEVEL:

At a depth of 940 feet the Merger Vein was encountered in the shaft, showing at this point a width of 14 feet, and average values of about \$25.00 per ton. At a depth of 980 feet a level was established and a crosscut run north to the Merger Vein. A west drift was then run upon the vein, and continued in ore for a distance of 200 feet. Raises were put up from this drift, and prove the ore to extend about 100 feet on the dip of the vein above this level. On and above this level the ore shoot is ten feet wide, of good milling grade.

1070 LEVEL:

A second level was established at 1,070 feet, and a north crosscut run to the vein. East and west drifts from this cross-

cut proved an ore shoot 180 feet long and 10 feet wide, of milling grade. The west drift encountered a fault, and beyond this a second ore shoot 300 feet long, averaging \$10.00 per ton was found. This ore body is of great width, having been crosscut at one place for 50 feet.

A crosscut was run north from the Merger Vein to explore the trachyte formation supposed to lie south of the Mizpah Fault. After traversing the west end rhyolite the trachyte was encountered, and extended for 300 feet, when the crosscut encountered cap rock. This work disclosed several veins, carrying small values. Further prospecting of this trachyte belt will be done at greater depth, and there is a strong probability that this work will develop important ore bodies.

1170 LEVEL:

The vein was encountered in a north crosscut from the shaft, and the west drift developed an ore shoot 400 feet long, when a fault was encountered. This shoot is by far the best opened to date, averaging \$20.00 a ton across a width of 10 feet. Beyond this fault a second ore shoot has been developed for 100 feet. Near the end of the fiscal year a north crosscut from the end of the west drift encountered a new vein, with a west end rhyolite footwall and trachyte hanging wall. This vein shows average values of \$20.00 per ton across a width of six feet, and up to the date of this report has been drifted upon westward for 40 feet, maintaining the same width and values.

An incline shaft was started from this level, and sunk a distance of eighty feet, when it had to be temporarily stopped on account of the flow of water being more than the pumps could handle.

Further work below this level will be resumed when the pumps in the Tonopah Victor, adjoining your property on the north, lower the water level.

The vein should extend a further distance of at least 500 feet on its dip before leaving any part of your property, and there is every reason to believe that it will maintain or improve its average grade.

Formation correct

Probably the grade shoot they stopped over 15 ft. line & developed after date of report. Has a foot of high grade with 5 ft vein

SHIPMENTS:

Shipments of ore up to the date of this report were as follows:

Total tons shipped (net or dry weight).....	14,727.70
Total ounces gold contained in above.....	3,944.674
Total ounces silver contained in above.....	332,057.04

Average contents per ton:

Gold	0.27 ounces
Silver	22.50 "

Regarding the many rumors that have been circulated to the effect that the vein the Tonopah Merger is now working apexes in ground not belonging to your Company, and therefore the ore taken therefrom is not your property, I wish to state there is absolutely no foundation for such rumors. Neither has any neighboring company ever claimed anything to the contrary.

Respectfully submitted,

JOHN G. KIRCHEN,
General Manager.

*They stopped
into own
ground
after date
of report
so this
statement
is correct for
that time.*

TONOPAH MERGER MINING COMPANY.

PROFIT AND LOSS ACCOUNT.

FISCAL YEAR ENDING APRIL 30, 1914.

Sales of Ore	\$220,744.69
Less Sampling, Freight, and Treatment Charges.....	93,373.53
	<hr/> \$127,371.16

DEDUCT:

Operating Expenses:

Mining	\$91,248.74	
General and Administrative.....	10,625.35	
Patent Expenses	3,632.05	
Accidents and Damages	4,197.50	
	<hr/>	109,703.64
		<hr/>
		\$17,667.52
Add Miscellaneous Income		464.02
		<hr/>
Profit carried to Balance Sheet.....		\$18,131.54

BALANCE SHEET—APRIL 30, 1914.**FIXED:**

Mines and Mining Claims, Buildings, Machinery and Equipment	\$1,353,131.70
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CURRENT:

Accounts Receivable—for Ore.....	\$3,230.16	
Accounts Receivable—Miscellaneous ...	877.78	
		<u>4,107.94</u>
		<u>\$1,357,239.64</u>

LIABILITIES.**CAPITAL:**

Capital Stock—Authorized 1,500,000 shares—\$1.00 each	\$1,500,000.00
Less unissued	329,480.00
	<u>\$1,170,520.00</u>

CURRENT:

Notes Payable	\$10,000.00	
Accounts Payable	3,394.92	
Wages Payable	2,620.87	
		<u>16,015.79</u>

SURPLUS:

Balances—April 30, 1913	\$152,572.31	
Carried forward from Profit and Loss		
Account Annexed	18,131.54	
		<u>170,703.85</u>
		<u>\$1,357,239.64</u>

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J. S. AUSTIN, PRESIDENT.

C. A. HIGBEE, SECY AND TREAS.

W. H. BLACKBURN, SUPERINTENDENT.

W. W. CHARLES, COMPTROLLER

THE TONOPAH MINING COMPANY OF NEVADA

(254)-15

EASTERN OFFICE
572 BULLITT BUILDING, PHILADELPHIA, PA.

PLEASE ADDRESS ALL COMMUNICATIONS
TO THE COMPANY, TONOPAH, NEVADA

TONOPAH, NEVADA, Sept. 19, 1914

Mr. J. E. Spurr, Vice President,
The Tonopah Mining Co. of Nevada,
Philadelphia, Pennsylvania.

TONOPAH MINING CO. OF NEVADA	
MINING AND EXPLORATION DEPARTMENTS	
REC'D SEP 24 1914	
SEEN	
ANS'D	

Dear Sir:

Enclosed herewith find copy of Annual Report
of the Tonopah Merger Mining Company for the fiscal
year ending April 30, 1914.

It appears to us that the report is consider-
ably "fixed". Have made some marginal notations.

Yours truly,

W H Blackburn

WHB/S.

Superintendent.

ENCL.