Initials: HL

File Name: 41856

Commodity: Ag Au Pb

Country: USA

State/Province: IDAHO, NEVADA

County: BLAINE, ELKO, WHITE PINE

Project: ALADDIN, MINNIE MOORE, WARD

Date: 07/12/1945

Title/Subject: ALADDIN MINES COMPANY PROPERTIES; SUMMARY REPORTS, COMPARISON OF PROPERTIES,

Notes: Submittal and Registered letters

#____Oversize Doc(s) ___Y_Assay Data ____Log(s)

Map Scale:_____

T:_____

R:_____

S: _____

Copy to RTW 7-19-45

July 12, 1945

M E M O R A N D U M

PROPERTIES PRESENTED BY R. T. WALKER

Ward Mine, White Pine County, Nevada
Minnie Moore, Blaine County, Idaho
Aladdin or Bunker Hill, Elko County, Nevada

By J. B. Metcalfe and L. F. Paddison

Mr. R. T. Walker called at the Boston office July 10, 1945 and presented the above properties to Mr. N. W. Rice. (See Reports.)

The verbal agreement proposed by Mr. Walker, which is to be confirmed by a written statement, was as follows:

1. That any one of the three above-named properties be optioned to the Smelting Company provided the Smelting Company option to R. T. Walker in return the entire Mammoth mine under the same price and terms.

2. That the option provide an expenditure underground within a period of five years of $100,000., for which there will be deeded a 75% interest. At the same time the agreement will provide for an option on the remaining 25% for $250,000. This to be exercised within the five year period.

Of the above properties, the Ward and Aladdin mines are now under option to the Ethyl Corporation who, Mr. Walker stated, have discontinued development and will assign their options to the Newmont Corporation for reimbursement of expenditures to date. Mr. Walker has a verbal understanding with Mr. Searls that he may offer these properties in a swap for the Mammoth mine, but final negotiations must be with Newmont. Mr. Walker states he has purchased the Minnie Moore mine from Mr. Rockwell at a very small price and it is free from obligation.

Of the above three properties, Mr. Walker stated he felt that the Aladdin offered the least possibilities. The following is a brief description of the more important features pertaining to each of the above properties, as set forth in Mr. Walker's reports and verbal discussions.

With regard to the Mammoth District, Mr. Walker owns the Trinity Copper Company and stated he has located a large area adjacent thereto and south of the Mammoth claims. Mr. Walker stated he controls an area in extent similar to Mammoth. Mr. Walker might consider a deal including only a part of Mammoth holdings; however, this was not discussed.

Minnie Moore Mine:

The ore zone on the Minnie Moore vein has been worked from the surface for a rake length of 1400 feet. Average dip about 30°. The zone was about 800 feet wide, perhaps 5 or 6 feet thick (maximum 18 ft.) and about 40% of it has been stoped. It was interrupted by several faults in its downward course and finally terminated against a series of faults at a depth of about 1400 feet from the outcrop.

From incomplete records, Mr. Walker estimates that the mine produced (from 1880 to 1912) about 225,000 tons of ore with the following assay:

Au	.02 oz. per ton
Ag	27.12 ozs. " "
Pb	14.75%

He figures the net smelter return at ceiling prices of the above grade at $27.87 per ton; mining, milling and overhead costs of $10; leaving a profit before taxes of $17.87 per ton. At an operating rate of 150 tons per day or 55,000 tons per year, this would return an

annual profit (before taxes) of $982,500. A production of 55,000 tons would result from about a 340 foot dip length ~~at~~ of the ore zone.

The ore is mined out down to its termination by a series of faults 1400 feet from the outcrop.

From 1923 to 1927 the following parties spent about $750,000 in attempts to find the faulted continuation of the ore zone:

Federal Mining & Smelting Co.;
Boericke Brothers;
Chas V. Bob and J. P. Julian;
Minnie Moore Syndicate (United Verde Copper Co., Newmont Mng. Corp., and the Hecla Mng. Co.);
Chas. V. Bob and Potter.

The above exploration efforts were unsuccessful in finding commercial ore but did a fair job of eliminating areas down dip from the productive zone and to the right (west) looking down the dip.

In 1935 the last effort was made directed toward finding the faulted continuation if shifted to the left (east) as postulated by Mr. Walker. A long cross-cut was driven at about the elevation of the bottom workings of the mine from the Rockwell, a neighboring shaft, unconnected with the Minnie Moore workings. This effort was diverted from its original objective in order to explore an area indicated by geophysical means to be favorable and still leaves the area in which Mr. Walker believes the faulted segment lies unexplored. The crosscut provides access to the area that Walker considers favorable. He would extend the main X-cut about 300 feet to crosscut the faulted zone, and then drift westerly about 700 feet to connect with the bottom workings of the Minnie Moore. Diamond drilling would be done in this 700-foot drift to pick up the faulted continuation of the ore zone. Mr. Walker estimates the total cost for the unwatering, drifting and diamond drilling to be $100,000 to $150,000.

Factors favorable and unfavorable to Mr. Walker's plan are as follows:

Favorable:

1. From his data the evidence for a left hand (easterly) post-mineral offset seems good - but not conclusive. The total amount of movement, largely horizontal, of 1500 feet is acknowledged by Mr. Walker to be very approximate.

2. Areas in other directions - on dip and to the west - have now been reasonably thoroughly explored without success.

3. The ore if found is a good grade lead-silver ore and is tributary to Midvale. The mine is about 1 mile distant from the railroad.

Unfavorable:

1. About one million dollars has been expended - much of it by reliable concerns - in an unsuccessful attempt to find the faulted continuation.

2. Other authorities have not agreed with Mr. Walker's theory regarding the character of the fault movement that terminated the ore.

Fred Searls (according to Walker) thought the faults were pre-mineral and that some low grade mineralization they found beyond the fault zone represented impoverishment of the zone in depth.

Hewitt of the U.S.G.S. and others thought that the offset was in the opposite direction to that assumed by Mr. Walker.

3. Geological sections indicate that there is a good chance that the faulted segment may be largely or partly in quartz diorite instead of sediments as in the past. A change in formation may be unfavorable.

4. It is far from certain that the Minnie Moore vein could be identified from drill cores except where actual mineralization is encountered.

5. The immediate continuation of the ore zone - between the several - at least four, fault strands will be badly broken up.

6. If exploration is successful the mine will still be small.

General Comments:

The geological situation on this property has many similarities to the Mammoth mine. A productive flat dipping mineralized zone has in each case been followed down rake to some faults.

The faulting appears to be more complicated in the Minnie Moore mine but, perhaps, more susceptible to solution because of the presence of distinct rock types than is the case at Mammoth.

Ward Mine:

This property has been examined by the Company on different occasions. Mr. Hunt and his staff are fully informed by personal visits to the mine. The Ethyl Corporation has spent approximately $80,000, of which $20,000 was for the purchase and installation of equipment during their period of development since 1942 under the direction of Mr. Fred Searls Jr. The Ethyl option from the Colorado National Bank is for a price of $250,000, which I understand will be covered by the payment for the purchase of the quarter interest; however, this is not certain.

Mr. Walker stated the total production from the Ward mine figured under current metal prices would be worth nearly $5,000,000.

The known orebodies in the Ward mine consist of the Clay Chamber, Paymaster (Lyons), Good Luck, Defiance, Mammoth and Caroline,

all occurring in limestones except the Caroline which consists principally of a section of the Caroline Dike. Of these orebodies, the Paymaster (Lyons) and the Clay Chamber have had the main production from silicious ore carrying from 50 to 100 ozs. silver and from .15 to .4 ozs. gold. The Good Luck orebody containing base metals has been developed by several levels to a depth of about 500 feet. The Good Luck orebody is probably the largest orebody on the property, being about 285 feet long and 140 feet wide. 241 samples taken by Chase show an average grade of: Ag 4.2 ozs. and Pb. 8.4%. These three orebodies are completely oxidized. The first two have been mined down to the Ward fault, described by Mr. Walker as post-mineral. The high-grade portion of the Good Luck orebody has produced 2,121 tons of sorted ore. Mr. Walker assumes that a portion of this orebody extends down to the Ward fault.

The other named orebodies are not affected by the Ward fault. The Defiance orebody is opened by a short tunnel near its outcrop, where it is <u>completely oxidized</u> and it is said that 32 samples by Pratt averaged: Ag 3.4 ozs. and Pb 3.9%. The Lower Defiance tunnel has been driven to develop the down dip extension of this orebody to a depth of 450 feet below the Upper Defiance tunnel. Mr. Walker thinks the Lower Defiance tunnel has but a short distance to go to reach the orebody. Near its end some pyrite sphalerite and galena mineralization is found. An attractive feature is that only a limited amount of work is required to prove whether or not primary sulphide mineralization containing a commercial zinc content occurs at the Lower Defiance tunnel level; which Mr. Walker considers hopeful. This piece of work Mr. Walker considers should be the first objective. It would determine whether or not the oxidized surface showings will turn to sulphide

in depth and contain values in zinc.

In regard to the Good Luck orebody the important feature to determine is whether or not the footwall segment exists. If it does exist will its mineralization be oxidized? Mr. Walker prophesies a sulphide orebody. If so, Mr. Walker further predicts the grade of ore may be as follows:

Au .02; Ag 4.25; Pb 8.5%; Zn 10%.

Mr. Walker does not consider the Paymaster (Lyons) or Clay Chamber orebodies of sufficient size and extent to be of great importance when and if found in the footwall of the Ward fault.

Mr. Walker's conclusions with regard to the favorable possibilities in the Ward mine are based upon the assumption that the Ward fault is post-mineral. His reasons for this conclusion are:

1. The various strands making up this Ward fault contain fresh gouge.

2. Drag ore has been mined from between the fault strands of the Ward fault.

3. Primary mineralization does not exist along the fault strands.

Under Mr. Fred Searls Jr.'s direction the Ethyl Corporation has made an unsuccessful search for the footwall segment of the Clay Chamber and Paymaster (Lyons) orebody.

Aladdin Mine:

The Aladdin or Nevada Bunker Hill mine has a reported gross production of $3,000,000. from nearly vertical pipes in limestone adjacent and somewhat parallel to intrusive dikes but in no way associated with fissures. All of these pipes contained oxidized ore which was primarily silver and lead but contained some copper and zinc. The more important of these pipes have been mined down to a depth of about 500 feet below the surface.

The Davis tunnel has been driven for the purpose of developing the pipes at a depth of about 600 feet below their lowest mined portions. This tunnel has about 1000 feet further to go before this objective is reached.

Mr. Walker reports that he was unable to reach the bottom of any of these pipes, so has no firsthand knowledge of what remains in the mine. The past production indicates about 200 tons per foot of depth and should these pipes exist down to the Davis tunnel, the aggregate tonnage would be about 120,000 tons.

Mr. Walker has stated the property is not large and it is necessarily speculative. He agreed that it was less attractive than any of the other properties and would probably not be considered favorable in a trade for the Mammoth under his proposed arrangement.

John B. Metcalfe

J. B. Metcalfe.

L. F. Paddison.

JBM/LFP:LMY

July 11, 1945

The following maps and reports were left in this office by Mr. R. T. Walker on this date. They are to be forwarded to Salt Lake and then returned to Mr. Walker:-

Minnie Moore Maps.

Exhibit I - Cross-Section at N 33 E. 1"=200'
" C - Composite. 1"=100' 11/8/44
" D - Cross-Section. 1"=100'
" J - Surface Geology - 1"=200'
" A - Claim Map and Underground Workings - 1"=200'

Ward Mine Maps.

Exhibit F - Map of Principal Workings. 1"=100'
" G - Geological Sections 1"=100'
Geology of Workings of Mountain Pride Tunnel Level (262') and Good Luck Level (280') 1"=40

Aladdin Mine.

Longitudinal Section Along Davis Tunnel. 1"=200'

Also reports on each of the above properties:-

Aladdin Report - Oct. 21, 1942.
Minnie Moore - June 15, 1945.
Ward Mine - Jan. 25, 1942.

John B. Metcalfe

JBM:MHS

UNITED STATES SMELTING REFINING AND MINING COMPANY

OFFICE OF

DOWNIE D. MUIR, JR., 2ND VICE PRES. & GEN'L MGR.

SALT LAKE CITY, UTAH

RECEIVED
PRESIDENT'S OFFICE
U.S.S.R.&M.CO.
1928
DEC
31

December 27, 1928

Miss M. F. Kennedy,
Assistant to the President,
U. S. Smelting Refining & Mining Co.,
P. O. Box 385,
Boston, Mass.

Dear Miss Kennedy:

This will acknowledge and thank you for your letter of December with enclosed copy of correspondence on the Aladdin Mines Company, Elko County, Nevada.

Yours very truly,

D. D. Muir, Jr.

COPY

all originals filed Minnie Moore Mine Idaho #93

October 16, 1945.

Mr. R. T. Walker,
Box 917,
Leadville, Colorado.

Dear Mr. Walker:-

My absence from Boston has delayed my reply to your letter of September 20 regarding your proposal for exchange of options on our Mammoth property and your Minnie Moore Mine.

I regret to inform you that after a conference with our engineers we have decided not to avail ourselves of your proposal.

Thanking you for keeping us in mind and regretting my delay, I am,

Yours very truly,

(Sgd) M.H.Kuryla.

Vice President.

C O P Y

UNITED STATES SMELTING REFINING & MINING COMPANY

October 2nd, 1945.

Mr. M.H.Kuryla, Vice President,
U.S.Smelting Refining & Mining Co.,
P.O.Box 2137, Boston, Mass.

Dear Mr. Kuryla:-

RE: R.T.WALKER'S PROPOSALS REGARDING MINNIE MOORE.

Mr. R. T. Walker's proposal orally in Boston and in a letter of July 14, 1945, of a trade of his Minnie Moore mine, Blaine County, Idaho, for our Mammoth property in Shasta County, California, I do not consider a fair trade. Though certain possibilities may remain in the Minnie Moore, they are not sufficiently attractive to justify a large expenditure nor commensurate with the possibilities as at some future time they may appear to us in our Mammoth holdings. I therefore recommend that Mr. Walker's proposal be declined.

Mr. Walker offers alternatives of properties in Nevada instead of the Minnie Moore, but these properties are controlled by Newmont and I understand from Mr. Searls that he had not authorized Mr. Walker to make definite representations regarding them.

Yours very truly,

(Sgd) R.N.Hunt.

September 26, 1945

MEMORANDUM FOR MR. KURYLA

Referring to letter from R. T. Walker dated September 20, 1945, I talked to Mr. Hunt and told him you wanted a recommendation. He will write you today air mail. He said Walker's proposal would not be a fair trade.

Hunt said Fred Searls had told him (Hunt) Walker had no agreement with Fred Searls re the Ward Mine nor the Aladdin Mine in Nevada. Searls plans to send Milstein (the magnetometer man) to the Ward Mine.

Hunt said that the results Milstein had secured at Resurrection were interesting and before long Milstein would have a map prepared showing the results.

O. J. Egleston

OJE:HIB

C O P Y

WALKER AND WALKER
CONSULTING MINING GEOLOGISTS

Leadville, Colorado.
Box917,

Robert T. Walker
Woodville J. Walker
Ralph H. Thurston

September 20, 1945.

Mr. M.H.Kuryla, Vice-President,
U.S.Smelting Refining & Mining Co.,
Boston, Mass.

Dear Mr. Kuryla:-

Has a decision been reached relative to the proposal submitted some ten weeks ago, for an exchange, on identical terms, of options on the Mammoth mine, owned by the United States S. R. & M. Co. and on the Minnie Moore mine, owned by ourselves?

Very truly yours,

(Sgd) R.T.Walker.

C O P Y

July 19, 1945.

Mr. R. T. Walker,
Box 917,
Leadville, Colorado.

Dear R.T.:

This will acknowledge receipt of your letters of July 14, one to Mr. Rice and the other to us, both with reference to the discussion in Boston of the proposed exchange of an option on the Mammoth mine for a similar option on either the Minnie Moore, Ward or Aladdin mines. In your letter to me you have outlined, instead of an actual transfer of titles, a proposed plan for a long term lease which was only briefly discussed in Boston. We believe it best that this matter be referred to Dick so I am forwarding to him a copy of your letters for his consideration.

We have delayed forwarding all of the documents to Salt Lake until today. The maps have gone forward by express and your reports by mail; therefore, I suggest you delay calling Dick for an appointment until the information has been in his hands a few days.

Very truly yours,

(Sgd) L.F.Paddison.

C O P Y

WALKER AND WALKER
Consulting Mining Geologists

Robert T. Walker
Woodville J. Walker
Ralph H. Thurston

Box 917,
Leadville, Colorado.

July 14, 1945.

Mr. L. F. Paddison,
U. S. Smelting Refining & Mining Co.,
Boston, Mass.

Dear Paddy:-

Supplementing our discussion of the proposed exchange of an option on the Mammoth Mine for a similar option on either the Minnie Moore, Ward or Aladdin mines, as per enclosed copy of letter to Mr. Rice, I have been giving some thought to your suggestion of reciprocal leases, instead of actual transfer of titles; and, so far as I am concerned, I would be willing to consider long-term leases, - say, for twenty-five years, - with the other provisions substantially the same. For example, with respect to the Mammoth Mine, I would be given a five year option on a 25-year lease; and if and when I had expended $100,000 underground in the property within the five year period, the 25 year lease would immediately become effective, with the provision that all my past and future expenditures on the property would be refunded to me from first operating profits, and that subsequent operating profits would be divided in the proportion of 75% to myself and 25% to the U.S.Smelting Refining & Mining Co.; also that a 5 year option would be granted to me on the U. S. Smelting Refining & Mining Company's 25% interest in net operating profits, for the sum of $250,000, upon payment of which the entire net operating profits would belong to me. A similar option, of course, would be given on the Minnie Moore mine; but whether such an arrangement would be acceptable to Fred Searls, with respect to the Ward or Aladdin mine, is, of course, only for him to say. Such an arrangement, while giving the same practical results as the original proposal, would avoid actual alienation of title, which, in the case of Mammoth, the U.S.Smelting Refining & Mining Co. might be disinclined to consider; while it would also be a simpler proposition to put into execution, since an option to sell the Mammoth property would require approval of the Board of Directors of the U.S.Smelting Refining & Mining Co. while an option to lease would need, I presume, only the approval of the President of that corporation.

I have discussed a form of lease, providing for division of net operating profits between owner and lessee, after the lessee has been fully reimbursed for all expenditures on the property, because I believe that is the only form of lease applicable to this situation. The customary graduated royalty scale, based on net smelter returns, may be suitable for developed and equipped mines, but it is difficult to apply equitably to undeveloped and unequipped properties, like Mammoth and Minnie Moore in their present state, - particularly when the two properties are essentially dissimilar; Mammoth being a large-scale low-grade mine, requiring a large

initial capital investment, while Minnie Moore is a small, high-grade mine, needing a relatively small capital investment.

Ward and Minnie Moore compare, in my opinion, about as follows: The geological problem at Ward is simpler and can be more cheaply solved than at the Minnie Moore, while the Ward ore-bodies are the larger. On the other hand, the Minnie Moore ore is higher grade, with a much higher ratio of prospective net profit to gross value, so that it can be profitably operated under more adverse metal prices and economic conditions than Ward; while the products of the epithermal silver-lead ore of the Minnie Moore can be shipped 100% to Midvale, but of the products of the Ward hypothermal zinc-lead-copper ore, possibly not more than 25% may be suitable for shipment to Midvale.

Sincerely yours,

(Sgd) R.T.Walker.

C O P Y

WALKER AND WALKER
Consulting Mining Geologists

Box 917,
Leadville, Colorado.

July 14, 1945.

Mr. N.W.Rice, President,
U.S.Smelting Refining & Mining Co.,
75 Federal St., Boston, Mass.

Dear Mr. Rice:

Confirming our conversation of July 10th in your office, I propose a mutual exchange of options on identical terms, between the United States S. R. & M. Co. and myself, on the Mammoth Mine, Shasta Co., Calif. and the Minnie Moore Mine, Blaine County, Idaho, which latter I own in fee; and I suggest the following option terms:

A five year option on the Minnie Moore mine, for purposes of exploration, to be granted to the United States S. R. & M. Co.; a deed to a three quarters interest in the property to be placed in escrow, to be delivered to the United States S. R. & M. Co. if and when they complete the expenditure of $100,000 underground in the property, within the five year period; and a deed to the remaining one quarter interest to be placed in escrow, to be delivered to the U. S. S. R. & M. Co. if and when payment of $250,000 therefor is made to myself within the five year period. Upon acquiring a three quarters interest in the property, in the manner above provided for, the U. S. S. R. & M. Co. would be privileged to operate the property thenceforth - all expenditures by them for development, operation and equipment, together with exploration expenditures during the option period, being deductible by them from first operating profits, and subsequent operating profits to be distributed according to ownership.

A five year option on the Mammoth mine, for purposes of exploration, on exactly the same terms and conditions, to be granted to myself. The option terms are subject to change by mutual agreement, and I will be glad to consider any modification of these terms that may be proposed. The only indispensable condition is that the options shall be reciprocal and identical - the Minnie Moore mine not being for sale separately, - and that the consummation of either option is independent of the consummation of the other.

I have also suggested that, in case you are not interested in the Minnie Moore mine, a similar "swap" of the Mammoth mine for either the Word Mine, near Ely, Nevada, or the Aladdin Mine, near Elko, in the possession of which properties the Ethyl Corporation is being succeeded by the Newmont Mining Corporation, might be arranged; but any negotiations to this end would be directly and wholly between Mr. Fred Searls, Jr. and yourself.

Very truly yours,

(Sgd) R.T.Walker.

July 13, 1945

MEMORANDUM FOR MR. O. J. EGLESTON

Properties Presented by Mr. R. T. Walker

By L. F. Paddison

The attached memorandum dated July 12 by Mr. Metcalfe and me covers, without recommendations, the more important features of our discussion with Mr. R. T. Walker with regard to the Minnie Moore Mine in Idaho and the Ward and Aladdin mines in Nevada.

The memorandum is prepared with a view that it be forwarded to Mr. Hunt for his review, together with Mr. R. T. Walker's reports and maps on these mines. It is planned to forward Mr. Walker's reports and maps to Mr. Hunt by express next Tuesday.

As you know, Mr. Walker will go to Salt Lake and review the matter with Mr. Hunt after Mr. Hunt has had an opportunity to study all of this information. I presume Mr. Rice and you would like a recommendation from Mr. Hunt.

L. F. Paddison.

LFP:LMY

PRESIDENT'S OFFICE COPY

FILE
SECRETARY'S DEPT.

December 15, 1928

NOTED
SECRETARY'S DEPT.

Registered Letter

Mr. Donald C. Oliphant
19 West 44th Street
New York City.

Dear Sir:

Under date of December 5th our New York office advised that you were desirous of learning from us whether or not we were interested in the Aladdin Mines Company, located in Railroad Mining District, Elko County, Nevada, which you brought to the attention of our late Mr. Sidney J. Jennings, during October of this year.

We are today in receipt of advice from our Salt Lake City office stating that this property had previously been looked into by them, and it was decided at that time we would not be interested in the same. While our people are aware of the fact that there has been additional development work done since that time, they are still of the opinion that we would not be interested in looking into the propœition further.

In accordance with your request, I am returning to you herewith, by registered mail, original letter from Walter B. Cole to you, under date of October 17th, together with the

PRESIDENT'S OFFICE COPY

copy of preliminary report on this property by Mr. Cole, and thank you very much for calling the matter to our attention.

Yours very truly,

M. F. Kennedy
Assistant to the President.

MFK:AMR

Enclosures-2

(Registered Letter)

CC-Mr.Robertson
Mr.D.D.Muir,Jr.

ACCEPTANCE BOND
MADE IN U.S.A.

PRESIDENT'S OFFICE COPY

December 15, 1928

note secretary's dept.

Mr. D. D. Muir, Jr., Vice President
U. S. Smelting Refining & Mining Company
Newhouse Building
Salt Lake City, Utah

Dear Mr. Muir:

Permit me to thank you for your letter of December 10th, with which you enclosed letter from Walter B. Cole to Donald C. Oliphant, under date of October 17th, and report by Walter B. Cole, dated June 12, 1928 on the Aladdin Mines Company, Railroad Mining District, Elko County, Nevada, with the information that our Company is not interested in this property at the present time, and consequently it is in order for me to return the report and letter to Mr. Oliphant. This I am doing today.

Thank you for your kind attention to this matter.

Yours very truly,

M. F. Kennedy
Assistant to the President.

MFK:AMR

UNITED STATES SMELTING REFINING AND MINING COMPANY

OFFICE OF

DOWNIE D. MUIR, JR., 2ND VICE PRES. & GEN'L MGR.

SALT LAKE CITY, UTAH

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1928
DEC
14

December 10, 1928

Miss M. F. Kennedy,
Assistant to the President,
U. S. Smelting Refining & Mining Co.,
Boston, Mass.

Dear Miss Kennedy:

After considerable searching around and talking with various parties, I am inclined to believe that the Aladdin Mines Company, brought to Mr. Jennings' attention by Mr. Lebaw, is the old Bunker Hill mine.

Apparently the property was presented by Mr. Walter B. Cole of Ogden to Mr. Oliphant, from whom Mr. Oliphant is passing on reports. In going over Mr. Cole's report note the property consists of several claims, among others the following:

Tripoli
Mounted Ledge
Storm King
Bullion
Blue Sky
Portal Fraction

This property was examined by Mr. Paddison for the Exploration Company in 1924 who made rather an exhaustive report on same. The above claims are all listed in Mr. Paddison's report as the property of the Nevada Bunker Hill Mines Company. At that time it was presented to us at a price of $250,000. It is purely a development proposition and it is my understanding that in the interim considerable development was done from the 2,000 foot tunnel without results. So far as I can learn, the property is not of interest to us.

As I am not informed of Messrs. Oliphant or Lebaw's address, I return herewith all papers in connection with the matter

and would appreciate your returning same to the proper parties.

This letter is in reply to yours of December 6th and Mr. Jennings' of October 25th.

Yours very truly,

D. D. Muir Jr.

DDM-S

PRESIDENT'S OFFICE COPY

NOTED
SECRETARY'S DEPT.

December 7, 1928.

Miss A. G. Buggy,
U. S. Smelting Refining & Mining Company,
57 William Street, Room #1600,
New York, N. Y.

Dear Miss Buggy: PROPERTY RAILROAD MINING DISTRICT
ELKO COUNTY, NEVADA

Replying to your R-1294 of December 5th, I find that we have heard nothing from Mr. Muir in regard to these properties in reply to Mr. Jennings' letter of October 25th, so I have written out to Mr. Muir asking him to reply direct to Mr. Oliphant, or if he prefers to return the papers through this office, we will do so for him.

I will advise you as soon as I hear from Mr. Muir.

Yours very truly,

M. F. Kennedy
Assistant to the President

MFK:M

PRESIDENT'S OFFICE COPY

FILE
SUBJECT

NOTED
SECRETARY'S DEPT.

December 6, 1928.

Mr. D. D. Muir, Jr., Second Vice President,
U. S. Smelting Refining & Mining Company,
Newhouse Building, Salt Lake City, Utah

Dear Mr. Muir:

I have the attached letter of December 5th from our New York office on the subject of "Properties Railroad Mining District Elko County, Nevada" about which Mr. Jennings wrote you under date of October 25th.

We have no record here of receiving a reply from you to Mr. Jennings' letter of October 25th and assume you still have in your office the papers which he sent you with his letter. I find attached to the file copy of Mr. Jennings' letter the following:

> "Received from Mr. J.P. Lebaw letter dated October 17th with an enclosed report addressed to Mr. Donald C. Oliphant and signed by Mr. Walter B. Cole to be handed to him on request. In case of business resulting from investigation of this property a reasonable amount will be payable to Mr. Oliphant."

Will you please return the papers to Mr. Donald C. Oliphant advising him in the matter and if you think best also write Mr. Lebaw if he has not already been advised by you?

May we have copies of your correspondence to complete our files here?

If for any reason you would rather have the papers

returned by the Boston office we shall be glad, of course, to do so for you.

Yours very truly,

M. F. Kennedy
Assistant to the President

MFK:M

CABLE ADDRESS, "COSMELTUS"

TELEPHONE 6242 JOHN

UNITED STATES SMELTING REFINING & MINING COMPANY, INC.

SALES OFFICE

57 WILLIAM STREET

NEW YORK CITY, N. Y.

F. Y. ROBERTSON

VICE PRESIDENT AND MANAGER METAL SALES

RECEIVED
PRESIDENT'S OFFICE
U.S.S.R.&M.CO.
1928 DEC 6

December 5, 1928

R-1294

Miss M. F. Kennedy, Asst. to Pres.,
U.S.Smelting Refining & Mining Co.,
Box 385, Boston, Mass.

Dear Miss Kennedy:

PROPERTIES RAILROAD MINING DISTRICT
ELKO COUNTY, NEVADA

Referring to Mr. Jennings' letter to Mr. D. D. Muir, Jr., under date of October 25, 1928, in which he enclosed copy of a letter and report from Mr. Walter B. Cole on properties in the Railroad Mining District, Elko County, Nevada:

Mr. J. P. Lebaw called at the office this morning inquiring as to whether anything had developed in relation to this matter.

If you have heard anything from Mr. D. D. Muir, will you please advise Mr. Donald C. Oliphant at 19 West 44th Street, New York, N. Y., or if the company is not interested see that the reports are returned to Mr. Oliphant?

Yours very truly,

A. G. Bigg

AGB:DMP

COPY

UNITED STATES SMELTING REFINING & MINING CO., INC.

57 WILLIAM ST., NEW YORK

For Cole Properties
Railroad Mining Dist.
Elko Co., Nev.

October 25, 1928

NOTED
SECRETARY'S DEPT.

Mr. D. D. Muir, Jr., 2nd Vice Pres.,
U.S.Smelting Refining & Mining Co.,
920 Newhouse Building,
Salt Lake City, Utah

354

Dear Sir:

I beg to enclose a copy of a letter and report from Mr. Walter B. Cole, whose address is Eccles Building, Ogden, Utah.

We have no information on file here in the East concerning any of the properties mentioned by Mr. Cole in the Railroad Mining District, Elko County, Nevada. The report itself does not sound very attractive, although the possibilities of finding on the main tunnel level some new ore bodies can only be fairly judged by an inspection of the geology of the district. Possibly you may know something about the district that would warrant you making an examination. If so, please communicate direct with Mr. Walter B. Cole and arrange terms for an examination. Those suggested by Mr. Cole are clearly out of line.

This property was brought to my attention by Mr. Lebaw, who I think is known to Mr. Hardley. Mr. Lebaw is passing on reports for Mr. Oliphant and thought we might possibly be interested in this matter and obtained permission from Mr. Oliphant to bring it to our attention. Should any business result from this introduction a commission will be due to Mr. Oliphant; which

should be taken care of by Mr. Cole.

Should you not be interested in the property, please return reports and letter to this office so that I may return them to Mr. Oliphant.

I beg to remain,

Yours very truly,

VICE PRESIDENT

SJJ:DMP

ENC.

COPY

RECEIVED

UNITED STATES SMELTING REFINING & MINING CO., INC.

57 WILLIAM ST., NEW YORK

PRESIDENT'S OFFICE
U.S.S.R.&M.CO.
1928 OCT 25

For Boston

October 24, 1928

NOTED
SECRETARY'S DEPT.

Received from Mr. J. P. Læbaw letter dated October 17th with an enclosed report addressed to Mr. Donald C. Oliphant and signed by Mr. Walter B. Cole to be handed to him on request. In case of business resulting from investigation of this property a reasonable amount will be payable to Mr. Oliphant.

SJJ:DMP

copy to
DDMuirJr
original ret'd to
D.C.Oliphant 12-17-28

copy

WALTER B. COLE, E.M.
Consulting Engr.& Geologist
Eccles Building
Ogden, Utah

NOTED
SECRETARY'S DEPT.

Oct 17th, 1928

Mr. Donald C. Oliphant,
19th West 44th St.,
New York City, N.Y.

Dear Sir:-

In reply to your telegram of the 16th, I am inclosing a copy of my report on the property of the Aladdin Mines Company.

I am acting as Agent for this company and am in a position to make a deal with the first party who is agreeable. It may be well for you to consult with Mr. Rand a Mining Engineer in the office of the Attorney General at Albany and who has examined the property. This property is one which has unusually favorable possibilities, and I am sure that your clients engineers will find it even better than I have presented it. It is the best lead-silver property I have ever had anything to do with. We have been working the property since last Spring, and now I want to get financed before the winter sets in so that we can continue operations. The development work we are doing is toward an ore body, and should be only a short distance from it. Should we unexpectedly encounter this ore all deals may be called off, unless we have accepted a proposition before the papers have been signed.

The first proposition we have to offer is to sell 1,000,000 share for $100,000.00. For making this deal we will give you 200,000 shares.

The second deal will be to give your clients an option on 51% of the stock on the agreement that they will supply the finances to completely develop the property and put it on a dividend paying basis. The details of this deal will be worked out here if it is the one your clients decide on.

I have another exceptionally good property located at Tuscarora, Nev just 48 miles North of Elko. A geo-physical survey has just been completed on this ground, and the results of this survey show that we have a large ore body lying very near and parallel to one that produced $5,500,000.00. It is on the Grand Prize property, and I have tied it up on a very reasonable deal. As yet

I have not organized a company so it is open for a clean deal with the first party that comes along.

You will probably ask why this is such a good proposition. The answer is that the camp of Tuscarora is the first on the list of bonanza camps in North America. This will no doubt be a surprise to many, but nevertheless it is the fact. The ore produced from the mines in this camp was very rich in gold and silver. For example the Commonwealth mine produced 2,000 tons of ore which netted $4,400,000.00, and the Grand Prize had one mine car or one ton which netted $120,000.00 Every ore body mined in this camp was associated with iron sulphide, therefore since the geo-physical survey indicates a large sulphide deposit our only deduction is that we have one of those high grade deposits. It is larger than the deposit which was mined on the property, and which produced $5,500,000.00. The indicated depth is 230 feet. My opinion is that with $50,000.00 to $75,000.00 we can open this ore and put it on a paying basis. If we get two or three million out of it we will be in a position to take over other properties or retain the dividends as we may like. My idea is to sink two core drill holes and conclusively prove the ore then we will be fully warranted in spending the additional money. This drilling will cost about $3,500.00. You can readily see that this will be a very quick proposition for dividends, because the ore is so extremely high grade.

If you desire maps on either proposition I can send them. My idea is that you would send an engineer out if you decide to consider a deal so it would be better to have him take what maps he may desire.

Should you decide to consider either or both of the deals please wire me so that I will know your decision. Also please return the report on the Aladdin property if you are not interested.

Yours very truly,

signed- Walter B. Cole.